

Sustainability Report 2022

agsm aim



SUSTAINABILITY REPORT 2022

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

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Letter to stakeholders

Dear Stakeholders,

2022 featured a progressive consolidation path for AGSM AIM, with a view to continuous improvement, following the merger happened in 2021. The Group's performance is described in this Sustainability Report, which aims to provide an accurate and coordinated account of the results achieved.

The energy crisis further, exacerbated by the war between Russia and Ukraine, significantly affected the past year. Our Group has been working to manage the critical issues deriving from the extraordinary increase in energy component prices and the consequences for customers.

Important initiatives have been taken to protect the Group's customers, who are severely impacted by high energy prices: the possibility to pay bills in instalments has been provided and monthly billing was started in the winter months.

For the municipalities of Vicenza and Verona, cooperation with Caritas Diocesana was also started with the aim of supporting individuals and families struggling to pay their electricity, gas and district heating bills.

Thanks to the excellent results achieved during the 2021 financial year, exceeding the forecasts of the Business Plan, during the 2022 financial year dividends were paid to our Shareholders who promptly proceeded to allocate a portion of these to support the most fragile and needy categories of customers.

Our Group has also undertaken to guarantee customers the possibility of proceeding free of charge with the transition to offers based on the monthly gas

PSV index ("Punto di Scambio Virtuale" – i.e. Virtual Exchange Point). This commitment also translated into a significant strengthening of customer support activities by increasing the number of call centre operators, reorganising processes to speed up contractual procedures at desks, and enhancing the "InFace" video call assistant service and the "Fai da te" online area.

The goals of 2030 Agenda remain central to the strategy adopted by AGSM AIM, which it intends to pursue through the net zero strategy, through the efficient use of resources in all the processes, and by valuing its culture and employees.

In a particularly complex and dynamic scenario, AGSM AIM pursued the goal of contributing to the energy transition by increasing the share of energy generated from renewables and the coverage of energy needs at Group level, which will reach 450 MW of installed capacity at the end of the business plan. In this context, the news that the project for the construction of the Monte Giogo di Villore wind power plant in Tuscany, which is now in the execution phase, was definitively confirmed in 2022, is particularly significant.

AGSM AIM allocated significant resources to the decarbonisation of its reference territories, providing technological solutions and services with a view to energy efficiency and circular economy to citizens, businesses and public administrations. An important plan for electric mobility and the electrification of the territory was launched in 2022, which envisages the electrification of the company vehicle fleet, a plan to expand public recharging services by installing 300

points in the municipality of Verona and 150 points in the municipality of Vicenza by 2025, and, finally, a plan for mobility services for private individuals and businesses.

For 2023, AGSM AIM Smart Solutions envisages Euro 11 million in investments earmarked for new projects relating to the development of charging stations for a smart infrastructure in the areas served, energy efficiency and redevelopment activities in public buildings by analysing consumption and defining a continuous improvement plan, and energy efficiency measures in public lighting with the installation of smart lighting points (LEDs).

Another cornerstone of AGSM AIM's strategy is the development and adaptation of the distribution network infrastructure to handle the future energy mix and the increasing complexity of energy supply and demand systems. In 2023, the work done will enable the implementation of interventions aimed at reducing the environmental impact, improving service quality by reducing restoration times in the event of faults, increasing resilience to external stresses resulting from extreme weather conditions by making the network more reliable and enabling new innovative services by installing next-generation smart meters in the electricity sector.

Particular attention was paid to the Group's almost 2,400 employees, with the aim of fostering an inclusive culture and ensuring fair opportunities for professional growth and development. The introduction of flexibility policies (smart working, part-time work and flexible working time arrangements) has improved the work-life balance and increased the guarantee of equal opportunities for professional growth within the organisation. For the next three years, projects are planned to raise

awareness of DE&I, fostering a management culture focused on inclusion.

In 2022, the path already started and aimed at involving heterogeneous work groups of the corporate population to encourage the assimilation of corporate values and their transformation from ideas into actual behaviours and initiatives continued. Finally, great emphasis was placed on digitisation of human resources management and development process aimed at simplifying processes and making the experience that people working at our organization develop their careers, starting from personnel selection to termination, engaging and the administrative management of attendance and salary calculation.

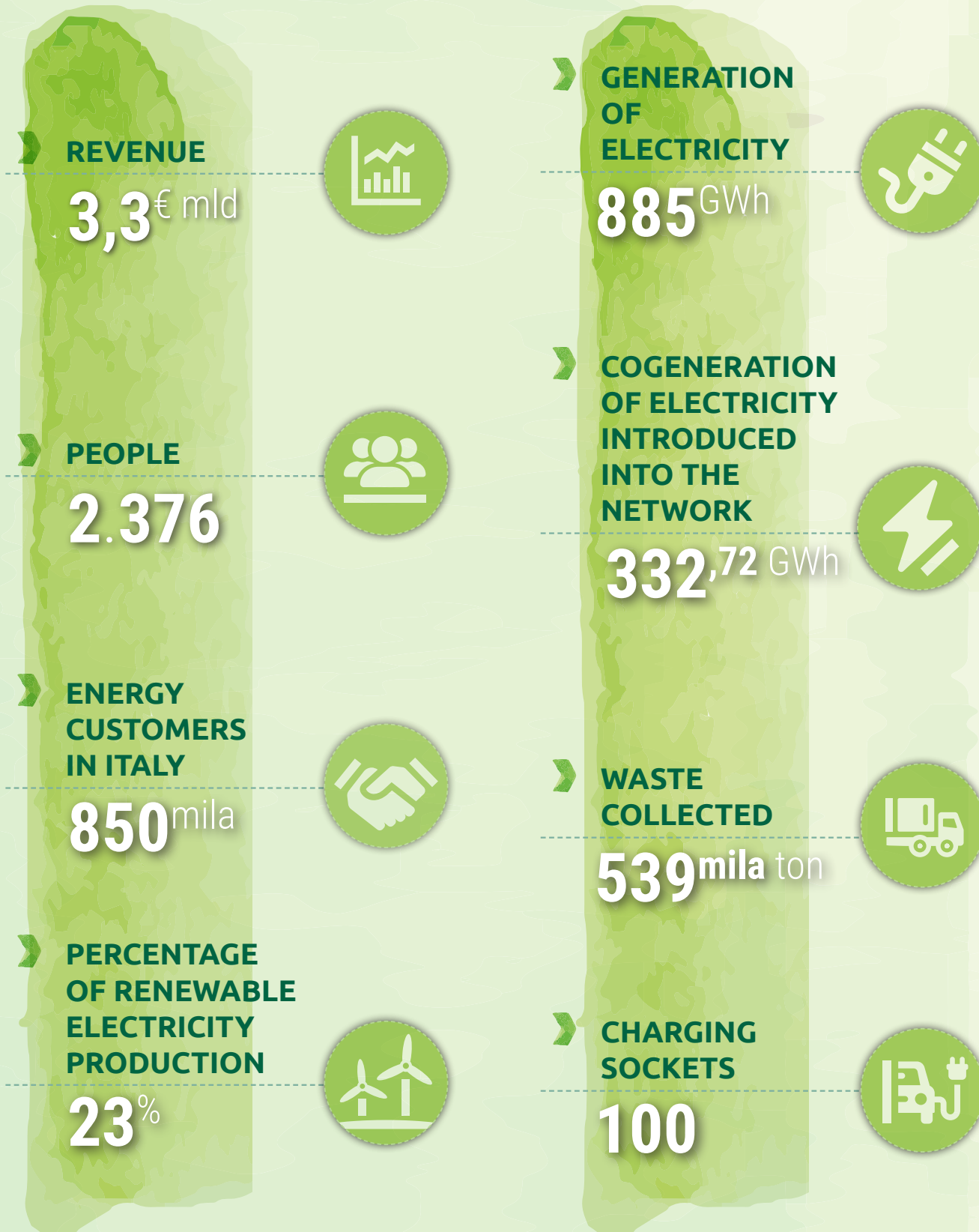
The Group's efficient management allowed us to achieve revenue of Euro 3.3 billion and EBITDA of Euro 185.4 million, an economic value generated and shared with all our stakeholders.

Heartfelt thanks go to all the people who work to ensure the success of AGSM AIM and who, in a year of particular economic and social difficulties, 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 CHIEF EXECUTIVE OFFICER STEFANO QUAGLINO



Highlights 2022









1. AGSM AIM Group

GRI 2-1

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

During 2022, the extraordinary corporate reorganisation process of the Group was finalised, leading to the formation of the new Business Units. Upon completion of the corporate simplification and streamlining activities, the aggregation of the companies operating in the waste collection, treatment and disposal sector will be completed in 2023. The AGSM AIM Group provides essential services and products with high added value for citizens and the development of companies, organisations and institutions in Italy. In addition, through its subsidiary EcoTirana, it offers waste collection and transport services in the capital of Albania. With revenue of Euro 3.3 billion, EBITDA of Euro 185.4 million, 2,376 employees and more than 850,808 customers served in the sale of electricity and gas, it is one of Italy’s leading multi-utility companies.

BUSINESS UNIT	
agsm aim Energia 	Sale and marketing of electricity, gas and heat to households and businesses.
agsm aim Smart Solutions 	Electric mobility services, public lighting, telecommunications, parking areas and car park management, energy efficiency solutions for buildings.
agsm aim Calore 	Production and distribution of heat in the municipalities of Verona and Vicenza through the district heating and geothermal network.
agsm aim Power 	Production of electricity from thermoelectric and cogeneration plants using renewable energy sources (hydroelectric, photovoltaic, wind)
agsm aim Ambiente 	Oversees the entire waste management cycle, from collection to treatment, recovery and disposal.
v-reti 	Electricity and gas distribution and network management in the municipalities of Verona and Vicenza and some neighbouring municipalities.

It provides essential services and products with high added value for the citizen and the development of companies, organisations and institutions in the territory.

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

faced by the public utility service sector.

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

1.1 NON-FINANCIAL REPORTING SCOPE

GRI 2-1; 2-3

The 2022 Consolidated Non-financial Statement (hereinafter also “CNFS” or “Statement”) includes within its scope the companies consolidated

on a line-by-line basis in the Consolidated Financial Statements, which are considered significant for the Group’s business.

COMPANIES CONSOLIDATED					
1	2V ENERGY S.R.L.	8	AGSM HOLDING ALBANIA SHA	15	S.I.T. SOCIETÀ IGIENE TERRITORIO S.P.A.
2	AGSM AIM AMBIENTE S.R.L.	9	AMIA VERONA S.P.A.	16	SER.I.T. S.R.L.
3	AGSM AIM CALORE S.R.L.	10	COGASPIÙ ENERGIE S.R.L.	17	SOCIETÀ INTERCOMUNALE AMBIENTE S.R.L.
4	AGSM AIM ENERGIA S.P.A.	11	CONSORZIO CANALE INDUSTRIALE G. CAMUZZONI DI VERONA S.C.A.R.L.	18	TRANSECO S.R.L.
5	AGSM AIM POWER S.R.L.	12	ECOTIRANA SH.A.	19	TREV AMBIENTE S.R.L.
6	AGSM AIM S.P.A.	13	PARCO EOLICO CARPINACCIO S.R.L.	20	VALORE AMBIENTE S.R.L.
7	AGSM AIM SMART SOLUTIONS S.R.L.	14	PARCO EOLICO RIPARBELLA S.R.L.	21	V-RETI S.P.A.

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

Each of the companies within the reporting scope presents, in different ways, information relating

to environmental, social, personnel, human rights and anti-corruption issues, which is useful to better understand business performance, its results and, above all, the Group’s impact on these issues.

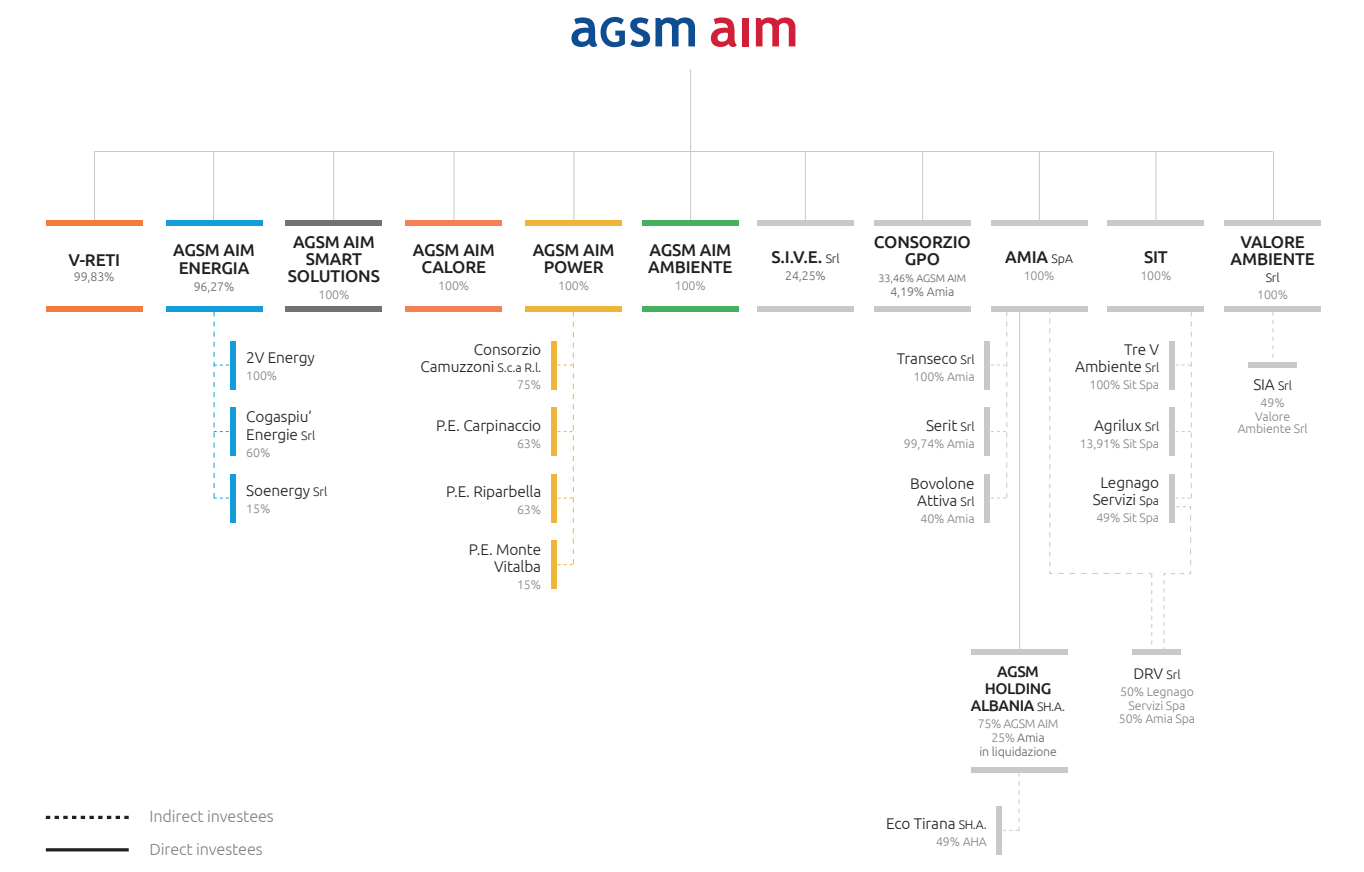


Figure 1 – Scope of the 2022 Consolidated Financial Statements.

The following companies are excluded from the scope of the Consolidated Financial Statements and, consequently, from the reporting scope of this

CNFS, due to their small percentage shareholding and/or the fact that the Parent Company does not exercise management and coordination activities:

UNCONSOLIDATED COMPANIES		
1	AGRILUX S.R.L.	
2	BOVOLONE ATTIVITÀ S.R.L.	
3	CONSORZIO GPO	
4	DRV S.R.L.	
5	LEGNAGO SERVIZI S.P.A.	
6	PARCO EOLICO MONTE VITALBA S.R.L.	
7	SOENERGY S.R.L.	
8	SIVE S.R.L.	

2. 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 customers and people;



DEVELOPMENT

Be agile and flexible, for the continuous improvement of the company;



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.

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

To develop its activities, the Company embraces every new opportunity with courage, with the aim of pursuing the result with perseverance, passion and attention to the quality of the services offered. In pursuit of its Mission, the AGSM AIM Group has adopted its Code of Ethics, which sets out the general principles and rules of conduct that the Group is inspired by when conducting its business.

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

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

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

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

The consolidated objective to be pursued by the Group has become "to improve the quality of life of people and create value for the territories, build a better future by promoting innovation, development and sustainability."

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

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 2025.

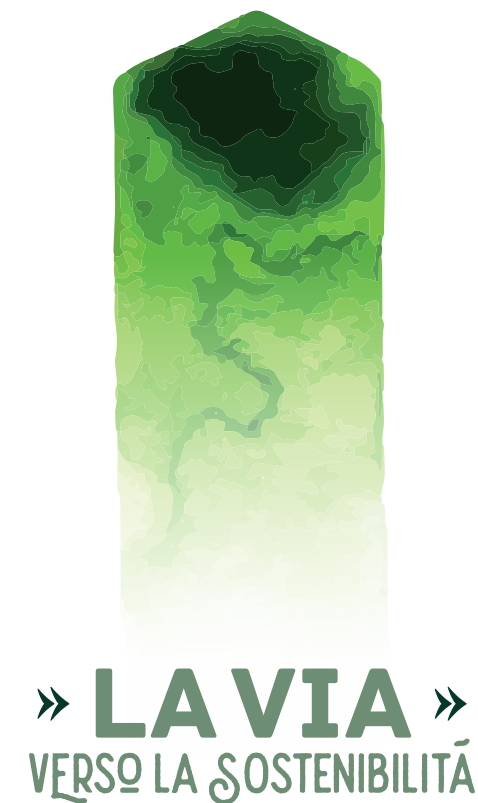
THE IDENTIFIED STRATEGIC APPROACHES ARE:

- **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 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.



3. The Path to sustainability

GRI 2-22



The Sustainable Development Goals (SDGs) of the 2030 Agenda and the extraordinary challenges arising from energy transition have heightened the awareness of sustainable development, which 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. Sustainability is the guiding star for our Group's future development which, in its 2022-2025 Business Plan, envisages most of the Euro 600 million in investments being allocated to projects aimed at supporting the transformation strides envisaged for the sector, in regard to green and digital transitions, circular transformation and decarbonisation.

The Group is aware that sustainability is not a precise objective but a process, which it 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.

The Group bases its activities on the ten principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. In 2022, 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 ba-

sis, whereby it maintains a transparency relationship with the Global Compact and its stakeholders, reporting its contribution to the dissemination and observance of the ten fundamental principles.

WHAT IS REQUIRED OF COMPANIES THAT JOIN THE GLOBAL COMPACT	
HUMAN RIGHTS	<div>1. Businesses should support and respect the protection of internationally proclaimed human rights within their respective spheres of influence.</div> <div>2. Businesses should make sure that they are not, albeit indirectly, complicit in human rights abuses.</div>
LABOUR	<div>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</div> <div>4. Businesses should support the elimination of all forms of forced and compulsory labour</div> <div>5. Businesses should support the effective abolition of child labour</div> <div>6. Businesses should support the elimination of discrimination in respect of employment and occupation</div>
ENVIRONMENT	<div>7. Businesses should support a precautionary approach to environmental challenges;</div> <div>8. Businesses should undertake initiatives to promote greater environmental responsibility;</div> <div>9. Businesses should encourage the development and diffusion of environmentally friendly technologies</div>
ANTI-CORRUPTION	<div>10. Businesses should work against corruption in all its forms, including extortion and bribery</div>

Table 1 - Ten principles of the United Nations Global Compact (UNGC)

Attached herewith is the concordance table between the ten fundamental principles and the actions of the AGSM AIM Group in pursuit of said principles.



3.1 2030 AGENDA: AGSM AIM GROUP COMMITMENTS FOR SUSTAINABLE GROWTH

On 25 September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, signed by the governments of 193 UN member states, within which the 17 Sustainable Development Goals (SDGs) are presented. The goals of the 2030 Agenda, set out in 169 targets to be achieved by 2030, aim to address a wide range of issues relating to the socio-economic development and environmental protection of the planet. AGSM AIM has decided to make its own contribution to achieving these goals: in declaring its charter of commitments for the coming years, AGSM

AIM has chosen to link its actions with the SDGs most akin to its core business and strategic lines of action. The strategies and actions envisaged in the AGSM AIM Group’s Business Plan are aimed at sustainability and traced back to 10 of the 17 SDGs. During 2022, AGSM AIM started defining its Sustainability Plan in order to represent the organisation’s strategic vision in an organic and integrated manner, combining business growth and economic-financial performance with environmental and social sustainability, so as to enable the creation of value and sustainable success in the long term.

1NO
POVERTY

2NO
HUNGER

3GOOD
HEALTH

4QUALITY
EDUCATION

5GENDER
EQUALITY

6CLEAN WATER
AND SANITATION

7CLEAN
ENERGY

8GOOD JOBS AND
ECONOMIC GROWTH

9INNOVATION AND
INFRASTRUCTURE

10REDUCED
INEQUALITIES

11SUSTAINABLE CITIES
AND COMMUNITIES

12RESPONSIBLE
CONSUMPTION

13PROTECT THE
PLANET

14LIFE BELOW
WATER

15LIFE
ON LAND

16PEACE AND
JUSTICE

17PARTNERSHIPS
FOR THE GOALS

SUSTAINABLE
DEVELOPMENT

GOALS

NRRP

Important new opportunities for development and investment

To limit the impacts of the crisis due to the health emergency, the European Union launched the Next Generation EU (NG-EU) programme, later organised in the National Recovery and Resilience Plan (NRRP), which includes investments and reforms to accelerate the country's ecological and digital transition.

The NRRP represents an opportunity for the AGSM AIM Group to develop on a path of sustainable economic growth.

As part of the NRRP's investment lines dedicated to circular economy "flagship" projects, the AGSM AIM Group was awarded a share of funds made available by the Italian Ministry of Environment and Energy Security (MASE). They were invested in a project to build a new waste treatment plant in order to maximise recovery and recycling. The treatment for sorting and recovery at the new plant will be based on a single, largely automated system, which will make it possible to:

- treat the recyclable dry fractions of MSW by processing waste from one treatment process in other processes, using waste from sorting paper and cardboard waste in the residual dry waste treatment line;
- achieve maximum recovery of recyclable materials in waste, obtaining "by-products" that can be exploited industrially as "secondary materials";
- obtain easy-to-place products that can take advantage of the best market conditions;
- enhance the provincial plant system.

At the Ca' del Bue plant in Verona, AGSM AIM will build a platform capable of providing concrete medium- to long-term answers to the growing demand for reusing the resources inherent in waste, with the additional aim of minimising both the use of landfill disposal and the environmental impact of the resulting waste.

4. The Stakeholders

GRI 2-29

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

AGSM AIM has always paid great attention to relations with its stakeholders. Building a relationship of mutual trust with the Group's stakeholders starts from considering their interests and their compatibility with those of the organisation. Stakeholder engagement activity is continuous and is carried out both through established practices (customer satisfaction surveys, meetings with employees, etc.) and when fulfilling statutory obligations (e.g. shareholders' meetings, discussions with trade unions, etc.). 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 listening and dialogue, which is 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.



4.1 STAKEHOLDER MAPPING

GRI 2-29

In defining the stakeholder mapping, each category of the company’s main stakeholders was analysed and the most significant impacts for each of them in the engagement activity were assessed.

STAKEHOLDER	CATEGORIES	KEY TOPICS	IMPACTS AND RELATIONS
PEOPLE	Training, involvement of people, focus on diversity and inclusion, well-being of people and organisational well-being, focus on occupational safety.	Stability, working environment, training, remuneration, incentives, skills enhancement, welfare, work/life balance, equal opportunities, occupational health and safety, internal communication, diversity and inclusion.	Training, involvement of people, focus on diversity and inclusion, well-being of people and organisational well-being, focus on occupational safety.
CUSTOMERS	Domestic and small/medium/large business customers Public Administration Consumer associations	Quality of service provided, competitive rates, contract clarity and 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: Municipality of Verona Municipality of Vicenza	Dividends, history, protection, relations.	Transparent and continuous relationship, updates on operating performance, enhancement of the territory.
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, services and processing	Continuity of the relationship, selection and qualification process, quality and security, payment terms, supply chain management, transparent communication, contractual conditions	Contract management, worker health and safety, environmental compliance, green procurement, circular economy
AUTHORITIES AND INSTITUTIONS	Local authorities, governments, regulatory authorities and bodies	Transparent communication, compliance with the law, compliance, integrity and fairness in relations, privacy and data protection.	Provision of regulated public services. Inspections and penalties.
COMMUNITY AND TERRITORY	Local and trade associations, media, citizens.	Investments and support for local initiatives, transparent communication, social responsibility, attention to the territory, dialogue and involvement, and value creation for the area.	Smart cities, energy communities, energy efficiency, innovation projects, smart mobility, technological evolution of services, collaborations, active sponsorships.

Table 2 – Stakeholder Mapping.

5. Materiality analysis

GRI 3-3

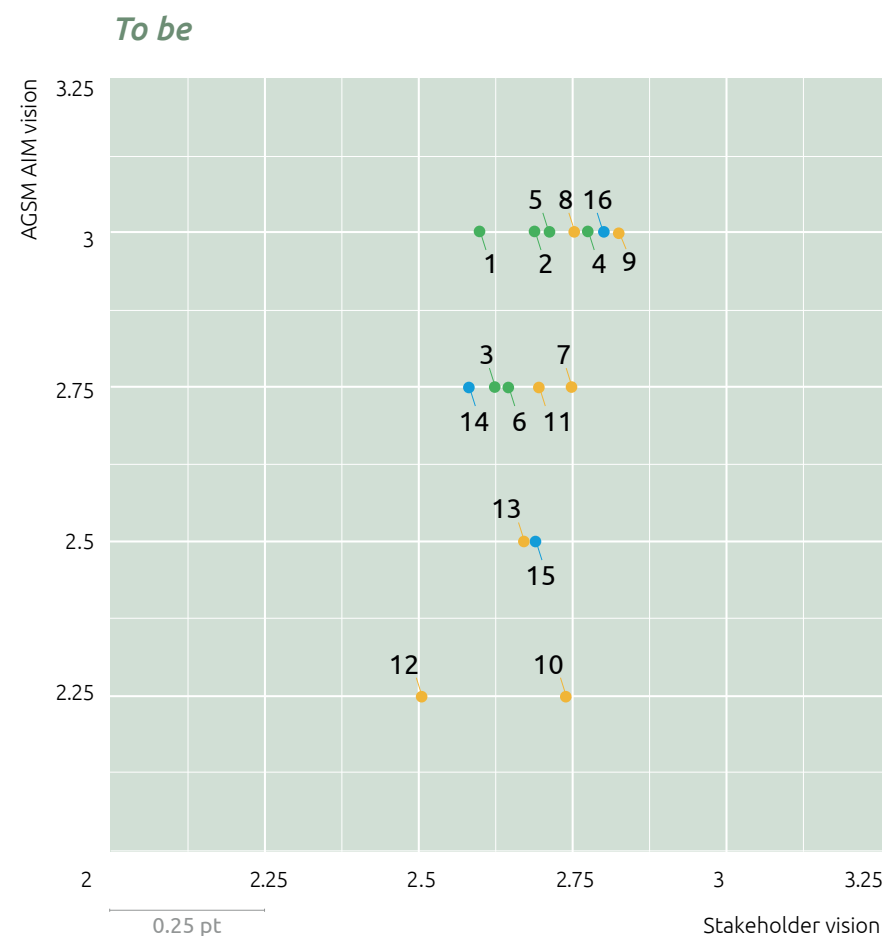
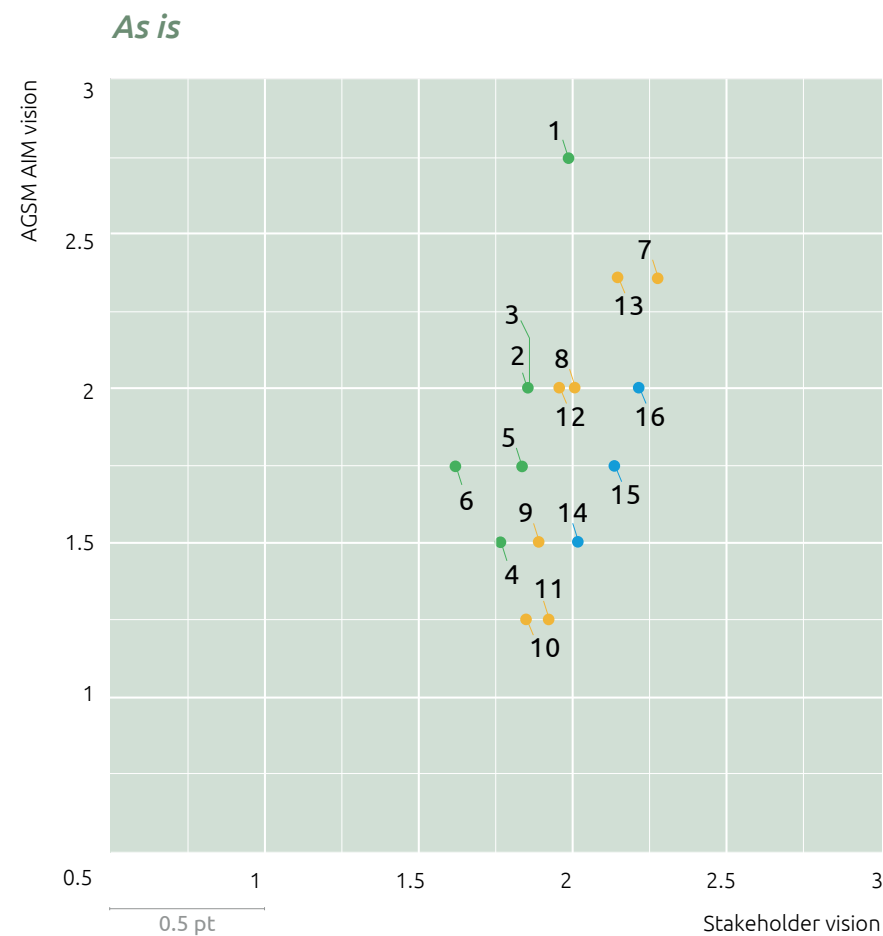
The tool for launching the process of the “The Path to sustainability” is the Materiality Analysis carried out, where materiality means the importance and relevance of an issue for the organisation and its stakeholders.

