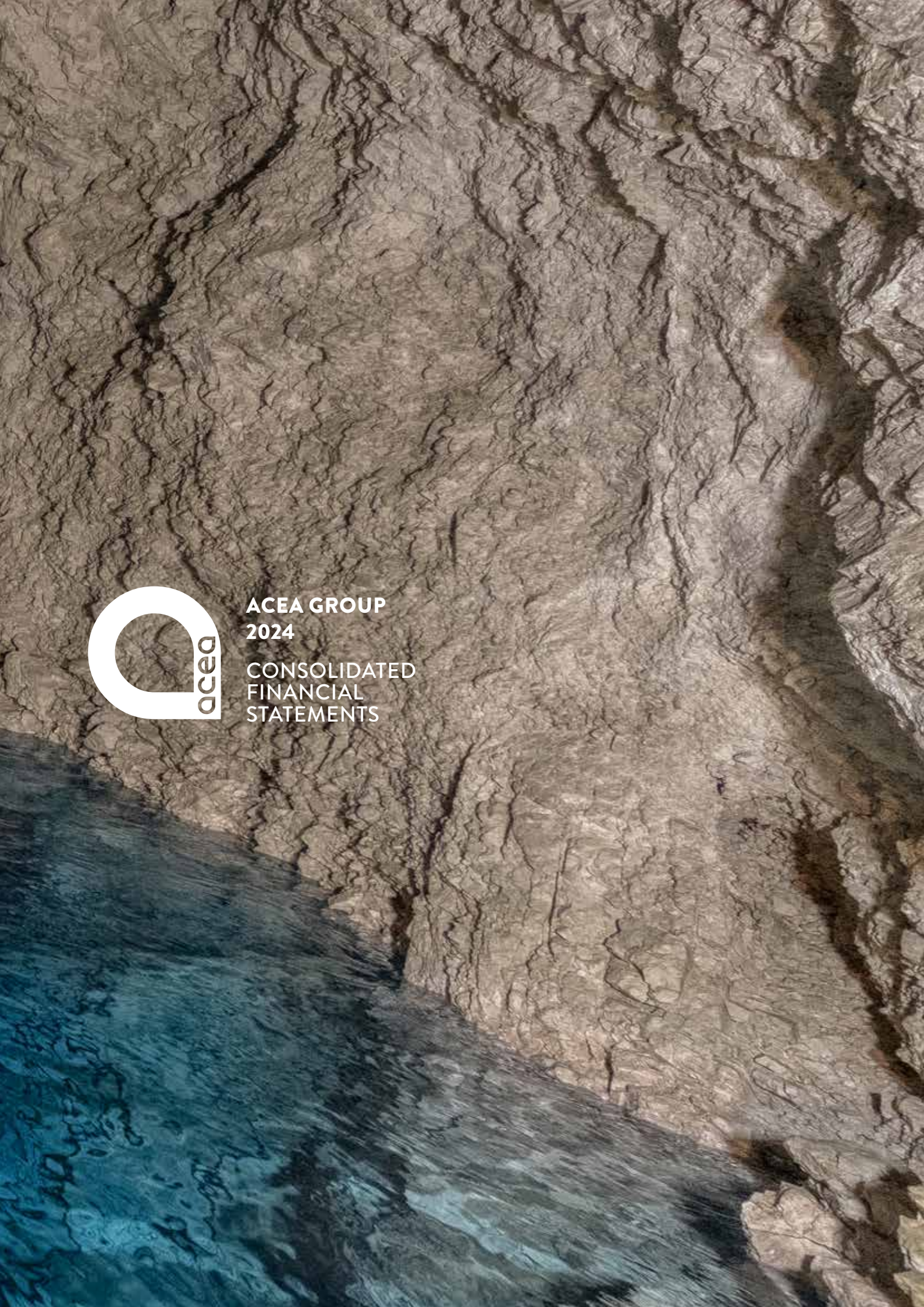

ACEA GROUP 2024

CONSOLIDATED FINANCIAL STATEMENTS

ACEA GROUP
2024
CONSOLIDATED FINANCIAL STATEMENTS

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

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Letter to Shareholders

Dear Shareholders,

2024 was characterised by continued uncertainty as a result of ongoing geopolitical tensions and expectations regarding US trade policies, as well as an increase in extreme weather events. In this challenging and ever-changing scenario, Acea approved the "Green Diligent Growth" Business Plan, which aims to strengthen the Group's position as a leading infrastructure operator focused on regulated businesses.

The Acea Group's 2024 results are at an all-time high in terms of EBITDA and Net Profit, with growth rates above the Business Plan targets. The economic performance is accompanied by a significant improvement in the NFP/EBITDA ratio. This confirms the solidity of the business model adopted and the Group's focus on both business growth and financial discipline. In 2024, EBITDA increased by 12% compared to 2023, reaching €1.6 billion, 85% of which was from the regulated businesses. Investments, of which 91% allocated to regulated activities, amounted to €1.4 billion, a 26% increase on the previous year. Net Profit grew by 13% over 2023 to a record level of €332 million, allowing us to propose the distribution of a dividend of €0.95 per share, an 8% increase over 2023 and higher than the Business Plan targets (4% YoY growth).

Such growth has been accompanied by the companies' ongoing commitment to a positive environmental and social impact, embodied in initiatives to adapt to and combat climate change, through the adoption of a systemic approach to the circular economy in all areas of activity and the pursuit of sustainability goals to generate value in the territories where the Group operates. The Group's focus on sustainability is confirmed by ESG ratings, including the Sustainability Solicited "EE+" rating awarded to Acea by independent agency Standard Ethics for the second year running.

The Sustainability Plan 2024-2028 was approved in 2024, setting out the sustainability objectives and targets and the investments envisaged in the Business Plan for the various businesses. Of the investments made during the year, €950 million are directly linked to sustainability targets, mainly aimed at increasing the safety and resilience of infrastructure, reducing water losses, and implementing measures for decarbonisation, resource circularity and biodiversity protection.

Acea, Italy's top operator in the water sector and a leader in Europe, launched major infrastructure works during the year: from the NRRP projects, for which funding of some €703 million was obtained, to the doubling of the Peschiera Aqueduct. The Group also continued to invest in the reduction of water losses and the continuous improvement of the operational management of the water service. Investments in the Acqua Italia business area amounted to €895 million in 2024. In addition, the Group expanded its presence in the sector in Italy by entering two new regions – Sicily and Liguria – through the awarding of tenders for the management of the Integrated Water Service in the provinces of Syracuse and Imperia, and abroad through the awarding of tenders for the maintenance of the water and sewerage network in Lima (Peru). Acea joined the Mattei Plan steering committee during the year, as the only national representative of the water sector for research and development of infrastructure projects in Africa.

With a view to raising the population's awareness of the importance of water resources, Acea also signed a three-year Memorandum of Understanding with the Italian Ministry of Education to promote education in primary and secondary schools on the correct use of water resources.

The Group's commitment also covers the Network and Public Lighting business, with the launch of NRRP projects related to increasing the resilience of electricity grids and Smart Grids, for which the Group was awarded €174 million in funding. Electricity flexibility services were also launched in Rome through the RomeFlex project, which aims to establish an advanced flexibility market to balance loads in the distribution network.

Investments in the Network and Public Lighting business area amounted to €316 million in 2024. The Group also signed a binding agreement to sell the high-voltage electricity grid to Terna, as part of a programme to enhance and optimise the asset portfolio, taking advantage of the opportunities provided by the regulatory framework.

In the Environment business, in May 2024, in a consortium of leading national and international operators, Acea Ambiente submitted a bid for the call for tenders issued by Roma Capitale for the construction of the waste-to-energy plant in Santa Palomba. In August 2024, the Selection Board for awarding the concession proposed that the tender be awarded to the consortium with parent company Acea Ambiente. During 2024, Acea Ambiente also started work on the construction of the fourth line of the San Vittore waste-to-energy plant, with the aim of increasing treatment capacity and optimising site efficiency.

In 2024, Acea maintained and renewed management systems that had previously been certified – Quality, Environment, Safety, Energy, and Gender Equality – and achieved ISO 37001:2016 certification for its "Corruption Prevention Management System" as well as ISO 10004:2018 certification for customer satisfaction monitoring and measurement processes. Acea also signed the "Local Partnership Protocol with the Prefecture of Rome against the infiltration of organised crime and for the protection of legality" to be applied to the works that the Group will carry out in the coming years in the Rome area in all the sectors in which it is active.

With regard to the policies and strategies adopted in the management of human resources, the Group obtained the "Top Employers" Italy certification for the third year running.

The results achieved in 2024 represent solid foundations for the implementation of the "Green Diligent Growth" Business Plan, which will allow the Acea Group to increasingly consolidate its position as a leading infrastructure operator over the coming years, integrating ESG criteria into the company's strategy and reinforcing its commitment to the empowerment of people.

The Chief Executive Officer
and General Manager
Fabrizio Palermo

The Chairperson
Barbara Marinali

1

REPORT ON OPERATIONS

10

MILLION INHABITANTS SERVED

TOP OPERATOR IN ITALY FOR WATER SERVICES

Corporate bodies

BOARD OF DIRECTORS

Barbara Marinali	Chairperson
Fabrizio Palermo	Chief Executive Officer
Antonella Rosa Bianchessi	Director
Alessandro Caltagirone	Director
Massimiliano Capece Minutolo Del Sasso	Director
Antonino Cusimano	Director
Elisabetta Maggini	Director
Luisa Melara	Director
Angelo Piazza	Director
Alessandro Picardi	Director
Vincenza Patrizia Rutigliano	Director
Nathalie Tocci	Director
Yves Rannou*	Director

BOARD OF STATUTORY AUDITORS

Maurizio Lauri	Chairperson
Claudia Capuano	Standing Auditor
Leonardo Quagliata	Standing Auditor
Rosina Cichello	Alternate Auditor
Vito Di Battista	Alternate Auditor

EXECUTIVE RESPONSIBLE

Pier Francesco Ragni**

* appointed by the Shareholders' Meeting on 12 April 2024, replacing Francesca Menabuoni
** appointed by the Board of Directors on 31 August 2024

Financial highlights

RESULT NET OF NON-RECURRING ITEMS (€MLN)

EBITDA

€ 1,515 ▲ +11.1%

NET PROFIT/(LOSS) OF THE GROUP

€ 330 ▲ +18.5%

RESULT AS AT 31 DECEMBER 2024 (€MLN)

CONSOLIDATED NET REVENUES

€ 4,270 ▼ -7.8%

EBIT

€ 703 ▲ +14.8%

EBITDA

€ 1,557 ▲ +11.9%

NET PROFIT/(LOSS) OF THE GROUP

€ 332 ▲ +12.8%

NET FINANCIAL DEBT

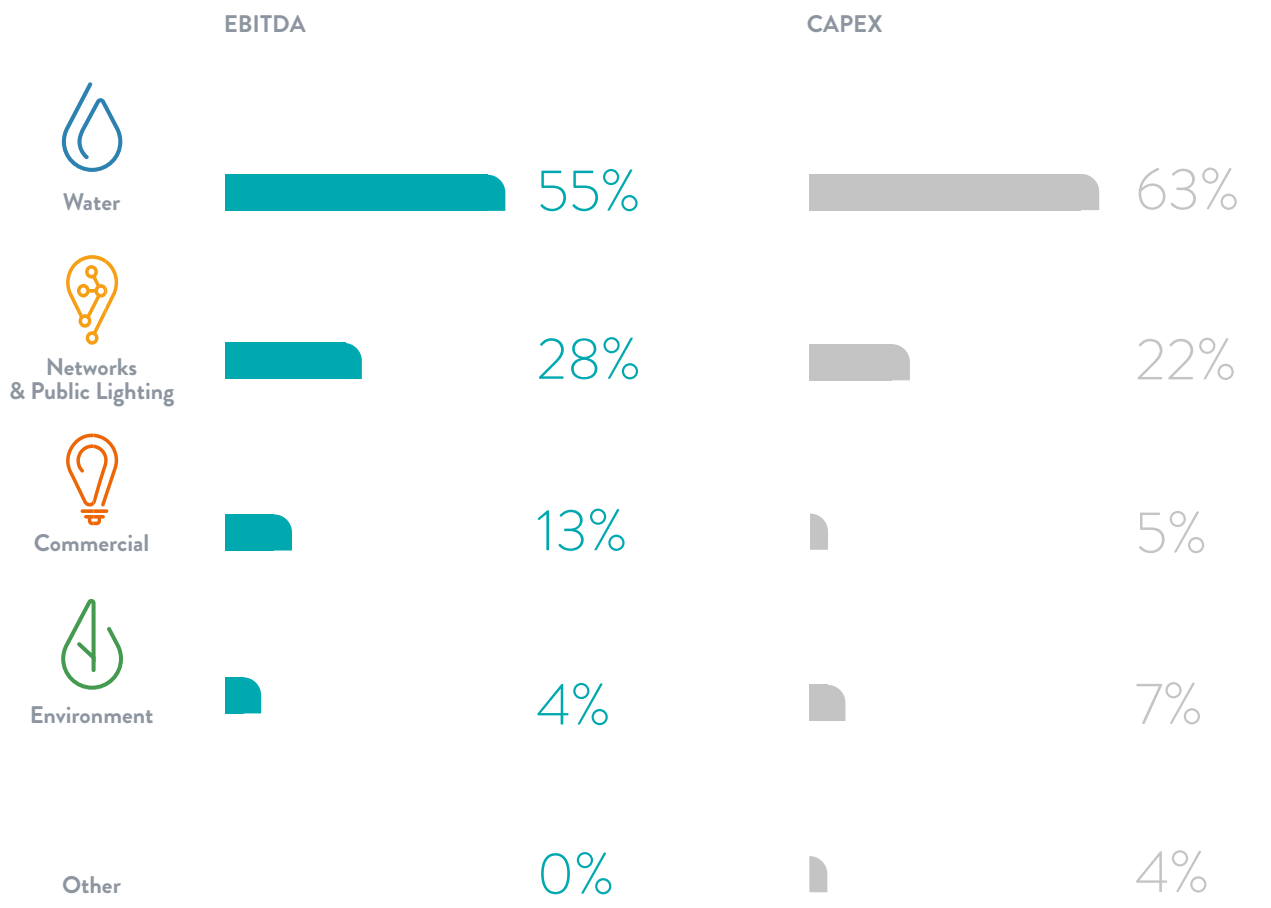
€ 4,954 ▲ +2.2%

CAPEX*

€ 1,439 ▲ +25.9%

* gross of financed investments and contributions on tenders.

CONTRIBUTION TO THE CONSOLIDATED FIGURE



Acea organisational model

Acea is one of the leading Italian industrial groups and has been listed on the stock exchange since 1999. The Group has adopted an organisational structure and operating model that supports its strategic guidelines, founded on growth in the water market through infrastructure development, geographic expansion, strategic partnerships, strengthening technology and protecting water resources; the resilience of the electricity network and quality of service in the city of Rome; developing new renewable capacity to help face the energy transition; a push towards the circular economy with geographic expansion, also in synergy with other businesses. The macrosectors in which Acea works are broken down into the industrial segments listed below:

51.00%
Roma Capitale

23.33%
Suez

20.22%
Market

5.45
Caltagirone

The above chart only shows equity investments of more than 3%, as confirmed by CONSOB data

WATER

The Acea Group is the top Italian operator in the water sector serving 10 million people: it manages the integrated water service in Rome and Frosinone and in the relative provinces, as well as in other areas of Lazio, in Tuscany, Umbria, Campania, Molise and Liguria. The Group is also in Abruzzo, Molise and Campania, as it has entered the methane distribution market in the Municipality of Pescara, the Province of L'Aquila, the Provinces of Campobasso and Isernia and the Province of Salerno. Finally, the area also includes the ASM Terni Group, which is active not only in the water sector, but also in waste collection and disposal and electricity distribution. The Group operates across the entire value chain, from water collection and distribution to its purification and reuse.
The area also includes the companies that manage water activities in Latin America and its objective is to make the most of development opportunities in other businesses related to those already held in Italy. It has a strong presence in Honduras and Peru, reaching a population of approximately 10 million. The activities are carried out in partnership with local and international partners, including through staff training and the transfer of know-how to local entrepreneurs.

NETWORKS & PUBLIC LIGHTING

The Acea Group is one of the main national operators, distributing about 10 TWh of electricity and managing 1.6 million PODs in the Rome area (data from 2024). Additionally, the Group manages public and artistic lighting in the Capital with over 250 thousand lighting points. The Acea Group is involved in energy efficiency projects and the development of new technologies, including network partitioning for dynamic management, 2G smart meter control over PODs, and extensive demand response via AI and IoT platform, additionally, the Group is developing smart public lighting projects.

ENVIRONMENT

The Acea Group is one of the leading national players with around 2.2 million tonnes of waste (2024 data) processed each year, including those handled. The Group operates throughout the entire waste treatment chain, primarily focusing on segments with higher margins. Among the various treatment and disposal plants operated in eight regions there is the main waste-to-energy plant and the largest anaerobic digestion and composting plant in the Lazio Region and the largest mechanical/biological treatment plant in the Abruzzo Region. The Group focuses on developing business investments in waste to energy and waste to recycling, areas considered to have high potential. It also invests in waste recovery and recycling in the plastic, paper, and metal sectors, as well as in producing high-quality compost. This aligns with the strategic objective of consolidating its presence in the entire cycle by maximising circularity and focusing on reusing resources.

PRODUCTION

The Acea Group is one of the main national operators in the field of generation from renewable sources (hydroelectric and photovoltaic) and is engaged in energy efficiency and *energy solution* projects in the business segment, particularly focused on finding innovative approaches in the management of production *asset* and the implementation of new production capacity that sustains internal consumption and reduces the Group's carbon footprint, decreasing CO2 emissions to meet SBTi targets. In this regard, the Group aims to capitalise on opportunities for developing solar pipelines, including through partnerships with financial institutions.

COMMERCIAL

The Acea Group is one of the leading Italian players in the sale of electricity and offers innovative and flexible solutions for the supply of electricity and natural gas with the objective of consolidating its positioning as a dual fuel operator. It operates on the market segments of medium-sized enterprises and households to improve the quality of the services offered with particular regard to web and social channels. It supervises the Group's energy management policies.