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. 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). The Group has defined its path to define the materiality analysis, which began during 2021 with the launch of a series of online surveys involving the main stakeholders - including customers, credit institutions, suppliers, shareholders and employees - for a total of over 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. For the 2022 financial year, the company management decided to confirm the material topics that emerged from the analyses carried out during the previous financial year, with the commitment to update them and continue the stakeholder engagement process also during 2023

by scheduling further specific analyses, benchmarks and surveys with reference stakeholders in compliance with the GRI Standards (GRI 3 - Material Topics 2021) and with the new requirements introduced by the Corporate Sustainability Reporting Directive (CSRD) and the Exposure Drafts of the European Sustainability Reporting Standards (ESRS) made available by EFRAG (European Financial Reporting Advisory Group). 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. The aspects were clustered into thematic macro-areas for a clearer representation of the priority areas.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none">■ use of renewable sources■ containment of emissions■ protection of the territory■ energy efficiency■ circular economy■ electric mobility	<ul style="list-style-type: none">■ occupational health and safety■ protection of the customer■ optimisation of human capital, equal opportunities and corporate welfare■ sustainability and security in the supply chain■ resilience and adaptation to innovation■ development of initiatives and creation of value for the territory■ emergency management	<ul style="list-style-type: none">■ economic and financial performance■ integrity and transparency in business development■ ethics and fight against corruption

Table 3 - List of material topics



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

5.1 MANAGEMENT OF MATERIAL TOPICS

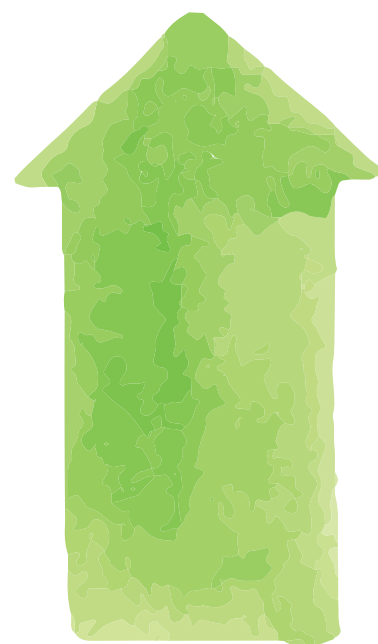
In line with GRI Standards 2021 (GRI 3-3), for each material topic, which emerged during the materiality analysis, the potential and actual positive and negative impacts generated by the AGSM AIM Group on the economy, environment and people, including human rights, are presented below.

As synthetically illustrated in the table below, each material topic was analysed in order to understand and deepen their actual and potential positive and negative impacts on the economy, environment and people.

Impact on ENVIRONMENT			
USE OF RENEWABLE SOURCES	The Group's activities contribute to reducing the impact on climate change by progressively increasing the installed capacity to produce electricity from renewable sources both through new plants (wind and photovoltaic) and through the efficiency enhancement of existing ones (hydroelectric).	Actual positive impact	Policy and management systems: Code of Ethics ISO 14001 - Environmental Management System Commitments and actions taken: The Group is committed to ensuring its contribution to the energy transition, and the Business Plan envisages the installation of renewable electricity generation plants with more than 45 MWh of power by the end of 2025. In addition, scouting activities are underway to identify sites where new renewable energy plants (mainly wind and photovoltaic) can be built and to start the authorisation process. Monitoring and KPIs: Managing and monitoring of this material topic is described in paragraph no. 10.1 "Electricity generation". SDGs: GOAL 7 "Affordable and clean energy"
CONTAINMENT OF EMISSIONS	The business activities carried out by the Group produce climate-changing emissions that have a direct impact on climate change and thus on the territory to be protected, particularly with regard to the electricity production at gas-fired thermo-electric power plants, heat production for district heating networks, gas sold and/or distributed, and waste collection and treatment.	Actual positive and negative impact	Policy and management systems: Code of Ethics ISO 14001 - Environmental Management System Commitments and actions taken: The Group is actively engaged in ensuring: <ul style="list-style-type: none"> - routine and extraordinary maintenance programmes of its facilities to guarantee maximum operating efficiency; - the gradual replacement of the company car/vehicle fleet with new electric and/or hybrid powered vehicles; - energy efficiency enhancement at operating sites and production facilities in order to reduce energy consumption and related emissions; - district heating systems always combined with high-efficiency cogeneration plants (also using geothermal energy sources) to produce electricity, benefiting from the economies of scale resulting from the production and distribution of heat to our customers.
PROTECTION OF THE TERRITORY	Energy production from renewable sources helps to reduce the impact of customer consumption by reducing the effects of climate change and on the land to be protected.		Monitoring and KPIs: GRI 304 "Biodiversity" GRI 305 "Emissions" SDGs: 11 "Sustainable Cities and Communities" and 13 "Climate Action"

ENERGY EFFICIENCY	By implementing energy efficiency projects both at the Group's plants and sites and for the benefit of our customers, we can reduce the effects of climate change.	Actual positive impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>ISO 14001 - Environmental Management System</p> <p>Commitments and actions taken:</p> <p>The Group is actively engaged in defining and implementing energy efficiency plans both at our and customers' operating sites/production plants (e.g. redevelopment activities in public buildings, public lighting, etc.).</p> <p>Communication campaigns to promote responsible customer behaviour in energy and gas consumption are also developed and publicised.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 10.4 "Smart Services"</p> <p>SDGs: 11 "Sustainable Cities and Communities" and 13 "Climate Action"</p>
CIRCULAR ECONOMY	<p>The environmental health services provided by the Group through the sorted waste collection in the territory and the treatment of waste carried out by the Environment Business Unit can positively affect the consumption of natural resources. They encourage the reuse of "secondary raw materials" in production cycles and make it possible to positively contribute to reducing the natural resources used.</p> <p>The Group's procurement process of goods can have a negative impact if it is carried out without respecting the principles of environmental and social sustainability.</p>	Potential positive and negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>ISO 14001 - Environmental Management System</p> <p>Commitments and actions taken:</p> <p>The Group is committed to promoting the development of the circular economy through:</p> <ul style="list-style-type: none"> - sorted waste collection in the territory; - increasing the recovery of recyclable materials in waste by obtaining "secondary raw materials" that can be exploited at an industrial level; - research and development of relationships and partnerships with local authorities to encourage collaboration in order to concentrate treatment plants while minimising transport and improving the quality and efficiency of the process. <p>At the Group level, a procurement process for goods, services and processes is defined and implemented. It prioritises, where possible, compliance with the principles of environmental and social sustainability (e.g. careful selection and contracting of suppliers and recyclable/reusable goods).</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 10.5 "Environmental Services"</p> <p>SDGs: 12 "Responsible consumption and production"</p>
ELECTRIC MOBILITY	Developing and promoting electric vehicle recharging systems contributes to the ecological transition and the reduction of the impact on climate change through a decrease in greenhouse gas emissions and an improvement in local air quality, as well as a reduction in noise pollution.	Potential positive and negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>ISO 14001 - Environmental Management System</p> <p>Commitments and actions taken:</p> <p>The Group is committed to gradually replacing the corporate fleet with electrically powered cars and vehicles, with the aim of replacing 270 vehicles fitted with combustion engines with as many EVs by the end of 2025.</p> <p>For the benefit of the area where the Group operates, the Business Plan envisages the construction of 450 charging points during the three-year period 2023-2025.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 10.4.1 "Electric Mobility"</p> <p>SDGs: 11 "Sustainable cities and communities"</p>

Impacts on SOCIAL CONTEXT and HUMAN RIGHTS			
OCCUPATIONAL HEALTH AND SAFETY	During the Group's own operational activities, occupational accidents may occur with negative impacts on the health of persons working directly for the Group or indirectly for our suppliers.	Potential negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>ISO 45001 - Occupational Health and Safety Management System</p> <p>Organisational Model pursuant to Legislative Decree 231/01</p> <p>Risk Assessment Document (DVR)</p> <p>Interference Risk Assessment Document (DUVRI)</p> <p>Operating procedure: PO.109 "Emergency preparedness and response"</p> <p>Commitments and actions taken:</p> <p>The Group promotes health and safety in the workplace through training/information and prevention initiatives aimed at reducing accidents and improving working conditions through a safer and healthier workplace for people working directly or indirectly for the Group.</p> <p>Monitoring and KPIs:</p> <p>GRI 403 "Occupational Health and Safety"</p> <p>SDGs: GOAL 8 "Decent Work and Economic Growth"</p>
EMERGENCY MANAGEMENT			
PROTECTION OF THE CUSTOMER	The current macroeconomic environment has contributed to a high volatility of natural gas, electricity and heat prices, which has consequently generated higher bills for energy customers.	Actual negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Services Charter</p> <p>Commitments and actions taken:</p> <p>The Group is committed to strengthening the relationship with its customers by promoting the following initiatives:</p> <ul style="list-style-type: none"> - reorganisation of processes between front and back office to speed up contractual procedures at desks; - enhancement of the "InFace" video call assistant service, available on the sites; - increased availability of call centre operators; - improvement of the "Fai da te" online area to provide a better view of the progress of requests; - instalment facility for bills, also directly in the Customer Area, by granting a higher number of instalments than provided for by law. <p>In view of the high volatility and growing trend of commodity prices, the Group also deemed it appropriate to change the frequency of consumption billing during the cold season from bimonthly to monthly, in order to enable customers to monitor their consumption and spending in a timely manner through more frequent billing and, consequently, a reduction in the individual amounts to be paid.</p> <p>The Group is also committed to developing and proposing to its customers competitive offers compared to competitors operating on the market and capable of ensuring effective savings on consumers' energy budgets.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 9.5 "Customers"</p>



OPTIMISATION OF HUMAN CAPITAL, EQUAL OPPORTUNITIES AND CORPORATE WELFARE	The working environment and the well-being of employees have a direct potential impact on the performance of the company's operational processes and the ability to guarantee quality service to customers. For example, the presence or absence of policies aimed at optimising human capital could have a positive or negative impact on company results.	Potential positive and negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Commitments and actions taken:</p> <p>The Group intends to promote a safe, inclusive and engaging working environment based on people's involvement through flexibility policies that allow for work-life balance and training programmes to promote skills development.</p> <p>The Group also sets itself the goal of activating programmes related to Diversity, Equity & Inclusion with the aim of encouraging an inclusive culture, guaranteeing fair opportunities for professional and personal growth and development.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 9.1 "People"</p> <p>SDGs: GOAL 8 "Decent Work and Economic Growth"</p>
SUSTAINABILITY AND SECURITY IN THE SUPPLY CHAIN	A responsible procurement process has positive impacts in terms of both the environment (e.g. choosing easily recyclable reusable goods) and health, safety and regulatory compliance.	Actual positive impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>ISO 14001 - Environmental Management System</p> <p>ISO 45001 - Occupational Health and Safety Management System</p> <p>Organisational Model pursuant to Legislative Decree 231/01</p> <p>Company Regulation for works, services and supply contracts for an amount below the EU threshold</p> <p>Commitments and actions taken:</p> <p>The Group intends to develop and adopt sustainable procurement policies in order to adopt an integrated and effective supply chain management, which translates into the adoption of a fair and transparent supplier selection and procurement process that includes the integration of ESG criteria and the promotion of social and environmental responsibility practices among suppliers, which stimulate the improvement of ESG performance throughout the supply chain.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 9.6 "Suppliers"</p> <p>SDGs: GOAL 12 "Responsible consumption and production"</p>

RESILIENCE AND ADAPTATION TO INNOVATION	Developing and adapting network infrastructures to handle the future energy mix helps to ensure the quality and reliability of the distribution service, while contributing to decarbonisation.	Actual positive impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Plan to develop the electricity network</p> <p>Plan for resilience</p> <p>Commitments and actions taken:</p> <p>The Group is committed to developing and implementing programmes aimed at evolving distribution networks to make them resilient to climate change, in particular through:</p> <ul style="list-style-type: none"> - the adaptation of electricity networks to new and increasing levels of demand and supply (higher power, e-mobility, decentralised production); - the digitisation and increased efficiency of distribution networks. <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraphs no. 10.3 "Natural Gas and Electricity Distribution"</p> <p>SDGs: GOAL 9 "Industry, innovation and infrastructure"</p>
DEVELOPMENT OF INITIATIVES AND CREATION OF VALUE FOR THE TERRITORY	By implementing its activities, the Group generates economic value for its stakeholders, contributing significantly to the economic and social growth of the area.	Actual positive impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Guidelines to manage sponsorships and donations</p> <p>Commitments and actions taken:</p> <p>Each year, the Group allocates a portion of its budget to finance numerous cultural, sporting, social, musical and environmental projects and events of both local national relevance.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic are described in paragraph no. 9.7 "Community and territory"</p>

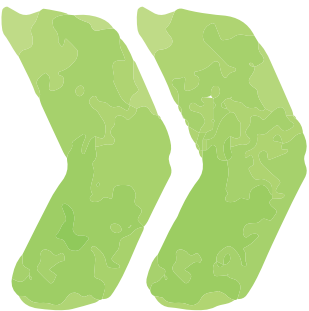


Impacts on GOVERNANCE			
ECONOMIC AND FINANCIAL PERFORMANCE	The Group carries out its economic activity in various sectors of the economy, generating and distributing value to benefit the various stakeholders, in particular with reference to the people who work directly or indirectly for the organisation, partners/shareholders, lenders, suppliers, customers, the PA, etc.	Actual positive impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Anti-Corruption Policy</p> <p>Organisational Model pursuant to Legislative Decree 231/01</p> <p>Commitments and actions taken:</p> <p>The Group recognises the value and relevance of its work in the area. It carries out its business activities with the utmost care to ensure the efficiency and effectiveness of production processes, while respecting the interests of stakeholders and achieving long-term sustainable success.</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 7 “Creating value for stakeholders”</p> <p>SDGs: GOAL 16 “Peace, Justice and Strong Institutions”</p>
INTEGRITY AND TRANSPARENCY IN BUSINESS DEVELOPMENT	In managing the business activities, the Group may engage in conduct detrimental to the principles of free competition that may harm both competitors and customers by applying distorted prices.	Potential negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Anti-Corruption Policy</p> <p>Organisational Model pursuant to Legislative Decree 231/01</p> <p>Commitments and actions taken:</p> <p>The Group is committed to actively participating in the various business sectors in which it operates by submitting competing offers aimed at ensuring market competitiveness, offering goods and services to its customers, including potential ones, at the best economic and quality conditions and in compliance with antitrust regulations (Law 287/1990 and Legislative Decree 13/2010).</p> <p>Monitoring and KPIs:</p> <p>Managing and monitoring of this material topic is described in paragraph no. 6 “The Governance system”</p> <p>SDGs: GOAL 16 “Peace, Justice and Strong Institutions”</p>
ETHICS AND FIGHT AGAINST CORRUPTION	In conducting their operational and business activities, people operating directly or indirectly on behalf of the Group may engage in conduct that could constitute offences and/or misconduct with possible negative impacts on people, the environment and the socio-economic fabric in which the organisation operates.	Potential negative impact	<p>Policy and management systems:</p> <p>Code of Ethics</p> <p>Anti-Corruption Policy</p> <p>Organisational Model pursuant to Legislative Decree 231/01</p> <p>Commitments and actions taken:</p> <p>The Group is committed to ensuring both compliance with current legislation and the highest principles of conduct by defining, adopting and periodically updating the Group’s Code of Ethics and Anti-Corruption Policy</p> <p>In addition, the parent company and the most significant subsidiaries adopt their own organisational model and appoint a Supervisory Body to contribute to ensuring compliance with and effective implementation of the principles of conduct and internal operating protocols.</p> <p>The Group has adopted and is committed to periodically updating internal corporate regulations such as the Group’s Code of Ethics, the Group Anti-Corruption Policy and the 231 Organisational Models and their implementation protocols.</p> <p>Monitoring and KPIs:</p> <p>GRI 205-3 “Confirmed incidents of corruption and actions taken”</p> <p>SDGs: GOAL 16 “Peace, Justice and Strong Institutions”</p>

Table 4 - Management of material topicsi

6. The governance system

GRI 2-9; 2-10



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.

6.1 ORGANISATIONAL STRUCTURE

The Group’s corporate governance system is designed to ensure sustainable success and the creation of economic, social and environmental value for shareholders and for the local community over the medium/long term, being aware of the ESG impacts of the business activities in which the Group is engaged and while respecting the interests of all stakeholders involved in its operations. The Corporate Governance structure is represented by the rules and forms of behaviour adopted by AGSM AIM in order to guarantee the fair, effective and transparent working of the Company’s governance bodies and control systems of the Parent Company and the companies directly controlled by it, in compliance with the “Management and Coordination Guidelines” adopted at Group level in May 2022. The organisational model of the AGSM AIM Group consists of a comprehensive system of delegated powers and powers of attorney in relation to the

acts and transactions concerning the individual corporate Departments. The Group’s operating companies, in concert with the Parent Company, manage the “technical-specialist” aspects of the services carried out - marketing and distribution of gas, electricity, district heating and environmental health, parking, public lighting and telecommunications services - including through consultation with the various administrative, regulatory and control bodies. As the Parent Company, AGSM AIM S.p.A. centralises its typical structure activities on its own by providing services to most of the companies belonging to the Group. In particular, in addition to activities directly related to the production of electricity, the Company is responsible for administrative and financial activities, the management of human resources, legal and corporate affairs, compliance and quality, safety and environment, management of owned assets, as well as risk management, plan-

ning and development activities.

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

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

6.1.1 SHAREHOLDERS’ MEETING

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

COMPANY	MEETINGS 2021	MEETINGS 2022
AGSM AIM S.p.A.	2	3
AGSM AIM Calore S.r.l.	N.A. (*)	1
AGSM AIM Energia S.p.A.	N.A. (*)	4
V-Reti S.p.A.	N.A. (*)	3
AGSM AIM Power S.r.l.	N.A. (*)	3
AGSM AIM Smart Solutions S.r.l.	N.A. (*)	3
AGSM AIM Ambiente S.r.l.	N.A. (*)	1
AMIA Verona S.p.A.	2	1
CogasPiù Energie S.r.l.	2	1
Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.	1	3
Parco Eolico Carpinaccio S.r.l.	2	2
Parco Eolico Riparbella S.r.l.	2	1
S.I.T. S.p.A.	3	1
Ser.I.T. S.r.l.	1	3
Società Intercomunale Ambiente S.r.l.	2	1
Transecò S.r.l.	2	1
Tre V Ambiente S.r.l.	1	3
Valore Ambiente S.r.l.	1	1
2V Energy S.r.l.	2	1
Eco Tirana ShA	4	2

(*) Company incorporated during the financial year 2022.

Table 5 – Shareholders’ Meetings of the AGSM AIM Group

6.1.2 MANAGEMENT BODIES

In general, the Management Bodies (Board of Directors or Sole Director) of the Group companies play a central role, since they are responsible for

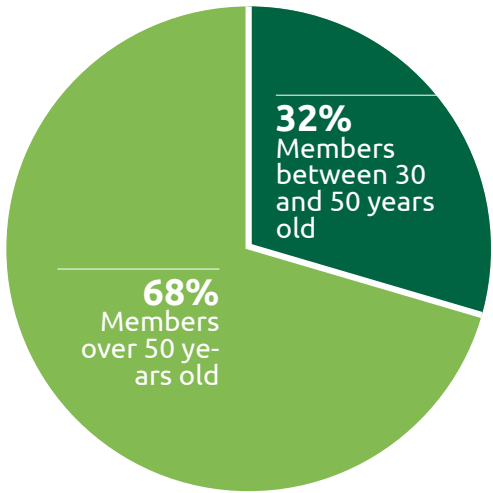


Figure 2: Gender composition of the BoD

Pursuant to the articles of association adopted individually by the subsidiaries, the Management Body is vested with all broadest powers for the ordinary and extraordinary management of the company. It is entrusted with all the necessary and appropriate acts to implement the corporate purpose, excluding

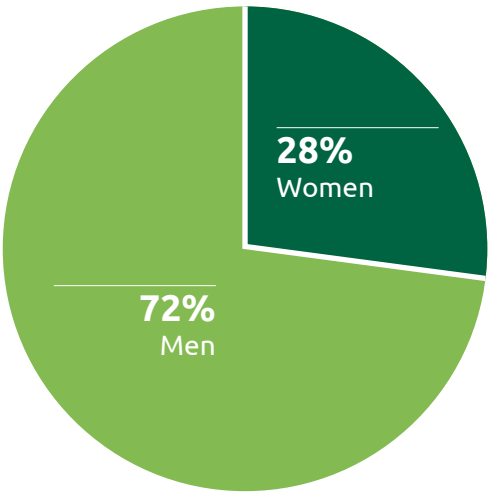


Figure 3: Age of the BoD

those reserved by law or the Articles of Association to the Shareholders’ Meeting.

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

6.1.3 BOARD OF DIRECTORS OF THE PARENT COMPANY

The Parent Company is managed by a Board of Directors consisting of six members, including the Chairperson, Vice Chairperson and Chief Executive Officer. The description of the process of appointment and selection of the Board of Directors is set out in the Articles of Association, which can be consulted on the Company’s website (www.agsm-aim.it) in the corporate governance section. All the Directors meet the requirements pursuant to Article 2382 of the Italian Civil Code and all the directors appointed by the Shareholders’ Meeting have the necessary skills with reference to the characteristics of the business carried out by AGSM AIM. The following Board Committees have been established within the Board of Directors of the Parent Company:

Executive Committee 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.

Executive Committee Members	
Name	Role
Federico Testa	The Chairman of the Board of Directors
Gianfranco Vivian	The Vice Chairperson of the Board of Directors
Stefano Quaglino	Chief Executive Officer

Table 6 - Executive Committee Members

» **Control and Risk Committee (CRC)**, composed of three non-executive and independent directors, one of whom acts as Chairperson, has the task of assisting the Board of Directors and, as far as it is concerned, the Chairperson and the Chief Executive Officer of the Company, with investigative, proposing and advisory functions, in evaluations and decisions relating to the Internal Control and Risk Management System and the approval of periodic financial and non-financial reports.

Members of the Control and Risk Committee (CRC)	
Name	Role
Angela Broglia	Member of the Board of Directors and Chairperson of the CRC
Anna Massaro	Member of the Board of Directors and CRC
Fabio Sebastiano	Member of the Board of Directors and CRC

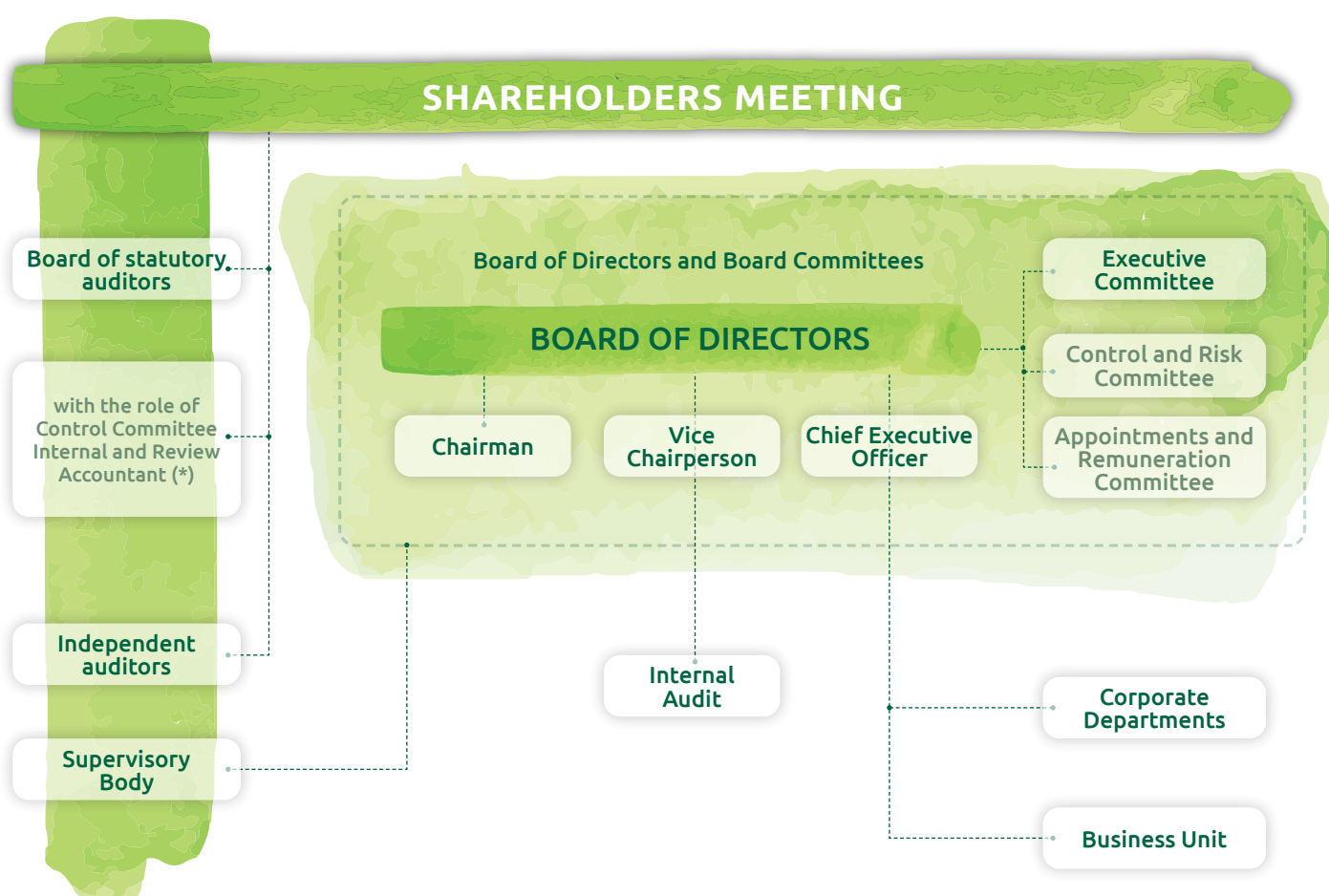
Table 7 - Members of the Control and Risk Committee

» **Appointments and Remuneration Committee (ARC)**, appointed by the Board of Directors with the task of assisting it in the activities of:

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

Members of the Appointments and Remuneration Committee (ARC)	
Nominativo	Ruolo
Angela Broglia	Member of the Board of Directors and Chairperson of the ARC
Anna Massaro	Member of the Board of Directors and the ARC
Fabio Sebastiano	Member of the Board of Directors and the ARC

Table 8 - Members of the Appointments and Remuneration Committee



(*) TO THE OF THE ART. 19 LEGISLATIVE DECREE 39/2010 (ON ADEQUACY COMPETENCE, SENSES VIGILANT OF THE STRUCTURE OR ORGANIZATION OF THE COMPANY FOR THE ASPECTS OF THE INTERNAL CONTROL SYSTEM AND OF THE TIVE ON RELIABILITY THE LATTER MANAGEMENT). ADMINISTRATIVE SYSTEM - ACCOUNTANT AS WELL AS OF CORRECTLY REPRESENTING MANAGEMENT FACTS).

Figure 4 - ORGANISATIONAL STRUCTURE

6.1.4 BOARD OF STATUTORY AUDITORS

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

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.

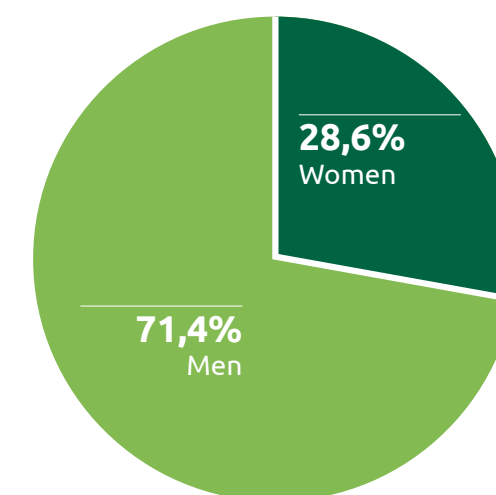


Figure 5: Gender composition of the Board of Statutory Auditors

COMPANY	MEETINGS 2021	MEETINGS 2022
AGSM AIM S.p.A.	12	17
AGSM AIM Calore S.r.l.	N.A. (*)	6
V-Reti S.p.A.	N.A. (*)	5
AGSM AIM Energia S.p.A.	N.A. (*)	4
AGSM AIM Power S.r.l.	N.A. (*)	6
AGSM AIM Smart Solutions S.r.l.	N.A. (*)	10
AMIA Verona S.p.A.	11	8
CogasPiù Energie S.r.l.	5	5
Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.	4	3
S.I.T. S.p.A.	5	6
Ser.I.T. S.r.l.	6	10
2V Energy S.r.l.	6	5
Società Intercomunale Ambiente S.r.l.	4	4
Valore Ambiente S.r.l.	6	5
Eco Tirana ShA (Consiglio di Sorveglianza)	3	4
AGSM AIM Ambiente S.r.l.	N.A. (*)	2

(*) Company incorporated during the financial year 2022.

Table 9 – Meetings of control bodies

6.2 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

GRI 2-27; 205-3; 418-1

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

➤ 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 particu-

lar 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.