ENGINEERING & INFRASTRUCTURE PROJECTS

The Acea Group is a specialised centre of excellence renowned for its cutting-edge know how in designing, constructing, and managing integrated water systems: from sourcing springs to managing aqueducts, distribution networks, sewage systems, and purification facilities. It develops applied research projects aimed at technological innovation in the water, environmental and energy sectors. Laboratory and engineering consultancy services are of particular importance. The Acea Group is also engaged in the design and creation of plants for the environment and for the treatment of water and waste.

Summary of operations and income, equity and financial performance of the Group

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

On 5 October 2015, ESMA (European Securities and Markets Authority) published its guidelines (ESMA/2015/1415) on criteria for the presentation of alternative performance measures which replace, as of 3 July 2016, the CESR/05-178b recommendations. These guidelines were transposed into our system with CONSOB Communication no. 0092543 dated 3 December 2015. In addition, on 4 March 2021 ESMA published the guidelines on the disclosure requirements deriving from the new Prospectus Regulation (Regulation EU 2017/1129 and Delegated Regulations EU 2019/980 and 2019/979), which update the previous CESR Recommendations (ESMA/2013/319, in the revised version of 20 March 2013). Starting from 5 May 2021, on the basis of CONSOB Call for Attention No. 5/21, the aforementioned ESMA Guidelines also replace the CESR Recommendation on debt. Therefore, under the new provisions, listed issuers have to present, in the explanatory notes to their annual and semi-annual financial statements published from 5 May 2021 onwards, a new statement on debt to be drafted in accordance with the instructions in paragraphs 175 and following of the above ESMA Guidelines.

The content and meaning of the non-GAAP measures of performance and other alternative performance indicators used in these financial statements are illustrated below:

- For the Acea Group, the **EBITDA is an operating performance indicator** and from 1 January 2014 also includes the condensed result of equity investments in jointly-controlled entities for which the consolidation method changed when the international accounting standards IFRS 10 and IFRS 11 came into force. EBITDA is determined by adding Operating profit/loss (EBIT) to "Amortisation, depreciation, provisions and impairment", insofar as these are the main non-cash items;
- **Net financial debt** is represented and determined in accordance with the aforementioned ESMA guidelines and in particular paragraph 127 of the recommendations of document No. 319 of 2013, implementing Regulation (EC) 809/2004. This indicator is determined as the sum of short-term borrowings ("Short-term loans", "Current part of long-term loans" and "Current financial liabilities") and long-term borrowings ("Long-term loans") and the related derivative instruments ("Non-current financial liabilities"), net of "Cash and cash equivalents" and "Current financial assets";
- the **net financial position** is an indicator of the Acea Group's financial structure determined in continuation with previous years in order to provide additional financial disclosures. This indicator is obtained from the sum of Non-current borrowings and Financial liabilities net of non-current financial assets (financial receivables and securities other than equity investments), Current financial payables and other Current financial liabilities net of current financial assets and Cash and cash equivalents;
- **net invested capital** is the sum of "Current assets", "Non-current assets" and "Assets and Liabilities held for sale", less "Current liabilities" and "Non-current liabilities", excluding items taken into account when calculating the net financial position;
- **net working capital** is the sum of the current receivables, inventories, the net balance of other current assets and liabilities and current debts, excluding the items considered in calculating the net financial position.

Summary of results

Income statement data

€ million	2024	2023	Change	% Change
Consolidated net revenue	**4,269.9**	**4,629.2**	**(359.4)**	**(7.8%)**
Consolidated operating costs	**2,728.7**	**3,252.7**	**(524.0)**	**(16.1%)**
Net Income/(Expense) from commodity risk management	0.0	0.0	0.0	n.s.
Profit / (loss) from non-financial equity investments	15.7	14.4	1.3	9.0%
EBITDA	**1,556.8**	**1,390.9**	**166.0**	**11.9%**
Operating profit/(loss)	**702.7**	**612.3**	**90.4**	**14.8%**
Net profit/(loss)	**372.5**	**327.4**	**45.0**	**13.7%**
Profit/(Loss) due to third parties	*40.8*	*33.5*	*7.3*	*21.8%*
Net profit/(loss) attributable to the Group	**331.6**	**293.9**	**37.7**	**12.8%**

Financial position data

€ million	31/12/2024	31/12/2023	Change	% Change
Net invested capital	7,829.2	7,669.8	159.3	2.1%
Net financial debt	(4,953.6)	(4,846.8)	(106.8)	2.2%
Consolidated Shareholders' Equity	**(2,875.6)**	**(2,823.1)**	**(52.5)**	**1.9%**

€ million	31/12/2024	31/12/2023	Variazi one	% Change
Net Financial Position	(4,917.8)	(4,833.8)	(84.0)	1.7%

EBITDA

€ million	31/12/2024	31/12/2023	Change	% Change
Water	823.8	743.9	79.8	10.7%
Water (Overseas)	35.2	35.7	(0.5)	(1.4%)
Network and public lighting	433.7	375.4	58.3	15.5%
Environment	67.9	84.4	(16.4)	(19.5%)
Commercial	197.6	129.3	68.3	52.9%
Production	40.5	53.9	(13.3)	(24.8%)
Engineering & Infrastructure Projects	11.0	9.9	1.1	11.0%
Corporate	(52.9)	(41.6)	(11.3)	27.2%
Total EBITDA	**1,556.8**	**1,390.9**	**166.0**	**11.9%**

Investments

€ million	31/12/2024	31/12/2023	Change	% Change
Water	895.4	682.4	213.0	31.2%
Water (Overseas)	8.5	5.7	2.8	49.1%
Network and public lighting	315.7	299.6	16.2	5.4%
Environment	100.3	38.9	61.5	158.0%
Commercial	67.5	50.2	17.3	34.4%
Production	25.8	41.1	(15.3)	(37.1%)
Engineering & Infrastructure Projects	5.2	4.7	0.4	9.3%
Corporate	20.4	20.1	0.2	1.2%
Total Investments	**1,438.9**	**1,142.7**	**296.2**	**25.9%**

* The value of investments in 2024 includes the value of advances on tenders for E99.8 million.

Summary of results: economic performance

Income statement data

€ million	2024	2023	Change	% Change
Revenue from sales and services	4,050.2	4,410.1	(359.9)	(8.2%)
Other revenue and income	219.6	219.1	0.5	0.2%
Costs of materials and overhead	2,400.2	2,918.3	(518.1)	(17.8%)
Staff costs	328.5	334.5	(6.0)	(1.8%)
Net income/(expense) from commodity risk management	0.0	0.0	0.0	n.s.
Profit/(Loss) from non-financial equity investments	15.7	14.4	1.3	9.0%
EBITDA	**1,556.8**	**1,390.9**	**166.0**	**11.9%**
Amortisation, depreciation, provisions and impairment charges	854.2	778.5	75.6	9.7%
Operating profit/(loss)	**702.7**	**612.3**	**90.4**	**14.8%**
Financial operations	(144.5)	(136.5)	(8.0)	5.8%
Equity investments	(5.7)	(0.6)	(5.1)	n.s.
Profit/(loss) before tax	**552.4**	**475.2**	**77.2**	**16.3%**
Income tax	180.0	147.8	32.2	21.8%
Net profit/(loss)	**372.5**	**327.4**	**45.0**	**13.7%**
Profit/(Loss) due to third parties	***40.8***	*33.5*	*7.3*	*21.8%*
Net profit/(loss) attributable to the Group	**331.6**	**293.9**	**37.7**	**12.8%**

As at 31 December 2024, **revenue from sales and services** amounted to €4,050.2 million, a decrease of €359.9 million (-8.2%) compared to the previous year. The decrease is attributable to the following offsetting effects:

- lower revenue from electricity sales and services (-€338.8 million) affected by higher unit prices in 2023 (NSP change -15%), alongside lower sales volumes;
- lower revenue from sustainable development (-€151.6 million), as a result of new scenarios linked to changes to the Superbonus incentive, as a consequence of the closure of construction projects initiated and completed in the previous financial year (-€144.7 million). The remaining reduction regards revenue from value-added services (sales, installation and customer support in the smart services sector) with a drop of €7.4 million owing to the suspension of boiler and air-conditioner sales business, following the Government's decision to remove the possibility of invoice discounts and credit transfers as of early 2024;
- lower revenue from street sweeping and collection of ASM Terni (-€12.8 million), a result of the transfer of end customer invoicing activities in 2024 from the Municipalities managed by CNS – Cosp Tecno Service to the latter;
- lower revenue from the public lighting contract with the Municipality of Rome (-€8.1 million), due to fewer unscheduled maintenance works;
- higher revenue from the Integrated Water Service (+€85.8 million), mainly attributable to Acea Ato2 (+€68.5 million) and GORI (+€35.6 million), partly offset by the deconsolidation of Acquedotto del Fiora (-€31.1 million). In addition to the organic growth driven mainly by investments and the estimate of adjustments for pass-through items (electricity, wholesale water, etc.), these revenues were also influenced by the 2024-2029 tariff update following the introduction of the Water Tariff Method for the 4th regulatory cycle (MTI-4);
- higher revenue from gas sales (+€60.2 million), mainly due to higher sales volumes (+9.6%);
- higher revenue from electricity incentives (+€8.5 million), mainly attributable to the scheduling of GRIN incentives as well as the non-recognition in 2023 of incentives for Salisano and Orte due to the high price reported in 2022.

Other revenue shows an increase of €0.5 million (0.2%) compared to the previous year. The change is mainly attributable to the following offsetting effects: **i)** higher revenue from non-recurring gains (+€38.0 million), partly arising from Acea Ato2 (+€16.2 million) largely due to the realignment between the tariff adjustments recognised in the financial statements up to 2023 and the adjustments approved, and the recognition of inflation on the 2018-2021 and 2023 adjustments and partly recognised against allocations of energy items from previous years (+€18.4 million) at Acea Energia; **ii)** lower other revenue (-€51.9 million) as a result of the recognition in 2023 of the effects associated with the application of the incentive for Technical and Contractual Quality of the Integrated Water Service for the years 2020-2021 (Resolution 477/2023) which saw the companies consolidated on a line-by-line basis receive a bonus totalling €26.1 million, and lower revenue from GORI (-€10.2), mainly due to lower energy tax credits and a reduction in bonuses related to actions to increase the resilience of the electricity distribution service at Areti (-€4.1 million); **iii)** lower compensation from claims and penalties for €8.9.million, mainly due to the increase in CMOR indemnity claims on the free energy market (-€4.2 million) and partly due to transactions finalised with certain Areti suppliers in 2023; **iv)** higher revenue from grants (+€14.6 million) mainly to GORI (+€12.0 million) and

largely involving the REACT-EU grant from the European Union granted in 2024 for investments already made in previous years, as well as to Areti (+€1.8 million) for greater releases of capital grants in relation to the grants received under Legislative Decree 50/2022 (referred to as the "Aid Decree"); **v)** higher IFRIC 12 margin revenue (+€9.2 million) mainly as a result of higher investments and the update to WACC.

External costs decreased overall by €518.1 million (- 17.8%) compared to 31 December 2023. The change is mainly due to the reduction in costs related to the procurement of electricity and gas on the free market and on the gradually protected market (-€380.8 million), which is in line with the revenue figures. The change is also partly attributable to the lower costs for services and contract work (-€146.2 million), largely due to the decrease in costs for energy efficiency works as a result of the completion of the majority of contracts for energy efficiency works on apartments and private residences, and lower costs related to ASM Terni's collection and sweeping service (-€13.1 million) for the reasons described above for the respective revenues.

Labour costs decreased by €6.0 million (- 1.8%) compared to the previous year, mainly influenced by the release of the liability for tariff subsidies for retired staff, following the agreement reached between the Group and the trade unions on 13 June 2024 which replaces this institution for former employees of the Group against payment of a one-off economic value.
The change in labour costs net of the aforementioned release shows an increase for €15.7 million net of higher capitalised costs (€4.4 million, deriving from the increase in the remuneration components and the adjustment of the national collective labour contracts, and partly by the different composition of the workforce.
The average number of employees stood at 9,223, down by 1,126 compared to last year, mainly as a result of the end of the three-year contract for the management of the Lima drinking water pumping stations operated by Consorcio Acea (- 904 employees).

€ million	2024	2023	Change	% Change
Personnel costs including capitalised costs	530.4	532.0	(1.6)	(0.3%)
Costs capitalised	(201.9)	(197.5)	(4.4)	2.2%
Staff costs	**328.5**	**334.5**	**(6.0)**	**(1.8%)**

Income from equity investments of a non-financial nature represents the consolidated result according to the equity method included among the components forming the consolidated EBITDA of the strategic companies.

€ million	2024	2023	Change	% Change
EBITDA	170.6	156.5	14.1	9.0%
Amortisation, depreciation, provisions and impairment charges	133.2	128.5	4.7	3.7%
Financial operations	(10.6)	(7.8)	(2.9)	36.8%
Equity investments	(0.0)	0.0	(0.0)	n.s.
Income tax	11.1	5.8	5.2	90.0%
Income from equity investments of a non-financial nature	**15.7**	**14.4**	**1.3**	**9.0%**

Income from equity investments from these companies rose by €1.3 million, as a combined effect of higher income arising from the companies in the photovoltaic sector (+€7.4 million), Umbra Acque (+€2.1 million) and Acque (+€1.0 million) partly offset by the devaluation of the company DropMI in liquidation (-€5.5 million) for the losses made in relation to unrealised projects in relation to smart metering and the lower contribution by Publiacqua (-€5.6 million) as a result of lower revenues from the integrated water service (Capex and FoNI component) and higher amortisation and depreciation. The result of Acquedotto del Fiora consolidated using the equity method in the final quarter (+€0.9 million) also contributed.

The **Gross Operating Income (EBITDA)** rose from €1,390.9 million at 31 December 2023 to €1,556.8 million at 31 December 2024, recording an increase of €166.0 million or 11.9%. EBIDTA net of non-recurring items for 2024[1] (+€42.2 million) and 2023[2] (+€28.0 million) grew by 11.1% (+€151.7 million).

1 One-off events in 2024 are mainly attributable to extraordinary items on energy instalments and non-recurring tariffs (+€61.1 million, of which €34.7 million related to the Acqua Italia business mainly attributable to recovery of inflation adjustments from previous years), the release of the fund for tariff subsidies for retired staff (+€17.3 million), the Environment business unit (-€8.7 million) predominantly influenced by extraordinary events related to plants, the writedown of the investment in DropMi in liquidation (-€5.5 million), and the profit/loss of Acquedotto del Fiora (-€20.0 million) neutralised following deconsolidation.

2 The one-off events in 2023 are attributable to the technical quality bonus for water companies (+€28.5 million), to extraordinary items on energy instalments (+€5.4 million), to capital gains on the sale of an SIMAM plant (+€3.2 million) and to the writedown of plants subject to revamping works (-€9.1 million).

The change is therefore due to the following offsetting factors:

- higher electricity distribution network margins mainly as a result of the increase in regulated tariffs (+€70.0 million), predominantly due to the effect of the positive changes to WACC, the deflator, and the increase to the value of the RAB, partly offset by the lower revenue deriving from the resilience plan (-€4.9 million), higher operating costs (+€6.7 million) mainly linked to staff costs, asset disposal costs (-€4.0 million) and lower margins on the public lighting service in the Municipality of Rome (-€1.5 million) due to fewer unscheduled maintenance works;
- higher margins arising from the growth in water tariff revenues related to non-pass-through items (+€107.0 million) mainly attributable to Acea Ato2 (+€66.2 million) and GORI (+€25.1 million) as a result of the organic growth driven mainly by investments, as well as the 2024-2029 tariff update following the introduction of the Water Tariff Method for the 4th regulatory cycle (MTI-4). This increase is offset by higher staff costs for €9.0 million attributable to contract renewals and the different composition of the workforce;
- lower margins from hydroelectric production (-€17.3 million), impacted by the price effect for €6.7 million (-€23/MWh) and lower quantities for €10.6 million (- 118 GWh), partly as a result of lower rainfall;
- increase in the margin on energy and gas (+€70.7 million), mainly due to higher margins on the free market due both to higher profit margins and higher quantities sold;
- lower margins on energy efficiency activities (-€15.7 million), as a result of new scenarios linked to changes to the Superbonus incentives as a consequence of the end of construction projects initiated and completed in the previous financial year;
- lower margins on WTE (-€9.1 million) due partly to the energy scenario mainly related to the San Vittore plant (-€15.1 million; -€70/Mwh), partly offset by the higher volumes processed and higher delivery costs;
- lower margin in the Corporate segment (-€11.3 million), essentially attributable to the increase in external costs for consultancies and technical/administrative services, advertising costs, sponsorships and software licences, partly offset by lower costs for electricity consumption and surveillance services.

EBIT amounted to €702,7 million and increased by €90.4 million compared to the previous year. Below are details of the items influencing EBIT.

€ million	2024	2023	Change	% Change
Depreciation/amortisation and impairment losses	708.9	651.8	57.1	8.8%
Net write-downs (write-backs) of trade receivables	96.9	86.5	10.4	12.0%
Provisions and releases for risks and charges	48.4	40.2	8.1	20.2%
Amortisation, depreciation, impairment and provisions	**854.2**	**778.5**	**75.6**	**9.7%**

The increase in **amortisation and reductions in value** (+€57.1 million) is mainly linked to the natural growth in amortisation from regulated activities, for the most part in the "Water" (+€27.6 million) and "Networks & Public Lighting" (+€9.3 million) segments, as a result of the higher investments and the entry into service of assets under construction. The increase was also partly attributable to growth in amortisation and depreciation related to commissioning costs for the acquisition of new Acea Energia customers (+€5.6 million) and the increase in impairments for approximately €18.3 million, following the results of impairment tests and partly due to the writedown of assets under construction.

Net write-downs (write-backs) of trade receivables increased compared to the previous year (+€10.4 million) in terms of impact on consolidated revenue (2.27% vs 1.87%). This result is mainly attributable to an increase in the hedging of the stock of water receivables, in line with the trend of the related ageing, and to the increased writedowns applied on a prudential basis to some cases which influenced the dynamics.

Provisions and releases for risk and charges increased compared to the previous year (+€8.1 million) due to the following offsetting effects: **i)** provision for the payment of the one-off fee linked to the aforementioned agreement between the Group and trade unions in relation to the tariff subsidies for retired staff (+€6.0 million), offset by the lower provisions for redundancies (-€5.9 million); **ii)** provision for TWS regarding the claim for damages by Irisacqua following the termination for breach of contract of the contract awarded to RTI, of which TWS was a part (+€6.1 million); **iii)** estimated penalty following the outcome of the proceedings by the Personal Data Protection Authority with regard to Acea Energia (+€5.0 million); **iv)** higher provisions by areti for processing and stamp fees for public lighting licences, penalties relative to Resolution 604/2021, and public lighting penalties (+€3.1 million); **v)** lower provisions in relation to disputes over eco-bonuses recognised in 2023 (-€3.2 million); **vi)** lower provisions for Acea Ato2 mainly due to the provision recognised in 2023 related to a payment injunction by the Lazio Region with reference to a request for payment of higher concession fees relating to the period prior to 2011 (-€5.6 million).

Financial management shows net expenses of €144.5 million, up compared to the value as at 31 December 2023 (+€8.0 million), due to the combined effect of: **i)** higher financial charges (+€11.6 million) due to higher interest rates and increased average debt for the period. Specifically, there were higher financial charges on short and medium-long term debt (+€14.3 million) mainly relating to the parent company, and higher commissions on an increased number of Areti credit transfers (+€10.2 million) compared to the previous year; this increase was offset by a general reduction across the other items, particularly lower interest on bond loans (-€6.3 million) mainly due to the settlement of the bond loan repaid by the parent company in July, offset by the interest on the bond loan issued in early 2023; **ii)** higher financial income (+€3.6 million) deriving from the recognition of income from energy efficiency tax credits (+€3.5 million) and the increase in interest income from customers (+€5.4 million), mainly attributable to the increase in market rates, partly offset by the reduction in interest accrued on short-term deposits by the parent company (-€5.6 million) as a result of the reduction in the amount of short-term deposits seen in the final quarter of 2024 coinciding with the repayment of the bond loan maturing in July.

Income and expense from equity investments show net expenses

of €5.7 million and primarily comprise the capital losses from the sale of the equity investment in Berg (€3.3 million) and from the application of IFRS5 relative to the prospective sale of three photovoltaic systems to the Equitix fund (€3.7 million).

Estimated tax expenses amounted to €180.0 million compared to €147.8 million in the previous year. The increase was mainly due from the combined effect of higher pre-tax profit and higher tax rate. The tax rate at 31 December 2024 was 32.6% (31.1% at 31 December 2023).

The **net profit attributable to the Group** was €331.6 million, and showed an increase of €37.7 million compared to the previous year (+12.8%). Profit net of non-recurring items for 2024 (+€1.7 million) and 2023 (+€15.4 million) grew by 18.5% (+€51.4 million).

Summary of results: trends in financial position and cash flows

Financial position data

€ million	31/12/2024	31/12/2023	Change	% Change
Non-current assets and liabilities	8,813.4	8,366.1	447.4	5.3%
Net working capital	(984.2)	(696.2)	(288.0)	41.4%
Net invested capital	7,829.2	7,669.8	159.3	2.1%
Net financial debt	(4,953.6)	(4,846.8)	(106.8)	2.2%
Total Shareholders' Equity	**(2,875.6)**	**(2,823.1)**	**(52.5)**	**1.9%**

NON-CURRENT ASSETS AND LIABILITIES

With respect to 31 December 2023, non-current assets and liabilities increased by €447.4 million (+ 5.3 %), below is a breakdown of the item:

€ million	31/12/2024	31/12/2023	Change	% Change
Tangible/intangible fixed assets	8,124.0	7,885.2	238.8	3.0%
Equity investments	496.1	367.3	128.8	35.1%
Other non-current assets	1,291.8	958.8	333.0	34.7%
Employee severance indemnity and other defined-benefit plans	(77.6)	(109.9)	32.3	(29.4%)
Provisions for risks and charges	(234.1)	(224.3)	(9.8)	4.4%
Other non-current liabilities	(786.7)	(511.1)	(275.6)	53.9%
Non-current Assets and Liabilities	**8,813.4**	**8,366.1**	**447.4**	**5.3%**

The increase in **fixed assets** (+€238.8 million) mainly derives from the increase in investments, which stand at €1,438.9 million, partially offset by: **i)** amortisation/depreciation and writedowns totalling €708.9 million; **ii)** disposals and disinvestments (€13.5 million); **iii)** the change made to the scope of consolidation following the change to the consolidation method of Acquedotto di Fiora (-€298.1 million) and the sale of Berg (-€12.4 million); and **iv)** the reclassification to assets held for sale of the assets falling within the scope of the sale of the "HV Network" to Terna and of the photovoltaic systems sold to the Equitix Fund (for more details, refer to the section on the application of IFRS5).
The change in investments compared to the previous year shows an increase of €296.2 million, mainly recorded in the regulated activities and partly offset by lower investments for the construction of photovoltaic systems in the "Production" segment. The breakdown by industrial segment is provided below:

Investments

€ million	31/12/2024	31/12/2023	Change	% Change
Water	895.4	682.4	213.0	31.2%
Water (Overseas)	8.5	5.7	2.8	49.1%
Network and public lighting	315.7	299.6	16.2	5.4%
Environment	100.3	38.9	61.5	158.0%
Commercial	67.5	50.2	17.3	34.4%
Production	25.8	41.1	(15.3)	(37.1%)
Engineering & Infrastructure Projects	5.2	4.7	0.4	9.3%
Corporate	20.4	20.1	0.2	1.2%
Total Investments	**1,438.9**	**1,142.7**	**296.2**	**25.9%**

Equity investments increased by €128.8 million compared to 31 December 2023. The change is mainly determined by the change to the scope of consolidation following the aforementioned change to the consolidation method of the company Acquedotto del Fiora (+€79.5 million) and the acquisition of the equity investment in Rivieracqua (+€32.6 million). The remaining variation is attributable to the valuation during the period (+€17.3 million) net of OCI changes (-€1.4 million), the decrease for the distribution of dividends (-€6.3 million) and other changes predominantly linked to the recognition of earn-outs related to the photovoltaic equity investments in the Powertis Group (+€3.5 million).

The stock of **employee severance indemnity and other defined benefit plans** reported a decrease of €32.3 million, mainly due to the decrease in the provisions for tariff subsidies for retired staff (-€17.7 million), the isopension fund (-€10.0 million) and employee severance indemnity (-€5.1 million). With reference to tariff subsidies, the Acea Group and the trade unions signed a Draft Agreement on 13 June 2024, by virtue of which the tariff subsidies for former employees of the Group were extinguished from 1 July 2024. To replace said institution, a one-off payment was envisaged, quantified on the basis of the age of those eligible at the date of 30 June 2024. Signing the Draft Agreement led to the elimination of the accrued social security obligation recognised in the financial statements (totalling €17.3 million) and the simultaneous provision for risks and charges for an amount equal to the estimated one-off benefit to be paid to retired staff as definitive write-off of the tariff subsidies existing previously (totalling €6.0 million).
The discounting rate of these liabilities went from 3.17% at 31 December 2023 to 3.38% at 31 December 2024.

Provisions for risks and charges increased by €9.8 million with respect to the end of the previous year, mainly due to provisions net of releases of excess funds (€48.3 million) and uses (€29.3 million). The breakdown by nature of the provisions and the changes during the period are shown below:

€ million	31/12/2023	Uses	Provisions	Release for excess provisions	Reclassifications/ Other changes	31/12/2024
Legal	13.0	(3.4)	9.9	(1.0)	(2.8)	15.7
Taxes	5.0	(0.1)	1.7	(1.1)	0.0	5.6
Regulatory risks	36.0	(1.8)	16.5	(0.2)	(2.0)	48.4
Investees	12.8	0.0	0.0	(1.8)	(1.1)	9.9
Contributory risks	3.7	0.0	0.7	(0.0)	0.0	4.4
Insurance deductibles	11.0	(3.4)	1.9	(0.0)	0.0	9.6
Other risks and charges	39.0	(3.7)	12.4	(1.0)	(7.7)	38.9
Total provision for risks	**120.5**	**(12.5)**	**43.1**	**(5.1)**	**(13.6)**	**132.5**
Early retirements and redundancies	11.4	(9.4)	4.1	0.0	(0.0)	6.1
Post mortem	72.4	(0.4)	0.0	0.0	1.3	73.3
Provision for expenses payable to others	19.9	(7.0)	8.2	(2.0)	3.1	22.2
Provisions for reinstatement expenses	0.1	0.0	0.0	0.0	(0.1)	0.0
Total provisions for expenses	**103.8**	**(16.8)**	**12.3**	**(2.0)**	**4.3**	**101.6**
Total provisions for risks and charges	**224.3**	**(29.3)**	**55.4**	**(7.1)**	**(9.2)**	**234.1**

Other non-current assets increased by €333.0 million, mainly due to **i)** the reclassification to assets held for sale of the assets relative to the sale to Terna of the HV distribution networks and substations (+€141.3 million) and the assets falling within the scope of the second close and of the Pipeline subject to the agreement with Equitix (in relation to three related plants) for the prospective sale of the photovoltaic systems (+€21.7 million); **ii)** the increase in receivables for tariff adjustments (+€82.4 million); **iii)** the reclassification of tax credits due after the next financial year, accrued as a result of energy efficiency works, paid by customers to Acea Innovation (+€105.3 million), and the reclassification of the long-term portion of the tax credits accrued in the *cassetto fiscale* (tax box) following energy efficiency works and available for use as offsetting as of 2026 by Acea Energia or Acea (+€15.6 million); and **iv)** the reclassification to long-term of the life insurance policies and of an investment fund of Ecologica Sangro (+€16.0 million). This increase is partly mitigated by the reduction in long-term receivables for regulatory accounting (-€65.5 million) following increased disposals of receivables compared to the previous year. The increase in **other non-current liabilities** (+€275.6 million) refers in large part **i)** to higher grants relative to plants (+€167.3 million) due to the collection of grants received for NRRP projects by GORI, Acea Ato2 and Areti; **ii)** to Acea Ato2, in relation to the 10% advance on the public financing allocated by the National Recovery and Resilience Plan (NRRP), resulting from Ministerial Decree 517 of 16 December 2021 of the Ministry of Infrastructure and Sustainable Mobility, which calls for projects on potable water and/or irrigation supply systems to optimise and complete water infrastructure for the derivation, storage and supply of the resource, with the aim of improving climate change resilience, improving the security of existing infrastructure, and reducing water waste (+€103.5 million).

NET WORKING CAPITAL

The change in net working capital compared to 31 December 2023 results from the combined effect of the increase in current receivables (+€185.6 million), the decrease in current payables (-€122.0 million), the increase in other current assets (+€45.7 million), and the increase in other current liabilities (+€50.9 million).

€ million	31/12/2024	31/12/2023	Change	% Change
Current receivables	**1,027.6**	**1,213.2**	**(185.6)**	**(15.3%)**
- of which end users/customers	***975.3***	*1,170.0*	*(194.7)*	*(16.6%)*
- of which Roma Capitale	***22.2***	*21.0*	*1.2*	*5.7%*
- of which from associates	***30.2***	*22.2*	*7.9*	*35.8%*
Inventories	**122.6**	**97.8**	**24.7**	**25.3%**
Other current assets	**463.8**	**418.1**	**45.7**	**10.9%**
Current payables	**(1,872.5)**	**(1,750.5)**	**(122.0)**	**7.0%**
- of which Suppliers	***(1,855.5)***	*(1,741.8)*	*(113.8)*	*6.5%*
- of which Roma Capitale	***(14.0)***	*(4.9)*	*(9.1)*	*186.6%*
- of which from associates	***(2.9)***	*(3.8)*	*0.9*	*(24.2%)*
Other current liabilities	**(725.8)**	**(674.9)**	**(50.9)**	**7.5%**
Net working capital	**(984.2)**	**(696.2)**	**(288.0)**	**41.4%**

Receivables from service users and customers, net of the provision for doubtful debts, came to €975.3 million, down compared to 31 December 2023 (-€194.7 million), as a result of the effect of the decrease recorded in the Commercial segment (-€132.9 million) mainly attributable to Acea Innovation due to suspension of works due to energy efficiency measures, and in the Water segment (-€92.4 million), partially offset by the increase in the Networks and Public Lighting (+€23.1 million) and Environment (+€12.9 million) segments.

The provision for doubtful debts amounted to €626.0 million, an increase of €2.1 million compared to 31 December 2023 (€628.1 million). Receivables totalling €1,393.7 million were transferred without recourse during 2024, of which €208.2 million to the Public Administration.

RELATIONS WITH ROMA CAPITALE

As regards **relations with Roma Capitale**, the net balance at 31 June 2024 was €22.3 million payable by the Group (balance receivable of €17.2 million at 31 December 2023). Below is a breakdown of the situation with Roma Capitale:

Receivables due from Roma Capitale

€ million	31/12/2024	31/12/2023	Change
Utility receivables	18.4	17.6	0.8
Provisions for impairment	(1.7)	(1.8)	0.0
Total receivables from users	**16.6**	**15.8**	**0.8**
Receivables for water works and services	3.8	3.8	0.0
Receivables for water works and services to be invoiced	1.3	0.9	0.3
Provisions for impairment	(2.4)	(2.2)	(0.3)
Receivables for electrical works and services	2.5	4.5	(2.0)
Receivables works and services - to be billed	0.7	0.4	0.3
Provisions for impairment	(0.3)	(0.3)	0.0
Total receivables for works	**5.6**	**7.2**	**(1.6)**
Total trade receivables	**22.2**	**23.0**	**(0.8)**
Financial receivables for Public Lighting services billed	155.8	139.1	16.7
Provisions for impairment	(58.0)	(58.0)	0.0
Financial receivables for Public Lighting services to be billed	46.2	46.9	(0.7)
Provisions for impairment	(24.2)	(13.7)	(10.5)
M/L term financial receivables for Public Lighting services	0.4	1.6	(1.2)
Total Public Lighting receivables	**120.2**	**115.9**	**4.3**
Total receivables	**142.4**	**138.9**	**3.5**

Payables due to Roma Capitale

€ million	31/12/2024	31/12/2023	Change
Electricity surtax payable	(5.5)	(5.5)	(0.0)
Concession fees payable	(12.6)	0.0	(12.6)
Other payables	(5.7)	(8.3)	2.7
Dividend payables	(96.3)	(107.9)	11.5
Total payables	**(120.1)**	**(121.7)**	**1.6**
Net balance receivables payables	**22.3**	**17.2**	**5.1**

Trade and financial receivables recorded an overall increase of €3.5 million compared to the previous year, mainly due to accrual in the period and collections/offsetting.
The main changes in the year are as follows:

- accrual of Acea Ato2 receivables for the supply of water for €53.0 million;
- accrual of receivables for the Public Lighting service for €38.8 million;
- collection/offsetting of receivables mainly for Acea ATO2 utilities for €52.0 million;
- collection/offsetting of Acea receivables relating to the Public Lighting service for €34.5 million;
- collection/offsetting for €2.2 million related to the receivable recognised in relation to Equitalia for the tax on the occupation of public land for the year 2015 by Areti as per the ruling of the Court of Rome which recognised and authorised this operation.

Payables decreased by €1.6 million compared to the previous year.
The main changes during the period are as follows:

- higher payables due to the recognition of Acea dividends for 2023 for €95.6 million;
- higher payables due to the recognition of the Acea Ato2 concession fee for 2024 for €25.3 million;
- payment of Acea stock dividends for a total of €107.1 million, of which 82.3 million due in 2023;
- payment to offset the 2024 concession fee of Acea Ato2 for €12.7 million;
- Acea Ato2 payment related to the Tiburtina Memorandum of Understanding pertaining to road expansion work for €1.5 million.

It should also be noted that recurring payables recognised in 2024 were paid during the year: **i)** by Areti for Cosap and road excavation licences for a total of €17.6 million; **ii)** by Acea Ato2 for dividends for €3.0 million.
Recall that as part of the activities required for the first consolidation of the Acea Group in the 2018 Financial Statements of Roma Capitale, a round table was launched to reconcile the Roma Capitale receivables and payables. The Group companies chiefly concerned are Acea and Acea Ato2. After several meetings and communications, on 22 February 2019 the Technical Department of the Municipality (SIMU) in charge of the management of the contracts with the Acea Group communicated several objections relating to the supply of both works and services for the period 2008 - 2018. These objections were completely rejected by the Group. In order to arrive at a complete resolution of the differences, during 2019 a specific Joint Technical Committee was set up with the Acea Group. Following several meetings, on 18 October 2019, the Joint Technical Committee drew up a report on the closure of the work, highlighting the results that emerged and proposing a favourable restart of the ordinary execution of the mutual obligations between the Acea Group and Roma Capitale. As a first step after the completion of the work, the parties took steps to implement the results that emerged from the discussions, restarting the payment of their respective receivables and payables.
For the Public Lighting contract at the end of 2020 the AGCM made its position clear regarding the legitimacy of the existing contract, to this day a source of audits, works and joint investigation. Among other things, the measure also gave rise to audits on the congruity of the prices applied. In February 2021, following the aforesaid feedback and works, Roma Capitale confirmed the absolute congruity and convenience of the current economic terms with respect to the CONSIP parameters. Therefore, also during 2021, while awaiting the conclusion and finalisation of these aspects, Acea regularly continued to provide the Public Lighting service. The service has therefore been invoiced and has partly already been paid by Roma Capitale, as seen in the data below:

- in 2020 at total of €33.3 million of receivables referred to the aforementioned report were settled in the Group;
- during 2021 a new Public Lighting Technical Panel comprising Acea and Roma Capitale was set up with the intention of continuing the resolution of issues preventing the liquidation of receivables. As a result of this work, Roma Capitale paid Acea the Public Lighting receivables for €75.3 thousand through offsets;
- during 2022, settlement activities with Roma Capitale continued, which allowed continuation of the liquidation of Acea receivables, through offsetting of a total of €56.5 million, of which €27.6 million relative to fees for previous years.