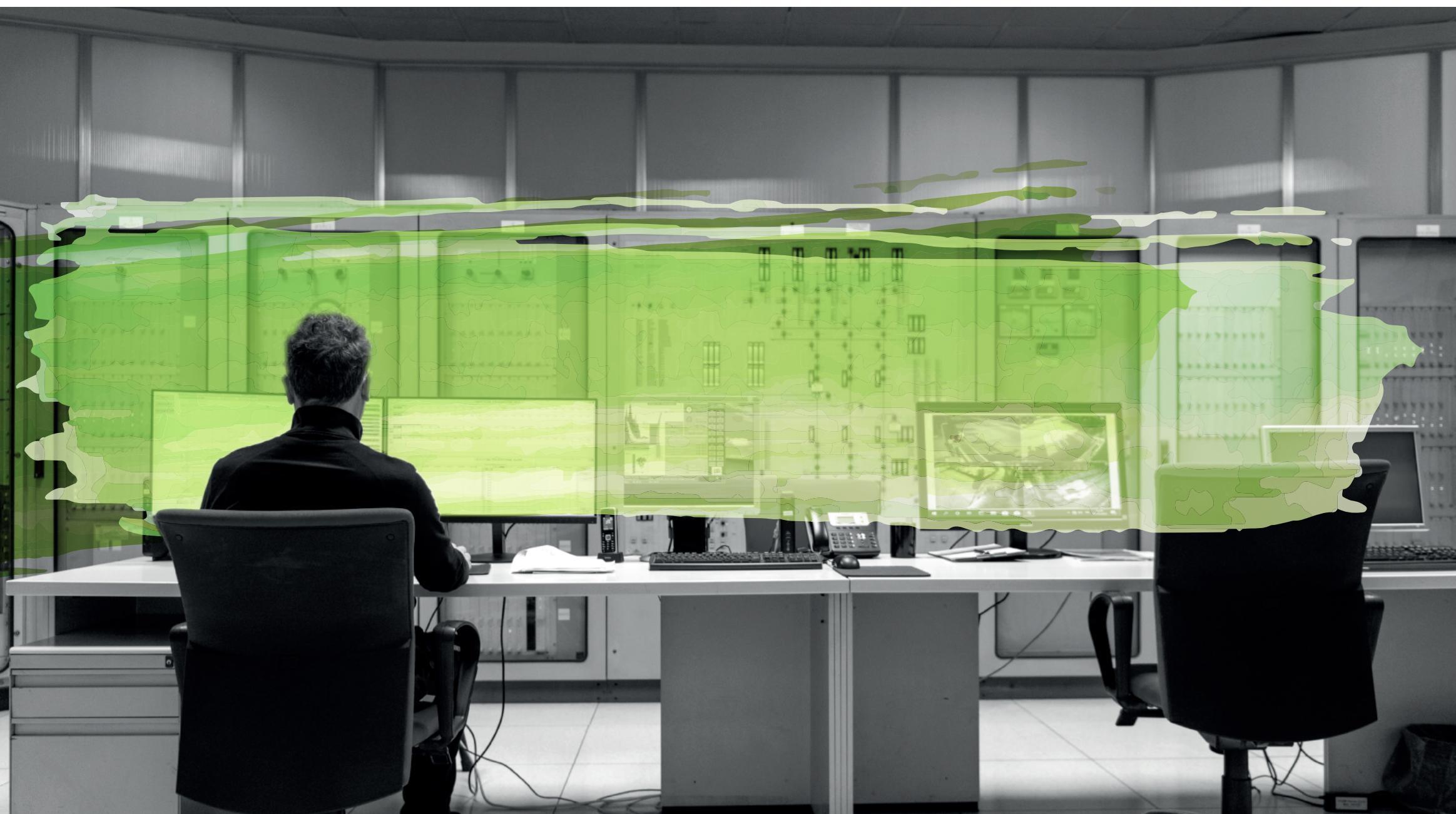
By adopting and constantly improving its SCI-GR, the Group aims to develop and implement a solid risk culture that is consistent with the corporate values, strategies and objectives defined by the Board of Directors, promoting the adoption of informed decisions.

The Group Risk Management and ESG 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 and ESG 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.

In order to ensure constant operational oversight of corporate risk management, a Management **Risk Committee** (hereinafter also referred to as “RC”) was established at the Parent Company during 2022, consisting of the Chief Executive Officer and the Heads of the Corporate Departments, with the participation of the Head of the Internal Audit



Function; while the Head of the Risk Management and ESG Function acts as Secretary of the Management RC. In addition, due to the topics dealt with, first level managers, heads of BUs, and any other person inside and/or outside the organisation deemed necessary to further the issues addressed by the RC may also be invited to take part in the work of the Management RC.

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

- assisting the Chief Executive Officer in evaluations and decisions relating to defining the SCI-GR within its purview;
- expressing opinions on specific aspects concerning the definition of the Risk Appetite Framework (RAF) and the relative tolerance thresholds, the identification of the main corporate risks and the periodic assessments carried out by management (“Risk Self Assessment”);
- analysing and evaluating the results of Risk Self Assessment activities;
- supporting the Chief Executive Officer in implementing the guidelines defined by the Board of Directors and the Control and Risk Committee and in designing, creating and managing the SCI-GR;
- proposing to the Chief Executive Officer the corrective measures to be implemented in a timely manner in order to mitigate business risks that exceed the limits stated in the Risk Appetite Statement (RAS);
- approving the annual plan of corporate risk management activities.

During 2022, the Management Risk Committee met four times, preceded by a preliminary coordination and kick-off meeting.

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

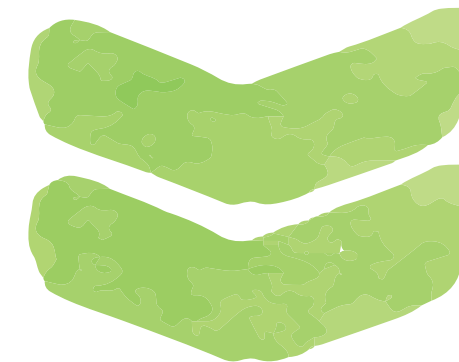
- ensure the monitoring of the evolution of regulations and the reporting of any significant new developments, highlighting any significant impact that new laws and regulations may have on Group companies;
- support Group companies in the activities of preparing and updating the organisation, management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



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

The Group Internal Audit Function is responsible for assisting the Board of Directors of the Parent Company and, through its services, the management bodies of the other subsidiaries belonging to the Group, in assessing the adequacy of the SCI-GR defined and implemented in the organisation. In particular, the Group Internal Audit Function is assigned the following main tasks:

- draft the Audit Plan proposal according to a risk-based approach to be submitted to the



Parent Company’s Board of Directors for appropriate evaluation and approval;

- schedule and conduct audits based on the approved plan, agreeing with the audited Departments on the improvement actions identified, and periodically reporting to the Board of Directors on the summary of the outcome of the audits performed, the status of implementation of the audit plan and the improvement actions identified;
- analyse both administrative and industrial business processes in order to assess their appropriateness in terms of: effectiveness, i.e. suitability to achieve the objectives of the individual process; efficiency and cost-effectiveness, i.e. conformity of the process to achieve the objectives with a rational use of production factors and at an appropriate cost (Operational Audit);
- design and carry out, also with the support of external third parties, any specific audit activities such as fraud audits, IT audits, etc.

6.3 MAIN CORPORATE RISKS

The integrated corporate risk management model of the AGSM AIM Group is inspired by the best market practices and the main international reference standards, in particular the Enterprise Risk Management (ERM) - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO), also declined for ESG dimensions according to the guidelines “Applying ERM to ESG-related Risks” defined by the World Business Council for Sustainable Development (WBCSD).

The Group’s ERM model was developed under the guidance of the Group Risk Management and ESG Function, which is in charge of overseeing and coordinating the process of identifying, assessing and managing corporate risks. The ERM model is adopted at Group level and makes it possible to provide a representation of the risk profile at both a consolidated level and for each individual BU/relevant company belonging to the Group, while respecting the principle of organisational independence of each subsidiary.

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

Consistently with the CoSO ERM - Integrated Framework, once risk events and their causes have been identified and appropriately described, corporate risks are assessed according to the two main dimensions of the probability (or expected frequency) of occurrence and the expected potential impact in both economic-financial and non-financial terms (e.g. environmental, OHS, compliance, etc.). The level of inherent risk thus estimated is weighted according to the various methods of control and

mitigation (i.e. preventive or subsequent controls, manual or automated, etc.) generating the so-called residual risk. The methodology for identifying and assessing corporate risks is currently being revised and supplemented in order to map additional specific characteristics of corporate risks such as possible interconnections and the speed of risk propagation to other risk areas.

The risk assessment update activities carried out during the second half of 2022 identified the AGSM AIM Group’s corporate risk portfolio, broken down into five homogeneous categories:

- Strategic;
- Financial;
- Governance;
- Operational;
- External events.

A total of approximately 100 risks were mapped, surveyed and assessed in the AGSM AIM Group’s corporate risk catalogue (Risk Register), classified according to the five categories indicated above and, in turn, divided into 27 macro-risk areas.

A selection of corporate risks is classified as “key risks” and involves both a qualitative-quantitative assessment according to the aforementioned ERM (*Probability x Impact*) model, and an assessment using probabilistic methods that allow the calculation of the relative Value at Risk (VaR). In particular, the key risks that require periodic VaR calculations are those relating to credit exposure to third-party counterparties, commodities (also thanks to using the special application solution ETRM - Energy Trading Risk Management tool), and churn-out rates. Additional mathematical and statistical models are used to monitor liquidity risk and manage investments that have an impact on achieving the economic and financial performance in the future years considered in the business plan. For further details on economic and financial risks, please re-

fer to the “Report on Operations” contained in the AGSM AIM Group’s consolidated financial statements for 2022. Climate change-related risks are classified in the categories of strategic and/or external risks and are specifically analysed and monitored by the cross-functional working group set up

at Group level and coordinated by the Risk Management and ESG Function.

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

ENVIRONMENTAL ISSUES	
<p>Risk of ineffective containment of greenhouse gas emissions</p> <p>Some of the Group’s production activities emit significant 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 and permitted by current regulations, i.e. that can be produced by existing plants (e.g. due to deterioration of the plants, malfunction of control systems, increased leaks due to ineffective maintenance, etc.).</p>	<p>Risk management and monitoring is ensured by adopting specific controls:</p> <ul style="list-style-type: none">■ Group’s Code of Ethics■ ISO 14001 - Environmental Management System■ ISO 9001 - Quality Management System■ Internal operating procedure for the management of air emissions from cogeneration plants (PO.0068)
<p>Risk of exceeding the regulatory limits on emissions of pollutants into the atmosphere</p> <p>The Group companies operating in the energy generation sector are authorised for emissions into the atmosphere according to limits set (previously authorised by the designated entities - Provinces). The authorisation levels for industrial activities are identified by Legislative Decree 152/2006 (where necessary in accordance with the provisions of the integrated environmental authorisations). The risk of exceeding these limits is monitored through preventive or detective control systems. The causes may be the deterioration of the systems, the malfunction of controls, use of a different fuel mix, etc.</p>	<p>Risk management and monitoring is ensured by adopting specific controls:</p> <ul style="list-style-type: none">■ Group’s Code of Ethics■ ISO 14001 - Environmental Management System■ ISO 9001 - Quality Management System■ Internal audits for compliance with environmental legislation■ Anti-discharge KIT■ Environmental emergency plan■ Exhaust fumes monitoring■ Internal operating procedure for the management of air emissions from cogeneration plants (PO.0068)
<p>Risk of excessive use of energy.</p> <p>The risk is linked to achieving energy consumption containment targets. The operational set-up of the assets and their maintenance in good working order are the key aspects to be monitored and verified periodically. The effect on business activities concerns economic aspects (containment of operating costs), environmental aspects (containment of GHG emissions and pollutants).</p>	<p>Risk management and monitoring is ensured by adopting specific controls:</p> <ul style="list-style-type: none">■ Group’s Code of Ethics■ ISO 14001 - Environmental Management System■ ISO 9001 - Quality Management System
<p>Risk of inadequate management of generated waste, temporarily stored in dedicated areas at production sites, transferred to third parties for transport, disposal or recovery.</p> <p>The risk refers to solid/hazardous waste and waste water. It is process waste, i.e. waste resulting from production activities.</p> <p>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.</p> <p>The risk is identified in order to reduce potential impacts on the Group companies’ business activities in full compliance with the regulatory framework (national and local obligations and regulations) and to protect all the stakeholders concerned.</p>	<p>Risk management and monitoring is ensured by adopting specific controls:</p> <ul style="list-style-type: none">■ Group’s Code of Ethics■ ISO 14001 - Environmental Management System■ Internal audits for compliance with environmental legislation■ Internal operating procedure for waste management (PO.0120)
<p>Risk of contamination of soil, subsoil and water</p> <p>The risk is related to Discharge of contaminants in the soil, subsoil and ground and surface water.</p> <p>The main causes include human error, breakdowns and malfunctions (plant components/equipment) and weather/natural events that may affect the Group’s infrastructure.</p>	<p>Risk management and monitoring is ensured by adopting specific controls:</p> <ul style="list-style-type: none">■ Group’s Code of Ethics■ ISO 14001 - Environmental Management System■ ISO 9001 - Quality Management System■ Internal audits for compliance with environmental legislation■ Anti-discharge KIT■ Environmental emergency plan■ Tests on wastewater and yard rain-wash
<p>Risk of excessive or anomalous water consumption</p> <p>The risk of excess or anomalous water consumption is typically linked to inadequate infrastructure (leaks due to the compromised integrity of the assets) or production processes (waste).</p> <p>The risk is identified in order to respect the environment, conserve scarce water resources and avoid an increase in operating costs.</p>	<p>Risk management and monitoring is ensured by adopting specific controls:</p> <ul style="list-style-type: none">■ Group’s Code of Ethics■ ISO 14001 - Environmental Management System■ ISO 9001 - Quality Management System■ Internal audits for compliance with environmental legislation

SOCIAL ISSUES

Risk relating to health and safety risk for employees, suppliers, users and citizens.

The risk refers to possible damage to people’s health and safety from company assets caused by breakdowns and malfunctions (internal factors) and/or natural/weather events (e.g. gas leaks, collapses of overhead distribution lines, etc.).

In this context, it is essential to ensure proper asset management (routine and extraordinary maintenance).

Risk management and monitoring is ensured by adopting specific controls:

- Group’s Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System (operating procedures for asset management and maintenance)
- Health insurance policies
- Organisational model pursuant to Legislative Decree 231/01
- Monitoring work-related stress (INAIL)
- Risk assessment documents pursuant to Legislative Decree 81/2008

Risk of inadequate management of information systems and cybersecurity.

The risk refers to both the protection of business activities from cyber attacks (e.g. theft of sensitive data or sabotage with ransom demands), and the protection of people’s data in compliance with the GDPR.

Risk management and monitoring is ensured by adopting specific controls:

- Group’s Code of Ethics
- ISO 9001 - Quality Management System
- Procedures adopted for cyber risk management
- Rules for using AGSM AIM Group IT systems and tools

PERSONNEL ISSUES

Risk of loss of key competences.

The risk refers to the failed or inadequate management of personnel in terms of recruitment, development and promotion, including the issue of generational change, a cause of depletion of company skills.

Risk management and monitoring is ensured by adopting specific controls:

- Group’s Code of Ethics
- ISO 9001 - Quality Management System
- Internal operational procedure for personnel selection and recruitment.
- Recruitment Plan

HUMAN RIGHTS

Risk of violation of human rights.

Risk related to possible organisational and operational shortcomings leading to a lack of protection of human rights with regard to:

- ensuring adequate working conditions for people, avoiding cases of forced or child labour;
- ensuring an adequate working environment, health and safety;
- needing to avoid discrimination and ensuring the privacy and confidentiality of people’s data;
- ensuring freedom of association and adequate remuneration through collective bargaining;
- personnel training.

Risk management and monitoring is ensured by adopting specific controls:

- Group’s Code of Ethics
- ISO 45001 - Occupational Health and Safety Management System
- ISO 9001 - Quality Management System
- Organisational model pursuant to Legislative Decree 231/01

ANTI-CORRUPTION

Risk of inadequate management of the negotiation, signing and performance of contracts for the purchase and sale of goods and services with both private parties and the Public Administration.

Risk linked to the unsuitable assignment of works, services and supplies. The Group has adopted organisational, operational models and procedures capable of constantly monitoring this risk through clear:

- 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;
- 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 supervisory and public safety authorities.

Risk management and monitoring is ensured by adopting specific controls:

- Group’s Code of Ethics
- Anti-Corruption Policy
- Guidelines on Management and Coordination
- Organisational model pursuant to Legislative Decree 231/01
- Operational procedures for the implementation of the Public Procurement Code

Table 10 – Risk management.

6.4 ORGANISATIONAL MANAGEMENT SYSTEMS

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 activ-

ities carried out, the AGSM AIM Group is subject to regular checks by the Veneto Regional Environmental Protection Agency (ARPAV, Agenzia Regionale per la Protezione Ambientale Veneto).

COMPANY	 Quality Management System	 Environmental Management System	 Occupational Health and Safety Management System
AGSM AIM S.p.A.	20/04/2024	30/03/2025	09/06/2025
AGSM AIM Energia S.p.A.	27/05/2025	-	-
AGSM AIM Smart Solutions S.r.l.	19/04/2024	30/03/2025	05/04/2025
AGSM AIM Calore S.r.l.	20/04/2024	30/03/2025	09/06/2025
AGSM AIM Power S.r.l.	20/04/2024	30/03/2025	09/06/2025
V-Reti S.p.A.	21/04/2024	02/03/2023	09/05/2025
AMIA Verona S.p.A.	21/12/2023	21/12/2023	29/05/2023
S.I.T. S.p.A.	10/07/2024	23/07/2024	31/12/2023
Ser.I.T. S.r.l.	23/08/2024	27/11/2024	09/06/2025
Società Intercomunale Ambiente S.r.l.	02/08/2023	-	05/12/2024
Transec S.r.l.	12/09/2024	12/09/2024	-
TreV Ambiente S.r.l.	-	10/07/2023	-
Valore Ambiente S.r.l.	02/08/2023	19/07/2023	-

Table 11 – ISO Management Systems adopted by the AGSM AIM Group and next scheduled expiry of the relevant certification.

AGSM AIM Calore also obtained **F-GAS certification** (expiring on 31 January 2027) on the management of fluorinated greenhouse gases, which certifies the ability to manage the installation, repair, maintenance or support, and decommissioning of fixed cooling and air-conditioning equipment and fixed heat pumps with a maximum load size with no limits in Kg. In addition, two subsidiaries of 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 AIM Smart Solutions S.r.l.	Consolidated Act on Tender Procedures	SOA-certificate 7463/57/01	07/03/2019	06/03/2024	OG10	II
S.I.T. S.P.A.	Consolidated Act on Tender Procedures	SOA-certificate 20494/16/00	20/11/2018	19/11/2023	OG9-OS14	III bis-IV

Tabella 12 – SOA certificates obtained by the AGSM AIM Group and next expected expiry date of the relevant certification.

6.5 ORGANISATION, MANAGEMENT AND CONTROL
MODEL PURSUANT TO LEGISLATIVE DECREE
NO. 231/2001

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

or subordinate position within them, of a criminal offence, included among those provided for therein. In order to comply with the provisions of Decree 231 and to facilitate compliance with the principles of fairness and ethics in carrying out their businesses, the Parent Company AGSM AIM S.p.A. and the following subsidiaries defined and adopted their Organisation, Management and Control Model (hereinafter also “Model 231”).



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

During 2022, the Parent Company revised and updated its Model 231 as well as the procedures, regulations and internal policies relevant to compliance with Decree 231. Projects to update Models 231 for the other companies mentioned above were also defined and scheduled.

As part of a path of progressive adaptation to the provisions of Decree 231, AGSM AIM POWER S.r.l. and AGSM AIM CALORE S.r.l. have already adopted the Group’s Code of Ethics and the Group Anti-Corruption Policy and, thanks to the methodological and operational support of the Compliance Function, have started to define and implement their own Model 231, which will be completed during 2023.

THE MAIN OBJECTIVE OF THE ADOPTED MODEL 231 IS TO CREATE A SYSTEMATIC AND STRUCTURED SYSTEM OF CONTROL PRINCIPLES AND PROCEDURES TO PREVENT, WHERE POSSIBLE AND OPERATIONALLY FEASIBLE, THE COMMISSION OF THE PREDICATE OFFENCES PROVIDED FOR IN DECREE 231. MODEL 231 IS INTEGRATED WITH THE GOVERNANCE SYSTEM OF THE GROUP COMPANIES THAT HAVE ADOPTED IT, ENCOURAGING THE PROCESS OF SPREADING A BUSINESS CULTURE MARKED BY FAIRNESS, TRANSPARENCY AND LEGALITY.

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.

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

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

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

In order to facilitate the effective implementation of the adopted Models 231, during the reporting period the AGSM AIM Group organised a training programme aimed at raising the awareness of the heads of corporate functions to the periodic provision of information flows to the Supervisory Body. In addition, 50 hours of training were provided in 2022 in the Parent Company AGSM AIM on the prevention of offences under Decree 231 and corrupt practices.

During 2022, the Human Resources and General Services Department, with the support of the compliance function, also started to set up an e-learning platform aimed at training on the principles and rules of conduct contained in Models 231. E-learning training will be provided to all the personnel during the next financial year.

6.6 ANTI-CORRUPTION POLICY

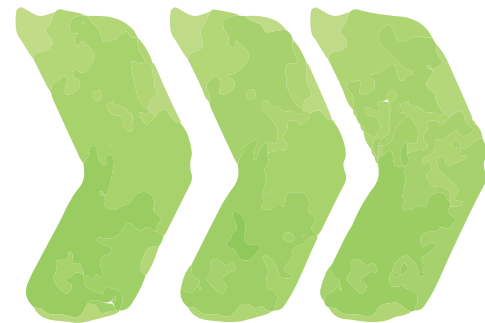
Following the extraordinary merger, the Parent Company AGSM AIM S.p.A., as a result of the issue of financial instruments by the former company AIM Vicenza S.p.A., obtained the status of “listed company” and is therefore subject to the disclosure rules applicable to the issuers of financial instruments.

In consideration of this status, in-depth analyses were performed to establish whether the AGSM AIM Group is subject to Law no. 190 of 6 November 2012 on “Provisions for the prevention and repression of corruption and illegality in the public administration” and Legislative Decree no. 33 of 14 March 2013 on the “Reorganisation of the provisions concerning the right of civic access and the duty to disclose and divulge transparent data and information on the part of the public administration”. 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, during 2021, the Parent Company AGSM AIM S.p.A. defined and adopted a Group Anti-Corruption Policy on a voluntary basis that, in coordination with Model 231 and the Group’s Code of Ethics, provides a systematic reference framework to combat corruption and aims to disseminate within the Company, as well as to all those who work in favour of or on behalf of the Group member companies, the principles and rules to be followed to exclude any type of direct and indirect, active and passive corruption, including in the form of instigation.

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 of the Parent Company.



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

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

The heads of the various corporate functions also have the task of supervising compliance with the Anti-Corruption 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 Compliance Function
– Lungadige Galtarossa 8, 3733 Verona (VR);
- **E-MAIL:**
e-mail address compliance@agsmain.it.

6.7 WHISTLEBLOWING

The communication channels existing within each Group company that has adopted its own Model 231 have been set up in compliance with Law no. 179 of 30 November 2017 on “Provisions to protect whistleblowers reporting offences or irregularities which have come to their attention in the context of a public or private employment relationship”

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.

The communication systems adopted within the AGSM AIM Group ensure 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 2022, **no reports were received with regard to potential offences, crimes or irregular conduct**, committed in violation of the Group’s Code of Ethics, the Anti-Corruption Policy and Models 231 adopted by Group companies.

6.8 PROTECTION OF PERSONAL DATA

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

➤ collection and keeping of the list of System Administrators

Under the coordination of the Parent Company, a training course was planned and progressively delivered to raise awareness among people working for the Group. In particular, through a dedicated e-learning platform, specific training courses were delivered on Personal Data Protection (GDPR) and Cyber Security, and further training sessions were scheduled to continue in 2023.

During the reporting period, no Data Breaches occurred (i.e. loss of data or unauthorised access) of such a magnitude to lead to communications to the Data Protection Authority or to the data subjects. No GDPR-related penalties were imposed on Group companies during 2022.

During 2022, a total of **18 requests to exercise the rights** were received from data subjects pursuant to Articles 15-22 of the GDPR (access to personal data, exercise of the right to be forgotten, etc.)



7. Creating value for stakeholders

GRI 201-1

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

During 2022, the AGSM AIM Group generated a high Added Value, in terms of economic wealth, of approximately Euro 254 million, which was partly reinvested for Euro 49.4 million and partly distributed among its stakeholders for the remaining Euro 204.6 million, broken down as shown in the table below.

Considering that 80.05% 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 98.75 million was distributed locally in the form of wages and salaries, which contribute significantly to the economic and social growth within the territory. 80.55% of the value created was distributed to stakeholders, both internal and external, while the remaining 19.45% remained within the Group.

DISTRIBUTION OF ADDED VALUE	2022	
	€/000	%
Total Added Value Generated	253.996	100,00
PERSONNEL (wages and salaries for employees and collaborators)	123.361	48,75
PUBLIC ADMINISTRATION (direct and indirect taxes)	39.366	15,50
LOCAL COMMUNITY AND TERRITORY (contributions to social, cultural and sporting initiatives and to consumption and environmental education)	1.588	0,63
LENDERS (financial expenses paid to credit institutions)	10.287	4,05
SHAREHOLDERS (dividends and reserves)	30.000	11,81
Group Capitalisation (share reinvested in the company organisation)	49.394	19,45

Table 13 – Distributed added value (in thousands of Euro)

8. 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 and operating expenditure 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 (EU Taxonomy), which requires the classification of activities that can be considered sustainable according to their alignment with the environmental objectives defined by the European Union. 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.

An economic activity is defined as environmentally sustainable if: i) it contributes substantially to achieving at least one of the six environmental objectives; ii) it does not significantly harm any of the remaining environmental objectives (Do Not Significant Harm - DNSH); iii) it is carried out in compliance with minimum safeguards (based on international human rights guidelines); iv) it complies with technical screening criteria that have been established by the European Commission.

The Taxonomy is a guide:

- ➔ for companies, in order to assess their activities, define corporate policies with a view to greater environmental sustainability and report to stakeholders their performance in a complete and comparable manner;
- ➔ for investors, in order to integrate sustainability issues into investment policies and enable a clear understanding of the environmental impact of economic activities in which they invest or could invest;
- ➔ 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) are required to disclose information on alignment with the Taxonomy using some indicators: revenue, capital expenditure and operating expenditure. In particular, non-financial companies must publish information on:

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

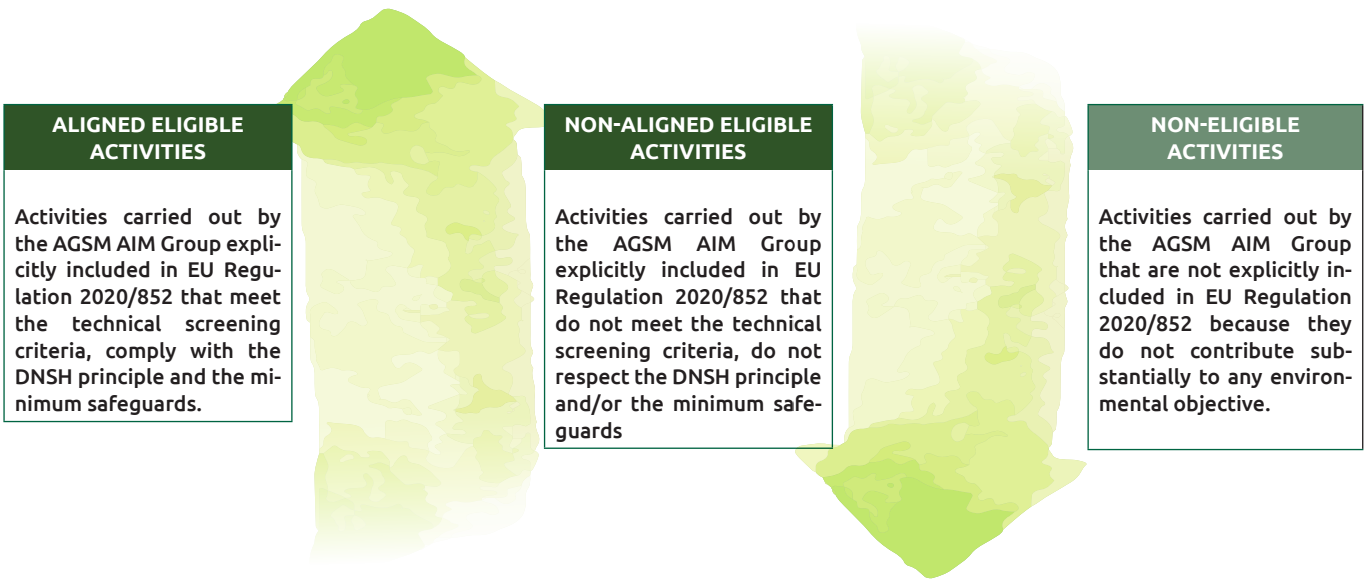
- ➔ provide adequate and consistent indications to companies and investors with regard to which economic activities can be considered environmentally sustainable;
- ➔ be an enabling factor to achieve the objectives set in the Green Deal, as a strategy for transforming climate issues and environmental 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.

8.1 THE IMPLEMENTATION PROCESS

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.

During 2022, AGSM AIM carried out a cross-sectional project, which involved all the main departments

of the Parent Company and the companies included in the scope of the Consolidated Non-financial Statement, aimed at identifying, with respect to the first objective of the Taxonomy, the Group's aligned eligible, non-aligned eligible and non-eligible activities. Moreover, in order to ensure an adequate process of extraction, analysis, processing and aggregation of administrative-accounting data, specific software currently used by the Administration Department and the Strategic Planning and Business Control Department has been developed and/or integrated.



The analysis was carried out according to the following steps:



1. Identifying eligible activities

The first stage of the process allowed for the identification, through a careful analysis of the activities included in the Taxonomy Regulation, of those applicable to AGSM AIM's business, also considering the description provided and the potentially appli-

cable NACE codes (i.e. Statistical Classification of Economic Activities of the European Community).

2. Substantial contribution

After identifying eligible activities, the technical contacts of the Departments and subsidiaries were

involved in order to initiate the Substantial Contribution Assessment. The activities classified as eligible were analysed in detail for their compliance with the specific technical criteria established to measure their substantial contribution to mitigating climate change.

3. Do No Significant Harm (DNSH)

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

4. Minimum Safeguards

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

5. Disclosure and KPIs

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

VERIFYING COMPLIANCE WITH THE MINIMUM SAFEGUARDS

The AGSM AIM Group operates in compliance with current Italian and European regulations and with the specific objective of ensuring that its stakeholders achieve sustainable goals. In particular, the AGSM AIM Group's operational activities are carried out in accordance with the OECD Guidelines for Multinational Enterprises, the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, the Inter-

national Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the principles issued by the Global Compact. In line with international reference standards, the AGSM AIM Group has defined and adopted a series of internal policies and operating practices to ensure compliance with minimum safeguards; in particular:

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

8.2 AGSM AIM’S ROLE IN MITIGATING CLIMATE CHANGE

The in-depth analysis carried out during 2022 allowed for an update of the Group’s eligible activities by including in the list also some activities that were not considered in the previous year, such as, for example, the electricity generation from fos-

sil gaseous fuels (activity 4.29) introduced by the delegated regulation (EU) 2022/1214. In the following table are reported the sustainable activities of the Group with indication of the Business Units of competence.

#	ELIGIBLE ENVIRONMENTALLY SUSTAINABLE ACTIVITIES	BUSINESS UNIT
4.1	Electricity generation using solar photovoltaic technology , which consists in building and operating photovoltaic panels to develop green and sustainable electricity from renewable sources	Power
4.3	Electricity generation from wind power , which consists in building and operating plants for the production of electricity from wind power, sustainable and renewable energy for significant environmental benefits.	Power
4.5	Electricity generation from hydropower , which consists in building and operating plants using a renewable and sustainable energy source.	Power
4.9	Transmission and distribution of electricity , which consists in building and operating networks to transport electricity throughout the territory via low, medium, high and extra-high voltage systems.	Power
4.15	District heating distribution involving the construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.	Heat
4.29	Electricity generation from fossil gaseous fuels , which consists in constructing or operating plants to generate electricity using fossil gaseous fuels.	Power
4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels , which consists in construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	Heat
5.1	Construction, extension and operation of water collection, treatment and supply systems involving the construction, extension and operation of water collection, treatment and supply systems.	Corporate
5.3	Construction, extension and operation of waste water collection and treatment involving the construction, extension and operation of centralised wastewater systems, including collection (sewerage) and treatment.	Corporate
5.5	Collection and transport of non-hazardous waste in source segregated fractions , which consists in sorted waste collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.	Environment
5.9	Material recovery from non-hazardous waste , 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.	Environment
7.3	Installation, maintenance and repair of energy efficiency devices carried out by the subsidiary AGSM AIM Smart Solutions through upgrades involving new installations, maintenance and repair of public lighting devices with the virtuous aim of increasing energy efficiency.	Smart Solutions
7.4	Installation, maintenance and repair of charging stations for electric vehicles which consists in the installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Smart Solutions
8.1	Data processing, hosting and related activities carried out through the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	Smart Solutions

The values indicated in the paragraph below relating to revenue, direct operating costs and increases in overall property, plant and equipment and intangible assets are consistent with the figures in the Consolidated Financial Statements prepared by the Parent Company AGSM AIM S.p.A. for 2022. For the purposes of reporting pursuant to the Taxonomy Regulation, each of the economic activities

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

8.3 THE RESULTS OF THE GROUP’S ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

The indicators that represent the results achieved by the AGSM AIM Group in 2022 relating to the share of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) that

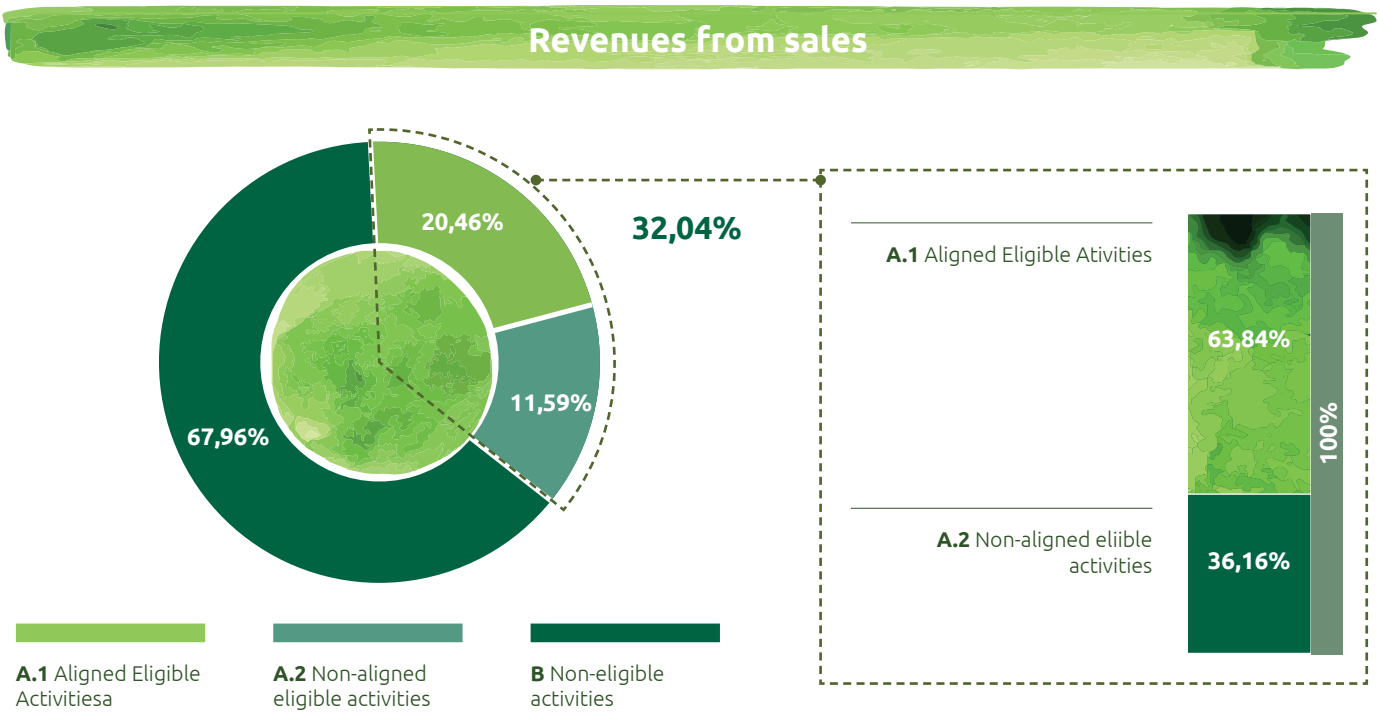
qualify as environmentally sustainable in accordance with current European Taxonomy legislation are shown below.

REVENUE KPI

Financial year 2022’s revenues analysis has allowed to identify a total revenue of 709.8 million euros considering eligible and non-eligible activities to the Taxonomy. Of such amount, 227.4 million euros (32.04%) have been considered eligible to the legislation of the European Taxonomy. The residual amount of 482.4 million euros (67.96%) is composed of non-eligible revenue resulting from

economic activities that are not currently included in the perimeter of the Regulation UE 2020/852. Revenues from sales referring to eligible business activities and aligned to the goal of climate change mitigation amount to 145.2 million euros, equal to 63.84% of the eligible activities of the Taxonomy

REVENUES FROM SALES	€/000	% total (A+B)	% eligible
A.1. Sustainable activities (aligned to the Taxonomy)	145.201	20,46%	63,84%
A.2. Eligible activities but not sustainable	82.242	11,59%	36,16%
A. ACTIVITIES ELIGIBLE TO THE TAXONOMY	227.443	32,04%	100,00%
B. Non-eligible activities to the taxonomy	482.376	67,96%	
Total (A + B)	709.819	100,00%	

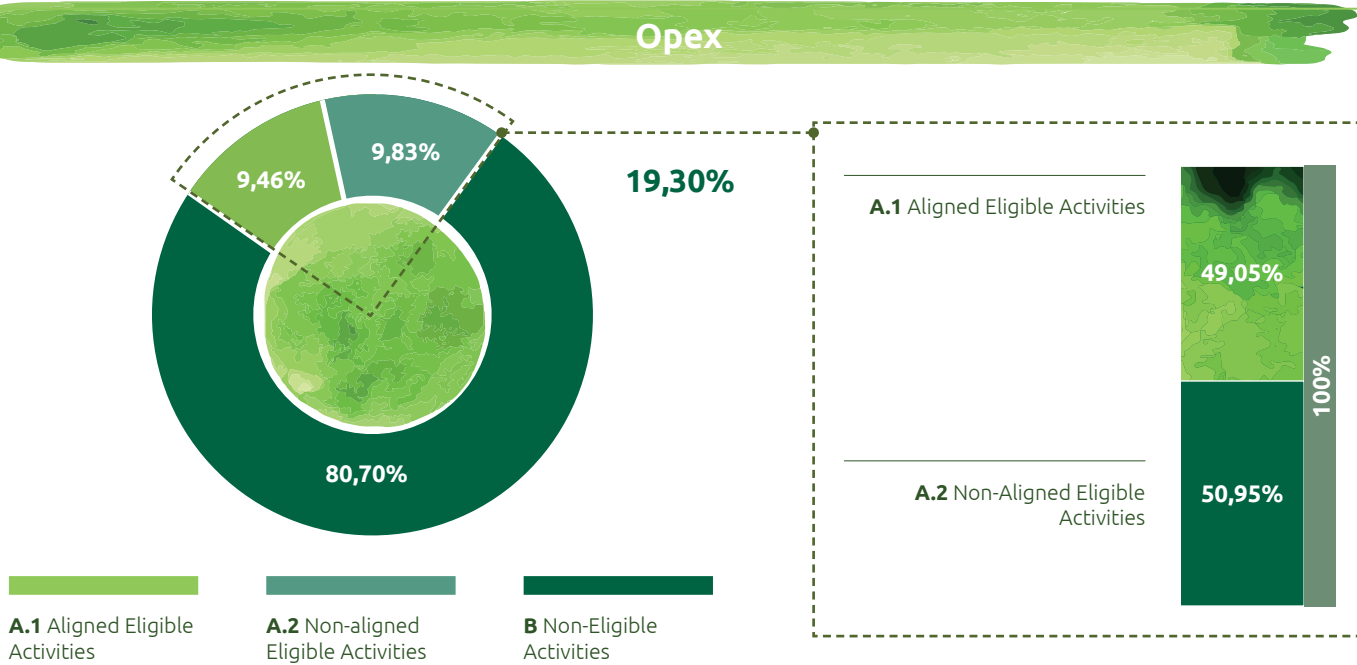


KPI OPEX

Financial year 2022’s opex analysis has allowed to identify operating costs equal to 364.2 million euros considering eligible and non-eligible activities to the Taxonomy. Of such amount, 70.3 million euros (19.3%) have been considered eligible to the legislation of the European Taxonomy of sustainable activities. The residual amount of 294 million euros (80.7%) is composed by non-eligible costs re-

sulting from economic activities that are not currently included in the perimeter of the Regulation UE 2020/852. Operating costs referring to eligible business activities and aligned to the goal of climate change mitigation amount to 34.5 million euros (49.05%) of eligible activities of the Taxonomy.

OPERATING COSTS (OPEX)	€/000	% total (A+B)	% eligible
A.1. Sustainable activities (aligned to the Taxonomy)	34.473	9,46%	49,05%
A.2. Eligible activities but not sustainable	35.811	9,83%	50,95%
A. ACTIVITIES ELIGIBLE TO THE TAXONOMY	70.284	19,30%	100,00%
B. Non-eligible activities to the taxonomy	293.952	80,70%	
Total (A + B)	364.237	100,00%	

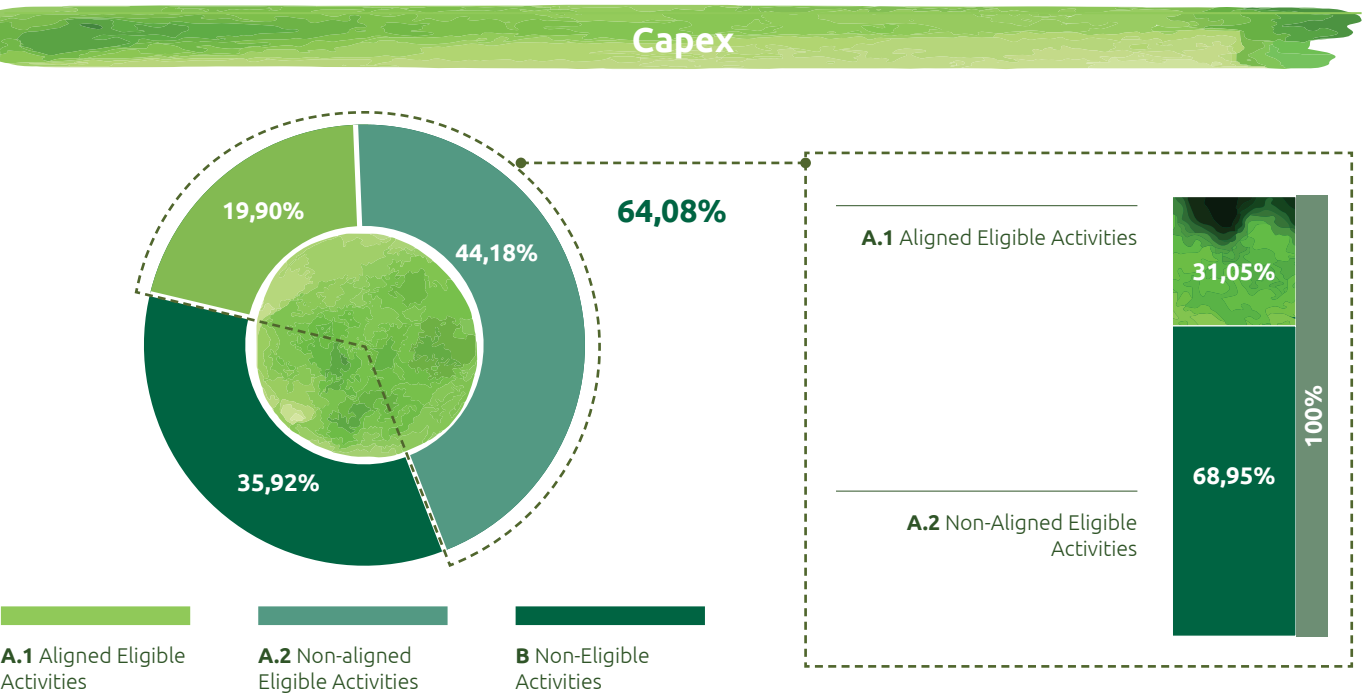


KPI CAPEX

Financial year 2022’s capex analysis has identified a total increase of 97.6 million euros considering eligible and non-eligible activities. Of such amount, 62.6 million euros (64.08%) has been considered eligible to the European Taxonomy. The residual amount of 35.1 million euros (35.92%) is composed of non-eligible costs of economic activities that are not currently included in the perimeter of the Regulation UE 2020/852.

Capital expenses referring to eligible activities aligned to the goal of climate change mitigation amount to 19.4 million euros (31.05%) of the eligible activities.

CAPITAL EXPENSES (CAPEX)	€/000	% total (A+B)	% eligible
A.1. Sustainable activities (aligned to the Taxonomy)	19.433	19,90%	31,05%
A.2. Eligible activities but not sustainable	43.145	44,18%	68,95%
A. ACTIVITIES ELIGIBLE TO THE TAXONOMY	62.579	64,08%	100,00%
B. Non-eligible activities to the taxonomy	35.076	35,92%	
Total (A + B)	97.654	100,00%	



MODELS FOR KEY PERFORMANCE INDICATORS (KPI)

REVENUE			Sub- stantial contri- bution	DNSH								
Economic activities	Absolute Revenue 2022 (in thousands of €)	Portion of Revenue 2022	Climate change mitigation	Climate change mitigation	Climate change adaptation	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Enabling activities	Transition activity
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY												
A.1. ALIGNED ELIGIBLE ACTIVITIES												
4.15 Electricity generation using solar photovoltaic technology	11.348,2	1,6%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
4.3 Electricity generation using wind technology	3.670,7	0,5%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
5.5 Collection and transport of non-hazardous waste in source segregated fractions	107.432,2	15,1%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
5.9 Material recovery from non-hazardous waste	22.618,5	3,2%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	131,0	0,0%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
Total	145.200,6	20,5%	20,5%									
A.2. NON-ALIGNED ELIGIBLE ACTIVITIES												
4.15 District heating/cooling distribution	4.652,4	0,7%										
4.29 Electricity generation from fossil gaseous fuels	50.036,2	7,0%										
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	423,1	0,1%										
4.5 Production of Electricity from Hydropower	15.488,2	2,2%										
4.9 Transmission and Distribution of Electricity	2.611,3	0,4%										
5.3 Anaerobic digestion of sewage sludge	3.792,1	0,5%										
7.3 Installation, maintenance and repair of energy efficiency equipment	2.721,1	0,4%										
8.1 Data processing, hosting and related activities	4,0	0,0%										
	2.514,0	0,4%										
Total	82.242,4	11,6%										
Total (A.1 + A.2)	227.443,0	32,0%										
B. NON-ELIGIBLE ACTIVITIES												
Total	482.376,3	68,0%										
Total (A + B)	709.819,3	100,00%										

OPERATING COSTS (OPEX)			Sub- stantial contri- bution	DNSH								
Economic activities	Absolute Opex 2022 (in thousands of €)	Portion of Opex 2022	Climate change mitigation	Climate change mitigation	Climate change adaptation	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Enabling activities	Transition activity
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY												
A.1. ALIGNED ELIGIBLE ACTIVITIES												
4.1 Electricity generation using solar photovoltaic technology	775,9	0,2%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
4.3 Electricity generation using wind technology	2.538,4	0,7%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
5.5 Collection and transport of non-hazardous waste in source segregated fractions	30.283,2	8,3%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
5.9 Material recovery from non-hazardous waste	827,3	0,2%	101%	Y	Y	Y	Y	Y	Y	Y	N	N
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	48,6	0,0%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
Total	34.473,3	9,5%	9,5%									
A.2. NON-ALIGNED ELIGIBLE ACTIVITIES												
4.15 District heating/cooling Distribution	6.307,3	1,7%										
4.29 Electricity generation from fossil gaseous fuels	24.527,6	6,7%										
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	870,0	0,2%										
4.5 Production of Electricity from Hydropower	1.558,9	0,4%										
4.9 Transmission and Distribution of Electricity	1.368,1	0,4%										
5.3 Anaerobic digestion of sewage sludge	539,5	0,1%										
8.1 Data processing, hosting and related activities	639,7	0,2%										
Total	35.811,1	9,8%										
Totale (A.1 + A.2)	70.284,5	19,3%										
B. NON-ELIGIBLE ACTIVITIES												
Total	293.952,2	80,7%										
Total (A + B)	364.236,7	100,0%										

CAPITAL EXPENSES (CAPEX)			Sub- stantial contri- bution	DNSH								
Economic activ- ities	Absolute Capex 2022 (in thousands of €)	Portion of Capex 2022	Climate change mitigation	Climate change mitigation	Climate change adaptation	Marine waters and resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safe- guards	Enabling activities	Transition activity
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY												
A.1. ALIGNED ELIGIBLE ACTIVITIES												
4.15 Electricity genera- tion using solar photo- voltaic technology	1.716,4	1,8%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
4.3 Electricity genera- tion using wind tech- nology	923,8	0,9%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
5.5 Collection and transport of nonhaz- ardous waste in source segregated fractions	3.575,2	3,7%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
5.9 Material recovery from non-hazardous waste	12.141,6	12,4%	100%	Y	Y	Y	Y	Y	Y	Y	N	N
7.4 Installation, mainte- nance and repair of charging stations for electric ve- hicles in buildings (and parking spaces attached to buildings)	1.076,5	1,1%	100%	Y	Y	Y	Y	Y	Y	Y	Y	N
Total	19.433,5	19,9%	19,9%									
A.2. NON-ALIGNED ELIGIBLE ACTIVITIES												
4.15 District heating/ cooling distribution	674,6	0,7%										
4.29 Electricity genera- tion from fossil gas- eous fuels	35.674,0	36,5%										
4.30 High-efficiency co- generation of heat/ cool and power from fossil gaseous Fuels	1.113,1	1,1%										
4.5 Production of Electricity from Hydro- power	264,3	0,3%										
4.9 Transmission and Distribution of Elec- tricity	4.122,7	4,2%										
5.3 Anaerobic diges- tion of sewage sludge	4,9	0,0%										
7.3 Installation, maintenance and repair of energy efficiency equipment	56,7	0,1%										
8.1 Data processing, hosting and related activities	1.234,8	1,3%										
Total	43.145,2	44,2%										
Total (A.1 + A.2)	62.578,7	64,1%										
B. NON-ELIGIBLE ACTIVITIES												
Total	35.075,7	35,9%										
Total (A + B)	97.654,4	100,0%										

8.4 ACTIVITIES RELATED TO NUCLEAR ENERGY AND FOSSIL GASES

In accordance with the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, infor-

mation on nuclear energy and fossil gas activities is given below.

NUCLEAR ENERGY RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
FOSSIL GAS RELATED ACTIVITIES		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	SI
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	SI
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

The Power and Calore BUs are directly involved in the management and redevelopment of plants for the production of electricity from fossil gaseous sources, also in cogeneration, and heat for district heating in the cities of Verona and Vicenza.



9. The importance of Stakeholders

9.1 PEOPLE



GRI 2-7; 2-8; 2-30 ; 401-1; 401-2; 401-3; 404-1; 404-2; 405-1; 403

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 optimisation of people is one of the Group’s guiding values, as also indicated in the Code of Ethics.

The measures taken for the optimisation of people translate also in contractual forms that offer greater guarantees, such as that of **permanent employment**, which accounts for almost all the employment relationships in the AGSM AIM Group (96.5% of the employment contracts of Group companies). The Group aims to contribute to local employment, almost all employees actually reside within the are-

- MATERIAL TOPICS
- ➔

OPTIMISATION OF HUMAN CAPITAL, EQUAL OPPORTUNITIES AND CORPORATE WELFARE
- ➔

OCCUPATIONAL HEALTH AND SAFETY
- ➔

RESILIENCE AND ADAPTATION TO INNOVATION

as in which the Group operates, in particular Veneto (AGSM AIM), Milan (AGSM AIM Energia) and Abruzzo (CogasPiù Energie) and Albania (EcoTirana).

PEOPLE (no.)	2021	2022
Veneto	1.919	1.902
Italy (outside Veneto)	75	78
Total in Italy	1.994	1.980
Outside Italy (EcoTirana)	399	396
TOTAL	2.393	2.376 (*)

(*) HEADCOUNT AS AT 31 DECEMBER 2022.

Table 14 - People of the AGSM AIM Group, broken down by geographical area

	2021				2022			
	WOMEN	MEN	TOTAL	%	WOMEN	MEN	TOTAL	%
Temporary (no.)	5	108	113	5,67%	7	76	83	3,5%
Permanent (no.)	279	1.602	1.881	94,33%	395	1.898	2.293	96,5%
TOTAL	284	1.710	1.994	100%	402	1.974	2.376	100%

Table 15 – People of the AGSM AIM Group, broken down by gender and type of contract¹

(1) THE DATA ON GENDER IS TAKEN FROM THE TAX CODE OF THE EMPLOYEES. WHEN RECRUITED, STAFF ARE NOT REQUIRED TO DECLARE THEIR GENDER.

The expansion of the scope of consolidation of the non-financial reporting in 2022 made it possible to also consider the data and information relating to the Albanian subsidiary EcoTirana Sha, which in 2021 employed 399 people (of whom 124 women and 275 men). In 2021, the Group had a total of

2,393 employees.
With the same reporting scope, the change in personnel during the 2022 saw a decrease of 17 people (-0.7%).

PEOPLE (no.)	2021			2022		
	Temporary	Permanent	Tot.	Temporary	Permanent	Tot.
Veneto	n.d.	n.d.	n.d.	78	1.824	1.902
Italy (outside Veneto)	n.d.	n.d.	n.d.	5	73	78
Total Italy	n.d.	n.d.	n.d.	83	1.897	1.980
Outside Italy (Eco-Tirana)	n.d.	n.d.	n.d.	-	396	396
TOTAL	n.d.	n.d.	n.d.	83	2.293	2.376

Table 16 - People of the AGSM AIM Group, broken down by region and type of contract (temporary and permanent)

The table below shows the breakdown of employees by job title, age and gender.

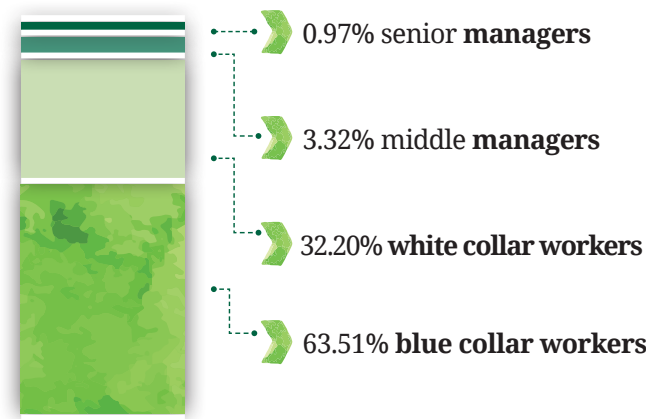
JOB TITLE BY GENDER	2021				2022			
	WOMEN	MEN	TOTAL	%	WOMEN	MEN	TOTAL	%
Senior managers	2	22	24	1,20%	2	21	23	0,97%
Middle managers	8	55	63	3,16%	16	63	79	3,32%
White collar workers	262	483	745	37,36%	259	506	765	32,20%
Blue collar workers	12	1.150	1.162	58,27%	125	1.384	1.509	63,51%
TOTAL	284	1.710	1.994	100%	402	1.974	2.376	100%

Table 17 - People of the AGSM AIM Group, broken down by gender and job title

JOB TITLE BY AGE	2021				2022			
	< 30	30-50	>50	TOTAL	< 30	30-50	>50	TOTAL
Senior managers	0	3	21	24	0	1	22	23
Middle managers	0	14	49	63	0	26	53	79
White collar workers	34	313	398	745	38	310	417	765
Blue collar workers	25	435	702	1.162	31	673	805	1.509
TOTAL	57	765	1.170	1.994	69	1.010	1.297	2.376

Table 18 - People of the AGSM AIM Group, broken down by age and job title.

The workforce breaks down as follows:



Women in the AGSM AIM Group represent 16.92% of the company population, 10.90% of whom, out of the total workforce, hold clerical positions. 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. During 2022, 23 non-employees (15 men and 8 wom-

en) worked for the AGSM AIM Group. AGSM AIM's non-employees are mainly staff on manpower supply contract (14 people of whom 4 women and 10 men) and staff on internship contracts (9 university students of whom 4 women and 5 men). The AGSM AIM Group promotes equality from the moment its personnel are hired, with career development paths based on skills and performance criteria. AGSM AIM is committed to eliminating all forms of discrimination based on gender, age or personal and ideological beliefs, in order to foster a harmonious and stimulating working environment. AGSM AIM 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. The number of employees benefiting from the possibility of reduced working hours is 3.49% of the workforce. 81.93% of the employees who make use of part-time employment in the Group, generally for family needs, are women.

PEOPLE (no.)	2021			2022		
	Full-time	Part-time	Tot.	Full-time	Part-time	Tot.
Veneto	n.d.	n.d.	n.d.	1.825	77	1.902
Italy (outside Veneto)	n.d.	n.d.	n.d.	71	7	78
Total Italy	n.d.	n.d.	n.d.	1.896	84	1.980
Outside Italy	n.d.	n.d.	n.d.	392	4	396
TOTAL	n.d.	n.d.	n.d.	2.288	88	2.376

Table 19 - People of AGSM AIM Group, broken down by region and contract type (full-time and part-time)

Within the Group some personnel belong to the protected categories, representing 2.74% of the total workforce.
In 2022, 47 people were eligible for and took **parental leave**: 31 women and 16 men. All employees who took parental leave are still employed by the Group.

In 2022, the **return-to-work rate**, i.e. the ratio of the total number of employees who returned to work after finishing parental leave in the reporting year to the total number of employees who finished parental leave, is **100%**.

PARENTAL LEAVE	2021			2022		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Number of employees who took parental leave	21	41	62	31	16	47
Number of employees who ended their period of parental leave	n.d.	n.d.	n.d.	17	17	34
Number of employees who returned to work at the end of parental leave	n.d.	n.d.	n.d.	17	17	34
Number of employees still employed by the company in the 12 months following return	n.d.	n.d.	n.d.	19	14	33
Return-to-work rate	100%	100%	100%	100%	100%	100%
Loyalty rate	100%	100%	100%	100%	100%	100%

Table 20 - Parental leave

The Group’s seniority in 2022 is dominated by the “less than 6 years” category, which comprises **40% of the total** workforce. This confirms the Group’s desire to continue increasing its human capital by integrating it with new resources and skills from outside the organisation.