Note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled "Public and artistic-monumental public lighting service on the entire municipal territory - Concessionaire: Acea SpA - Recognition of the perimeter of the payable situation and launch of the consequent procedures" recognised the perimeter of the Administration's payables to Acea/Areti in relation to the Public Lighting service as of 31 December 2021.
This resolution was published on the institutional website of Roma Capitale on 30 August 2022.
During 2023, specifically in September, the Acea Board of Directors, after receiving the opinion of the Related Party Transactions Committee, approved the proposal for a Settlement Agreement with Roma Capitale, to govern their reciprocal positions and the methods for the early consensual termination of the contractual relationships between the parties for the public lighting service provided by the company and for it by the subsidiary areti SpA.
At the same time, Roma Capitale also approved the draft Agreement in the City's Assembly in December 2023. With reference to the economic terms of this possible Settlement Agreement, substantially in line with the City Executive Committee resolution 312 of 11 August 2022, following the reciprocal renunciation by the parties, the agreement calls for the recognition of receivables due to Acea/areti from Roma Capitale for a total of around €100.6 million.

The economic and financial effects of the settlement, following the signing which had not yet occurred as of the reporting date (2024), will not have significant effects as the company had already updated its estimates in previous financial statements utilising the criteria established in the relevant regulations.
All administrative activities required to finalise the transaction are still under way. It is noted that the transaction covers multiple activities performed, referring to the operation under concession of the public lighting service in the capital and developed over several years, which are definitively formalised in the settlement agreement, with detailed administrative reconstruction and with a "tombstone" effect on the previous relations covered in said agreement, capable of preventing such disputes and controversies.

Current payables rose due to the increase in the stock of trade payables (€113.8 million). This effect mainly derives from the increase recognised to Acea ATO2 (+€144.9 million), Areti (+€55.2 million), GORI (+€62.8 million) and Acea Ambiente (+€21.3 million), reflecting the dynamics of the context in which the companies operate which is influenced by market trends and strategies taken to optimise working capital. Furthermore, this variation is partially offset by the decrease recognised to Acea Energia (-€89.3 million) relative to payables for the purchase of electricity and gas, which are mainly impacted by the price effect, and to Acea Innovation (-€56.8 million) for payables to contractors for energy efficiency and electric mobility works. The impact on this item of the change to the scope of consolidation was less than €46.8 million.

Other Current Assets and Liabilities recorded a decrease in assets of €45.7 million and an increase in liabilities of €50.9 million, compared to the previous year. Specifically, **other assets** increased mainly due to **i)** higher receivables relative to GORI (+€63.1 million), from Entities for the granting of plant contributions relating to works financed and realised in 2024, and to Acea Ambiente (+€19.7 million), relative to the sale of the equity investment in the subsidiary Berg and the receivables associated with advances related to activities for the preparation of the "technical and economic feasibility plan" and the design phase of the waste-to-energy plant in Rome (hereinafter "WTE plant in Rome"); **ii)** higher receivables from the Energy and Environmental Services Fund (+€26.4 million), partially offset by **iii)** lower tax credits relative to Acea Innovation (-€23.3 million) and Acea Energia (-€19.5 million) and **iv)** the decrease in "active derivative instruments on commodities" relative to Acea Energia (-€22.3) due to both the change to the fair value measurement at year-end and the change in the quantities hedged.
Current liabilities increased due to **i)** the increase in payables to the Equalisation Fund relative to Areti and ASM Terni (+€41.3 million) due to the change to the legislative framework regarding the Social Bonus and the reintroduction of general system charges; **ii)** increased payables to IRES (+ 20.6 million); and **iii)** increased liabilities deriving from the valuation of "Passive derivative instruments on commodities" relative to Acea Energia (+€8.9 million). These changes were partly offset by lower concession fees payable (-€12.1 million) relative to the water companies and the reduction in "Other payables" relative to Acea Ambiente following the repayment of the debts in 2023 for the integration of the price of the equity investment in Deco and the former Cirsu Technology Hub (-€10.4 million).

SHAREHOLDERS' EQUITY

The shareholders' equity amounted to €2,875.6 million. The changes seen, totalling €52.5 million, are analytically presented in the relevant table and essentially derive from profits accruing in 2024, distribution of dividends and the change in cash flow hedge reserves, as well as those formed by actuarial gains and losses.

Net financial debt

Group **debt** recorded an overall increase of €106.8 million, going from €4,846.8 million at the end of 2023 to €4,953.6 million at 31 December 2024. The deconsolidation of Acquedotto del Fiora resulted in a positive contribution of €61.6 million.

€ million	31/12/2024	31/12/2023	Change	% Change
A) Cash	513.5	359.4	154.1	42.9%
B) Cash equivalents	0.0	0.0	0.0	n.s.
C) Other current financial assets	186.8	487.3	(300.4)	(61.7%)
D) Liquidity (A + B + C)	**700.3**	**846.6**	**(146.4)**	**(17.3%)**
E) Current financial debt	(155.7)	(176.1)	20.4	(11.6%)
F) Current portion of non-current financial debt	(602.9)	(746.8)	143.9	(19.3%)
G) Current financial debt (E + F)	**(758.6)**	**(923.0)**	**164.3**	**(17.8%)**
H) Net current financial debt (G + D)	**(58.3)**	**(76.3)**	**18.0**	**(23.6%)**
I) Non-current financial debt	(4,895.3)	(4,770.4)	(124.8)	2.6%
J) Debt instruments	0.0	0.0	0.0	n.s.
K) Trade payables and other non-current payables	0.0	0.0	0.0	n.s.
L) Non-current financial debt (I + J + K)	**(4,895.3)**	**(4,770.4)**	**(124.8)**	**2.6%**
Total net financial debt (H + L)	**(4,953.6)**	**(4,846.8)**	**(106.8)**	**2.2%**

Non-current financial debt increased by €124.8 million compared with the end of the 2023 financial year. This change derives from the increase in medium/long-term loans of €580.1 million, partly offset by the decrease in bonds of €455.2 million, as shown in the table below:

€ million	31/12/2024	31/12/2023	Change	% Change
Bonds	3,484.0	3,939.2	(455.2)	(11.6%)
Medium/long-term borrowings	1,332.8	752.7	580.1	77.1%
IFRS 16 financial payables	78.5	78.6	(0.1)	(0.1%)
Non-current financial debt	**4,895.3**	**4,770.4**	**124.8**	**2.6%**

Bonds amounting to €3,484.0 million as at 31 December 2024 decreased by a total of €455.2 million due to the effect of the reclassification from the long-term to the short-term position of €161.3 million of the Private Placement bond, which is fully subscribed by a single investor (AFLAC) and matures in March 2025, and of the 2021 Green Bond for €300 million maturing in September 2025.

Medium/long-term loans amounting to €1,332.8 million recorded an overall increase of €580.1 million due to Corporate (+€723 million) partly offset by Areti (-€29.0 million), GORI (-€11.0 million) and Servizio Idrico Integrato (-€4.2 million). The changes to Corporate are partly due to the disbursements of the €435 million loan granted by the European Investment Bank (EIB), which will help to improve the coverage and quality of the integrated water service in the area operated by Acea Ato2, and partly to the disbursements of the €200 million loan granted by the EIB, guaranteed in the amount of 70% by SACE, and the €120 million loan with Cassa Depositi e Prestiti (CDP), which are intended to modernise and expand the electricity network in the Municipalities of Rome and Formello in the period between 2024 and 2027.

The **fair value** of GORI hedging derivatives was positive for €2.8 million (positive for €4.2 million at 31 December 2023); the fair value of Integrated Water Services was positive for €0.6 million (positive €1.0 million as at 31 December 2023), and that of Adistribuzionegas was positive for €0.2 million. Positive fair values are found under "Non-current financial assets" and are not considered in the balance of correlated loans.

The **short-term** component was negative for €58.3 million, with an improvement compared to the end of 2023 of €18.0 million. The change can be mainly attributed to the parent company for €22.6 million, generated by a reduction in liquidity of -€127.0 million linked to the reduction in short-term deposits (€280.0 million), offset by higher bank and postal deposits for €151.0 million and the €143.0 million increase generated by the reclassification to short-term of the Private Placement (AFLAC) (+€162.0 million), the 2021 Green Bond maturing in September 2025 (+€300.0 million) as stated previously, offset by the repayment of the bond loan which matured in July 2024 (-€607.0 million).

Note that financial debt includes €96.3 million in payables to Roma Capitale for dividends resolved to be distributed and does not include other payables of around €7.8 million relating to share purchase options of the companies already held.
At 31 December 2024, the Parent Company had committed credit lines of €700.0 million and uncommitted lines of €585.0 million. No guarantees were granted in obtaining these lines.

It must be noted that the long-term Ratings assigned to Acea by the International Ratings Agencies were:

- Fitch BBB+;
- Moody's Baa2.

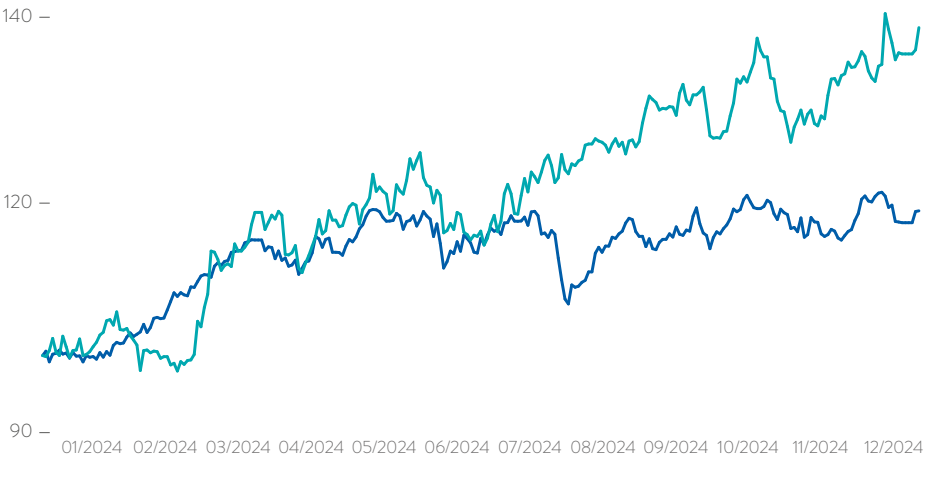
Reference context

PERFORMANCE OF THE FINANCIAL MARKETS AND THE ACEA STOCK

In 2024, the **world economy** showed significant resistance, with GDP expected to grow by about 1% in the Eurozone and about 3% in the US, despite the fact that – even after the rate cuts implemented in June by the ECB and in September by the FED – the monetary policies of the main central banks remain broadly restrictive.
However, due precisely to the economy's continued resistance and the re-emergence of tensions surrounding energy commodities, inflation – and core inflation in particular – remains generally above the targets set by the central banks (3.2% for the US core CPI in December, and 2.7% for the Eurozone), despite decelerating compared to 2023, thus reducing the scope for monetary easing in 2025.

As a result of the resilience of the economy, the rise in energy commodity prices towards the end of the year, and the outcome of the US presidential elections, with Trump's victory opening the door to more expansionary fiscal policies, **bond yields** showed a general increase during 2024, especially US yields (10y Treasury +69 bps, in the area of 4.6%). On the other hand, the less dynamic economy and the prospect of the introduction by the new US administration of customs duties resulted in a smaller increase for German yields (+34 bps for the 10y Bund, at around 2.4%). Italian yields, on the other hand, closed with a generalised decline (10y BTP -17 bps, at 3.5%), benefiting from a significant contraction in peripheral spreads induced both by the aforementioned resilience of the economy and by the rate cuts initiated in June by the ECB.

In this context, characterised by expectations of a "soft landing" and supported by the monetary easing initiated by the main central banks, **global equities** have reached all-time highs. When adjusted for the payment and reinvestment of dividends (Total Shareholder Return), the Euro Stoxx increased by 10.2%, compared to the +25.0% recorded by the S&P 500, with the US benchmark benefiting from exposure to certain stocks in the technology sector (Nvidia, in particular, almost tripled in value), driven by developments related to artificial intelligence.
The **sector dynamics** of Eurozone stock indices reflected the remarkable resilience of the economy, in a context of bond yields that remain at their highest levels in over 10 years. Consequently, the banking segment was one of the best performers with a rise of 32%, while bond-proxy and defensive sectors generally ranked on the opposite side. Specifically, the utilities sector showed a rise of only 2.2%, impacted not only by the evolution of bond yields, but also by the changed outlook for the development of renewables in the US following Trump's election.
In terms of the **national stock indices,** on the other hand, the Spanish Ibex 35 and the FTSE MIB outperformed the general Eurozone index with rises of 19.4% and 18.9% respectively, mainly drive by exposure to the banking sector. Meanwhile, the French CAC 40 (unchanged) was affected by doubts connected to the fragmented political framework that emerged following the French legislative elections at the end of June/beginning of July.
Acea significantly outperformed the Eurozone sector index and the FTSE MIB, with a **rise of 42.9%**, mainly driven by the update to the Business Plan, the improved outlook issued by Fitch, which went from "negative" to "stable", and solid performance in the nine months, with improvements to the annual EBITDA guidance and D/EBITDA ratio.
The closing price of Acea as at 30 December 2024 (last stock exchange session of the year) was €18.68, corresponding to a market capitalisation of €3,979 million. The daily closing prices fluctuated between a minimum of €13.55 on 26 February and a maximum of €18.92 on 16 December, the latter setting a new record high for the ex-dividend and reinvestment.
On the **currency** side, the EUR/USD fell by 6%, the decline occurring almost entirely in 4Q2024 as a result of Trump's election, with the US likely to adopt expansionary fiscal policies and tariffs against Eurozone imports.



TSR 31/12/2024 (compared to 27/12/24)	
Acea	**+42.9%**
FTSE MIB	+18.9%

(Source: Bloomberg, rebased to 100 at 27/12/2024)
Changes adjusted for dividend detachment (Total Shareholder Return)

ENERGY MARKET

Relative to the domestic electricity balance, electricity demand in 2024 totalled 312 TWh, (source: Terna), up by +2% with respect to 2023. However, by removing the contribution of the extra day in February 2024, the increase falls to +1.7%.
Energy production, net of self-consumption and consumption by pumping (30.9 GWh, +6.2%) came to 230.1 TWh, up by +2% with respect to 2023, and covered 74% of demand, while imports covered 16% (51 TWh, -0.6%). Despite the increase in demand, thermoelectric production (123.6 GWh, -7.6%) was partly impacted by renewables compared to 2023, especially the strong contribution of hydroelectric production (51.6 TWh, +31.2%) in the first half of the year in particular, with the highest production volumes seen in the last ten years. Photovoltaic production also increased compared to 2023 (27.6 TWh, +16.1%), while wind (22 TWh) and geothermal (5.3 GWh) production both decreased compared to the previous year (-5.8% and -1.5% respectively).
The National Single Price (NSP) in 2024 saw an average value of €108.52/MWh, down by -15% compared to 2023, with only the fourth quarter of 2024 showing an average value of €127.51/MWh, +3% compared to the fourth quarter of 2023, and +7% with respect to the third quarter of 2024). In the last quarter, in fact, electricity prices absorbed a significant rise in gas prices, in parallel with increased reliance on more expensive thermoelectric production, in order to cope with an increase in demand due to the weather and a partial decline in renewable energy (especially wind power).
Other European stock markets also recorded significant annual decreases compared to 2023, with France and Scandinavia recording the greatest reduction (-40% and -36% respectively), followed by Spain (-28%) and Germany (-18%).
With regards to the national balance of natural gas, the total withdrawn in 2024 was 61.7 billion scm (source: Snam Rete Gas), down by 2% compared to 2023. Excluding the distorting effect of the extra day in February 2024, the gap increases to -2.3%.
In particular, distribution, including residential and SME, recorded a consumption of 27.2 billion scm (+2.3% compared to one year ago), the thermoelectric segment requested 20.9 billion scm of gas (-0.8%), while demand for gas in the industrial segment came to 11.6 billion scm (+1.5%).
Storage remained close to the maximum levels of the previous year (79% as at 31 December 2024 compared with 81% as at 31 December 2023), with slightly higher delivery volumes between the first and last quarter (8.5 smc were delivered, +6.5%) and an injection in line with 2023 (8.3 smc were injected, -0.3%).
Parallel to demand trends, there was a downwards trend across all supply sources: imports from gas pipelines (44 billion smc, -0.7%), LNG imports (14.6 billion smc, -9.9%) and domestic production (2.8 billion smc, -1.5%).

European gas prices rose significantly in the fourth quarter for both geopolitical and non-geopolitical reasons. While tensions in the Middle East calmed somewhat, there was a renewed focus on Ukraine, with a series of military escalations between Russia and Ukraine, coupled with the increasingly likely prospect of a definitive halt after 50 years to the passage of Russian gas through Ukraine, which effectively came to pass at the end of 2024.
Although this does not pose an imminent risk to the security of the European gas system, the balance between supply and demand has become even more fragile, forcing Europe to increase its reliance on LNG imports and, at the same time, tackle possible increases in demand, as already seen in November and December, with the excessively cold temperatures of the past two years leading to a large-scale depletion of European stockpiles (-14% as at 31 December 2024 compared to a year ago).
The average value of the TTF in 2024 was 36.32 c€/smc (-16% compared to 2023), with only the fourth quarter recording an average of 45.33 c€/smc, up by +6% compared to the fourth quarter of 2023 and up +21% compared to the third quarter of 2024. The PSV in 2024 recorded an average value of 38.46 c€/smc (-14% compared to the previous year) and 47.11 c€/smc only in the fourth quarter of 2024 (+9% compared to the fourth quarter of 2023 and +16% compared to the third quarter of 2023).
The PSV-TTF differential in 2024 recorded an average of +2.14 c€/scm, trending up by +0.4 c€/scm compared to the average value in 2023.

TARIFFS FOR TRANSPORT SERVICES

2024 was the first year of the new regulatory period (ROSS), lasting eight years (2024-2031) divided into two sub-periods.
The regulations are included in four Integrated Texts: "Integrated Text of provisions of the Authority for providing electricity transmission and distribution services (TIT)", Annex A to Resolution 616/2023/R/eel, the "Integrated Text of provisions of the Authority for providing the electricity metering service (TIME)"; Annex B to Resolution 616/2023/R/eel, the "Integrated Text on provisions of the Authority on the economic conditions for providing connection services (TIC)", Annex C to Resolution 616/2023/R/eel, published on 29 December 2023, and the "Integrated Text on regulations for spending and service objectives (ROSS) for regulated infrastructure services in the electricity and gas sectors for the 2024-2031 period (TIROSS)", annex to Resolution 163/2023/R/com published on 20 April 2023.
For the distribution service, ARERA confirmed unbundling of the tariff applied to end customers (the so-called compulsory tariff) from the reference tariff for determination of the constraint on revenue permitted to each company (the reference tariff).
On 7 May 2024, ARERA communicated via certified email the provisional reference tariff for the electricity distribution and metering services for the year 2024, subsequently approved with Resolution 206/2024/R/eel of 28 May 2024.
The compulsory tariffs for the year 2025 were published with Resolution 585/2024/R/eel for the electricity distribution and metering services for domestic and non-domestic customers.
In the new regulatory period (2024-2027), the ROSS-base criteria apply with reference to the distribution and metering activities, except for the recognition of the capital costs of the 2G smart metering systems, which will continue to be recognised as per the provisions of the PMS2.
The cost recognised for tariff purposes includes:

(i) the remuneration and amortisation of investments made up to the cut-off date (year 2023);
(ii) the fast money portion (opex);
(iii) the slow money portion (RAB) on which the remuneration of the invested capital and amortisation are calculated;

(iv) the incompressible costs recognised "on top" (such as tax expenses);
(v) greater efficiency recoveries achieved in the previous regulatory period were left to the distribution companies in the four subsequent years, with gradually declining rates (50% the first year, 37.5% the second, 25% the third and 12.5% the fourth).
(vi) efficiency recoveries achieved in the new regulatory period (determined by the comparison between the baseline of operating costs and the effective operating costs of each year). Efficiencies in the new regulatory period are left to the DSO based on the incentive scheme selected (SBP low potential or SAP high potential). The incentive is selected at the start of the regulatory period and remains valid for that period.

Total costs incurred by the company are divided between the Slow money portion and the Fast money portion based on a capitalisation rate defined by ARERA by company.
Based on the ROSS provisions, ARERA recognises in year t the remuneration of invested capital relating to the assets that went into operation in year t-1 and the related portion of amortisation. It should be noted that the investments made until the year 2023 will continue to be recognised in continuation with the criteria, so the amortisation and depreciation of such assets will continue to be recognised with a lag of two years.
In the new sub-period, ARERA established that the reference tariffs are defined jointly for the distribution and metering services, are expressed in euro per withdrawal point served, with no differentiation for contract types.
ARERA published Resolution 513/2024/R/com, thus providing for the updating of the relevant parameters used to determine the rate of return on capital subject to review for the sub-period 2025-2027, pursuant to the TIWACC (Appendix A of Resolution 614/2021/R/com), and of the beta asset parameter, with reference to the electricity and gas infrastructure services, establishing a rate of return on invested capital of 5.6% for electricity distribution and metering services for 2025.
The flat rate connection contributions of each company and the contributions collected by EU bodies (such as the NRRP contributions) will continue to be deducted directly from the invested capital of the company, considering them as equal to MV/LV assets. However, with Resolution 617/2023/R/eel of 27 December 2023, ARERA changed the incentives for obtaining public contributions. The bonus is equal to 10% (instead of the previous 8.6%) of the public contributions collected during the previous year and is ascertained and determined annually by the Authority by 31 October of each year, from 2025 to 2028. Distribution companies must provide the list of public contributions collected by 31 March of the year following the year to which the contribution refers. Bonuses are paid in three equal amounts, unless otherwise ordered and justified by the Authority at the time the economic items are determined, for reasons of liquidity or the overall impact on the tariff.
On 29 November 2023, ARERA requested the information needed to determine the capitalisation rate, the baseline for 2024 operating costs, presentation of the application for the Z-factor and the incentive selected (SBP v.s SAP). On 22 December 2023, in a certified email, areti sent the Authority the requested information, deciding not to present the application to activate the Z-factor, as incremental costs associated with the energy transition were not planned for 2024, and opting for the low-potential scheme (x-factor of zero and efficiencies retained at 100% in the first year and 50% in the three subsequent years). The application for the Z-factor is valid for one year, is requested on an estimate basis and is subject to final verification. The possibility of requesting recognition of the Y-factor parameter for unforeseeable and exceptional events and/or changes in the regulatory framework is also envisaged, and can be activated ex post for changes equal to at least 0.5% of the fast money quota for the year of reference.

The distribution and metering reference tariff is updated on the basis of total effective expenditure of each distributor (operating expenditure and capital expenditure). The updating criterion envisages that:
- the baseline for operating costs (used as a comparison with the effective costs to determine the efficiency quota achieved in the year) is updated annually on the basis of the average annual rate of change in the consumer prices for households of manual workers and office workers from year t-1 to year t reported by ISTAT, using ROSS criteria. The baseline for operating costs in 2024 is equal to the 2022 effective operating costs (COE), appropriately revalued for 2023 and 2024, based on the inflation rates published in Resolution 616/2023, equal to 6% and 1.9% respectively.
- for the purpose of revaluing the net fixed assets related to assets in operation, investments in progress, and the net value of contributions, the rate of change of the deflator is considered, calculated considering the change in the average of the four quarters of year t-1 with respect to the four quarters of year t-2.

As regards marketing, ARERA confirmed a single reference tariff that reflects both the costs for managing the network service and marketing costs (single all-inclusive company tariff for the distribution and marketing service).
With regard to the transmission tariff, the ARERA confirmed the introduction of a binomial tariff (capacity and consumption) for high voltage customers, and the cost tariff structure for the transmission service to Terna (CTR), also introducing a binomial price. Given the two tariffs, the equalisation mechanism has been confirmed.

The general equalisation mechanisms for distribution and metering costs and revenue for the regulatory cycle in force are:
- equalisation of the revenues from the distribution and metering service;
- equalisation of the transmission costs;
- equalisation of the value of the difference between effective losses and standard losses.

The purpose of equalising the revenues of the distribution service is to equalise the revenues deriving from the comparison between the revenues billed to users through the compulsory tariff and the distributor's allowed revenues, calculated through the company's tariff of reference. For the distributor companies subject to ROSS criteria, advance payment mechanisms are envisaged in relation to the equalisation of the distribution service revenues and in relation to the equalisation of the transmission costs.
Participation in the advance payment mechanism for the equalisation of the distribution service revenues is optional, according to methods defined by CSEA. The advances, with reference to the tariff for year t, are set at 90% of the value of the amount of the equalisation balance estimated on the basis of the provisional reference tariff for year t and are disbursed in three bimonthly instalments starting from the end of June of year t. The balance is expected 60 days from the date of publication of the definitive reference tariffs.
With Resolution 616/2023, as already defined in the previous period, ARERA confirmed that the equalisation of the revenues from distribution would be reduced by an amount equal to 50% of the net revenues from the use of the electrical infrastructure for pur-

poses additional to the electric service, recorded at the end of year n-2 should the aforementioned net revenue exceed 0.5% of total recognised revenue.
The equalisation of the transmission costs has the objective of passing the distributor in terms of the cost recognised to Terna for the transmission service (CTR) with what was paid by the end customer based on the compulsory transmission tariff (TRAS). Participation in the advance payment mechanism for the costs of the transmission service is mandatory. With reference to the tariff for year t, the advances are set at 80% of the value of the equalisation amount defined in relation to the tariff for year t-1 and are disbursed in year t in six bimonthly instalments. The balance is expected by 31 December of year t+1.

NETWORK LOSSES

The Authority published resolution 117/2022/R/eel, which fine-tuned the regulations for adjusting electricity losses on transmission and distribution grids for 2022-2023, confirming the desire anticipated in DCO 602/2021/R/eel of establishing a process to improve the efficiency of commercial losses but, however, making them more precautionary, with a 4% reduction for 2022 and 2023, bringing the percentages to:
- 1.77% in the Centre zone for 2022;
- 1.72% in the Centre zone for 2023.

A price control mechanism is introduced; this is to be used to determine the loss delta in each of the two years and, for only 2022, it provides for a guarantee clause to protect distributor companies which recognises an equalisation equal to the maximum between zero and the result that would be obtained using the conventional percentage loss factors applied for the three years 2019-2021, if the total economic result equal to the difference between the equalisation balance and the revenues obtained from the tariff regulation of the reactive energy pursuant to paragraph 24.2 of the TIT is positive (net debt position).
The Authority also extends the mechanism for recognising "non-recoverable" fraudulent withdrawals also to the years 2022 and 2023. The conventional percentage standard loss factor to be applied to the electricity withdrawn at the withdrawal points on the low voltage grids is finally set, starting from 1 January 2023, at 10%.
With resolution 336/2023/R/eel, the Authority began the procedure to reform the electricity and network loss settlement regulations, followed by the consultation document 377/2023/R/eel containing the Authority's guidelines on moving beyond the load profiling regulations and "residual" electricity supply methods, with the deadline for submitting comments set for 25 September 2023.
The consultation document outlines the following scenario:
- by 31 July 2024, the regulatory framework for the new settlement and network loss rules will be established, pursuing the following objectives:
  - going beyond the current load profiling methods and redefining the methods to determine and obtain "residual" energy;
  - unifying metering data functional to the settlement and regulating of network losses and simplifying disclosure obligations;
  - revising the current loss equalisation mechanism with a view to defining regulations which better adhere to the actual performance of individual companies;
  - prompt determination and assessment of physical and economic items for dispatching, with a consequent reduction in financial charges borne by various system actors and guarantees.
- by 31 December 2025, the schedule and methods for integrating that envisaged in the new regulations with the IWS are expected to be determined.

The Authority published resolution 584/2023, which extended to 2024 the regulations in force in 2023, in particular:
- the rules on equalisation of network losses envisaged pursuant to the TIV for the 2022-2023 two-year period;
- the conventional loss factors for equalisation purposes established in the TIV for 2023;
- the conventional loss factors applied for 2023 to electricity issued and withdrawn pursuant to the TIS.

With specific reference to marginal situations, the mechanism for restoration of such losses was confirmed for 2024, with the application to be presented in May 2025 with reference to 2022-2024. the Authority published resolution 535/24 which amends/supplements the current regulations on load profiling and network losses to guarantee the correct application of existing regulations in 2025, pending the application of the new guidelines in 2026.

CONTINUITY OF THE SERVICE

With the Integrated Text on output-based regulation in force from 1 January 2020, the Authority introduced the possibility for the DSOs to present regulatory experiments to improve the service quality in particularly critical contexts. A specific feature of these experiments is the suspension of the penalties for the experimental period and their non-retroactive application if the target levels for the indicators of number and duration of interruptions without notice, set by the current regulations, are achieved.
In this context, areti presented its proposal, outlining a process for improving the technical quality indicators different from that defined by the ordinary regulation. This proposal was approved by the Authority with Determination 20/2020 of 20 November 2020. The measure postpones to 2024 the calculation of the bonuses and penalties for the entire four-year period 2020-2023 and provides for the activation of an additional bonus mechanism if the target proposed at 2023 is achieved and the effective annual levels achieved are better than those proposed in the experimentation. The total bonus obtained cannot be more than that achievable in the ordinary regulation and in the case that the improvement commitment indicated is not achieved, areti will have to pay any penalties it would have received during the four year period in the absence of the derogation.
The Authority published resolution 485/2023, which defined the bonuses and penalties related to service continuity for 2022. Areti does not appear on the list since it is part of a regulatory trial and was therefore assessed in 2024 at the end of the 2020-2023 four-year trial period.
The Authority published resolution 588/2024, which determines the items relative to regulatory trials on the continuity of the energy distribution service for the 2020-2023 period, according to which as at 31 December 2024, Areti was liable to pay a fine of €6.4 million for failure to reach the targeted levels. This fine was paid in full in January 2025.
The Authority published determination 2/2024 – DINE, which approved the technical instructions for recording and documenting interruptions to the electricity distribution service for the 2024-2027 regulatory period.

DEVELOPMENT AND RESILIENCE PLAN

In the Development Plan, distributors are held to include a specific section containing the resilience plan, which includes network projects intended to increase the resilience of the electrical system with respect to severe and persistent weather events.
The Resilience Plan 2020-2022 was approved with resolution 500/2020/R/eel, including the final figures for projects completed in 2019: for these projects, with resolution 563/2020/R/eel the Company was recognised a bonus of around €3.1 million.
With resolution 536/2021 the Authority approved the 2021-2023 plan and with resolution 537/2021/R/EEL determined the bonuses and penalties relating to the electricity distribution network resilience increase interventions concluded in 2020 (for areti, the 2020 resilience bonus adds up to €5.3 million, which CSEA paid to the Company at the end of 2021).
The Authority has published 121/2022/R/eel which calls for a new process to prepare development plans. In particular, for 2022 it suspended the 30 June deadline set for the preparation of distribution network development plans, while awaiting subsequent definition of more suitable scheduling, to take into account the new provisions introduced in article 23, paragraph 5 of Legislative Decree 210/21 and to allow for plan preparation to duly take into account the scenario information made available by Snam and Terna in July 2022. The deadline of 30 June was confirmed for sending the updated Resilience Plan pursuant to article 78.3 of the TIQF.
The Authority published resolution 722/2022/R/eel in which it established bonuses relative to projects to improve the resilience of the electricity distribution network completed in 2021, which for Areti amounted to €8,588,073.13 (received by Areti on 13/01/2023).
Distributors with at least 100,000 withdrawal points present the Development Plan for their network annually by 30 June.
After the suspension of this requirement for 2022, the Authority developed the idea of an evolution in the content of the Development Plans, also implementing the EU guidelines on promoting renewable energy. Therefore, it published consultation document 173/2023/R/eel which outlines guidelines to identify performance priorities and indicators for more selective development of investments in electricity distribution networks and for the progressive introduction of provisions for the consultation and preparation of distribution network development plans.
With DCO 173/2023, postponing the due date for the presentation of the Development Plans, the Authority proposed new content and methodology for the preparation of the 2023 Plans to the distributors.
Subsequently, the Authority published resolution 296/2023 in which it defined the schedule for the preparation and public consultation of distribution network development plans, as well as introducing certain initial requirements for preparation of the same, while awaiting additional provisions. In particular, distributors with more than 100,000 end customers must present the Authority with a 2023 development plan by 30 September 2023, simultaneously beginning a public consultation period of at least 30 days, as areti did on 2/9/2023, publishing the document on its website. Following the consultation, each distribution company will present its development plan to the Authority by 30 November 2023, possibly updated based on that resulting from the consultation, together with the comments received and their responses, indicating any changes made. Starting in 2025, each distribution company with at least 100,000 end customers will present the outline of their Development Plan to the Authority by 31 March of each odd year and, at the same time, will launch a public consultation on the outline of their Development Plan, lasting at least 42 days. Following the consultation, the company will present its Development Plan to the Authority by 30 June of each odd year, possibly updated based on that resulting from the consultation, together with the comments received and their responses, indicating any changes made.
The Authority published resolution 422/2023, which establishes the bonuses for projects to improve the resilience of the electricity distribution network completed in 2022. The net amount of the resilience bonus for 2022, totalling €5,635,481.55, was disbursed by CSEA to Areti on 13 November 2023.
With resolution 617/2023, which followed DCO 173/2023, the Authority adopted the integrated text of the output-based regulations of the electricity distribution service 2024-2027 (TIQD) and the regulations on commercial quality of the distribution and metering services (TIQC 2024), also establishing the new bonus mechanism for benefits associated with network development measures, which provides for:

- new bonus-only incentive mechanism provides that, for 2024, at the request of the distributor company to be submitted by 28 February 2024, with a limit on the amount of eligible investments equal to 15% of the investment spending expected for 2024 in the development plan for 2023 (measures already included in the resilience bonus mechanism are excluded from this mechanism); the envisaged bonus is equal to two years' expected (gross) benefit, for the 2025-2027 period; for 2025, at the request of the distributor company to be submitted by 30 June 2025, with any limits on expected eligible investment spending yet to be set;
- final calculations by 31 March of each year starting from 2026 with reference to 31 December of the previous year (in odd years, the reporting is carried out during transmission of the draft development plan preceding the related public consultation) with determination of the bonuses by the Authority by 30 September, possibly in several annual instalments up to a maximum of three instalments;
- extension of the benefit categories eligible for bonuses, with several first-time application provisions, without prejudice to further changes in the features of the future incentive mechanism, or methodological changes pending discussions with the distributor companies.

The Authority, following up on consultation 239/2024/R/com concerning the guidelines on minimum requirements for preparing development plans for the transmission, transport and distribution of electricity and for defining hypothetical scenarios for development plans of distribution networks, published resolution 392/2024/R/eel on the Provisions on scenarios for the development plans of energy networks. The most significant changes introduced include: a new deadline for scenario documents; a new activity to collect information from current and potential network users; a process for a very long-term discussion on the evolution of the energy system.

"2G DIGITAL METER" PROJECT

With reference to the PMS2 presented by Areti, ARERA approved Resolution 293/2020/R/eel, establishing the date of commencement of the PMS2 as 1 January 2020 and recognising the investments related to Areti's 2G smart metering system to the specific capital cost recognition scheme, starting from the same date. Given the recent global context, characterised by concerns linked to the pandemic and the war in Ukraine, it is not possible to guarantee the continuity of supply necessary to meet the forecasts set out in the

plan. Consequently, with the certified email dated 15 June 2022, Areti informed the Authority of concerns regarding the shortage of 2G meters, which was determining a slowdown in the implementation of the large-scale replacement plan, as well as the lack of a clear idea of the number of 2G meters that the supplier would be able to guarantee and a shortage of information required to update to PMS2 pursuant to art. 6.2 of resolution 306/2019.
With **resolution 601/2022/R/eel**, the Authority introduced transitional amendments to the provisions on the commissioning of LV 2G electricity meters set out in resolution 306/2019/R/EEL, as well as provisions regarding the information to end customers set out in resolution 105/2021/R/eel. The most pertinent aspects of the provision regard the suspension for 2022 of the penalties for delays with respect to the forecasts for implementing the service and non-compliance with expected performance levels, and the freezing of the effects deriving from the planned and actual numbers of 2G metres for 2022, from the calculation of the percentage progress of the plan, for the purpose of the cumulative progress checks under PMS2 in subsequent years.
Finally, the Authority published **resolution 724/22** which updates the 2G Directives for the 2023-2025 three-year period, providing for the extension to four years of the performance monitoring period of 2G smart metering systems, with penalties applicable only from 1 January of the fifth year of the PMS2. The same provision also introduced a bonus mechanism in cases where the cumulative number of 2G meters to replace 1G meters exceeds 105%, to be applied if the acceleration is achieved through the use of public subsidies of any kind.
In March 2023, Areti received the Preliminary Findings Report from the Authority, which concerns the sum of capital expenditure in 2021 for investments in 2G smart metering systems (central systems and concentrator + metering systems). These values are used to determine the final reference tariff for 2022.