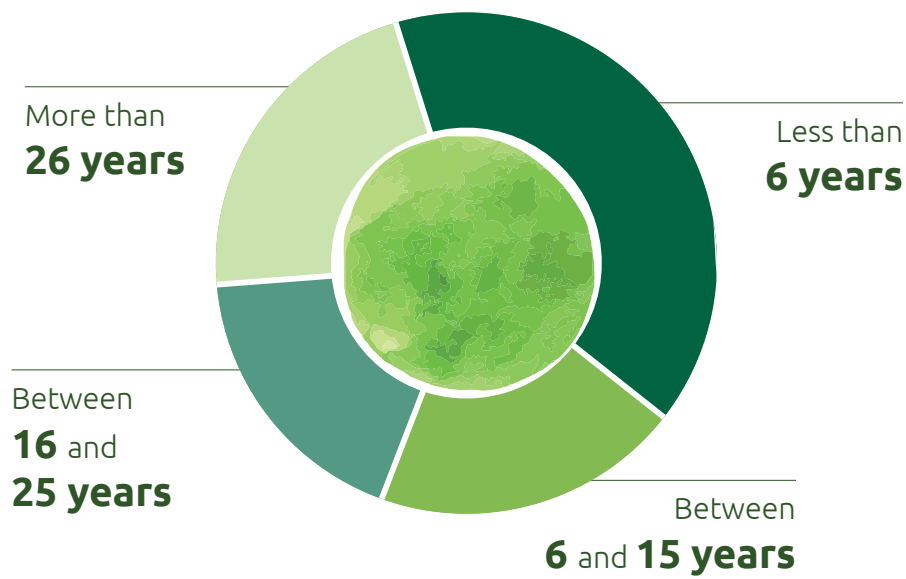
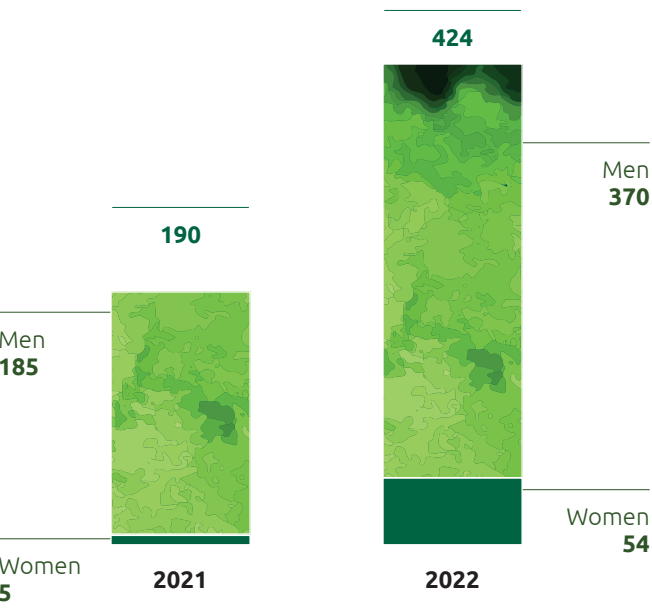


Figure 6 – Seniority for employees of the AGSM AIM Group.

The **incoming turnover rate** for personnel, obtained from the ratio between the sum of people joining during the year and the total number of people who work at the company in the relevant

year, is **17.85%**, while the **outgoing turnover rate** is **18.56%**. During 2022, **424 people were hired**, 13% of whom are women.

Recruitment by gender



Termination by gender

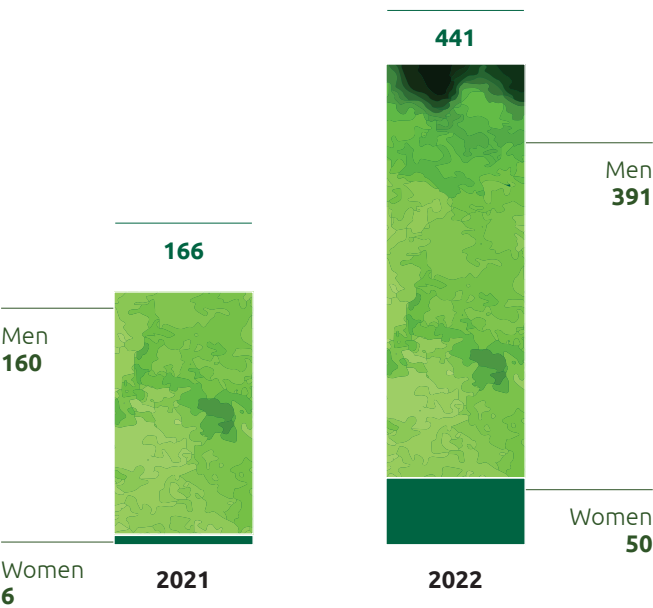


Figure 7 - Incoming and outgoing turnover rate by gender

Also taking into consideration the figures and information for 2021 of the Albanian subsidiary EcoTirana Sha, which had 27 new hires, the Group’s total number of hires in the previous year was therefore 217. Considering the new and expanded reporting scope of this financial year, the change in hires during 2022 saw an increase of 207 employees.

During the reporting period, **441 people left the Group**. The main **reasons** for the termination of the employment relationship are voluntary resignation (**63.27% of cases**), followed by retirement (**14.51% of cases**) and temporary employment contract expiry, for **16.78%** of the total.

	2021		2022	
	RECRUITMENT	TERMINATIONS	RECRUITMENT	TERMINATIONS
<i>less than 30</i>	26	10	64	38
<i>from 30 to 50</i>	90	44	272	226
<i>above 50</i>	74	112	88	177
TOTAL	190	166	424	441

Table 21 - Recruitment and terminations within the AGSM AIM Group, by age.

	2021		2022			
	RECRUITMENT	TERMINATIONS	RECRUITMENT	INCOMING TURNOVER	TERMINATIONS	OUTGOING TURNOVER
<i>Veneto</i>	n.d.	n.d.	217	9,1%	239	10%
<i>Outside Veneto</i>	n.d.	n.d.	14	0,6%	6	0,3%
<i>Outside Italy</i>	n.d.	n.d.	193	8,1%	196	8,3%
TOTAL	n.d.	n.d.	424	17,8%	441	18,6%

Table 22 - Recruitment and terminations within the AGSM AIM Group, by region

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

- **flexibility under exceptional circumstances.** The Group takes into account the needs of workers, analysing each situation and arranging ad hoc management for each individual, based on a linear organisation;
- **part-time on return from maternity leave.** Granted to enable the new mother to care for the child on a continuous basis;

➤ **smart working.** 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 has introduced and consolidated smart working for all roles in those staff categories which can work remotely.

Smart working is a framework that enables more flexibility and at the same time a new managerial philosophy, based on flexible time and space and working by objectives.

9.1.1 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

and assessing the candidate’s potential. At the end of the process, a document is drawn up summarising the different steps taken.

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

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

9.1.2 REMUNERATION AND WELFARE

AGSM AIM encourages workers to enrol in a private pension fund “Pegaso - Fondo Pensione complementare per i dipendenti delle imprese di servizi di pubblica utilità” (Pegaso - Supplementary Pension Fund for employees of public utility service companies). Enrolment in Pegaso entitles workers to a contribution to the pension fund from their employer of 20% more than the amount paid in.

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	
	2021	2022
Wages and salaries	83.594	85.497
Employee severance indemnities	5.095	5.501
Employee pensions and similar obligations	2	2
Miscellaneous services for employees	990	1.791
Total Indirect Remuneration	89.681	92.792
Social security contributions	25.758	26.382
Total Employee Personnel Costs	118.229	119.173
Board of Directors fee	1.211	1.334
Board of Statutory Auditors fee	587	591
Supervisory Body fee	157	184
Non-employee personnel costs	1.798	2.025
TOTAL	120.027	121.282

Table 23 – 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 **80.05%** of its employees reside.

The possibility of converting, in whole or in part, the amount of the Performance Bonus into forms

of welfare was also maintained in 2022.

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, education-

al 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.

9.1.3 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.

The **per capita training hours** per employee of the AGSM AIM Group in 2022 amounted to 11.35, not including the Albanian company EcoTirana Sh.a, which does not currently monitor training hours accurately.

TRAINING	2021		2022	
	TOTAL HOURS	%	TOTAL HOURS	%
Women	3.159	15,74%	2.689	11,20%
Men	16.912	84,26%	19.787	88,80%
TOTAL	20.071	100,00%	22.475,50	100,00%
Senior managers	516,50	2,57%	213,00	0,95%
Middle managers	1.028,50	5,12%	2.630,00	11,70%
White collar workers	11.228,00	55,94%	9.920,50	44,15%
Blue collar workers	7.298,00	36,37%	9.710,00	43,20%

Table 24 – Training hours by gender and level.

	2021	2022
Women	11,12	9,50
Men	6,89	11,66
TOTAL	10,07	11,35
Senior managers	21,52	9,26
Middle managers	16,33	37,75
White collar workers	15,07	13,19
Blue collar workers	6,28	8,62

Table 25 – Average hours of training by gender and job title

At the end of each training course, employees are asked to evaluate the teaching, the content covered during the course and the overall effectiveness by completing an anonymous questionnaire. E-learning training will be provided to allow greater flexibility for employees. Management and some key personnel were provided with access to various contents on the topic of soft skills and management training. The training package includes access to content, webinars or in-person seminars.

In 2022, the AGSM AIM Group collaborated with var-



ious universities, allowing **9 university students** (17 in 2021) to carry out **curricular training projects** for about 3 months. In addition, 5 apprentice-

ship contracts were activated during the reporting period, 3 of which were subsequently converted into employment contracts.

9.1.4 INCENTIVE SYSTEM

The profitability, productivity and quality objectives to be pursued in 2022 in all Group companies are geared towards the implementation, with regard to the Parent Company, of the harmonisation between Departments with the aim of making the procedures and systems already in place more efficient and rationalised. These activities result in an improvement in the service provided to the subsidiaries. For the various subsidiaries, the objectives aim at implementing the preparatory activities to merge the individual companies (which were then set up on 1 January 2022) with the purpose of making procedures and systems already in place more

efficient and rationalised for a fully harmonised post-merger integration. Once the profit in the Group's consolidated financial statements is realised, the possibility of receiving the Bonus will depend on the achievement of the profitability, productivity, and quality objectives of the Group.

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

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

9.1.5 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 Environment Sector CCNL
- FISE - Environment CCNL
- UTILITALIA Electricity Sector CCNL
- Confcommercio Services CCNL
- Public Transport (Local Public Transport) Sector CCNL

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

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 2022, calculated considering the number of personnel **having joined the union** compared to the total number of employees, was equal to **39.86%**.

9.1.6 PROJECTS UNDER DEVELOPMENT

→ CORPORATE VALUES

In order to disseminate AGSM AIM's Cultural Model, an internal communication campaign was carried out during the reporting period, containing in-depth analysis, accounts and content dedicated to the four corporate values identified through the Volt Project launched in the previous year.

In 2022, in line with the VOLT Project, the "Valori in Azione" Project was launched, which involves heterogeneous working groups of the corporate population and is aimed at defining ways to transform values from ideas into practical behaviour and initiatives.

→ DE&I POLICIES

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

The introduction of flexibility policies (smart working, part-time work and flexible working time arrangements) enables, firstly, to reconcile private life and work and, secondly, to increase the

guarantee for equal opportunities for professional growth within the organisation.

In the next three years, projects are planned to raise awareness of DE&I, fostering a management culture focused on inclusion.

→ DIGITAL TRANSFORMATION AND HR PROCESS DEVELOPMENT

The Covid-19 health emergency was disruptive in terms of working methods, and it accelerated a series of changes related to the world of work: it is now more digitised, flexible and geographically distributed. The AGSM AIM Group also faced this cultural change, together with its own people. Based on these changes, the Group launched an HR digitisation project in 2022, which includes implementing a Human Capital Management system. This tool is aimed at simplifying the processes that follow the employee journey from recruitment to termination.

9.1.7 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 "Consolidated Law on Health and Safety at Work", 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 nine Group companies. The personnel of ISO 45001-certified companies are covered by the occupational health and safety management system (see paragraph 6.4).

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, Employers, in collaboration with the Heads of the Health and Safety Service (RSPP) and the Company Doctors, implement a process to identify the hazards and assess risks to health and safety in the workplace

and in the activities carried out by the personnel. This process allows Employers to identify suitable prevention and protection measures to avoid or, if not possible, reduce the likelihood of an unfavourable event or, in any case, reduce the consequences of the event.

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

THE RISK ASSESSMENT AND THE CONSEQUENT PREVENTION AND PROTECTION MEASURES ARE CONTAINED IN THE RISK ASSESSMENT DOCUMENTS (DVR) PREPARED FOR EACH GROUP COMPANY.

In view of the type of accident events and risks identified in the DVRs, "Ergo posture" courses were organised in 2022 for the personnel of the Environment Business Unit in order to prevent musculoskeletal disorders.

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

120 accidents in the workplace occurred in 2022,



the main causes of which were tripping, slipping, strain injuries, and work-related injuries; **22 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.

During 2022, no injuries to non-employees were recorded.

There were **16 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 addition, there was one commuting accident involving a non-employee during the reporting period.

In 2022, 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 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 sur-

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

Health surveillance includes the prevention of **occupational diseases** that the worker could con-

tract in carrying out their activity. **3 applications** were received in 2022 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. 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.

	2021	2022
Total number of accidents in the workplace	103	120
Severity rate (*)	0,80	0,64
Rate of accidents in the workplace with serious consequences (**)	n.d	5,40
Rate of recordable accidents in the workplace (**)	32,58	29,46
Lost working days (OCCUPATIONAL DISEASE AND ACCIDENTS)	2.821	3.258
Hours worked	0	0
Work-related deaths	3.161.744,00	4.072.642,35

(*) THE SEVERITY RATE CORRESPONDS TO THE RATIO BETWEEN THE NUMBER OF ACTUAL ACCIDENT DAYS AND THE NUMBER OF HOURS WORKED MULTIPLIED BY 1,000.
(**) RATE OF ACCIDENTS IN THE WORKPLACE CORRESPOND TO THE RATIO BETWEEN THE NUMBER OF ACCIDENTS AND THE NUMBER OF HOURS WORKED MULTIPLIED BY 1,000,000.

Table 26 – Group Personnel Accident Indicators

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 Company. The Group is strongly committed to involving employees, on all levels, in safety training

to spread the culture. Though to a limited extent, the traditional meetings with the operational contact persons have resumed, in which accidents and near misses in the Group in the previous year are analysed together with the Head of the Health and Safety Service.



9.2 SHAREHOLDERS



MATERIAL TOPICS

- ECONOMIC AND FINANCIAL PERFORMANCE
- INTEGRITY AND TRANSPARENCY IN BUSINESS DEVELOPMENT

Aware of the importance of the role played by the Shareholders, the AGSM AIM Group ensures them accurate, truthful and timely information, aimed at improving the conditions of informed participation in corporate decisions. In relation to its shareholders, the Group undertakes to ensure the effective participation of all members of corporate bodies in the shareholders' meeting through timely information on the items on the agenda, in order to establish a fruitful dialogue among the Shareholders, the Board of Directors and the Board of Statutory Auditors. Moreover, the Group companies have entered into "service agreements" with the 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 is also committed to protecting and increasing the value of its business and the solidity of its assets, by enhancing management and pursuing high standards in production and service activities. AGSM AIM also undertakes to safeguard and store the corporate resources and assets contributed by the Shareholders. In 2022, the AGSM AIM Group paid **dividends to the Municipalities of Verona and Vicenza** for a total of **Euro 30 million** from the profits allocated in the 2021 Financial Statements, which amounted to a total of Euro 46.8 million.

9.3 LENDERS AND INVESTORS



MATERIAL TOPICS

- ECONOMIC AND FINANCIAL PERFORMANCE
- INTEGRITY AND TRANSPARENCY IN BUSINESS DEVELOPMENT

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 as at 31 December 2022 amounted to **Euro 632.7 million** (so-called Net Financial Position) an increase of 231% compared to the previous year (amounting to Euro 402 million), due to a high absorption of working capital due to the increase in raw material prices of electricity and gas.

€/000	2021	2022
Current	309.132	417.079
Non-current	92.296	215.631
TOTAL	401.428	632.709

Table 27 – Net financial debt (in thousands of Euro)

The credit facilities are not concentrated on a single lender but are distributed among the leading Italian banks with which the Group has entertained consolidated relations for years. The AGSM AIM Group is among the first Italian entities operating in the local public services sector which the **European Investment Bank** has involved in the new loan programme called "**Medium Sized Utilities Programme Loan**", intended to support companies' medium-term development plans.

The **financial expenses accrued on debt capital** in 2022 **amounted to Euro 9.8 million** up by about 49% compared to the previous year's figure (amounting to Euro 6.6 million) due to the increasing trend in interest rates on debt capital.

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

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 bond has 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 from a possible fluctuation in rates.



9.4 AUTHORITIES AND INSTITUTIONS

GRI 2-28; 415-1



MATERIAL TOPICS

➤ **INTEGRITY AND TRANSPARENCY IN BUSINESS DEVELOPMENT**

➤ **DEVELOPMENT OF INITIATIVES AND CREATION OF VALUE FOR THE TERRITORY**

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:

- **Utilitalia**, a federation of companies operating in the water, environment, electricity and gas public services.
- **AIRU** (Associazione Italiana Riscaldamento Urbano), which aims to promote and disseminate the application and innovation of district heating and cooling systems.
- **Confservizi Veneto**, an association that coordinates and promotes the development of local service management companies and

encourages the exchange of knowledge and experience, carries out studies, drafts regional law proposals, administrative measures, economic and statistical data and cooperates with other regional associations.

- **ANEV** (Associazione Nazionale Energia del Vento) is an environmental protection association whose aims include contributing to the promotion and use of wind energy in a balanced relationship between settlements and nature, as well as promoting research and technological development aimed at using wind resources and the rational use of energy, and the dissemination of correct information based on real data.

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

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

- neutrality in managing infrastructure under concession;
- the non-discriminatory management of commercially sensitive information relevant to the correct development of competition;

- the absence of cross-subsidies among activities, in particular among those subject to tariff regulation and those operated under the free market regime.

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

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

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

TAXES AND DUTIES (€/000)	2021 ^(*)	2022
Direct taxes	22.911	29.874
Indirect taxes and duties (other taxes)	12.633	9.491
TOTAL	35.544	39.365

Table 28 – The tax burden incurred by the AGSM AIM Group (in thousands of Euro).

^(*) WITH RESPECT TO THE 2021 SUSTAINABILITY REPORT, THE INFORMATION IN TABLE NO. 28 WERE REVISED, FOLLOWING A CHANGE IN THE MEASUREMENT METHODOLOGIES USED. THE DATA PUBLISHED IN THE PREVIOUS VERSION WERE: DIRECT TAXES, 22,911; INDIRECT TAXES AND DUTIES (VARIOUS TAXES), 3,533

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

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

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



9.5 CUSTOMERS



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 commercial relations must be based on the principles of loyalty, helpfulness, transparency and professionalism. To this end, the AGSM AIM Group, also on the basis of its UNI EN ISO 9001 certification, undertakes to constantly provide customers with services that meet their requirements and that are compliant with applicable legislation. The AGSM AIM Group, through its Business Units, guarantees its customers equal rights, equal treatment and

9.5.QUALITY AND PROXIMITY: RELATIONS WITH ENERGY CUSTOMERS

AGSM AIM Energia 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. The figures in this section therefore refer to these Group’s commercial companies. In 2022 these two companies served a total of **850,808 customers** broken down as follows:

CUSTOMERS	2021 ^(*)	2022
Electricity	543.767	527.558
Natural gas	319.056	320.294
Heat ^(*)	3.188	2.956
TOTAL	866.011	850.808²

(*) CUSTOMERS OF THE DISTRICT HEATING SERVICE
(**) COMPARED TO WHAT WAS INDICATED IN THE 2021 SUSTAINABILITY REPORT, THE TOTAL NUMBER OF CUSTOMERS HAS BEEN RECALCULATED FROM 861,289 TO 866,011 DUE TO A REFINEMENT IN DATA EXTRACTION AND PROCESSING ATTRIBUTABLE TO THE PROGRESSIVE INTEGRATION BETWEEN THE INTERNAL MANAGEMENT SYSTEMS BELONGING TO THE FORMER AGSM VR AND AIM VI ORGANISATIONS.

Table 29 – Customers served by AGSM AIM Group’s commercial companies (AGSM AIM Energia and CogasPiù Energie).

2 - DATA UPDATED TO THE 28TH DECEMBER 2022

MATERIAL TOPICS

- PROTECTION OF THE CUSTOMER
- INTEGRITY AND TRANSPARENCY IN BUSINESS DEVELOPMENT
- PROTECTION OF THE TERRITORY
- USE OF RENEWABLE SOURCES

non-discrimination. The Group is highly committed to rendering information about its services simple and readily available. These are the key underlying principles that the Group follows in order to ensure that customer relations are long-lasting, through the adoption of a variety of channels of communication with customers. The Group has undertaken to comply with general and specific quality standards, and to constantly improve the services provided through technological, organisational and procedural solutions designed to further the effectiveness and efficiency of its operations.

Residential customers accounted for **64.67% for electricity supply** and **90.34% for gas supply**, while **district heating** services accounted for **66.41%**. The remaining customer portfolio is unevenly distributed between large accounts, public administration and resellers. The marketing campaign of the Energy Business Unit companies is aimed at strengthening the Group’s identity in the region where it works (Veneto and Abruzzo) but also at further strengthening their presence in other regions of Italy, through sales agencies and partnerships with trade associations located throughout Italy. The strong presence in the territory that characterises the AGSM AIM Group is also unequivocally reflected in the customer base and its geographic concentration in the Veneto region.

ENERGY CUSTOMERS (*)	ELECTRICITY %		NATURAL GAS %	
	2021	2022	2021	2022
Veneto region	49,78%	50,73%	78,31%	74,77%
Other regions	50,22%	49,27%	21,69%	25,23%

(*) DISTRICT HEATING CUSTOMERS ARE NOT TAKEN INTO ACCOUNT

Table 30 – Geographical distribution of energy customers.

In 2022, for the supply of Natural Gas and Electricity, the sales companies of the AGSM AIM Group **issued over 4.01 million bills**, of which **over 1.7 million** were issued **electronically**, accounting for approximately **42.50% of total bills issued**. The service of sending bills in electronic format is called **Bollettaelettronica**, **STOPCARTA** and **Vi@Mail**. Therefore, by activating this service paper bills are eliminated, with the advantage of having them always available in digital format. In 2022, **over 17,000 customers** activated this service, thus contributing to the continuous saving of paper and mailing services. Each bill, including previous bills, is always available to all customers in a convenient digital archive, accessible through the App and the Customer Area of each company. Always via the Customer Area of our website and

the dedicated 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, reducing the movement and printing of documentation, with consequent saving of paper and mailing services. In 2022, **107,400 bills** were paid by credit card via websites and Apps.

TYPES OF PAYMENT USED	2021	2022
SEPA direct debit	55,13%	54,83%
Pre-Printed Postal Payment Slips	33,61%	24,20%
Collection Orders, Bank Transfers	11,26%	16,07%
Cbill - PagoPA	-	3,02%
Credit/debit card	-	1,88%

Table 31 – Types of payment used by customers.

9.5.2 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. **91,758 contracts** are eligible for the Electricity and Natural Gas Bonus. The table below shows the amounts of bonuses

paid for the year 2022, which clearly shows the significant growth in the use of bonuses.

DISBURSEMENT OF THE SOCIAL BONUS €/000	2021	2022
Gas Bonus	2.711	30.268
Electricity Bonus	5.011	30.939
TOTAL	7.722	61.207

Table 32 – Social Bonuses paid.

For the municipalities of Vicenza and Verona, there is also active collaboration with Caritas Diocesana, through the creation of a **dedicated fund for the association Diakonia Onlus**, the operational wing of Caritas itself, for those families in temporary financial difficulties. The objective of the collabo-

ration is to guarantee intervention to support individuals and households in difficulty in paying their electricity and gas bills, in a context of increasing adversity in meeting their economic and financial commitments with respect to essential goods and services.

In 2022, the AGSM AIM Group disbursed **Euro 38,530.36** for local families in social and economic hardship via this fund.

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

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

9.5.2.1 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.

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

For natural gas, a project began in 2022 to introduce offers in its product catalogue that focus on sustainability and commitment to the environment. Carbon offsetting is a mechanism that allows

organisations and individuals to voluntarily offset their CO₂ emissions by supporting emission reduction projects aimed at absorbing or avoiding CO₂. This mechanism is based on the purchase of carbon credits on the reference market. The "GREEN GAS" offer, active from October 2022, is part of this scheme.

IT IS THE FIRST OFFER FROM THE AGSM AIM GROUP DEDICATED TO HOUSEHOLDS AND IT ENVISAGES THE OFFSETTING OF GREENHOUSE GAS EMISSIONS BY PURCHASING CARBON CREDITS.

32,595 contracts were signed in 2022 that include the sale of renewable electricity; while for natural gas, 4,308 contracts including CO₂ offsets were signed in the period October - December 2022.

Due to the particularly volatile trend in electricity and gas market prices that characterised 2022, mainly due to the outbreak of the Russia-Ukraine conflict, the product catalogue was progressively revised and developed during the year in order to meet the needs of customers, particularly households with specific offers. Therefore, it was decided to propose offers aligned to the wholesale market price in order to avoid arbitrage and market distortions.

For electricity, households can opt for the "MERCATO CASA" offer in which the price of energy

is aligned to the PUN (Single National Price), the wholesale reference price, while the "MERCATO CASA GREEN" offer includes the supply of electricity produced from renewable sources; "PROMO LUCE", on the other hand, offers a Euro 25 discount on the first bill.

For the sale of natural gas, the "GREEN GAS" offer is active, which allows customers to purchase natural gas at the PSV (Virtual Trading Point) price, the main index in Italy for the wholesale market, and which also includes offsetting the CO₂ produced in the price, thanks to the purchase of carbon credits. For customers with a VAT number, the following offers are active: "MERCATO IMPRESA" and "SMALL/MEDIUM/LARGE BUSINESS" which envisage the application of an energy component indexed to the average PUN set on the national electricity exchange market. For gas, the "PREMIUM BUSINESS GAS" offer is active, with a gas component indexed to the PSV price.

9.5.2.2 AGREEMENTS

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

The AGSM AIM Group also has active partnerships throughout the country with associations and consortia that advise their members on energy issues and help them choose the best conditions. These partnerships proved to be crucial in 2022 in view of the sharp rise in commodity prices and the difficulty in finding offers on the market.

9.5.3 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, 1 in Abruzzo and 1 in Lazio** (both of CogasPiù Energie).

In addition, the Group has **156 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 a host of promotions active in the electricity and natural gas market.

In 2022 **54,873** customers were served at the AGSM AIM Group desks, distributed geographically as follows:

- **Verona and province: 29,642**
- **Vicenza and Treviso: 13,801**
- **Abruzzo and Lazio: 11,430**

CUSTOMERS SERVED AT THE DESK	2021	2022
Number of customers served at the desk	53.977	54.873
Average number of customers served per desk	3.856	3.920

Table 33 – Customers served at the desk

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

- log in to the reserved area of the dedicated website for contract management enquires (e.g. activation or SEPA change, change of residence, change of power level, cancellation, StopCarta activation);
- download from the public area of the 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 eliminated waiting times at the desk thanks to a customised appointment system, excluding the payment desk. Customers can also log in to the reserved area of the dedicated website to provide their self-reading, check bills and payment status, activate bank direct debit and request bills be sent in digital format.

The desks in Verona and its province continue to this day with the “traditional” management of the desks, i.e. customers can visit at any time without an appointment. Alternatively, in the “Fai da Te” section of the dedicated website, 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, book an appointment, consult FAQs.

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

AVERAGE WAITING TIME (Min)	2021	2022
Verona desk - Single queue	07:23	19:26
CogasPiù Energie desk - Payment queue	02:43	04:18

Table 34 – Average waiting time at the desk.

Oltre agli sportelli, le società del Gruppo mettono a disposizione dei clienti il servizio di **call center**.

In addition to desks, the Group companies provide customers with a **call centre** service. During 2022, **551,815 calls** were received with an **average waiting time of 127 seconds** and with a **percentage of successful calls of 94.15%**.

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

305,978 files were handled by the online desk, accounting for **66.24%** of all files managed by the sales companies.

In 2022, 3,069 video calls were handled through InFace, the video call assistant service that allows the execution of all contractual transactions, using face-to-face assistance with an operator. There is also a chatbot on the website that allows you to chat directly with a Call Centre operator, through which 17,661 conversations were managed. The website also handled 219,670 enquiries received from the Customer Area/App/Fai da Te.

With reference to CogasPiù Energie, some features are available from the Customer Area of the cogaspiuenergie.it website, which allowed the processing of 922 files in 2022.

Rising commodity prices in 2022 have led to an increasing need for customers to contact the company to mainly ask for billing information, extended payment terms, contract management and status information. In this scenario, the number of contacts to AGSM AIM Energia’s call centres increased by more than 30%. The number of instalment requests quadrupled, and waiting times at the desks for handling files requested from operators lengthened due to the number, complexity and specificity of the files.

In light of the significant increase in contact requests and with the aim of preventing any inconvenience, AGSM AIM has implemented initiatives to strengthen the relationship with its customers through:

- increased availability of call centre operators;
- reorganisation the processes between front and back office to speed up contractual procedures at desks;
- enhancement of the “InFace” video call assistant service, available on dedicated websites;
- improvement of the “Fai da te” online area to provide a better view of the progress of requests entered;
- the possibility of requesting bill instalments directly from the Customer Area.

Given the situation that has affected the international energy markets, the companies also deemed it appropriate to change the frequency of consumption invoicing **from bimonthly to monthly** (during the winter period) in order to allow customers to monitor their consumption and expenditure in a timely manner by means of more frequent invoicing, also letting them make payments of individually lower amounts as they are spread out over time. 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 active social channels:

THE CONTACT CHANNELS	2021	2022
Facebook	10.877	11.211
Twitter	463	466
Linkedin	8.016	8.581
Youtube	48.799	16.334
Apps (AIM Energy – CountBox – CogasPiù Energie)	41.336	43.634
Websites	537.083	399.081
Customer area of websites	163.110	192.837
Instagram	314	585

Table 35 – Contacts through the network of social channels.