TRANSMISSION, DISTRIBUTION AND DISPATCHING OF ELECTRICITY WITHDRAWN FOR SUBSEQUENT FEEDING INTO THE GRID

The Authority published Resolution 109/2021/R/eel - which follows up on Consultation Document 345/2019 - in which it defines the procedures for providing the transmission, distribution and dispatching service in the case of electricity withdrawn for consumption relating to ancillary generation services, and in the case of electricity withdrawn and subsequently fed back into the grid from the storage system. The priority objective of the resolution is to standardise regulations for the transmission, distribution dispatching services for electricity withdrawn for subsequent feeding back into the grid and extend the aforementioned regulation to more complex cases, where the withdrawal of electricity via the same connection point is not only intended for storage systems and/or ancillary generation services, but also additional loads separate to these. The resolution stipulated that as from 1 January 2022 on request of the producer, electricity withdrawn for the subsequent feeding into the grid will be handled as negative electricity fed in for the purposes of accessing transport, distribution and dispatching services.
ARERA published Resolution 560/2021/R/EEL with which it postponed to 1 January 2023, rather than 1 January 2022, application of the rules on transmission, distribution and dispatching services for electrochemical storage pursuant to Resolution 109/2021/R/EEL, after presentation of the relative application by the producer or entity requesting connection to the network operator, based on the model established in resolution DMEA 5/2022.
The Authority published resolution 472/22, supplementing the regulation introduced by resolution 109/21 on auxiliary services and storage systems, defining its guidelines on:

- determining penalties in cases in which 110% of the power declared in the certified appraisal for auxiliary services and/or storage systems is exceeded;
- redetermining the duration of the time interval to quantify electricity withdrawn, functional to allowing subsequent issuing to the network using a division ratio;
- defining the procedure to replace metering equipment for hourly registration of electricity metering data.

The Authority published resolution **142/2023/R/eel** which updates the TIS and TIME so that vendors, on one hand, and distributing companies and Terna, on the other, can properly value electricity withdrawn from system configurations that access the new regulations introduced with resolution 109/2021/R/eel. To that end, with this resolution the Authority governed methods used to send data about electricity withdrawn to power auxiliary generation services and electricity withdrawn and subsequently re-issued to the network by storage systems and net energy withdrawn.
With resolution **596/2023/R/eel**, considering the critical issues detected, in order to complete the procedure for accessing the regulations envisaged by resolution 109/2021/R/eel (with particular reference to the activities associated with GAUDÌ registration and authorisation of production units (UP) and/or auxiliary service production units (UPSA)), the Authority established:

a. the extension by one year (until the end of 2024) of the regulations currently envisaged by Article 16 of the TIT 2020-2023;
b. the creation at Terna of a technical panel, convened at least monthly, attended by interested stakeholders, in order to discuss critical operating issues;
c. monthly reports sent by Terna to ARERA on the proceedings of the technical panel and the solutions identified, in addition to the update status of the GAUDÌ system and, at aggregate level, the progress status of cases presented by the operators.

With resolution 585/2024/R/eel the Authority supplemented and amended resolution 109/2021, better defining the procedures for providing the transmission, distribution and dispatching service in the case of electricity withdrawn for consumption relating to ancillary generation services, and in the case of electricity withdrawn and subsequently fed back into the grid from the storage system.

COLLECTIVE SELF-CONSUMPTION AND RENEWABLE ENERGY COMMUNITIES

With the resolution of 30 January 2024 the Authority published a provision amending the Consolidated Widespread Self-Consumption Act (TIAD) and approving the Technical Rules for the widespread self-consumption service prepared by Gestore dei Servizi Energetici S.p.A (GSE).

ELECTRIC MOBILITY

With resolution **541/2020/R/eel**, supplemented by Resolution 160/2021/R/eel, the Authority launched national experimentation destined for LV customers, aimed at facilitating the installation of e-car rechargers in private areas.
Acceptance is voluntary and free and access is subordinated to observance of a number of conditions:

- the customer must be at LV with contractually committed power of not more than 4.5 kW and not less than 2 kW;
- the POD must be fitted with a 1G o 2G remotely-managed meter. In this second case, any multi-hour bands set by the vendor must enable identification of the withdrawals made in night, weekend and holiday bands;
- a recharging device must be electrically connected to the meter; this device must at least be capable of:
  - measuring and recording the active recharging power and transmitting this figure to an external subject (e.g. an aggregator);
  - reducing/increasing or reinstating the maximum recharging power.
- customers must give their consent to checks and controls also in their homes and are required to communicate promptly any change to the system or contract that occurs during the experimentation.

Application of the experiments, initially envisaged as from 1 July 2020 through 31 December 2023, was extended to 31 December 2024 with resolution **634/2023/R/eel**, which represents the first result of consultation 540/2023/R/eel. The resolution provides for three measures deemed urgent on electric mobility: a gradual review of the BTVE (low-voltage electric vehicle) regulations from 2025, the confirmation to continue with trial 541/2020, and to establish technical panels.
With Determination 2/2024, ARERA's aim was to coordinate the activities linked to the topics of decarbonisation of consumption/electric mobility and the development of the hydrogen and renewable gas supply chain. In particular, ARERA envisaged that, with regard to the topics of decarbonisation of consumption/electric mobility, the following activities would take place:

- establishment of electric mobility focus groups envisaged by resolution 634/2023/R/eel;
- including through collaboration with research centres external to the Authority, the collection and analysis of useful data for updating and/or integrating the investigations already initiated regarding the evolution of technologies and the markets of significance to the electric mobility sector;
- participation in any technical panels established by other Public Administrations pertaining to electric mobility topics;
- support for the preparation of draft measures envisaged by resolution 634/2023/R/eel;
- preparation of reporting schemes such as those required by the AFIR Regulation;
- presentation of an interim summary report of activities performed to the Division Director;

With resolution **352/2021/R/eel**, the Authority launched a trial of the most appropriate regulatory solutions for the procurement of local ancillary services provided by distribution operators, for the associated remuneration. The trial takes into account the definitions and general principles already found in the European regulatory framework and also serves to gather information that may be useful in the European debate. In this regulatory context, areti developed the RomeFlex project (Reshaping Operational Methods to run grid FLEXibility), which makes it possible to create a local flexibility market in several areas of the City of Rome territory. To this end, on 22 December 2022 areti launched a public consultation (ending 31 January 2023) of the Regulation Scheme according to which the RomeFlex project proposal would be conducted. With resolution 372/2023/R/eel, the Authority approved the pilot project for the provision of local ancillary services proposed by the company areti for 2024, in the context of the process governed by resolution 352/2021/R/eel, as well as the documentation proposed by the GME and required for this purpose.
With Resolution **420/2023**, the Authority approved the fees proposed by the GME, set out by Article 7 of the Local Flexibility Market Regulations approved with resolution 372/2023/R/eel. The GME will continue to play the role of central counterparty on the electricity markets, including the local flexibility market. The values approved were set so as to encourage operator participation and the growth of liquidity on the LFM in its initial stages (first stage: selection of resources in which only the futures market will be operative, corresponding to the period from January to April 2024).
The Authority published Resolution **121/2024/R/eel**, which approved the requested amendments to the RomeFlex project, namely the introduction of the spot market and remodulation of the remuneration of services between capacity and energy. With resolution 121/2024, the Authority reiterated the areti 2024 budget of €5 million for services to the BSPs, specifying that: "...the fees paid by areti to the GME for transactions carried out on the LFM will be included among the costs for the remuneration of flexibility resources paid, pursuant to resolution 372/2023/R/eel, by the Fund for exceptional events, resilience and other special projects set out by Article 10, paragraph 10.1, letter l) of the TIPPi."

THE ITALIAN WASTE MANAGEMENT MARKET

The current situation of production and treatment capacity for waste in the traditional operational areas of the Acea Group and in the neighbouring areas shows a high "potential demand" for waste management (disposal in landfills, waste-to-energy, composting and biogas production, sludge and liquid waste treatment, recycling of mixed materials and production of Secondary Raw Materials). This is facilitated by a national regulatory framework that provides incentives and by the regulatory support of European directives on the recovery of materials and energy, as well as by the implementation of the European Union's policy guidelines on the circular economy (closing the loop), which are being implemented in Italy by virtue of a delegated law that has given the government the obligation to update environmental legislation adapting it to the new EU standards.
Opportunities for developing the sector are therefore highlighted, also facilitated by the availability of new technologies (for example in composting) and by possible forms of industrial integration with other operators.
Finally, the expansion of the potential for disposal/recovery of sewerage sludge – in the context of value added environmental services (sludge treatment, compost) – could lead to the completion of the integration with the Water business, in view of a complete management in-house of the entire supply chain.

WATER REGULATION

With **resolution 639/2023/R/idr** of 28 December 2023, the Authority defined the water tariff method for the fourth regulatory period 2024 – 2029 (MTI-4). The adoption of MTI-4 is part of the procedure begun with resolution 64/2023/R/idr (which also indicated the value of the average cost for the electricity supply sector for 2022, equal to €0.2855/kWh) and was followed by two consultations (DCO 442/2023/R/idr and DCO 543/2023/R/idr). With Communication dated 12 March 2024, ARERA also established the average cost for the electricity supply sector for 2023, equal to €0.2436/kWh. Again for MTI-4, the Authority confirmed the methodological approach adopted in the previous regulatory periods, with the aim of guaranteeing stability and continuity in the regulatory framework. Below are the aspects of greatest impact in the new method:

- extension of the regulatory period duration from four to six years, with two biennial updates of established tariffs (by 30 April 2026 and 30 April 2028) with a possible infra-period adjustment based on a justified request from the Area Governing Body (EGA) due to extraordinary circumstances;
- update of the parameters underlying the regulatory scheme matrix with a consequent increase in the maximum allowable values (primarily due to inflation) falling between 5.95% (Framework II, previously equal to 3.7%) and 9.95% (Framework VI, previously equal to 8.5%);
- financial and tax charges for the Integrated Water Service Operator: the Authority confirmed substantial alignment with the values for other regulated sectors, defining an overall value of 6.13% (4.8% in MTI-3);
- electricity costs: recognition within the tariff of the cost to acquire electricity incurred during the year (a-2), also valorising self-production and the operator's efforts to limit consumption without changing systems and scope; this value is to be seen as the maximum ceiling as a lower value can, in any case, be quantified, in order to at least partially anticipate the effects of the possible downward trend in the cost of electricity. At the time of adjustment, the Method envisages (with the exception of 2024 and 2025, for which the mechanism based on "average sector cost" is confirmed) a reference benchmark relative to a theoretical acquisition mix (for 2026: 70% variable price and 30% fixed; for subsequent years, an update to the weights is envisaged if needed). MTI-4 includes a deductible of 15% in addition to the benchmark (after exceeding that value any additional costs are borne by the operator), while cost efficiencies are divided between the operator and system (50% sharing). In the adjustments (RCaltro component relative to recovery of differences between the constraint of revenue and outlays incurred), amounts relative to the full recovery of electricity costs incurred in 2022 are covered, conditionally;
- adjustments: confirming, in line with previous regulatory periods, the possibility that the EGA and other relevant entities may present applications to exceed the tariff limit, the Authority emphasises that this choice may also be motivated by the need to recover adjustments relative to previous years and already approved by the same relevant entity or the Authority, in order to support the completion of necessary infrastructure. When approving the application, ARERA carries out a specific investigation intended to ascertain, beyond the validity of the data supplied and the efficiency of the metering service, congruence between the size of previous adjustments allowed for recovery and the resources required to achieve the necessary infrastructure. To limit the amount of allowable costs postponed to future period, the possibility to recover adjustments in years after 2029 is, as a rule, limited to solely cases in which this deferral is motivated by the need to respect the established limit on annual growth in the tariff multiplier. Nonetheless, it is envisaged that the EGA may present, in agreement with the operator, an application for deferral accompanied by a plan which clearly specifies the years in which it intends to carry out the recovery. Also in the light of the results of validation activity, it was decided to postpone to a subsequent provision the definition of operating methods to recover differences between:
  - the data communicated with reference to odd years and the values identified after the fact with reference to volumes invoiced and electricity consumption;
  - operating costs and adjustments quantified for the establishment of tariffs relative to 2023 assuming a null inflation rate and that derived from the update of the rate, equal to 4.5%;
- adjustment of allowable operating costs: the Authority envisages the inclusion of additional costs relative to the start of the new regulations, the expansion of the scope of activities carried out (management of rainwater where the EGA exercises the ability to include this activity within the Integrated Water Service), as well as additional costs incurred to adjust to the new technical quality objectives;
- incentives to promote energy and environmental sustainability: these measures assign a bonus in the case objectives are achieved, identified with reference to two new indicators:
  - RIU – Portion of purified volumes which could be reused but are not destined for this purpose;
  - ENE – quantity of electricity acquired (for which a lower target - 5% - has been adopted with reference to that initially proposed).

These mechanisms will be applied starting in 2025, considering, among other things, the situation of each operator in 2023.

With **consultation document 245/2024/R/idr,** published on 21 June 2024, the Authority presented the general framework elements and the guidelines for defining the basic schemes of calls for tender. Definition of the minimum content of the calls for tender is, for the Authority, an essential element for completing the regulations required to carry out the new assignment procedures, since they seek to guarantee uniformity in the criteria and methods to be used in public procedures to assign management and in those to assign to a mixed ownership company, limited to the aspects concerning the selection of the private partner (Art. 17, Italian Legislative Decree no.175/2016).
In line with the overarching legislation (Italian Legislative Decree 201/2022), the approach set out in the document is based on the parameters already adopted on a permanent basis in the context of regulation – of tariffs and technical and contractual quality – which are qualified as parameters for improving management to be pursued through competitive pressure. The deadline for submission of comments was 24 July 2024. The definitive document has not yet been published.
With reference to the social water bonus, note the following provisions:

- **determination 7/DICU/2024,** which approved the communications to be sent to users not granted the social water, electricity and gas bonus;
- **resolution 430/2024/R/idr which** simplifies and amends the disclosure obligations of operators and governing bodies on the social and supplementary bonus. Specifically, as of 2026, inte-

grated water service operators will be required to report data and summary information on the payment of the subsidy, as well as the data and information contained in the register, to the competent governing bodies only;

The new tariff method for the fourth regulatory period is supported by the following two documents:

- **resolution 358/2024/R/idr,** with which the Authority launched the proceeding for the *ex officio* determination of water service tariffs, pursuant to resolution 639/2023, as well as the acquisition of additional data relative to cases of exclusion from the tariff update**.** As the prompt implementation of MTI-4 represents, as noted by the Authority, a fundamental step to safeguard to economic and financial balance of the managed services and, specifically, to promote the implementation of an effective water supply security optimisation strategy, the Regulatory has deemed it opportune to vest the Tariffs and User Fees Directorate (DTAC) with the following two mandates:
  - to issue a formal notice to those who fall under the cases of automatic tariff determination pursuant to section 5.8 of resolution 639/2023, requesting that the said parties send the necessary information, within thirty days, upon penalty of the application of the theta of 0.9 for the duration of the case;
  - to issue a formal notice to the governing bodies "in the case of non-fulfilment of the obligation to update the tariff arrangement as requested by the operator";
- **resolution 570/2024/R/idr,** with which the Authority identified the theoretical acquisition mix for the definition of the benchmark cost of electricity for the purpose of calculating the adjustments for 2027, in accordance with the provisions of the Tariff Method. This established that the mix would be formed of 90% variable price acquisitions and 10% fixed price acquisitions. The weightings for the coming years shall be defined in subsequent provisions.

In the context of a procedure carried out at the same time as the tariff method, with **resolution 637/2023/R/idr** the Authority adopted the update to the Integrated Water Service Technical Quality regulations (RQTI). The provision provides that, starting in 2024, quality objectives (both technical and contractual) will be consistently evaluated in a cumulative manner on a biennial basis.
Consequently, for the purposes of applying the bonus (and/or penalty) factors, the level reached cumulatively for each of the macro-indicators applied at the end of odd years will be an element of assessment. Both for technical and contractual quality there is a ceiling for the bonus, equal to 15% of the value of the Guaranteed Revenue Constraint (GRC).
By 30 April of each year, and using the operating methods to be established in subsequent provisions, the EGA must send the Authority an archive containing the file for RQTI data collection and monitoring, with annexed support documentation. As of 2026 (and then biennially), this archive must be verified by a pool of EGAs, subsequently defined by the Authority, which includes the entity locally responsible for that considered. If the archive is not certified, even partially, this must be justified and can constitute cause for exclusion from the incentive mechanism for any macro-indicators interested. Additionally, the operator can be excluded from the tariff update in the case of delays or problems in achieving the prerequisites established in the RQTI.

Among the main changes in the update to technical quality, beyond determining a number of assessment classes which are the same for all macro-indicators (with adjustment of the various levels and associated objectives) and certain specifications for each macro-indicator, a new macro-indicator has been added - "M0 - Water Resilience", with which the Regulator has set the objective of evaluating the ability of the water system to handle the frequent stresses the water resource suffers, both in terms of the local area operated and at a higher levels. In fact, M0 consists of two simple indicators:

- M0a (Water resilience at the level of integrated water service management), defined as the ratio between integrated water service consumption, including network losses, and water availability for the same operator,
- M0b (Water resilience at a higher level) which identifies the ratio between consumption for all uses, including network losses, and overall water availability in the area considered.

In February 2024, with **resolution 26/2024/R/idr** the Authority launched a process to define the new technical quality macro-indicator "M0 - Water resilience", establishing specific focus groups with interested stakeholders to share technical information on how the indicator will be calculated and the planning of measures to tackle the effects of climate change and guarantee the resilience of the water system. Following consultation DCO 474/2024/R/idr, on 27 December 2024 the Authority published **resolution 595/2024/R/idr** which initiated the start of the trial period to monitor and collect the data used to construct the water resilience macro-indicator. The purpose of the indicator is to introduce a systematic and effective monitoring process for the complex supply system in order to meet water demand forecasts, including for non-civil uses. The provision therefore regulates the methods used to calculate the M0b "water resilience at a higher level" indicator, as well as the methods to collect the data used to construct it during the trial and monitoring periods. The reference time frame for the measured quantities, the regional scope and the record-keeping obligations, shared between the operator and the governing bodies, were also defined, to enter into force on 1 January 2025. With regard to the application of the incentivisation mechanism (bonuses and penalties), the resolution establishes that "advanced and excellence" levels (Stages III, IV and V) shall be assessed starting from the 2026-2027 assessment period, without prejudice to the data measurement obligations. As already provided for in the consultation phase, the governing bodies may petition for the non-application of the incentivisation mechanism in the case of a missing prerequisite (excessive data gaps or data that do not meet the objectives of the RQTI). ARERA nonetheless intends to continue discussions with all relevant stakeholders on the conclusive definition of the M0.

With **resolutions 37/2024/R/idr and 39/2024/R/idr** the Authority began the procedure to assess the bonuses and penalties to be assigned to the operators in relation to the contractual and technical quality for the 2022-2023 two-year period. These processes will be structured into two phases:

- identification of the management set for which a complete set of information is possessed;
- assignment of penalties associated with stages I and II for all management entities that did not send the data by the deadlines.

The adoption of the relevant methodological notes and the determination of the revenue portion of the UI2 component destined for bonuses are postponed for subsequent provisions.

In relation to the exceptional weather events seen from 2 November 2023 onwards, ARERA, with resolution 50/2024/R/Com, confirmed more generally the interventions set out by resolution

519/2023/R/Com (Urgent provisions on electricity, gas and integrated water services in favour of the population in the areas impacted by the exceptional weather events on and after 2 November 2023) and, similarly to the provisions set out in favour of the population in Emilia-Romagna, established that the duration of the suspension of the payment terms for invoices issued or to be issued would be six months (from 2 November 2023 to 2 May 2024). The measure also provided for instalment schedules for the amounts suspended with said resolution 519/2023/R/Com, over a minimum period of 12 months, without the application of interest.

As regards Consumer Protection, following the relevant consultation, **resolution 371/2024/R/com** implemented measures to adapt the services provided to customers by the Office to new energy market dynamics, as well as to refine and further streamline the procedural and operational rules that apply to regulated services.

ELECTRICAL REGULATION

Biennial limitation

Article 1, paragraphs 4-10 of the 2018 Budget Law, introduced a two-year limitation on electricity supply contracts, initially establishing that end users were not eligible for this in the case of the failed or erroneous recording of consumption data, attributable to users. Paragraph 295 of Article 1 of the 2020 Budget Law eliminated this specification, establishing that the biennial limitation was also applicable in the case of confirmed responsibility on the part of the customer, and introducing objective liability in respect of the electricity chain operator, and in particular, the distributor, in its capacity as metering service operator, even without any liability or inefficiency in terms of its service provision. With Resolution 184/2020/R/com, ARERA transposed the provisions of the 2020 Budget Law with reference to the case of exclusion from the biennial limitation in cases of failed or erroneous recording of the electricity metering data, arising from the confirmed responsibility of the end customer. On 27 July 2020, areti and Acea Energia submitted an appeal to the Regional Administrative Court to have Resolution 184/2020/R/com cancelled. The appeal was accepted with the consequent cancellation of the resolution on the basis that the interpretation of the 2020 Budget Law had only referred to the duration of the limitation (two years instead of five years), without excluding the applicability of the general civil code regulations regarding limitation.
With Resolution 603/2021, the Authority amended Resolution 569/2018/R/com on the billing of consumption dating back more than two years as a result of DCO 457/21, in order to comply with 14 June 2021 Rulings 1441, 1444 and 1449 of the Lombardy Regional Administrative Court. With this resolution, the Authority confirmed the distributor's obligation to notify the seller, via certified email (PEC) – contemporaneously with the metering or adjustment data referring to consumption dating back to a period more than two years back – the indication of the presumed existence or non-existence of causes hindering the accrual of the limitation period pursuant to the primary and general reference legislation. It also confirmed that the seller's information obligations vis-à-vis the end customer should be separated depending on whether or not there are any amounts on the invoice for which the limitation is contested. The Authority has also provided for a transitional phase, pending the implementation of the flows between the various entities in the chain and the IWT, which provides for the same information to be transmitted between the parties in a non-automated manner but with a defined time frame.
Following on from DCO 386/2021, the Authority published Resolution **604/2021/R/com**, which provides for:

- an annual compensation mechanism for the greater protection operator or the dispatching user associated with a withdrawal point, making it possible also to recover in the successive annual session any amounts not recovered in the reference annual session;
- a mechanism to make distribution companies liable, whereby from 2023 all electricity distribution companies will be required to pay a penalty to CSEA each year for recalculations invoiced in the previous year due to non-collection of actual readings or adjustments of actual metering amounts previously utilised, for the portion prior to 24 months of the date on which the data was made available.

With a precautionary ordinance, the Regional Administrative Court suspended ARERA resolution 603/2021 with reference to article 6.4, that is the transitory regulations that require distributors to respond within 7 days. The public hearing on the merits has been set for 1 December 2022.
With ordinance 4568/2022 of 13 October 2022, the Court of Bologna clarified that SME and large companies are excluded from the category of entities to which the biennial limitations apply for electricity and gas bills.
On 2 January 2023, the Regional Administrative Court published the rulings through which it granted the appeals of Italgas and 2i Rete Gas on the biennial statute of limitations, annulling Articles 5 ("Distributor communication obligations") and 6.4 ("Transitional norms") of Annex A to resolution 603/2021 and Article 9 of resolution 604/2021. The Regional Administrative Court judgement highlighted that "*the law does not grant ARERA the power to impact upon the general rules regarding limitation, so it cannot introduce different grounds for suspension of the limitation, nor can it amend on this point the distribution of the burden of proof, nor alter the content of the various relations existing, respectively, between distributor and seller and between seller and end customer, assigning to the distributor the task of ascertaining and qualifying legally facts intended to impact upon the regime of the limitation in the relation of which it is not a part*". As a result, the Regional Administrative Court reiterated the illegitimacy of the rule set out by Art. 5, since it places disclosure obligations on the distributor which involve the ascertainment of facts, as well as the performance of qualifications and legal assessments, which change without legal basis the statutory regime of the limitation. The metering service does not involve specific operations intended to identify prohibitive conditions to the effective start of the limitation, pursuant to Art. 2935 of the Italian Civil Code, namely de facto situations reflecting "wilful misconduct of the creditor", relevant pursuant to Art. 2941, no. 8 of the Italian Civil Code. Equally, the TIVG (Integrated Text on Retail Sale of Gas) does not burden the distributor with the qualification and legal assessment activities necessary to ascertain the existence of these situations. It is only Art. 5 of the resolution that requires the distributor to indicate whether prohibitive conditions exist, providing the seller with this information. According to the Regional Administrative Court, that which is established by ARERA in Art. 6.4 of the resolution is also illegitimate since it imposes upon the distributor the obligation to provide the seller within 7 working days from receipt of the communication of the plea of limitation raised by a customer with the information within its remit relating to "the existence of documented prohibitive conditions to granting the plea., the Regional

Administrative Court reiterates the illegitimacy of the provisions of Art. 9 of resolution no. 604/2021, which extended the provisions of Articles 5 and 6.4 of the resolution to end customers not falling within the scope of application of Art. 2 of the same resolution, namely it extended the regime set out by the aforesaid Articles 5 and 6.4 also to those who do not fall within the scope of so-called customers deemed worthy of stronger protection.
On 9 March 2023, with resolution 86/2023/C/com "Appeal of judgements no. 35 and no. 36 of 2 January 2023 of the Lombardy Regional Administrative Court, First Section, of partial annulment of Authority resolutions 603/2021/R/com and 604/2021/R/com", the Authority decided to appeal to the Council of State against the judgements issued by the Lombardy Regional Administrative Court with reference to the cancellation of communication requirements imposed on distributors in relation to the biennial statute of limitations on utility bills pursuant to Articles 5 ("Distributor communication obligations") and 6.4 ("Transitional norms") of Annex A to resolution 603/2021 and Article 9 of resolution 604/2021. The Authority believes there is good reason to appeal the referenced Lombardy Regional Administrative Court judgements given that these are based on an erroneous interpretation of the relevant events and laws.
On 29 December 2023, the Council of State rejected the appeals filed by the Authority against the rulings of the Regional Administrative Court of Lombardy relating to resolution 603/2021/R/com and 604/2021/R/com.
The annulled provisions required the distributor to indicate to the seller, its counterparty, during communication of metering data or adjustment of the same referring to consumption dating back more than two years, any existence or lack thereof – and, if so, the related details – of grounds that would allow for the assumption that the limitation of the right of receivables pursuant to primary legislation had not expired.
On this point, the Council of State agreed with the Lombardy Regional Administrative Court, and so confirmed the illegitimacy of such provisions, underlining that the special rules on biennial limitation (Law 205/2017) did not assign the Authority "the task of ensuring the circulation, between companies in the supply chain, of information essential for enforcing their mutual claims, nor preventing the onset of disputes between those companies, nor overseeing compliance in their mutual commercial relations with the principles of correctness and good faith, and however important these objectives and, consequently, the commendable intention underlying the resolutions challenged may be, the legislation in question could not provide an opportunity to adopt measures – which would be binding for the recipients – that were not envisaged and not strictly functional to pursuing the specific public interests assigned by the same law to the Authority".
The rulings highlighted that between distributor, seller and end customer, "two distinct business relationships existed, the one linking the seller to the end customer, and the one between the distributor and the seller. It is not a triangular relation [...] rather there are many distinct relationships, deriving from different business credentials characterised by a different regulation, so it is within each of these that the statutory norms on limitation must apply". Therefore, even if the metering activity performed by the distributor could become significant for the supply contract between seller and end customer, this does not authorise ARERA to burden the distributor with reporting and qualifying facts "impacting on the limitation in the different relationship existing between the seller and the end customer": these activities "must fall to the seller as creditor in the relationship with the end customer".

In light of these rulings, on 1 March 2024 ARERA published an explanation in which it communicated that it did not believe it was necessary for further change to the regulations contained in resolutions 603/2021 and 604/2021, since these rules are self-sufficient and fully operational, even in the absence of the specific provisions annulled by the administrative court.
The Authority noted that:

- in order to comply with the obligations set out by 603/2021, regarding the information to be provided to the end customer with reference to whether or not the biennial limitation is expired, the seller must proceed only on the basis of the factual information at its disposal, and no longer has to wait for additional elements from the distributor;
- for the purposes of admission to the compensation mechanism, the seller may participate with reference to those amounts for which it must in turn have challenged the limitation to the distributor, without the latter having disputed a prohibitive condition to the expiration of the same pursuant to the Italian Civil Code. It shall be the responsibility of the distributor to prove the existence of such prohibitive conditions, such as that of Art. 2941, no. 8 of the Italian Civil Code;

The Authority also referred to the communication of 13 December 2021 (not annulled by the administrative court), which specified that the distributor may not limit itself to include, as a prohibitive condition to the expiration of the limitation on its receivable from its user, the mere fact of having complied with the Authority's regulations on mandatory reading attempts.
Following abrogation of paragraph 5, Art. 1 of Law 205/2017 (which excluded the biennial limitation in case of "ascertained responsibility of the end customer"), the biennial term of the limitation envisaged in paragraph 4 of the same article operates without further exemptions with respect to the general regulation of the institution, so even when the failure to read the metering data by the distributor (albeit in compliance with the Authority's regulations on mandatory reading attempts) depends on alleged responsibilities of the end customer (who, for example, was not present at the time when the distributor's staff attended to take the reading of an inaccessible or non-remotely read meter). The Authority considers that such conclusion is also confirmed in the rulings of the Lombardy Regional Administrative Court and of the Council of State mentioned above, which specified that the end customer is not the debtor of the distributor, but of the seller, with the consequence that any conduct of the end customer that prevents the distributor from correctly recording the metering data cannot be of relevance for the purposes of the aforesaid Art. 2941, no. 8 of the Italian Civil Code, which uses as reference (only) the conduct of the debtor, i.e. of the seller (and therefore not of the customer).
Subsequent to the clarification issued by ARERA on 1 March 2024 and in implementation of the provisions set out in resolution 604/2021/R/com, ARERA, with determination 5/2024-DIME, approved the Cassa per i Servizi Energetici e Ambientali (CSEA) handbook, which defines the methods for the implementation of the compensation mechanism of the amounts related to the two-year statue of limitations and the implementation of the measures for the incentive of the reduction of the multi-year adjustments for the electricity sector to be borne by the distributors.
With circulars 46, 67, 68 and 69 issued in 2024, CSEA thus defined, in detail, the operating methods and time frames for the mechanism which, in its initial implementation, requires that claims for the compensation of amounts for which the retailer invokes the statue of limitations because the distributor fails to prove the exis-

tence of one of the causes preventing it from being reached, must be filed by 31 March 2025.

Social Bonus

In implementation of the provisions of the 2023 Budget Law regarding the graduation of the bonus in relation to the various ISEE thresholds and annual consumption, with resolution 622/2023/R/com, ARERA revised the methods for updating the social bonuses so as to ensure a 30% reduction in electricity spending and 15% in gas spending.
With effect from the 1st January 2024, with reference to the electricity sector, ARERA therefore updated the quantification of the (economic and physical) bonus, on an annual basis, linking it to the best available estimate of the average spending and introduced, limited to the first quarter of 2024, an extraordinary contribution, paid alongside the electricity bonus, to limit the increases due to price variations.
With resolution 599/2024/R/com issued at the end of 2024, ARERA updated the amounts of the bonus (both economic and physical) for 2025.

Provisions in favour of groups impacted by the exceptional weather events starting on 1 May 2023

Following the exceptional weather events in May 2023 in Emilia-Romagna, ARERA urgently arranged, with resolution 216/2023/R/com, suspension of payment for invoices issued or to be issued with due dates from 1 May 2023 on and consequently regulations for suspension due to arrears, also in the case of arrears occurring prior to the same date of 1 May 2023.
With the subsequent resolution 267/2023/R/com, ARERA better specified that the period of suspension for users located in the impacted areas (annex 1 to Decree Law 61/23) is equal to 4 months, from 1 May 2023 to 31 August 2023, and called for automatic establishment of 12 instalment payments for these amounts.
In support of sellers, ARERA established an advance mechanism for the amounts with suspended payment; this mechanism can only be accessed in the case of demonstrated financial problems, or if the suspension involves users that account for over 3% of total sales with reference to the first 4 months of 2023.
With subsequent resolution 390/2023/R/com, ARERA called for the extension until 31 October 2023 of the suspension of the terms of payment in favour of those in Emilia-Romagna. In contrast to the previous suspension, automatically applied, to obtain the extension the end customer needed to make an explicit request.
With resolution 565/2023/R/com (integrated with resolution 10/2024/R/com) ARERA governed tariff subsidies to apply to consumption subject to suspension; customers must ask their vendor to apply the subsidies by 30 June 2024.
Due to the urgency of the matter, albeit in the absence of prior consultation, ARERA, after nevertheless gathering feedback from all stakeholders, published resolution 10/2024/R/com, which integrated and clarified the previously approved regulation; in particular, ARERA identified 30 June 2024 as the deadline for requesting the subsidies and postponed until 31 October 2024 (from the previous 31 March) the deadline for issuing invoices that account for the amounts suspended until 31 October 2023 and any subsidies.

Provisions in favour of groups impacted by the exceptional weather events starting on 2 November 2023

Following the exceptional weather events in Tuscany starting on 2 November 2023, with resolution 519/2023/com, ARERA ordered the suspension of the terms of payment for invoices issued or to be issued with a due date of 2 November 2023 or later, without application of the suspension due to arrears rules for utilities located in the sites identified by the Commissioner delegated to the emergency.
With subsequent resolution 50/2024/R/com, ARERA supplemented the previous regulation by specifying that the period of suspension of the payment terms was 6 (six) months effective from 2 November 2023 until 2 May 2024. The same resolution also stated that, within two months from the end of said suspension, the seller must communicate the value of the payments subject to suspension and automatically make them payable by instalments, with instalments no less than €20 for a period of 12 months.

Gradual Protection Service for non-vulnerable domestic customers

With resolution 362/2023/R/eel and s.m.i., as amended, the Authority adopted provisions for the regulation and assignment methods for the Gradual Protection Service which can be accessed by non-vulnerable domestic customers (hereafter, GPS for non-vulnerable domestic customers or GPS) without a supplier as of the date the Greater Protection Service is removed. The end of the aforementioned service was planned, pursuant to Law 124 of 4 August 2017, as amended, by 1 April 2024, as the operators who won the tenders to assign the service began operating the GPS.
Decree Law 181/2023 ("Energy Security Decree") postponed the auctions for the Gradual Protection Service for non-vulnerable domestic customers to 10 January 2024. ARERA, with resolution 580/2023, implemented that envisaged in article 14 of the Energy Security Decree Law, postponing the date on which the auctions were held to 10 January 2024. Based on this, Acquirente Unico published as quickly as possible the updated Tender Regulations with the new expiration dates.

In essence, resolution 362/2023/R/eel and s.m.i., as amended, establishes that:

- "vulnerable" domestic customers will remain in the greater protection service for a transitional period, postponing to subsequent Authority provisions actions functional to their removal from this category;
- the tender procedure will be carried out with a single turn-based closed envelope auction system, giving participants the possibility to indicate the maximum number of areas they commit to serving. A maximum limit is set for the assignment of areas to each participant, defined based on the number of customers served as at 30 June 2023, in addition to a 30% ceiling envisaged in the Ministerial Decree of 17 May 2023, to mitigate the additional risk that an operator may be awarded a number of withdrawal points out of proportion to its initial customer base. Therefore, each participant can be awarded a maximum number of areas equal to the lesser of the value communicated

by Acquirente Unico and 7, corresponding to 30% of the total number of areas in the auction. A cap on the price offered is envisaged, which is not revealed to the participants. No floor is established. In the case that there are combinations of areas which could potentially be assigned to two or more operators which give the same result in terms of the minimum price for providing the service, digital drawing of lots will be utilised to assign the areas to the relevant participants.