9.5.4 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 continuous monitoring of complaints by the AGSM AIM Group is to identify critical issues, defining and implementing appropriate corrective actions, with a view to continuous improvement. In particular, through a specific system, the Customer Relations department manages written requests from customers that are received through various channels, and automatically sends information on the response methods and timing. A form for submitting complaints or other written

reports is available at the desks or on the websites. Alternatively, customers may directly submit the request from the relevant sections of the websites. The **reports received through the various channels** of the AGSM AIM Group, relating to the energy services offered, amounted to **15,635** and are broken down as follows:

- 69.92% were **requests for information**;
- 21.39% were **complaints**, which were answered in 80.2% of cases within the 30 days required by regulations;
- 8.69% were **billing adjustment requests**, which were answered in 100% of cases within the required time limits.

9.5.5 QUALITY IN NATURAL GAS DISTRIBUTION SERVICE

To distribute natural gas, V-Reti manages the transport of gas through local pipeline networks, for delivery to end users through two phases:

- I. the pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points;
- II. 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. In 2022 V-Reti, for the division relating to the distribution of natural gas, managed **292,904 users**, introducing more than **536 million standard cubic metres of natural gas (scm)** into the network. The natural gas distribution service makes reference to the commercial quality parameters set by ARERA. In 2022, the **minimum times and levels required by the Gas Distribution Service Quality Regulation (RQDG)** were **widely complied with**.

ARERA QUALITY STANDARDS	2021	2022
Total number of services performed	20.662	19.815
Number of cases of non-compliance with commercial quality standards with right of automatic compensation to the user	115	251
Total number of simple services	1.200	1.565
Total number of complex services	204	255
Total number of supply activation cases	8.867	8.041
Total number of supply reactivation cases following suspension due to lack of payment	1.742	1.639

Table 36 – Quality standards offered by the distribution companies of the AGSM AIM Group.

With reference to the AGSM AIM Group's distribution companies, commercial quality standards were 98.70% complied with in 2022. The average time for activating the supply corresponds to 2.82

working days while the average time for reactivating the supply following suspension due to lack of payment is 1.03 working days.

9.5.6 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. V-Reti had a total of **254,496 active users** as at 31 December 2022, over a **network of 4,418.36 km**. Below are some indicators that measure the quality of the service provided and can have an impact on end customers. In 2022, V-Reti was **99.48%** compliant with the specific commercial quality standards for electricity.



QUALITATIVE STANDARDS	2021	2022
Total number of services performed	28.824	18.231
Number of cases of non-compliance with commercial quality standards with right of automatic compensation to the user	164	94
Total number of LV/MV supply activation cases	11.918	10.954
Total number of LV/MV supply reactivation cases following suspension due to lack of payment	4.582	7.277

Table 37 – Service quality standards offered by the distribution companies of the AGSM AIM Group.

9.6 SUPPLIERS



GRI 2-6; 204-1

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 respective sectors, to the provisions of Legislative Decree no. 50/2016 as amended (“Public Contracts Code”). Pursuant to Article 36, paragraph 8, of Legislative Decree 50/2016, the AGSM AIM Group has adopted its “Company Regulation for works, services and supply contracts for an amount below the EU threshold”. The 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 purchases 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,

MATERIAL TOPICS

- PROTECTION OF THE TERRITORY
- SUSTAINABILITY AND SECURITY IN THE SUPPLY CHAIN
- RESILIENCE AND ADAPTATION TO INNOVATION
- ETHICS AND FIGHT AGAINST CORRUPTION

rotation, non-discrimination and equal treatment between economic operators. In order to ensure transparent and effective management of the procedures for awarding works, services and supplies, the AGSM AIM Group has established the “Procurement Portal”, a tool for communicating and interacting with suppliers, available on <https://www.ag-smaim.it/fornitori>.



Through this Portal, the AGSM AIM Group manages its Online Supplier Register, which allows the registration of those who intend to apply and express their interest in being invited to submit bids, without prejudice to the fact that the economic operators are qualified on a case-by-case basis according to the call for tenders. 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 POTENTIAL SUPPLIERS, WITHIN REASON AND WHERE PERMITTED, TO POSSESS SPECIFIC TECHNICAL, ORGANISATIONAL AND ECONOMIC-FINANCIAL SKILLS, AS OBJECTIVE AS POSSIBLE AND ALWAYS PROPORTIONATE TO THE NATURE AND THE SUBJECT OF THE CONTRACTS, AS WELL AS, MORE AND MORE FREQUENTLY, TO PROVE THE FULFILMENT OF THE QUALITY STANDARDS ISSUED ON THE BASIS OF THE EUROPEAN STANDARDS OF THE UNI EN ISO SERIES RELATING TO SYSTEMS FOR MANAGING QUALITY, HEALTH AND SAFETY, ENVIRONMENT, ETC.

All the suppliers and contractors are reasonably required by AGSM AIM Group companies to comply with environmental and safety regulations, to protect labour and to accept the Group’s Code of Ethics and the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231/2001 by the contracting company belonging to the AGSM AIM Group. The AGSM AIM Group is handling the dissemination and promotion of sustainable issues and criteria related to procurement and contracts, especially for specific types of purchases and for the performance of works, including through the application of CAMs, the Minimum Environmental Criteria required for a contract to be identified as “green” according to the guidelines of the PAN-GPP, National Green Public Procurement Action Plan. For the AGSM AIM Group it is especially important to spread knowledge and use of quality, safety and environment certifications, not only referred to products and services but also within the scope of other processes and projects (a requirement that is now consolidating in many tenders) through ISO 9001, 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 2022, the companies of the AGSM AIM Group issued over 13 thousand orders for a total value of over Euro 223 million.

ORDERS	2021	2022
Orders issued (no.)	14.751	13.951
Order value (€)	190.680 €	223.702 €

Table 38 - Orders issued by the AGSM AIM Group.

9.6.1 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 generally required to meet requirements relating to economic and financial standing, and technical and professional suitability. With reference to tenders concerning waste disposal, the legal authorisations required from the contractor for the transport, storage and disposal of waste, both with regard to the vehicles used and the plants of destination, are always verified so as to ascertain the legal suitability to operate with total respect for the environment.

TENDERS ARE MAINLY AWARDED BASED ON THE BEST PRICE, OR ALTERNATIVELY ON THE ECONOMICALLY MOST ADVANTAGEOUS OFFER (BEST VALUE FOR MONEY, BASED ON BOTH TECHNICAL AND ECONOMIC CRITERIA), IN ORDER TO ASSESS THE VALUE OF THE TENDER ACCORDING TO DIFFERENT PARAMETERS DEPENDING ON THE TYPE AND CHARACTERISTICS OF THE AWARDS.

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

by works contract or manpower supply contract, is scrupulously verified, providing companies with detailed information on specific risks in the environment in which they are intended to operate and on the preventive and emergency measures taken in relation to their activities. 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). 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 2022, the AGSM AIM Group purchased goods, services and work from **3,471 suppliers**, of which **35.32%** were based in the provinces of Verona and Vicenza ("local suppliers").

9.7 COMMUNITY AND TERRITORY



GRI 413-1

2022 was full of challenges and changes, beginning with the completion of the merger between the two historic Groups AGSM Verona and AIM Vicenza and the progressive integration of operational activities by establishing Business Units. The focus was initially on streamlining processes, with the aim of best integrating the two original entities (AGSM VR and AIM VI) 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 consequences and effects of the continuation of the Covid-19 health emergency and the considerable increase in commodity prices caused by the Russia-Ukraine military conflict.

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.

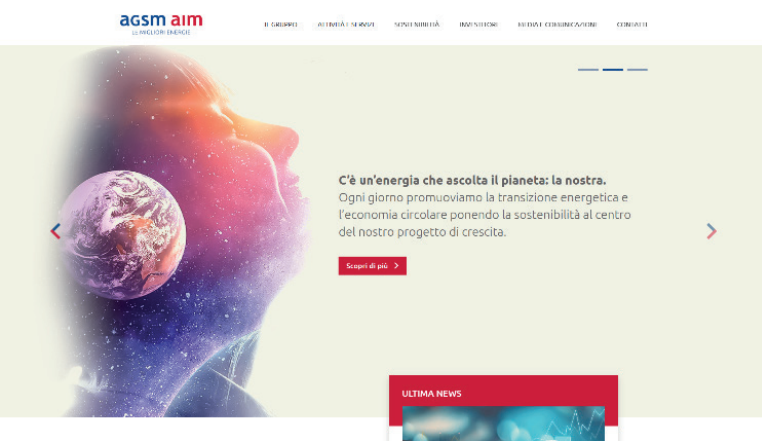
During the year, the Communication and Strategic Marketing Office was responsible for the study, definition and dissemination of the corporate image of AGSM AIM and its special-purpose companies. Through information materials such as the company profile and the dissemination of institutional communication campaigns, 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. In fact, 2022 began with the creation of the "Dentro il tuo mondo c'è la nostra energia" campaign, designed with the aim of disseminating to the public and stakeholders, integrating traditional and digital media, the distinctive features, values and mission of the AGSM AIM Group, focusing in particular on innovation and sustainability.

MATERIAL TOPICS

→ PROTECTION OF THE TERRITORY

→ DEVELOPMENT OF INITIATIVES AND CREATION OF VALUE FOR THE TERRITORY





March 2022 also saw the start of the renewal of the AGSM AIM Group's image channelled via digital and social media. The project, which is still ongoing, saw the launch of the new website of the Parent Company AGSM AIM, AGSM AIM Smart Solutions and V-Reti. The new portals were designed and created to best convey AGSM AIM's corporate identity through completely revamped graphics, following the Group's corporate image. The new style provides a better experience for users interested in discovering and learning more about AGSM AIM's data and latest news, as well as taking advantage of the services managed by the Business Units.

In addition, communication activities continued to support all the initiatives and projects implemented by the Group and the Business Units. The institutional campaign "Qualunque energia ti muova, noi ti diamo la carica" is a step in this direction. Its aim is to communicate to the local public and stakeholders of AGSM AIM Smart Solutions the new plan for electric mobility and electrification of cities.

In the overall scenario in which AGSM AIM operated during 2022, the Communication and Strategic Marketing Office 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. The communication was addressed, in particular, to customers through the distribution in the local media of a specific informative and in-depth column on "Caro bollette: cosa c'è da sapere". In addition to this, a professional training course for registered journalists entitled "Cara energia, quanto mi costi? Informare sulla crisi energetica tra legislatura, contesto geo-politico e scenari futuri" was organised in collaboration with the University of Verona and the Veneto Associations of Journalists, attended by more than 70 professionals in person and 250 connected remotely.

In 2022, the work carried out by the Communication and Strategic Marketing Office produced around **20 press releases**, which generated more than **100 television reports** directly or indirectly, and almost 2,000 articles in the local and national press.

In 2022 the AGSM AIM Group was an active play-

er 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 1.5 million**.

The criteria adopted to disburse economic resources through sponsorships and donations always comply with the principles of consistency and are governed by the Guidelines 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, non-profit associations and associations dedicated to promoting local traditions.

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

SOCIAL INITIATIVES

During 2022, the AGSM AIM Group participated in numerous solidarity initiatives in favour of people and families in difficulty, becoming a reference point in the social sustainability of the Verona and Vicenza area.

AGSM AIM has also been a supporter of numerous social promotion associations, including **Fondazione AIRC**, **La grande sfida onlus**, **Amici senza barriere**, **Fondazione Fevoss Santa Toscana**, **National Deaf Organisation**, **Associazione diocesana delle opere assistenziali di Verona**, **Ronda della Carità Verona**, **Ippocampo APS**.

» *Re-energising families*

Convention signed by AGSM AIM, Associazione Diakonia Onlus and Associazione di Carità San Zeno Onlus with the aim of supporting people and families struggling to pay their electricity and gas bills. This measure was launched with the aim of granting vulnerable individuals and families subsidised conditions to pay past debt

in instalments and pay for new consumption in order to allow the regular operation of services and, at the same time, to contain and normalise the debt to AGSM AIM.

» *"Insieme per la vita" (Together for life)*

The Group joined the fourth edition of the fundraising initiative organised by Videomedia and Publiadige to support six charities in the Vicenza area.

» *Convivio*

In cooperation with the oncology ward of the Borgo Roma hospital in Verona, the AGSM AIM Group through its subsidiary AMIA Verona S.p.A. organised "eco-sustainable" leisure time for patients awaiting chemotherapy treatment and their families.



CULTURAL INITIATIVES

Numerous cultural initiatives were organised for which AGSM AIM Group, also with its own companies, has been among the main partners and supporters of cultural associations, including **Fondazione Biblioteca Capitolare di Verona**, **Associazione Idem**, **Fondazione Teatro Comunale Città di Vicenza**, **Associazione Culturale Stivalaccio Teatro**, **Associazione culturale 11 settembre**, **La Piccionaia**, **Accademia mondiale della Poesia**, **Centro culturale San Paolo**.



strong point of AGSM AIM's educational programme, are an opportunity to discover first-hand how the energy that reaches our homes every day is produced and the importance of renewable sources. In particular, visits were made to the Rivoli Veronese wind farm, in collaboration with Legambiente, the Tombetta hydroelectric power plant and the Borgo Trento cogeneration plant in Verona.

» *Tocati - international festival of street games*

The AGSM AIM Group supported Tocati - 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.



» *Estate Teatrale Veronese (Verona Summer Theatre)*

In 2022, the AGSM AIM Group was a sponsor of "Estate Teatrale Veronese", which for its seventy-fourth edition brought prose, dance and music artists to Verona in seventeen national premieres staged for the Scaligero festival.

» GUIDED TOURS OF THE PLANTS

After a two-year forced shutdown due to the Covid 19 pandemic, the AGSM AIM Group resumed guided tours of its energy production plants in 2022. The educational paths, the



MUSICAL INITIATIVES

The AGSM AIM Group has also supported several musical associations and initiatives, including **Fondazione Verona per l'Arena**, **Fondazione AIDA**, **Musica Viva**, **Vicenza in Festival**, **Accademia Lirico Interpretativa Maria Callas**, **Concetto Armonico Associazione culturale**.

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 2022 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)**.



ENVIRONMENTAL PROTECTION INITIATIVES

» *Agenda Sostenibilità*

In 2022, the AGSM AIM Group was the main partner of “**Agenda Sostenibilità**”, the Gruppo Editoriale Athesis’ project that looks to the future through sustainable local development. AGSM AIM participated with top management attending three events on the topics of sustainable mobility and the circular economy. The event was broadcast online via the social channels of the Gruppo Editoriale Athesis.



» *Festival Vicenza Città Impresa*

In May, AGSM AIM participated in “**Vicenza Città Impresa**”, an annual think tank event where, in several round tables, the topics discussed were “Energy and raw materials, private investments and PNRR” and “What will happen to sustainability in the era of restricted energy sources?”. Students from schools in Vicenza also took part in the series of meetings.

» *Mozziconi a terra? No grazie! (Cigarette butts on the ground? No thanks!)*

This campaign was promoted by the subsidiary AMIA Verona S.p.A. against dropping cigarette butts on the ground. Information materials and gadgets were distributed during the initiative.

» *Visit the Waste and Separation Recycling Unit*

Extraordinary opening of the Recycling Centre located in Via Avesani on the occasion of the “Ecological Sunday”, 30 January 2022. Partic-

ipants were also informed about the destination of waste.

» *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 2022. 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.



10. Group's business

10.1 ELECTRICITY GENERATION



GRI 2-6

MATERIAL TOPICS

- **USE OF RENEWABLE SOURCES**
- **PROTECTION OF WATER RESOURCES**
- **CONTAINMENT OF EMISSIONS**
- **PROTECTION OF THE TERRITORY**
- **ENERGY EFFICIENCY**
- **RESILIENCE AND ADAPTATION TO INNOVATION**

The electricity production plants of the AGSM AIM Group mainly consist of plants that use renewable, hydroelectric, photovoltaic, wind and biogas energy sources and plants that use tradi-

tional fossil fuels (thermoelectric and cogeneration through gas combustion).

The Group's production sources of **renewable energy** comprise a total of 154.33 MW of installed power, unevenly distributed between:

- photovoltaic plants (20.50 MW);
- wind plants (59.29 MW);
- biogas plants (1.78 MW);
- hydroelectric plants, in turn broken down into basin (55.93 MW) and run-of-the-river plants (16.66 MW).

The Group's production sources of **non-renewable energy** consist of 251.61 MW of installed power divided into:

- thermoelectric plants (190 MW);
- cogeneration plants (61.61 MW).

The **electricity produced** by plants powered by renewable sources is 735,295.46 GJ (corresponding to 204,248.73 mWh) and represents **23.08%** of the Group's plants. The table below shows the values of electricity production in 2021 and 2022, broken down by source.

ELECTRICITY PRODUCED	2021		2022	
	GJ	%	GJ	%
Total non-renewable sources, of which	2.861.773,42	71,25%	2.450.939,52	76,92%
Thermoelectric - Mincio Power Plant	1.800.741,54		1.660.690,47	
Cogeneration	1.061.031,88		790.249,05	
Total renewable sources, of which:	1.154.677,95	28,75%	735.295,46	23,08%
Hydroelectric	633.312,19		292.596,46	
Photovoltaic	85.551,05		80.789,58	
Wind	408.186,09		339.399,43	
Biogas	27.628,62		22.509,99	
TOTAL	4.016.451,37	100%	3.186.234,98	100%

Table 39 – Electricity produced in GJ

The negative trends in renewable sources are mainly related to meteorological factors. The low rainfall and reduced disturbances negatively affected hydroelectric and wind power production. Production at the Mincio Thermoelectric Power Plant was suspended in August and September to allow for the ten-year extraordinary maintenance of both the turbogas and steam turbines.

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

Global Development Goal on “Affordable and Clean Energy” (SDG 7), the Group has planned investments to instal new nominal capacity that will achieve at least 50% renewable energy sources (for a total of 191 MW of installed capacity net of cogeneration plants). In particular, investments will concern new photovoltaic, wind and biogas plants, as well as upgrading the existing hydroelectric plants.



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 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.

The first phase consisted of a qualitative-quantitative analysis of the international scientific literature on energy democracy, energy poverty and collaborative governance practices in energy policies. In addition to the critical reading of the main publications on the subject, comparative work was carried out on a total of more than 3,000 abstracts from peer-reviewed scientific articles in English (from the Scopus database) using sophisticated text analysis software in order to identify specific thematic clusters. Next, the focus was on energy planning on a comparative European level, based on the provisions of Regulation (EU) 2018/1999 (Energy Union governance). The National Energy Plans (draft and final plans) of the 27 EU Member States were analysed and compared according to an operational and multidimensional definition of “participatory governance” in the energy sector, in order to highlight their evolution over time with respect to different indicators and their convergence or differentiation in alignment with EU regulation. The same research design is applicable in the future to the study of energy plans at the local level, as well as to the analysis of governance within the strategic business plans of multi-utilities. In order to identify the virtuous mechanisms of participatory corporate governance, the conditions of transferability and compliance with ESG criteria, a benchmarking exercise was also carried out on the sustainability plans of the main Italian multi-utilities, focusing on a series of performance indicators relating to personnel, gender balance, occupational safety, production efficiency, energy saving, and relations with customers and stakeholders. The in-depth interview with Marco Giusti, the Director of Engineering and Research of AGSM AIM, was used to finalise a semi-structured questionnaire in view of a survey addressed to experts and operators in the energy and multi-utility sector, in order to map the main environmental conflicts and identify shared solutions for greater social acceptance of energy transition processes. The results of the research will be progressively shared in open mode on the Governance4Future platform, involving AGSM-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.

THE CA' DEL BUE REDEVELOPMENT PATHWAY

During 2022, the AGSM AIM Group started, at the Ca' del Bue environmental plant hub in Verona, the construction of an anaerobic digestion plant with production of biogas and upgrading to biomethane with feeding into the national distribution grid (SNAM). This project is able to contribute concretely to achieving the UN Global Development Goal on “Responsible consumption and production” (SDG 12).

The Ca' del Bue plant will be built and organised on a process of anaerobic digestion of organic urban waste from sorted waste collection, market waste, lignocellulosic waste and agro-industrial waste for the production of biomethane and dry digestate for subsequent delivery to a third party treatment plant to produce quality organic compost and soil.

In order to transform biogas into biomethane and make it of equivalent quality to normal natural gas produced from fossil sources, it will be necessary to subject it to a series of pre-treatments (dehumidification, desulphurisation, etc.) and a carbon dioxide removal process, called upgrading, using membrane technology.

The upgrading system for purifying the biogas produced by anaerobic digestion will be of the three-stage membrane type, with a nominal biogas flow rate of 800 Nm³/h.

To monitor the flow of biogas and biomethane at various stages of the process, thermal meters will be used. They assess the flow rate in terms of mass

of biogas produced, without the need for moving parts and without potential disturbances due to pressure or temperature variations in the process.

The biomethane produced by the upgrading plant will comply with the stringent technical specifications set out in UNI TS 11567 of 2019 “Guideline for the qualification of economic operators (organisations) involved in the production chain of biomethane”, which defines a qualification scheme for the traceability and sustainability of the process.

The anaerobic digestion plant will become operational in 2023 and, when fully operational, will produce more than 2 million standard cubic metres (smc) of biomethane annually.





HYDROELECTRIC PLANTS WITH FLOWING WATER

- 1 Hydroelectric Plant Lobia**
Lobia - Vicezia
POWER 0,30 MW
- 2 Belfiore**
Comune di Belfiore (VR)
POWER 3,78 MW
- 3 Hydroelectric Plant Tombetta**
Verona
POWER 11,08 MW
- 4 Hydroelectric Plant Diga Chievo**
Verona
POWER 1,50 MW

HYDROELECTRIC PLANTS WITH A RESERVOIR

- 5 Hydroelectric Plant San Colombano**
Terragnolo - Trento
POWER 11,44 MW
- 6 Hydroelectric Plant Maso Corona**
Ala - Leno (TN)
Corso Trento 14 - 38061
POWER 42,840 MW
- 7 Hydroelectric Plant di Valbona**
Ala - Leno (TN)
Loc. Valbona - 38061
POWER 1,65 MW

WIND TURBINES

- 8 Wind turbine Affi**
Affi (VR)
POWER 4 MW
- 9 Wind turbine Rivoli Veronese**
Rivoli (VR)
POWER 8 MW
- 10 Wind turbine Carpinaccio**
Firenzuola (FI)
POWER 13,6 MW
- 11 Wind turbine Riparbella**
Riparbella (PI)
POWER 20 MW

- 12 Wind turbine Monte Vitalba**
Chianni (PI)
POWER 0,89 MW
- 13 Wind turbine Casoni di Romagna**
Monterenzio (BO)
POWER 12,80 MW

SOLAR POWER PLANTS

- 14 Scuole veronesi**
Verona
POWER 0,99 MW
- 15 Photovoltaic plant Stadio Bentegodi**
Verona
POWER 1 MW
- 16 Photovoltaic plant Consorzio ZAI**
Verona
POWER 3,78 MW
- 17 Grezzana - Corrubbio - Zerbaro**
Grezzana (VR)
POWER 1,14 MW
- 18 Photovoltaic plant - ex base militare di Roncà**
Roncà (VR)
POWER 0,59 MW
- 19 Valciapelo**
Valciapelo (VR)
POWER 0,56 MW
- 20 Photovoltaic plant di Ca' del Bue**
Ca' del Bue (VR)
POWER 0,40 MW
- 21 Photovoltaic plant Zambelli**
Verona
POWER 0,18 MW
- 22 Photovoltaic plant at AGSM AIM's Headquarters**
Lungadige Galtarossa-Verona
POWER 0,40 MW
- 23 Photovoltaic plant Carisio**
Carisio (Vercelli)
POWER 0,90 MW
- 24 Fusinieri**
Fusinieri (VI)
POWER 0,73
- 25 Monte crocetta**
Vicenza
POWER 0,04 MW
- 26 Isola Vicentina**
Isola Vicentina (VI)
POWER 0,07 MW

- 27 Scuole Vicentine**
Vicenza
POWER 0,31 MW
- 28 Sigma**
Monsanpolo Del Tronto - Ascoli Piceno
POWER 1,76 MW
- 29 Sphere Energy 1**
Montazzoli - Chieti
POWER 0,98 MW
- 30 Sphere Energy 2**
Gessopalena - Chieti
POWER 0,99 MW
- 31 TS Energia 2**
Torino Di Sangro - Chieti
POWER 0,98 MW
- 32 Diesse Energia**
Roccascalegna - Chieti
POWER 1 MW
- 33 Vinci Energia**
Carpineto Sinello - Chieti
POWER 0,48 MW
- 34 Astra Solar Energia**
Paglieta - Chieti
POWER 0,99 MW
- 35 Ecoenergia Vomano**
Atri - Teramo
POWER 1 MW
- 36 Site of Strillaie**
Grosseto
POWER 0,07 MW
- 37 Site of Masona**
Sandrigo (VI)
Via Galvani
POWER 0,16 MW
- 38 Site of Fossalunga**
Lonigo (VI)
Via Fossa Lunga
POWER 1 MW

BIOGAS

- 39 Cogeneration purifier**
Verona
POWER 0,88 MW
- 40 Discarica di Grumolo delle Abbadesse - Valore Ambiente**
Grumolo delle Abbadesse VI
Via Quadri
POWER 0,9 MW

COGENERATION PLANTS

- 41 Impianto di cogenerazione Forte Procolo**
Verona
Via Marin Faliero
POWER 6,4 MW
- 42 Impianto di cogenerazione Banchette**
Verona
Via Montorio
POWER 4,21 MW
- 43 Impianto di cogenerazione Golosine**
Verona
Via Po
POWER 4,21 MW
- 44 Impianto di cogenerazione Centro Città**
Verona
Via Ascarì
POWER 10,53 MW
- 45 Impianto di cogenerazione Borgo Trento**
Verona
Viale dei Caduti sul Lavoro
POWER 31,5 MW
- 46 Centrale cogenerazione Fiera Verona**
Verona
POWER 0,28 MW
- 47 Centrale di cogenerazione Cricoli**
Vicenza
Viale Cricoli
POWER 4,49 MW
- 48 Impianto di cogenerazione Monte Zebio**
Vicenza
Via Zebio
POWER 7,5 MW

THERMOELECTRIC

- 49 Thermolectric Plant Mincio**
Mincio (MN)
Strada Monte Crocetta
POWER 190 MW

HYDROELECTRIC PLANTS
WITH A RESERVOIR: PER COMPLESSIVI 55,93 MW
WITH FLOWING WATER: PER COMPLESSIVI 16,66 MW

WIND TURBINES
PER COMPLESSIVI 59,29 MW

SOLAR POWER PLANTS
PER COMPLESSIVI 20,50 MW

BIOGAS PLANTS
PER COMPLESSIVI 1,78 MW

THERMOELECTRIC PLANTS
PER COMPLESSIVI 190 MW

COGENERATION PLANTS
PER COMPLESSIVI 61,61 MW

10.2 COGENERATION FOR DISTRICT HEATING



The Group, through its subsidiary AGSM AIM Calore is responsible for the production and distribution of heat to customers connected to the district heating network in the municipalities of Verona and Vicenza. In particular, the company operates eight cogeneration plants with natural gas energy input, a geothermal well, and an extensive district heating network of about 184 km that distributes heat to more than 140,000 inhabitants for a total of 236,226 Mcal (equal to 850,000 GJ).

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 the Municipality of 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 the former company 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.

In general, managing district heating plants has the primary objective of maximising the energy transformation yields of heat and electricity generation equipment, in order to ensure compliance with mandatory regulations and minimise the impact of emissions, thus improving environmental performance.

MATERIAL TOPICS

- ➔ PROTECTION OF THE TERRITORY
- ➔ PROTECTION OF WATER RESOURCES
- ➔ ENERGY EFFICIENCY
- ➔ RESILIENCE AND ADAPTATION TO INNOVATION

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

	U.M.	2021	2022
Length of network	km	184,43	184,43
Thermal energy to end customers	GJ	1.149.121	850.404,07
Energy introduced into the network	GJ	1.028.567,61	1.197.779,99
Heated volume - estimate (*)	m3	15.358.200	15.372.855
Equivalent apartments (*)	nr.	68.563,71	68.628,00
Equivalent inhabitants served (estimate)	n.	143.987	142.785

(*) RESIDENTIAL HOUSING UNIT WITH TRADING AREA AND VOLUME OF 80 M2 AND 224 M3, RESPECTIVELY

Table 39 – District heating service data.

The AGSM AIM Group, through its cogeneration plants, emits **131,553 tCO2** (which amounted to 171,873 tCO2 in 2021) through the fuels burned by its power generation plants. This 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. In the coming years, AGSM AIM Calore plans to invest more than Euro 50 million with the aim of further extending the district heating network in the cities of Verona and Vicenza, thereby increasing the thermal energy sold. With a view to energy transition, the geothermal source available in the city of Vicenza will be exploited. All this will enable the Group to achieve a leadership role in the energy management of buildings in the reference territories by proposing an integrated offer.

REVAMPING OF THE COGENERATION PLANT IN BORGO TRENTO

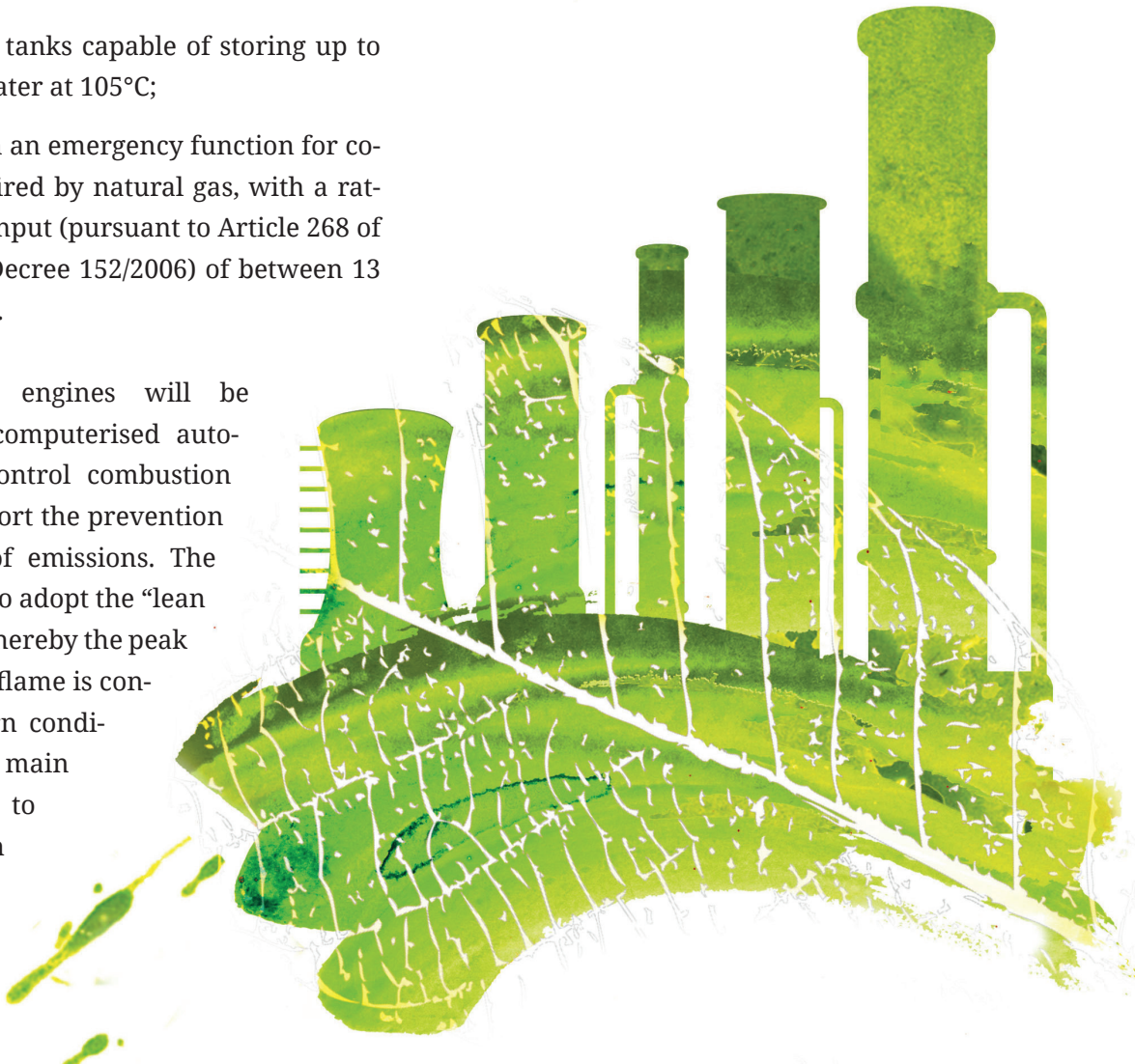
In order to make a tangible contribution to achieving the United Nations Global Development Goal on “Climate action” (SDG 13), the AGSM AIM Group has launched the revamping project of the Borgo Trento cogeneration plant in Verona, which envisages the replacement of the combined cycle, with a new plant set-up that is the result of a careful technical-economic analysis carried out during the project feasibility planning.

Under the project, the architecture of the existing system will be substantially maintained, with the replacement of the combined cycle and a new plant set-up featuring:

- two cogenerators with an electrical input of between 11 and 13 MW and a thermal input of between 10 and 13 MW;
- four storage tanks capable of storing up to 800 m3 of water at 105°C;
- a boiler with an emergency function for cogenerators fired by natural gas, with a rated thermal input (pursuant to Article 268 of Legislative Decree 152/2006) of between 13 and <15 MW.

The cogeneration engines will be equipped with a computerised automatic system to control combustion efficiency and support the prevention and/or reduction of emissions. The two engines will also adopt the “lean burn” technique, whereby the peak temperature in the flame is controlled by lean burn conditions, which is the main combustion mode to limit the formation of nitrogen oxides (NOX) in gas engines.

In order to assess the improvement brought about by revamping the power plant in terms of emissions into the atmosphere, a comparison was made between the pre-intervention situation and the post-intervention forecast simulation. When fully operational, the Borgo Trento power plant revamping project will reduce CO2 production by at least 8% compared to the pre-Covid average figure recorded during 2019, which was 56,750 tonnes of CO2 (an average figure considered representative of the normal operation of the cogeneration plant). According to the project simulation developed, the target emissions for 2025 will therefore be 52,210 tonnes of CO2 or less.





10.3 NATURAL GAS AND ELECTRICITY DISTRIBUTION



MATERIAL TOPICS

- PROTECTION OF THE TERRITORY
- ENERGY EFFICIENCY
- RESILIENCE AND ADAPTATION TO INNOVATION

10.3.1 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, the methane gas distribution and metering service is carried out by the company V-RETI S.p.A. and by the parent company AGSM AIM itself, limited to the municipality of Treviso and through the subsidiary V-RETI S.p.A. for what concerns, among other things, all operating activities and investment planning.

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.

V-RETI S.p.A. distributes methane gas in the following municipalities:

centino, Pozzoleone, Quinto Vicentino, S.P. Mussolino, Torri di Quartesolo and Villaverla;

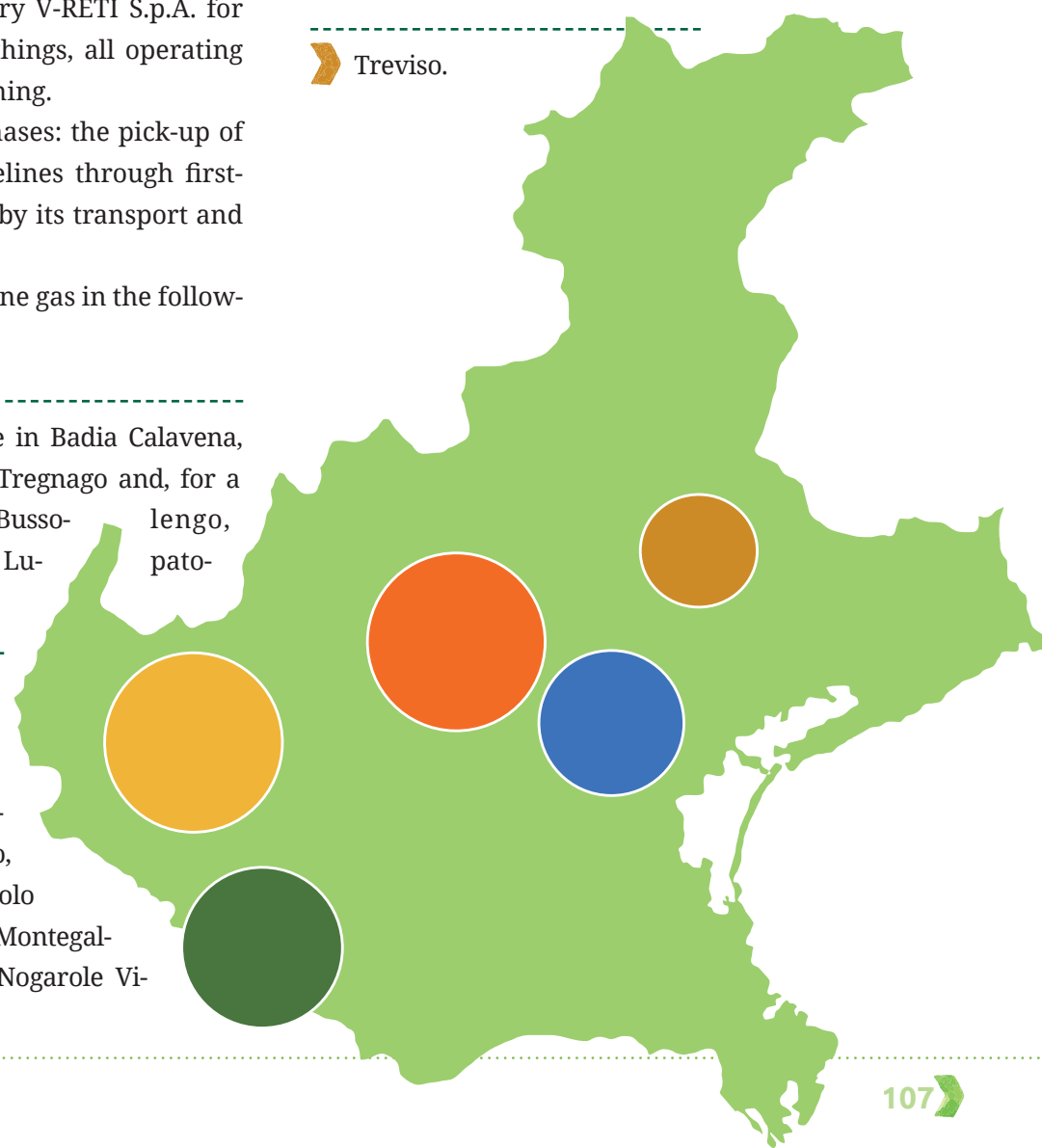
➤ in the Province of Mantua in the municipality of Goito;

➤ in the municipalities of Gazzo and Grantorto in the province of Padua.

➤ Treviso.

➤ Verona and in the province in Badia Calavena, Illasi, Selva di Progno and Tregnago and, for a small number of users, in Bussonello, Buttapietra and S. Giovanni Lupatoto;

➤ Vicenza and in the province in Altavilla Vicentina, Altissimo, Arcugnano, Arzignano, Bolzano Vicentino, Bressanvido, Chiampo, Creazzo, Crespadoro, Grumolo delle Abbadesse, Longare, Montebelluna, Monticello Conte Otto, Nogarole Vi-



The distribution and metering 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, V-RETI S.p.A. 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.

AGSM AIM S.p.A. through V-RETI manages the distribution and metering of natural gas in the municipality of Treviso, as a result of the transfer of the service activities held by the former Servizi a Rete S.r.l. to the formal operator former AIM Vicenza S.p.A.

As regards the infrastructure used, the total development of the gas network in 2022 is equal to 3,184 km.

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

Length of network (km)	km	
	2021	2022
High Pressure	-	21
Medium Pressure	936	922
Low Pressure	2.227	2.241
TOTAL	3.163	3.184

Table 40 – Length of gas network

METERS	ACTIVE		NON-ACTIVE		TOTAL	
	2021	2022	2021	2022	2021	2022
Traditional meters	70.402	42.113	10.795	10.314	81.197	52.427
Electronic meters	224.269	250.791	15.393	17.748	239.662	268.539
TOTAL	294.671	292.904	26.188	28.062	320.859	320.966

Table 43 – Number of meters present.

GAS NETWORK PIPELINES	Km	
	2021	2022
Gas network in steel	2.061	2.056
Gas network in polyethylene	836	873
Gas network in other materials	266	255
TOTAL	3.163	3.184

Table 41 – Gas network conductor

The volume of gas **injected into the distribution network** in 2022, expressed in **millions of Scm** is shown in table 42.

TOTAL VOLUME OF GAS INJECTED INTO THE NETWORK	Mil. Smc	
	2021	2022
Vicenza and province	272,31	229,16
Treviso	77,70	58,26
Province of Verona	276,17	225,16
Province of Mantua	8,99	6,56
Province of Padua	6,47	5,26
TOTAL	641,64	524,40

Table 42 – Total volume of gas injected into the network in millions of Scm in 2022.

During 2022, 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.

Electronic meters account for more than **85% of active meters**.

The dispersion of methane gas in the atmosphere is one of the elements that has the greatest impact on the environment and on safety during normal operation of the gas distribution service.

Methane gas, which is naturally odourless and colourless, is constantly **odorised** in the collection and metering plants, through a controlled and tested procedure, so that humans can smell it in the event of a leak or of accidental use, and thus limit the risk of harmful or dangerous phenomena. It represents both a dangerous element because of its flammability, and a polluting element because of the high capacity to retain terrestrial infra-red radiation, which classifies it as a greenhouse gas. For these reasons, the containment and resolution of gas dispersion represent the main aim on which the safety, quality and continuity of the service are based.

In order to monitor these risks, the principal monitoring systems distributed are **remote control systems** that monitor the distribution system’s key parameters, and the **alarm systems that discourage or give warning of intentional acts**. Moreover, planned checks are constantly made for any gas leaks from piping, together with the routine and extraordinary maintenance of the networks.

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**.

In 2022, ARERA assigned the Group the following White Certificates broken down by sector:

WHITE CERTIFICATES	2021	2022
Gas	10.280	17.519
Electricity	2.914	5.022
TOTAL	13.194	22.541

Table 44- 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.

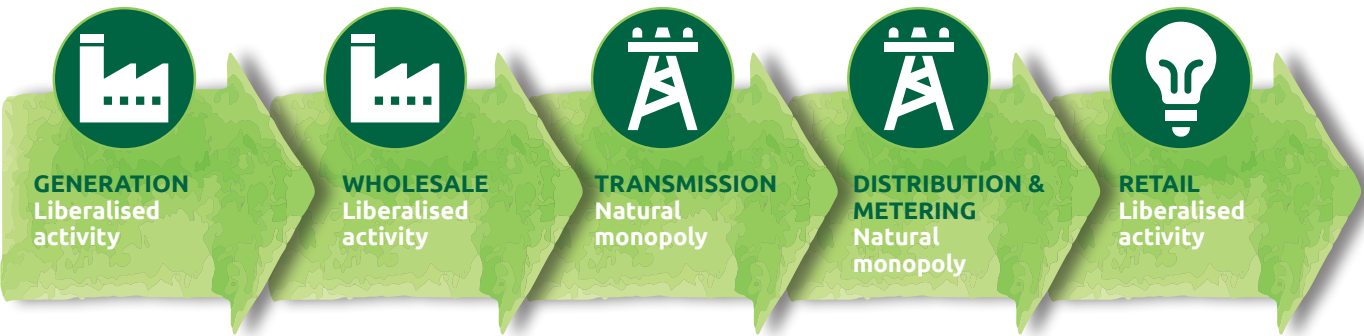
The voluntary parties are all the operators that freely **choose to carry out consumption reduction measures in end uses of energy**, and to whom the right to receive the corresponding quantity of white certificates is assigned.



10.3.2 ELECTRICITY MANAGEMENT AND DISTRIBUTION SERVICE

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

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



V-RETI mainly carries out electrical energy transformation, distribution and metering activities throughout the territory of the Municipality of Vicenza and the Municipalities of Verona and Grezzana. In 2022, the length of the low (LV), medium (MV) and high voltage (HV) electricity networks is as follows:

LENGTH OF NETWORK (Km)	2021	2022
HV Network	58,28	21,59
MV Network	1.639,14	1.644,09
LV Network	2.753,53	2.752,68
TOTAL	4.450,95	4.418

Table 45 - Electricity network extension

	ACTIVE		NON-ACTIVE		TOTAL	
	2021	2022	2021	2022	2021	2022
Meters present	244.844	254.496	29.175	28.109	274.019	282.605
of which the following numbers were installed during the year	24.356	65.100	4.370	3.980	28.726	69.080

Table 47 – Summary of total meters in 2022.

In 2022, the AGSM AIM Group’s distribution company identified several objectives to increase V-RETI’s effort in terms of network resilience and digitisation in order to improve operational efficiency and enhance management capacity. These measures, which will be implemented from 2023 onwards, are aimed at reducing environmen-

In 2022, **10,320,851 GJ** of electricity was distributed, equal to **2,867 GWh**, distributed between low, medium and high voltage as shown in the table.

ELECTRICITY DISTRIBUTED (GJ)	2021	2022
LV	4.078,80	3.432.903
MV and HV	4.314,90	6.887.947
TOTAL	8.393,70	10.320.851

Table 46 – Distributed electricity (in GJ).

The **number of meters connected** to the distribution network in 2022 stood at **282,605**.

Table 47 shows the evolution of the number of meters in 2022.

tal impact (CO2 emissions), improving service quality (reduction of restoration times in the event of faults), increasing resistance to stress (more reliable and resilient network), and enabling new innovative services (through 2G meters in the electricity sector).

10.4 SMART SERVICES

AGSM AIM Smart Solutions is the Group company pursuing the mission of facilitating the transition towards electrification of the territories served through innovative and smart solutions. Its areas of expertise include electric mobility, public lighting, telecommunications, management of car parks and energy efficiency solutions for buildings. Innovation and sustainability drive AGSM AIM Smart Solutions’ choices, activities and projects. On the public lighting front, the Company manages more than 71,000 lighting points, 84% of which are LED, thus ensuring efficiency, energy savings and compliance with light pollution directives. Furthermore, to enhance the smart approach of Verona and Vicenza, it is committed to expanding its electric mobility offer by increasing the number of charging stations in the area. AGSM AIM Smart Solutions is a partner of local communities to support them in their energy transition through five business lines: public lighting;

The company focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment in public buildings. AGSM AIM Smart Solutions has investments worth 11 million planned for 2023 of which 10.5 million for growth for new projects in:

- intelligent LED lighting points;
- charging stations for smart infrastructure in the territories served;
- energy efficiency and redevelopment activities in public buildings by analysing consumption and defining a continuous improvement plan.





10.4.1 ELECTRIC 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. AGSM AIM Smart Solutions offers the installation of electric vehicle recharging systems and dedicated parking spaces for fully electric vehicles, hardware and software system management for the remote control of charging stations and their use by electric car owners. The charging service may be activated by the end customer from a smartphone using a dedicated APP.

The AGSM AIM Group proactively contributes to transforming the city's mobility through two projects:

Electrification Projects of the Member Municipalities of Verona and Vicenza.

The project, launched in 2019 by the municipality of Verona, aims to create a new all-electric city mobility system. Sponsored by the municipalities of Verona and Vicenza and the promotion of Volkswagen Group Italia, AGSM AIM aims to install 370 charging stations by 2025.

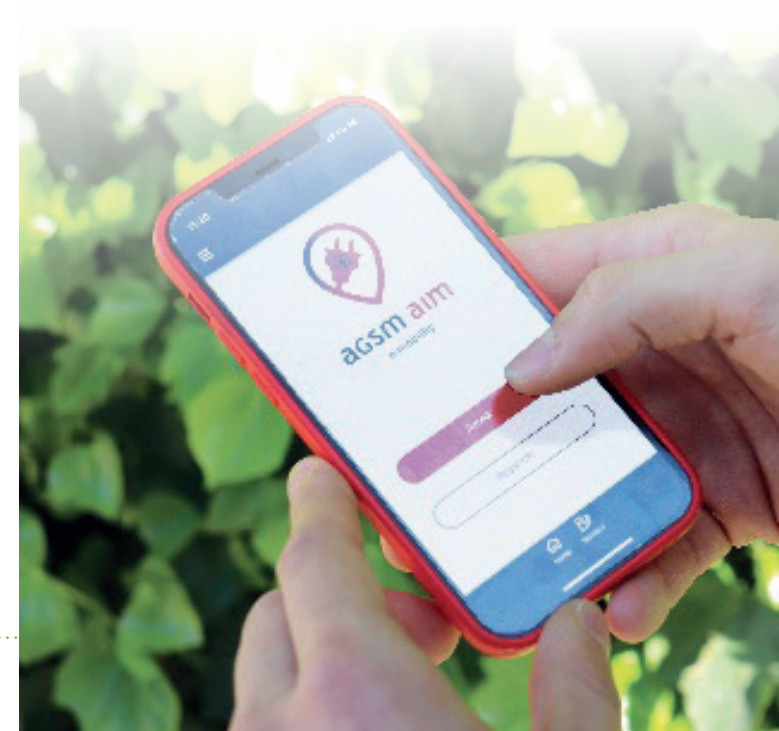
In 2022, the number of 22 kW fast-charging stations will be increased within the municipality of Verona. The 100 city charging stations are easy to find and book with the new AGSM AIM e-mobility app.

- MATERIAL TOPICS
- ➔ SUSTAINABLE MOBILITY
 - ➔ ENERGY EFFICIENCY
 - ➔ RESILIENCE AND ADAPTATION TO INNOVATION
 - ➔ CONTAINMENT OF EMISSIONS

➔ **Additional Projects:**

During 2022, AGSM AIM Smart Solutions was awarded some important tenders to instal and manage electric vehicle charging, such as 30 stations in the Municipality of Brescia, some of which are 100kW fast stations. The marketing of the B2B service was also boosted by launching a major electrification project at the A4 Holding company's sites and toll stations, making a fundamental contribution to their transition to sustainable mobility.

During 2022, AGSM AIM Smart Solutions' 100 charging sockets delivered a total of 4,554.87 GJ of energy, or 1,265.24 MWh..



10.4.2 PUBLIC LIGHTING



The AGSM AIM Group, through AGSM AIM Smart Solutions, manages the operation and standard maintenance of the public lighting service in a number of municipalities in the provinces of Verona, Padua, Rovigo and Vicenza. In 2022, AGSM AIM Smart Solutions continued to provide the management service for the public lighting network (1,051.50 km) in the Municipality of Verona, where the asset is owned by the AGSM AIM Group. The Smart Solutions Business Unit has also signed several concessions with other municipalities to upgrade the public lighting system to LED, as well as for operation and maintenance for medium-long periods, with the task of designing and replacing the gas-discharge lamps with LED lamps. In addition, there are plans for the next phase of the public lighting service and for the operation and maintenance/remote control with troubleshooting and service restoration activities.

VERONA	PADOVA	ROVIGO	VICENZA
<div><div></div>Affi</div>	<div><div></div>Battaglia Terme</div>	<div><div></div>Costa di Rovigo</div>	<div><div></div>Posina</div>
<div><div></div>Angiari</div>	<div><div></div>Castelbaldo</div>		
<div><div></div>Arcole</div>	<div><div></div>Cervarese Santa Croce</div>		
<div><div></div>Bonavigo</div>	<div><div></div>Massanzago</div>		
<div><div></div>Casaleone</div>	<div><div></div>Merlara</div>		
<div><div></div>Castagnaro</div>	<div><div></div>Mestrino</div>		
<div><div></div>Castel D'Azzano</div>	<div><div></div>Piombino Dese</div>		
<div><div></div>Cerro Veronese</div>	<div><div></div>Rovolon</div>		
<div><div></div>Isola Rizza</div>	<div><div></div>Torreglia</div>		
<div><div></div>Legnago</div>	<div><div></div>Urbana</div>		
<div><div></div>S. Mauro di Saline</div>	<div><div></div>Veggiano</div>		
<div><div></div>Verona</div>	<div><div></div>Villa Estense</div>		
<div><div></div>Villabartolomea</div>			

- MATERIAL TOPICS
- PROTECTION OF THE TERRITORY
- ENERGY EFFICIENCY
- RESILIENCE AND ADAPTATION TO INNOVATION

AGSM AIM Smart Solutions directly deals 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 **72,424 Group lighting points** managed throughout the service, of which **66,701 energy-saving LED lights**. **92.10%** of the lighting points operated by AGSM AIM Smart Solutions were upgraded to LED.

	2021	2022
Lighting points (no.)	71.707	72.424
of which high-efficiency LED	60.515	66.701
Length of network (km)	1.051,50	1.051,50 ^(*)
Reduction in CO2 emissions (tCO2/year)	12.083,56	13.318,77

(*) NETWORK OF THE MUNICIPALITY OF VERONA WHERE THE ASSET IS OWNED BY THE AGSM AIM GROUP.

Table 48- Lighting elements and public lighting network

The sustainable nature of the service highlights the huge saving in terms of not only light pollution, but also greenhouse gas emissions, which in 2022 amounted to **13,318.77 tonnes of CO2 (estimate)^(*)**. 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.

(*) 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.

10.4.3 TELECOMMUNICATIONS MATERIAL TOPICS



The AGSM AIM Group operates in the provinces of Verona and Vicenza through a complex fibre optic telecommunications infrastructure which stretches throughout the city areas and also reaches the main population centres in the Province of Verona for a total length of more than 405 kilometres (estimated figure).

Our telecommunications network is designed to collect data traffic in urban and non-urban areas, providing the public administration, TLC operators and businesses with a portfolio of services featuring high levels of reliability and performance.

In the Vicenza area, the optical fibre network has **449 nodes and terminal points** and is sold in the “dark fibre” mode by national telecommunications operators, which in turn use it to provide private e-business customers with broadband telephone and telematic connectivity services in the FTTC (Fibre To The Cabinet) and FTTH (Fibre To The House) modes through **226 Vodafone cabins**.

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.

AGSM AIM Smart Solutions also manages optical fibre connections among various company offices of the Group and the computer systems adopted to safeguard the technological network used to monitor and control operations. The response service is available for 24 hours a day, 365 days a year.

PROTECTION OF THE TERRITORY

ENERGY EFFICIENCY

RESILIENCE AND ADAPTATION TO INNOVATION

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 AIM Smart Solutions is a telecommunications infrastructure that makes use of the capillarity of the subsoil to achieve high coverage

in the area.

The network extends from Peschiera del Garda, crossing Verona and reaching Vicenza. A route also starts from Verona that reaches, through the high voltage lines, the Ala power plant.

The metropolitan network is divided into **10 POPs (Points of Presence)** connected to each other in a ring to allow high reliability in the event of a section failure.

The network is about **405 km** long (estimated figure) with **815 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 AIM Smart Solutions 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 Verona);
- small/medium/large businesses in the territory;
- telephone operators using the Group’s fibre (active or dark) for the services they provide to their customers.

The infrastructure development plan provides for the **use of existing networks and cable conduits owned by the AGSM AIM Group**.

This synergy will reduce excavation activities to lay new cables, limiting the impact on the territory and the inconvenience for citizens.

INTERNET OF THINGS

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

In 2022, 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)

10.4.4 CAR PARKS AND CAR PARKING SERVICES



AGSM AIM Smart Solutions carries out the management of ground-level and underground car parks and the management of free and paid parking areas in the City of Vicenza.

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.

MATERIAL TOPICS

- PROTECTION OF THE TERRITORY
- SUSTAINABLE MOBILITY

	2021	2022
Parking spaces managed (no.)	11.347	2.352
of which		
Barrier car parks spaces (no.)	4.200	1.574
Blue-marked parking spaces (no.)	6.538	778
Yellow-marked parking spaces (no.)	609	-

Table 49 - Car parking spaces in the City of Vicenza.

The significant reduction in the number of paid parking spaces managed by AGSM AIM Smart Solutions is attributable to the non-renewal of the concession by the Municipality of Vicenza.

	2021	2022
Cars entering (no.)	1.911.208	1.375.870
Electric and hybrid cars entering	23.959	26.766

Table 50 - Cars that accessed the City's barrier car parks

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.

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

4 - DATA ON CARS FOR WHICH A SUBSIDY APPLICATION WAS MADE.

In order to innovate and make parking easier in controlled car parks, AGSM AIM Group activated the “**POSSibile**” payment service on the city’s 15 barrier car parks. Vicenza was the first Italian city to introduce this “**Card in – Card out**” **contactless payment system**, which is based on the use of a credit/debit card and a smartphone for access. **POSSibile** makes it possible to avoid using cash and having to get out of the car while paying. This system, the first of its kind in Italy, can be used by all those who possess a contactless card, and does not require any registration or pre-authorisation. AGSM AIM Smart Solutions manages 2,352 parking spaces of which 1,574 are in barrier car parks equipped with POS readers where payment can be made with electronic cards rather than cash, making the payment process easier and faster. **Payment via APP** was used by 6.3%, up from 1% in 2021, but still low compared to using cash and

POS at the till. Payment for parking services is also available by using **Telepass**, a circuit used for about 7.52% of payments. The yellow-line parking spaces in the city are reserved for residents who can use them subject to 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, AGSM AIM Smart Solutions has activated maintenance and emergency services for the payment devices (parking meters and automatic tellers) and control on the regularity of the parking, with the possibility of issuing the penalties under applicable regulations.

10.5 ENVIRONMENTAL SERVICES



The AGSM AIM Group, through the companies of the Environment Business Unit, deals with waste collection, treatment, recovery and urban health. The Group is also committed to the development and strengthening of material treatment plants with the aim of optimising the management of waste flows. AGSM AIM aims to ensure the sustainable quality

- MATERIAL TOPICS
 - PROTECTION OF THE TERRITORY
 - CIRCULAR ECONOMY

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. There are approximately **871,000** inhabitants in the **66 municipalities** served by the companies of the Environment BU.

Total Waste Collected

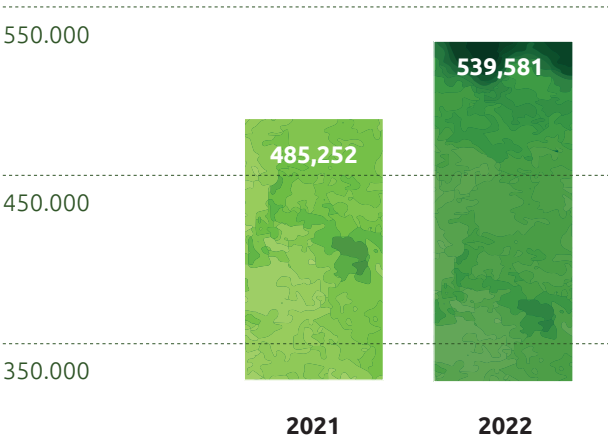


Table 51 - Waste collected (tonnes)

Sorted urban waste sent for recycling

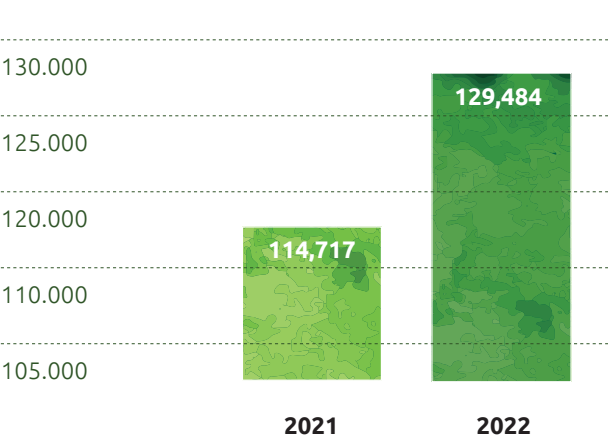


Table 52 - Sorted urban waste sent for recycling (tonnes)

VALORE AMBIENTE S.R.L.

A company operating in the Municipality of Vicenza carries out the collection and disposal of solid urban waste and the cleaning of public streets and pavements; it also conducts waste treatment and recovery platforms in its reference territory. The Municipality of Vicenza where Valore Ambiente operates covers a **total area** of **80.46 km²** with about **111 inhabitants served** (source: Municipality of Vicenza registry office). 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. **67,634 tonnes** of urban waste were collected in the Municipality of Vicenza, with a **percentage of sorted waste collection** of **75.70%**, calculated using the ISPRA method. After being collected through the municipal collection centres and the transfer platforms of Monte Crocetta, Caperse and Casale, sorted waste is sent to sorting and/or recovery plants on the basis of its commodity classification, as required by the European Waste Catalogue (EWC). On



the other hand, residual urban waste is collected at the Monte Crocetta transfer platform (where it is subject to sorting and/or shredding operations) and then sent to the two final plants of the area, i.e. the Schio waste-to-energy plant, not owned by the Group, and the Grumolo delle Abbadesse landfill, managed by the subsidiary S.I.A. S.r.l.

	2021	2022
Urban Waste Collected (tonnes)	70.298	67.634
Sorted Waste Collection (%)	74,20%	75,70%

Table 53 - Waste collected by Valore Ambiente

Waste coming from sorted waste collection and subsequently sent for recovery is **47,083 tonnes**.

SOCIETÀ INTERCOMUNALE AMBIENTE S.R.L. (SIA)

It is controlled by Consorzio Igiene Ambientale del Territorio, which brings together 64 municipalities in the Province of Vicenza, including the municipality of Vicenza itself, and an investee of Valore Ambiente. Since 2011, it has been managing the construction and operation of the landfill at Grumolo delle Abbadesse, operating since 1999. The 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.

	2021	2022
Waste Treated (tonnes)	45.962	36.845

Table 54 - Waste treated by SIA.

The landfill has a system for exploiting the biogas produced. The weight of waste treated in 2022 was **36,845 tonnes**.

SOCIETÀ IGIENE TERRITORIO S.P.A. (SIT) AND TRE V AMBIENTE S.R.L.

SIT S.p.A. manages the Costabissara (VI) Concession for the collection and sweeping service. It works as a subcontractor for group companies SERIT and Valore Ambiente in the urban health sector. The collection is also 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 and is present in 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.

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 **412.13 tonnes** of hazardous waste and **12.42 tonnes** of non-hazardous waste.

	2021	2022
Hazardous waste handled (tonnes)	575,87	412,13

Table 55 - Hazardous waste handled by TreV Ambiente

AMIA VERONA S.P.A.

It manages urban health services in the area of Verona and in some municipalities of the Province. AMIA Verona S.p.A. 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 **326,000 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 29 municipalities and only the collection of some waste from the waste collection centres of Mozzecane, Bosco Chiesanuova, Grezzana 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 59 municipalities in the northern area of Verona. As part of the COREPLA circuit, it holds the authorisation for a Centro Comprensoriale (CC, District Centre) located in Cavaion, where the pre-cleaning of plastic from sorted waste collection is carried out and subsequently collected by COREPLA to enter the sorting circuits. **There are about 425,000 inhabitants in the 59 municipalities served.** Collection methods are mainly divided into door-to-door, roadside and mixed collection.

TRANSECO S.R.L.

It operates a treatment plant for urban waste (mostly bulky waste, wood, paper) and 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. Transeco is also a COMIECO platform authorised

in accordance with Ministerial Decree 188 - End Of Waste (EOW).

ECOTIRANA SHA

EcoTirana Sha deals with the collection, transport, intermediation and sale of waste and the materials derived from it, including the sorted waste collection. It also carries out cleaning services in the public areas of the Municipality of Tirana (Albania). During the reporting period, EcoTirana collected **86,970.07 tonnes** of urban waste.

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. Access is also allowed to non-domestic users, covered by Annex L-quinquies to Part IV of Legislative Decree 152/2006, only for the waste indicated in Annex L-quater of the same decree, subject to filling in a specific form.

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

LANDFILLS

The AGSM AIM Group, through its subsidiaries, manages a landfill in operation located in the municipality of Grumolo delle Abbadesse (VI), three post-operation landfills in the municipalities of Lonigo (VI), Sandrigo (VI) and Cà Nova (VR), and a landfill leachate treatment plant.

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, **36,845 tonnes** of waste are treated, also taking into account special non-hazardous waste and producing **917,376 m³** of biogas intended for the **production of electricity** sold entirely for **701,994 kWh**.

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 CIAT (Consorzio per l'Igiene Ambientale e del Territorio) regarding all post-operation activities, as well as for the Masona landfill in Sandrigo (VI), where SIT, however, holds the authorisation for the management of the related activities.

SIT, as part of a temporary association with Tecnologie Ambientali S.r.l., manages under concession a reverse osmosis plant to treat landfill leachate in Strillaie, Grosseto.

Surveillance, environmental monitoring and maintenance activities are carried out at the landfills under post-closure management. A photovoltaic plant is active in the two Vicenza sites, while the technical and administrative procedures for permanent safety of the site are currently under way at the Verona site.

MATERIAL RECOVERY FACILITIES

In the Verona area, the investee Ser.I.T. in Cavaion Veronese manages an urban waste sorting and recovery plant for paper and plastic. During the reporting period, **37,621 tonnes** of waste were processed.

Through Transeco S.r.l., in the Verona area, a plant is managed for the treatment of non-hazardous urban waste (mainly bulky waste, wood, paper) and of special non-hazardous waste. The volume of waste managed by the site in 2022 is **46,828.5 tonnes**.

THE MECHANICAL TREATMENT PLANT

In the Verona area, the investee AMIA Verona manages a mechanical 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 and its subsequent refining, resulting in the production of Secondary Solid Fuel that can be used in industrial processes.

In the Vicenza area, Valore Ambiente manages a transfer platform with volume shredder (shredding) and 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 handled in the plant amount to **34,516.0 tonnes**.

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, Ser.I.T. 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:

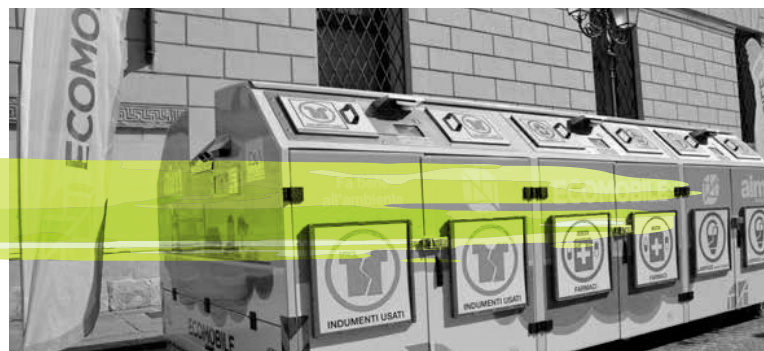
- » sweeping the streets (mechanically or manually) indispensable for the urban health and decorum, for the cleaning of streets, squares and pavements also following sports events and local markets. The frequency of street sweeping is defined according to the characteristics of the area, vehicle traffic 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 in the case of special events. The activity is a significant sanitisation of the public streets and pavements as it combines the three basic activities: manual and mechanical sweeping and street washing;

- » cleaning of municipal parks and gardens including regular emptying of waste-paper bins. The frequency of service provision depends on the location and use of the site;
- » high-pressure water cleaning is an indispensable addition to standard cleaning procedures, and is used to treat important, architecturally prestigious sites, or particular situations of decay, and to rid surfaces of excreta 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.

11. Environmental impacts

11.1 GROUP CONSUMPTION



GRI 302-1; 303-3; 303-4; 303-5; 304-2; 305-1; 305-2; 306-2; 306-3; 306-4; 306-5

MATERIAL TOPICS

- » PROTECTION OF THE TERRITORY
- » CONTAINMENT OF EMISSIONS

11.1.1 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. With the aim of reducing its environmental footprint, the Group fully certified the electricity used for its activities through the purchase of green cer-

tificates; these certificates cover the Group's entire electricity requirements. A total of **19,753 green certificates** were purchased. The AGSM AIM Group's company fleet is made up of vehicles of different types and power supplies; this differentiation derives from the heterogeneity of the services offered, which necessarily require the adoption of different technologies. 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.

CONSUMPTION	2021	2022
Thermal energy from natural gas for technological uses	3.348.718,54	2.485.517
Energy consumed from petrol by the company fleet	5.842,70	5.909
Energy consumed from diesel by the company fleet	172.347,21	154.053
Energy consumed from natural gas by the company fleet	111.083,80	3.591
Energy consumed from LPG by the company fleet	1.755,20	499
Purchased electricity consumption (renewable)	113.713,72	70.460,72
TOTAL	3.753.461,46	2.720.029,40

Table 56 - Group energy consumption in GJ.

11.1.2 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 mainly monitors the following types of emissions:

➤ **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

SCOPE 1 CO2 EMISSIONS FROM COMBUSTION	2021	2022
Natural gas for technological uses	188.865,82	140.309,07
Petrol by the company fleet	393,20	389
Diesel by the company fleet	12.047,61	11.077,66
Natural gas by the company fleet	4,06	182,33
LPG by the company fleet	59,49	29,71
TOTAL CO2 EMISSIONS	201.370,19	151.988,03

Table 57 – CO2 emissions from the use of fossil fuels by the AGSM AIM Group (in tCO2eq).

Considering the certified origin of green electricity, the emissions related to Scope 2⁵ are to be considered nil according to the market-based methodology.

SCOPE 2 CO2 EMISSIONS FROM INDIRECT CONSUMPTION	2022
Indirect emissions from energy consumption - Location Based Method	4.164,7

Table 58 – CO2 emissions deriving from indirect consumption of the Group (in tCO2eq).

5 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.

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.

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 52 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).

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.



11.2 WATER RESOURCES

The AGSM AIM Group’s commitment to reducing environmental impacts is also reflected in the conscious and sustainable use of water resources in all Group processes, in terms of both withdrawal and consumption as well as releases and effluents. The AGSM AIM Group draws water from water sources mainly for hydroelectric and thermoelectric production and for cooling thermal cycles. The water supply at the AGSM AIM Group’s plants is provided by drawing water from surface water,

groundwater and water from municipal networks. During the reporting period, water withdrawal decreased by 45% compared to the previous year, offset by lower energy production. The 2022 financial year saw a water withdrawal of **3,777,906 megalitres**. The water consumption of buildings is not reported in this paragraph.

	2021		2022	
	Total plants	Of which in areas subject to potential water stress	Total plants	Of which in areas subject to potential water stress
Surface water (Total)	6.865.332	0	3.775.840	0
fresh water (≤1,000 mg/l total dissolved solids)	6.865.332	0	3.775.840	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Groundwater (Total)	3	0	2.060	0
fresh water (≤1,000 mg/l total dissolved solids)	3	0	2.060	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Seawater (Total)	0	0	0	0
fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Produced water (Total)	0	0	0	0
fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Third-party water resources (Total)	2	0	7	0
fresh water (≤1,000 mg/l total dissolved solids)	2	0	7	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
TOTAL WATER WITHDRAWAL	6.865.337	0	3.777.906	0

Table 59 – Water withdrawal (megalitres)

For effluents, as for withdrawal, there was a 45% reduction compared to 2021. The total water

discharge at 31 December 2022 corresponds to **3,777,866 megalitres**.

	2021		2022	
	Total plants	Of which in areas subject to potential water stress	Total plants	Of which in areas subject to potential water stress
Surface water (Total)				
fresh water (≤1,000 mg/l total dissolved solids)	6.865.316	0	3.777.866	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Groundwater (Total)	6.865.316	0	3.777.866	0
fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Seawater (Total)	0	0	0	0
fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
Third-party water resources (Total)	0	0	0	0
fresh water (≤1,000 mg/l total dissolved solids)	0	0	0	0
other types of water (>1,000 mg/l total dissolved solids)	0	0	0	0
TOTAL WATER DISCHARGES	6.865.316	0	3.777.866	0

Table 60 – Water discharges (megalitres)



WATER ABSTRACTED FOR HYDROELECTRIC PLANTS IS NOT CONSUMED BUT USED IN THE PRODUCTION PROCESS AND THEN RELEASED WITHOUT ALTERATION.

	2021	2022
Water consumption	23.741	23.005
Total water consumption in areas of water stress	0	0
Total water storage at the end of the reporting period	0	0
Total water storage at the beginning of the reporting period	0	0
Change in water storage	0	0

Table 61 – Water consumption (megalitres)

11.3 WASTE

The AGSM AIM Group adopts a production and consumption model aimed at the efficient use of resources in line with the principles of the circular economy. The waste produced by the Group mainly derives from maintaining and operating infrastructure and production facilities. In 2022, 11,957 tonnes of waste were produced. The analysis carried out on the waste produced in the Group showed that only 4% of the overall waste production is hazardous waste.

WASTE	2021	2022
Hazardous waste	716	456
Non-hazardous waste	22.965	11.501
Waste produced	23.682	11.957

Table 62 - Waste produced by the Group (tonnes)

Comparative information on the breakdown by type (“directed to disposal” and “diverted from disposal”) and the hazardous characteristics of waste is shown below. The sum of waste directed to disposal and diverted from disposal does not correspond to the total waste generated due to a small gap caused by the stock of waste generated.

WASTE DIRECTED TO DISPOSAL	2021	2022
Hazardous waste directed to disposal	186,41	141,19
Non-hazardous directed to disposal	5.674	8.573,36
Total Waste directed to disposal	5.860,02	8.714,55

Table 63 - Generated waste directed to disposal (tonnes)

WASTE DIVERTED FROM DISPOSAL	2021	2022
Hazardous waste diverted from disposal	201,97	231,42
Non-hazardous waste diverted from disposal	950,59	802,15
Total Waste diverted from disposal	1.152,56	1.033,57

Table 64 - Generated waste diverted from disposal (tonnes)

The activities for governing the waste management and monitoring process are defined within the documents of the environmental management system adopted by the Group pursuant to UNI ISO 14001:2015. These documents identify roles and responsibilities at organisational level on the direct management of internal waste. Instead, the responsibility for assigning the Waste Catalogue (EWC) and its characterisation is centralised, thus harmonising the behaviour of individual production units.

The classification of waste produced by the AGSM AIM Group is carried out by the Parent Company’s Quality, Safety and Environment function in agreement with the Waste Management Contact and included in the “Waste Classification” document approved by the Company Director or Legal Representative, according to the elements that influence and determine the classification, i.e.:

- process from which the waste originates (e.g. construction and demolition, packaging, disposal of obsolete equipment);
- specific description of the waste (e.g. soil, plastic packaging, monitor);
- assessment of the hazardous nature of the waste through knowledge of the substances that may have contaminated it (product/safety data sheets) and/or chemical analysis and/or from bibliographical-legislative sources (e.g. waste oil, monitors, etc.) and/or laboratory report

After classification, the waste produced by the AGSM AIM Group is delivered to the Group’s temporary warehouses and then handed over to authorised third parties. If they do not belong to the AGSM AIM Group, authorised third parties (e.g. brokers, carriers and destination plants) are identified during the tender process.



11.4 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"), the Parent Company was responsible for the restoration of the areas affected by earthworks (construction of the yards and access roads), carrying out the morphological recomposition of the land following construction activities and reconstituting the original turf on site. The protected species of the site were transferred and

kept in another location during the construction works (centre for forestry biodiversity of Peri - VR), in order to be replanted after the works. This measure made it possible to preserve rare species, even at risk of extinction.

Also when designing the photovoltaic plants in the municipality of Trissino (VI), the AGSM AIM Group paid special attention to respecting biodiversity. In fact, the construction project of the plants includes a perimeter fence along which, at approximately every 50 metres, there are openings in the lower part of the net in order to allow small and medium-sized wildlife to pass. The supporting structures of the photovoltaic modules also allow wildlife to pass through the plant area.

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

For the natural gas and electricity distribution service, there is no significant impact on biodiversity and the utmost attention is paid to the use of materials and equipment for network management aimed at guaranteeing the minimum environmental impact.



12. Methodological note

The second edition of the Consolidated Non-Financial Statement (hereinafter also referred to as "CNFS" or "Statement") represents a tool for the AGSM AIM Group to provide transparent evidence of the work done on the path towards sustainability.

The Statement was drawn up in accordance with Legislative Decree 254/2016. In compliance with Article 3 and 4 of the Decree, this Statement is intended to report to the extent necessary to ensure an understanding of the company's business activities, its performance, its results and the impact produced by it with regard to environmental, social and personnel-related issues, the fight against active and passive corruption and respect for human rights.

The CNFS was also prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by the Global Reporting Initiative (GRI) and updated at the end of 2021, according to the option "with reference to the GRI Standards". The GRI indicators reported within the Statement are those considered most representative of the sustainability issues identified as relevant by the AGSM AIM Group.

The list of reported indicators, any boundary omissions and any detailed notes are shown in the *Concordance table* at the end of this document.

The reporting period runs from 1 January to 31 December 2022, the figures for the previous year are shown, where available, for comparative purposes only in order to facilitate the understanding of the Group's business development.

The Group, which is included in the scope of "Large Companies" under Legislative Decree 254/2016, is required to prepare the Consolidated Non-Financial Statement on an annual basis, to be published on the website (agsmait.it) in the Sustainability section.

This document was submitted to the Board of Directors for approval on 22 May 2023, at the same time as the draft Separate Financial Statements and the Consolidated Financial Statements.

The income statement and balance sheet figures are taken from the approved Consolidated Finan-

cial 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.

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.

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 2022 Consolidated Non-financial Statement (hereinafter also "CNFS" or "Statement") includes within its scope the companies consolidated on a line-by-line basis in the Consolidated Financial Statements, which are considered significant for the Group's business.

- 1) *2V Energy S.r.l.*
- 2) *AGSM AIM Ambiente S.r.l.*
- 3) *AGSM AIM Calore S.r.l.*
- 4) *AGSM AIM Energia S.p.A.*
- 5) *AGSM AIM Power S.r.l.*
- 6) *AGSM AIM S.p.A.*
- 7) *AGSM AIM Smart Solutions S.p.A.*
- 8) *AGSM Holding Albania Sha*
- 9) *AMIA Verona S.p.A.*
- 10) *CogasPiù Energie S.r.l.*
- 11) *Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.*
- 12) *EcoTirana Sh.a.*
- 13) *Parco Eolico Carpinaccio S.r.l.*
- 14) *Parco Eolico Riparbella S.r.l.*
- 15) *S.I.T. Società Igiene Territorio S.p.A.*
- 16) *SER.I.T. S.r.l.*
- 17) *Società Intercomunale Ambiente S.r.l.*
- 18) *TRANSECO S.r.l.*
- 19) *TREV ambiente S.r.l.*
- 20) *Valore Ambiente S.r.l.*
- 21) *V-Reti S.p.A.*

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

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

The Consolidated Non-financial Statement is published in the "Sustainability" section of the company's website (www.agsmait.it).

For further information, please contact:

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Appendices



A.1. CONCORDANCE TABLE 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.	Special repayment plans for households in socio-economic hardship; Agreement with Caritas Diocesana; Granting extensions to pay bills to customers in financial difficulty; Focus on people; Programmes to promote a better work-life balance; Protection of Occupational Safety; Specific training programmes to prevent accidents at work; Periodic medical examinations by the Company Doctor; Accident prevention policies; Group's Code of Ethics; Health surveillance and training to prevent substance and drug abuse and the harmful use of alcohol; Health insurance coverage of the Group's people; Financial coverage of the management body, control body, managers and employees with powers by the Board of Directors.
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; eliminate discrimination in respect of employment and occupation.	Application of various National Collective Bargaining Agreements; Trade union rights guaranteed to all workers; Transparent and impartial recruitment policy respecting equal opportunities; Part-time employment contracts granted to employees; Curricular training projects with schools and universities; VOLT: project to promote a new corporate cultural model; Focus on people; Training and professional courses; Gender equality in top management positions; No episodes of discrimination; Flexible and elastic working hours and use of the smart working arrangements; Skills development;

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.	Contribute to the country's energy transition by stepping up investments for the development of renewable energy sources, bioenergy and green fuels; Production of energy from renewable sources (wind, hydroelectric, photovoltaic and biogas); Production of thermal energy from sustainable sources (geothermal energy); Support the decarbonisation of territories, providing technological solutions and services in the perspective of energy efficiency and circular economy to citizens, businesses and public administrations Energy efficiency at offices and production sites; Increased efficiency of distribution networks; Smart meters for accurate gas and electricity consumption; Improvement and streamlining of the waste cycle with a view to promoting the circular economy; Support for environmental protection initiatives; Approach to clean production processes; Management and reduction of CO2 emissions; Responsible management of water resources; Efficient and innovative management of parking in the City; Sustainable treatment of waste in designated sites Raising citizens' awareness of proper waste management; Promotion of sustainable mobility; Free electricity supply for sustainable mobility; Sustainable treatment of waste in designated sites; Attention to the quality of air in the City.
ANTI-CORRUPTION	
Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	Adoption of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001; Adoption of the Anti-Corruption Policy; Adoption of the Group's Code of Ethics; Training programmes aimed at preventing corruption; Supplier selection in compliance with current regulations.





A.2 CONCORDANCE TABLE WITH GRI (“GRI-REFERENCED”)



GRI Standards Indicator		Legislative Decree 254/2016	Page	Notes
GRI 2 - GENERAL DISCLOSURES 2021				
The organisation and its reporting practices				
2-1	Organisational details	•	7-8-9	
2-2	Entities included in the organisation's sustainability reporting	•	8-9	
2-3	Reporting period, frequency and point of contact	•	125	
2-4	Restatements of information	•	74-75	
2-5	External assurance	•	135	As described in the "Authorities and Institutions" chapter, following a change in the measurement methodologies used, the information included in Table 23 - Taxation incurred by the AGSM AIM Group has been revised with respect to the 2021 Sustainability Report.
Activities and workers				
2-6	Activities, value chain and other business relationships	•	from page 92 to page 116	
2-7	Employees	•	57-58	
2-8	Non-employees	•	59	
Governance				
2-9	Governance structure and composition	•	27-31	
2-10	Nomination and selection of the highest governance body	•	29	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	•	12-13	
2-27	Compliance with laws and regulations	•	39-42	No significant cases of non-compliance with laws and regulations were recorded during the reporting period.
2-28	Membership Associations		73	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	•	15-16	
2-30	Collective bargaining agreements	•	65-66	
SPECIFIC STANDARDS - ECONOMIC SPHERE				
201 – Economic performance				
201-1	Direct economic value generated and distributed		44	
204 - Procurement practices				
204-1	Proportion of spending on local suppliers		86	
205 – Anti-corruption				
205-2	Communication and training about anti-corruption policies and procedures	•	40-41	
205-3	Confirmed incidents of corruption and actions taken	•	41	
GRI 3 - MATERIAL TOPICS 2021				
3-1	Process to determine material topics		18	
3-2	List of material topics		18-19	
3-3	Management of material topics		from page 20 to page 26	

GRI Standards Indicator		Legislative Decree 254/2016	Page	Notes
SPECIFIC STANDARDS - ENVIRONMENTAL SPHERE				
302 - Energy				
302-1	Energy consumption within the organisation	•	117	
303 - Water and effluents				
303-3	Water withdrawal	•	120	
303-4	Water discharges	•	121	
303-5	Water consumption	•	121	
304 - Biodiversity				
304-2	Significant impacts of activities, products, and services on biodiversity	•	124	
305 - Emissions				
305-1	Direct (Scope 1) GHG emissions	•	117-118	
305-2	Energy indirect (Scope 2) GHG emissions	•	117-118	
306 - Waste				
306-2	Management of significant waste-related impacts	•	122-123	
306-3	Waste generated	•	122	
306-4	Waste diverted from disposal	•	122	
306-5	Waste directed to disposal	•	122	
SPECIFIC STANDARDS - SOCIAL SPHERE				
400 - Employment				
401-1	New employee hires and employee turnover	•	60-61	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	•	62	
401-3	Parental leave	•	60	
403 - Occupational Health and Safety				
403-1	Occupational health and safety management system		66-67-68	
403-2	Hazard identification, risk assessment and incident investigation		67	
403-3	Occupational health services		67	
403-4	Worker participation, consultation, and communication on occupational health and safety		67	
403-5	Worker training on occupational health and safety		69	
403-6	Promotion of worker health		66-67-68	
403-8	Workers covered by an occupational health and safety management system		67	
403-9	Work-related injuries	•	67-68	
403-10	Work-related ill health	•	68	
404 - Training and Education				
404-1	Average hours of training per year per employee	•	64-65	
405 - Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	•	28-57	
413 – Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programmes	•	from page 87 to page 91	
415 - Public Policy				
415-1	Political contributions		73	
418 – Customer Privacy				
418-1	Proven complaints concerning breaches of customer privacy and loss of customer data	•	42-43	

A.3. CONCORDANCE TABLE WITH GLOBAL GOALS

SDGs	DESCRIPTION	ISSUE AREA	COMMITMENTS OF THE AGSM AIM GROUP	MATERIAL TOPICS
	END POVERTY IN ALL ITS FORMS	Territory and business	Agreement with Caritas Diocesana.	Development of initiatives and creation of value for the territory.
		Territory and business	Economic and social support agreements.	
		Territory and business	Granting extensions to pay bills to customers in financial difficulty.	
	QUALITY EDUCATION	Territory and business	Curricular training projects with schools and universities (PhD programmes, etc.)	Optimisation of human capital, equal opportunities and corporate welfare.
		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.	
	GENDER EQUALITY	Territory and business	Ensure 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	Activation of programmes related to Diversity, Equity & Inclusion with the aim of encouraging an inclusive culture, guaranteeing fair opportunities for professional growth and development.	
	AFFORDABLE AND CLEAN ENERGY	Energy Environment	Pursue the energy transition by increasing the share of energy generated from renewable sources.	Use of renewable sources. Containment of emissions. Protection of the territory. Energy efficiency. Electric mobility. Resilience and adaptation to innovation.
		Energy Environment	Increased efficiency of public lighting systems to ensure energy savings and compliance with light pollution directives.	
		Energy	Services focused on the real needs of customers, also from a smart point of view.	
		Energy Environment	Implementation of electric vehicle charging systems.	
		Energy Environment	Guarantees of origin on sold electricity generated from renewable sources.	
		Energy Environment	Co2 avoided thanks to renewable energy sources.	
		Energy	Increased efficiency and digitisation of distribution networks.	
		Energy Environment	Production of thermal energy from sustainable sources (geothermal energy).	

SDGs	DESCRIPTION	ISSUE AREA	COMMITMENTS OF THE AGSM AIM GROUP	MATERIAL TOPICS
	DECENT WORK AND ECONOMIC GROWTH	Territory and business	Focus on people.	Optimisation of human capital, equal opportunities and corporate welfare. Occupational health and safety
		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.	
	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.	
	SUSTAINABLE CITIES AND COMMUNITIES	Territory and business Environment	Support the decarbonisation of territories with a view to energy efficiency and the circular economy.	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	Improvement of the integrated waste service.	
		Territory and business Environment	Management of street cleaning.	
		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.	
	CONSUMPTION AND RESPONSIBLE PRODUCTION	Environment	Efficient use of natural sources.	Circular economy. Use of renewable sources. Protection of water resources. 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	Energy efficiency measures for premises and facilities.	
		Environment	Support to customers in managing sorted waste collection and energy consumption.	

SDGs	DESCRIPTION	ISSUE AREA	COMMITMENTS OF THE AGSM AIM GROUP	MATERIAL TOPICS
13 PROTECT THE PLANET 	CLIMATE ACTION	Territory and business Energy	Production of energy from renewable sources (wind, hydroelectric, photovoltaic, geothermal and biogas).	TuProtection of the territory.
		Territory and business Energy Environment	Management and reduction of CO2 emissions.	Protection of water resources.
		Territory and business Energy Environment	Promotion of sustainable mobility through the creation of electric vehicle charging systems.	Circular economy.
		Territory and business Energy	Investments in network infrastructure	Use of renewable sources.
		Territory and business Energy	Increased efficiency of internal processes	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.
16 PEACE AND JUSTICE 	PEACE, JUSTICE AND STRONG INSTITUTIONS	Territory and business	Training on Group's Code of Ethics, Legislative Decree 231/2001, transparency and anti-corruption	Economic and financial performance.
		Territory and business	Selection of suppliers in compliance with current regulations	Integrity and transparency in business development.
		Territory and business	Adoption of the Anti-Corruption Policy	
		Territory and business	Training programmes aimed at preventing corruption.	Ethics and fight against corruption.
		Territory and business	Adoption of the Group's Code of Ethics	



Report of the auditing firm



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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, paragraph 2 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, 2022 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on May 22, 2023 (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's 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.

Independence of the auditing firm and quality control

We are independent in accordance with the principles of ethics and independence of the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our auditing company applies the International Standard on Quality Control 1 (ISQC Italia 1) and, consequently, maintains a quality control system that includes directives and documented procedures on compliance with ethical principles, professional principles and the applicable legal and regulatory provisions.

Auditors' responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the requirements of the Decree and the GRI Standards. We carried out our work in accordance with the criteria established in the *International Standard on Assurance Engagements 3000 (Revised) ~ Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised")*, issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with *ISAE 3000 Revised*, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate.

Specifically, we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree.
3. 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 generation, collection and management of qualitative and quantitative information subject to limited assurance.

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, for information subject to limited assurance deemed significant, 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 done, no evidence has come to our attention that the limited assurance information presented in the DNF of the AGSM AIM Group for the year ended 31 December 2022 has not been compiled in all significant respects, in accordance with the requirements of Articles 3 and 4 of the Decree and the GRI Standards.

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

Verona, June 9, 2023

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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