As provided for in Annex B to Resolution 362/2023, on 26 September 2023 the Regulation and the related annexes governing the competitive procedures for assigning the gradual protection service was published on Acquirente Unico's website. By 5 October 2023 Acea Energia presented an application for participation and on 9 October 2023 Acquirente Unico made available the pre-procedure information. One month prior to the auction, Acquirente Unico made available to tender procedure participants additional information that greater protection operators must send to the AU. This additional information refers to the number of withdrawal points held by non-vulnerable domestic customers served under greater protection in April 2023 which utilise (1) an automatic payment method, (2) the utility bill in digital format.
With reference to Greater Protection Operators:

- during the period from September 2023 and June 2024, a separate page must be included with at least two utility bills, with the second sent to the customer between April and June 2024, with standardised text determined by the Authority, which differs for vulnerable and non-vulnerable customers;
- in derogation of the Consolidated Law on Invoicing, the final bill must be sent within ten weeks of the supply ending.

With resolution 576/2023, the Authority defined a system to verify update requirements - applying to greater protection operators - with reference to the data in the Official Central Registry (OCR), of the Integrated Information System Operator, relative to customers served, with possible penalties borne by the operators themselves as the entities responsible for the accuracy of this information, in the case that for each withdrawal point subject to transfer in the GPS, the data needed for invoicing and contacting the end customer in the OCR is different from that used by the greater protection operator after an adequate improvement process, which was completed in May.
Free market vendors, with reference solely to domestic end customers, must include:

- in all bills issued between December 2023 and June 2024, a text defined by the Authority on the rights of vulnerable customers and the conditions that apply to them, in the specific area reserved for statements from the Authority;
- starting from 1 January 2025, in at least one bill per year, a text defined by the Authority on the rights of vulnerable customers and the conditions that apply to them, in the specific area reserved for statements.

Lastly, the Authority specified that the time frames for carrying out the tender procedures were conditional upon the results of the ongoing assessments of the methods for implementing the provisions set out by Decree Law 48/23 on the social clause of call centre operators, including those for collecting and providing tender participants with information about the staff affected by such clause, which is necessary for the purposes of operators formulating their economic bids.
By 5 October 2023 Acea Energia presented an application for participation in the tender procedure and by 10 November 2023 Acquirente Unico made available the pre-procedure information.
The auctions were to have been held on 11 December 2023 but Art. 14 of the Energy Security Decree Law postponed the date until 10 January 2024. ARERA, with resolution 580/2023, implemented that envisaged in article 14 of the Decree Law. Energy Security Decree Law, postponing the date on which the auctions were held to 10 January 2024. For this reason, it appointed Acquirente Unico to publish the updated Tender Regulations with the new deadlines as soon as possible. The new deadlines should be set so as to ensure the same minimum time frames between the various activities instrumental to assigning the service by auction and currently envisaged by said Regulations. Lastly, the Authority postponed the following to another resolution:

- additional regulatory initiatives that become necessary to adjust the current regulations set out by resolution 362/2023/R/eel to the new date for carrying out the tender procedures, including the necessary amendments to the information texts of the second communication that must be sent to domestic customers served under greater protection by the related operators, starting from 2024, and the time frames for sending such texts;
- the assessment of the review of the current deadline for activating the GPS, including according to the information initiatives envisaged by Decree Law 181/23, guaranteeing their communication, with sufficient notice before 10 January 2024, to the participants of the tender procedures.

Following resolution 580/2023, AU published the updated Tender Regulations as well as the calendar of tender procedures.
As previously announced in resolution 580/2023, with resolution 600/2023 "Revision of activation schedules for the gradual protection service of non-vulnerable domestic customers in the electricity sector pursuant to Law 124 of 4 August 2017; Amendments to the Authority's resolution 362/2023/R/eel and relative annexes A, B, C and D", the Authority revised the date for activation of the GPS, postponing it to 1 July 2024. This was due to the need:

- to ensure end customers have a sufficient period of time to inform themselves, with respect to price protection, through the specific informational campaigns which, pursuant to Decree Law 181/23, must be carried out by MASE, for a period not to exceed twelve months;
- to carry out preparatory activities for the GPS (which also include actions to implement the provisions in the cited Decree Law with reference to the automatic transfer of direct debit authorisations for bills issued by the GPS operator, to be completed by 31 May 2024);
- to limit as much as possible the period between the assignment and activation of the GPS, to contain changes between the known conditions at the time of participation in the tender procedures (in terms of non-vulnerable end customers in greater protection) and the effective conditions at the time the service is activated.

On the other hand, the date on which the service assignment period will end remained unchanged, on 31 March 2027, consistent with that established in the Ministerial Decree of 17 May 2023 which states that, as from 1 April 2027, the GPS will serve solely as the service of last resort for all small customers, such as small companies, micro enterprises and non-vulnerable domestic customers.
As a result of the above, the Authority reviewed the dates shown in the texts of the communications as well as the time frames for sending the utility bills containing the communications for both Greater Protection Operators and Free Market Sellers; in particular, the Greater Protection Operator must include the information set out by resolution 362/2023, updated with the date of 1 July 2024, in the bills sent between April and June 2024.
On 6 February 2024, Acquirente Unico therefore published the outcomes of the tender procedure to identify the operators of the Gradual Protection Service for non-vulnerable domestic customers for the period between 1 July 2024 and 31 March 2027. The 26 territorial areas went to Enel Energia (7 areas), Hera Comm (7 areas), Edison Energia (4 areas), Illumia (3 areas), Iren Mercato (2 areas), A2A Energia (2 areas) and Eon (1 area).
Only on three areas was the contract price positive, while on the remaining areas the contract price was negative. The Municipality of Rome went to Enel Energia with a price of – €27.7066/POD/year.
On 29 March 2024, resolution 101/2024/R/eel was published, "Supplements to the disclosure obligations of operators of the Greater Protection Service towards domestic customers in relation to the provisions set out by Article 14, paragraphs 5 and 5-bis, of Decree Law no. 181 of 9 December 2023".
Art. 14, paragraphs 5 and 5-bis of the law converting Decree Law 181/23 establishes the automatic transfer of the active bank direct debit of non-vulnerable domestic customers from the Greater Protection operators to the Gradual Protection Service operators for non-vulnerable domestic customers or to the Vulnerability Service operators according to terms and conditions that will be defined within 60 days from the conclusion of the tender and in any case no later than 31 May 2024, by ARERA in agreement with the Bank of Italy and having consulted the MASE. In particular, paragraph 5-bis states that Greater Protection Service operators must provide the Gradual Protection and Vulnerability Services operators with all the information necessary to proceed with the direct debit from the payment account or from the payment instrument of the domestic customer. Operators of the aforementioned services (Gradual Protection or Vulnerability) must also inform their respective customers regarding the takeover of the position as authorised creditor of the direct debit in advance of the first direct debit payment. Without prejudice to the domestic customer's right to revoke the direct debit authorisation, the provisions of Legislative Decree 11/2010 implementing Directive 2007/64/EC on payment services in the internal market shall apply.
Awaiting implementation of the provisions of Article 14, paragraphs 5 and 5-bis, the Authority supplemented the information set out in Annex C to resolution 362/2023/R/eel that the Greater Protection operators must send to their non-vulnerable domestic customers between April and June 2024, with information regarding the automatic transfer of the direct debit from the payment account or from the payment instrument of the domestic customer established by Decree Law 181/23.
Lastly, after holding meetings with the Bank of Italy, the Italian Data Protection Authority and with the operators, ARERA published resolution 217/2024/R/eel in order to implement the automatic renewal of the direct debit authorisation in case of domestic end customers who return to the Gradual Protection Service. The resolution identified the data subject to transfer between the Greater Protection Service and Gradual Protection Service operators and the technical methods for the secure transfer of such information. The data transfer was established between 1 and 8 July 2024 and the renewal of the direct debit authorisation would take place on 2 September 2024 in order to allow the Greater Protection Service operator to collect the latest invoices issued for the service via direct debit.

Identification of vulnerable customers in the electricity market

With resolution **383/2023/R/eel**, the Authority defined the methods for identifying vulnerable customers, who will not be involved in the auctions for the Gradual Protection Service.
In particular, by the end of each month, starting in September 2023, the IWS identifies as vulnerable:

- end customers who receive a social bonus for economic problems during the current or previous year;
- end customers who receive a social bonus for physical problems during the month in progress;
- end customers who have a withdrawal point which cannot be disconnected;
- end customers over 75 years old.

By 10 September 2023, the IWS made the information able to greater protection operators with reference to their customers and made the information available for consultation.

Communications by the Greater Protection Operator:

- alongside the information envisaged by resolution 362/2023 (to be included in at least two utility bills in the period between September 2023 and March 2024), it must inform the customers identified as non-vulnerable of the possibility to identify as vulnerable if they are individuals with a disability pursuant to Article 3 of Law 104/92 or live with people with serious health conditions that require the use of medical equipment. Identification can be carried out using Form 1 attached to this resolution;
- from April 2024, when contracting with a new customer for a transfer or new activation, it verifies the vulnerability requirements using Form 2 attached to this resolution or other self-certification;
- when contracting due to change in supplier, it verifies the vulnerability requirements using Form 2 attached to this resolution or other self-certification.

Communications from Gradual Protection Operator (from 1 April 2024):

- when contracting with a new end customer, for a transfer or new activation, it informs the customer that in the presence of at least one of the vulnerability requirements, said customer is entitled to the Greater Protection service and not the Gradual Protection Service, and that the customer must contact the Greater Protection Service operator of reference, contact details for which can be found on the ARERA site;
- pending definitive assignment of the service or in cases of activation of the service of last resort by SII, in the Service activation communication, informs the customer of the need to identify as vulnerable using Form 3 attached to the resolution or other self-certification;
- information about customer vulnerability must be transferred to SII using the methods defined by it.

Beyond the National Single Price

Art. 13 of Legislative Decree 210/2021 set out the conditions and criteria for a gradual transition to zonal pricing defined based on market trends, without prejudice to the calculation by the GME of a reference price for electricity traded on the wholesale market in line with the NPS (*Prezzo Unico Nazionale* - National Single Price). In February 2024, article 13 of Legislative Decree 210/21 was amended by Decree Law 181/23, converted with amendments into Law 11/24: therein, the legislature mandated the Minister for the Environment and Energy Security to establish, by means of a decree issued by the same, the conditions and criteria for the application, as of 1 January 2025, of zonal pricing on the wholesale electricity market and guidelines for the definition by the Authority of a transitional equalisation mechanism, to compensate for any difference between zonal prices and a reference price calculated by the GME in continuity with the calculation of the NSP.

The Minister implemented this provision with the Decree of 18 April 2024, which established:

- as of 1 January 2025, the valuation at zonal prices of electricity purchase offers on the day-ahead market;
- for the purposes of regulating the electricity market, the calculation by GME of a reference price for electricity traded on the day-ahead market, as the weighted average of the zonal prices for the quantities purchased in respect of zonal portfolios in each zone;
- the definition by the Authority of a transitional equalisation mechanism, to compensate for any difference between zonal prices and the reference price calculated by the GME, along with the relative hedging methods; this mechanism will be active until at least 31 December 2025;
- the definition by the Authority of the terms and methods for transitioning away from the equalisation mechanism;
- the definition by the Authority of the methods used by GME to calculate the reference price in order to transition away from the equalisation mechanism, with the provision by the Integrated Information System of the relative information flows on withdrawal data required for this purpose.

Subsequently, the Authority published DCO 194/2024/R/eel, which outlined the methods for leaving the National Single Price behind starting from 1 January 2025, in line with the provisions of the MASE decree of 18 April 2024 that established the application of zonal prices also to demand and the definition by ARERA, for a transitional period, of an equalisation component to compensate for any difference between zonal price and NSP. In the DCO, following an excursus on the current role of the PUN on both the retail and wholesale markets, two alternative hypotheses were set out for 2025, postponing the identification of the complete solution until subsequent evaluations and consultations are held (from 2026 and with at least 12 months' notice). The first hypothesis considered replacing the NSP with the new GME Index NSP (calculated much in the same way as the current NSP, namely as a weighted average of the zonal prices) which would not lead to significant impacts on either the retail or wholesale markets, nor on the mechanism of guarantees. The second hypothesis considered the introduction of a new equalisation component managed by Terna. This hypothesis would require a change to the current regulation for standard market services (Greater Protection Service, Gradual Protection Services and Safeguard Service) and for variable price Placet offers. In both cases, however, the Authority noted that the replacement of the NSP with a new reference index (NSP GME Index) does not fall within the retailers' discretion as it is instead dictated by legislative and regulatory developments. Therefore, the Authority considered it sufficient for the retailers to inform the customers concerned of the contractual changes in the first bill in which these were applied.

At the end of July 2024, the Authority published resolution 304/2024/R/eel providing that, as of 1 January 2025, the transitional phase away from the National Single Price would begin, maintaining a reference price (the GME Index NSP) calculated in the same way as the current NSP but with an equalisation mechanism that considers zonal prices. In this regard, the Authority confirmed the first hypothesis presented during DCO 194/2024 which provided for the application of a compensation component on energy purchased on the Day-Ahead Market. This hypothesis was selected due to its limited impact on the current market structure.

Tariff regulation

With resolution no. 206-2024, the Authority approved the values of the provisional reference tariffs for 2024 for the electricity distribution and metering service. The provisional tariff for the distribution service for Areti is €419,867,005.

The value of the fixed assets and the related provision for depreciation and the net value of public and private contributions of assets in operation are managed in continuation with the current regulatory criteria and are reassessed based on the annual average change in the deflator of gross fixed investments, reported by ISTAT, excluding quotas of depreciation and disposals.

The value of the T(res) component of the Tariff for the metering service is 213.31 expressed in euro cents per year per effective metering point, to cover the residual non-amortised cost of the electromechanical meters replaced with electronic meters.

ENVIRONMENTAL REGULATION

With resolution 443/19 of 31 October 2019, ARERA approved the first tariff method for the integrated waste management service for the years 2018-2021. The Waste Tariff Method (WTM) defines the new rules for the TARI fees to be applied to users in 2020-2021, the criteria for the costs recognised in the current two-year period 2018-2019 and the reporting obligations.

As in other sectors subject to regulation, the WTM refers to ex-post data referring to certain accounting sources (financial statements) for the year Y-2 and applied to year Y (including indications of adjustments that permeate the entire algebraic structure of the method) and no longer to forecast data.

In the new method, ARERA applies a hybrid approach, borrowed from other service regulations, characterised by a different treatment of capital costs and operating costs. Namely:

- Capital costs recognised according to a regulation scheme of the rate-of-return type;
- Operating costs with the application of incentive regulation schemes and the definition of efficiency targets on a multi-annual basis.

Furthermore, the method calls for tariff limits to revenue growth and the introduction of four different schemes that can be adopted by local authorities and operators with respect to the objectives of improving service. It also regulates the phases of the integrated waste service: street sweeping and washing, collection and transport, treatment and recovery, treatment and disposal of municipal waste, tariff management and user relations.

In this first definition of the WTM, ARERA maintained the algebraic structure of the method established by Italian Presidential Decree 158/1999, providing for the inclusion of further additional components for the determination of the fees, as follows:

- Limit to the overall growth of tariff revenues, with the introduction of a limit factor for annual variation that also takes into account efficiency gains and productivity recovery;
- asymmetrical configuration characterised by a tariff matrix that in the valuation and calculations of the individual cost components, considers the following elements: 1) service improvement objectives established at a local level; 2) possible extension to the operational perimeter;
- Sharing factor in relation to revenues from the sale of material and energy from waste (between 0.3 and 0.6), and in relation to CONAI revenues (between 0.1 and 0.4);
- introduction of an adjustment component for variable and fixed costs, defined as the difference between the revenues defined by ARERA for the variable and/or fixed cost components for year Y-2 and the tariff revenues calculated for the year Y-2;
- introduction of two different rates of return on net invested capital (WACC) for the service of the integrated waste cycle and a differentiated rate of return for the enhancement of current assets: 6.3% for the years 2020-2021; increase of 1% to cover the costs arising from the time lag between the year of recognition of investments (Y-2) and the year of tariff recognition (Y).

With Integrated Text TITR – 444/2019/R/rif – Provisions on transparency in the management of urban and similar waste, this text defines the provisions on transparency of the management of urban and similar waste for the regulatory period 1 April 2020 - 31 December 2023. The scope of the intervention includes the minimum information to be made available by the integrated cycle manager through websites, the minimum information to be included in collection documents (payment notice or bill) and individual communications to users concerning significant changes in operations.

With resolution **363/2021/R/rif**, the Authority approved the new **Waste Tariff Method MTR-2)** for the years 2022-2025. The method also establishes criteria for access tariffs for treatment plants owned by operators not integrated into the upstream activities of the supply chain, which apply solely to the "minimum plants" defined by the relevant entities in the context of area planning. On the other hand, plants not classified as "minimum" (known as "additional") are subject solely to the regulations on transparency in operating information. According to the adopted method, the managers of the minimum plants must prepare the Economic Financial Plan (EFP) for 2022-2025 in line with the indications found in the aforementioned MTR-2 and, pursuant to article 7 of resolution 363/2021/R/rif, send them to the relevant bodies for validation; these latter then send them to ARERA for verification of regulatory consistency with the documents and subsequent approval of the tariffs.
Resolution **459/2021/R/rif** subsequently completed the tariff regulatory framework defined for the MTR-2, containing the values of parameters to determine capital use costs (i.e. planned inflation rate and the vector expressing the deflator for gross fixed investments for the MTR-2 period of application), as well as resolution **68/2022/R/rif** which established, for managers providing processing activities in a non-integrated form, a WACC value of 6%.
With Determination **01/DRIF/2022** of 22 April 2022, on the other hand, ARERA approved the basic schemes for the documents making up the tariff proposal that managers of "minimum" plants submit to the relevant bodies, consisting of the EGATO or the Region.
In 2022, following the sector scheduling documents published by the relevant bodies, in application of the ARERA regulations pursuant to resolution 363/2021/R/rif, Acea Ambiente and the Group companies involved implemented preparatory activities to comply with regulatory activities for plants classified as "minimum" and, subsequently, sent the documents required under Determination 01/DRIF/2022.
On 24 and 27 February, decisions **486/2023** and **501/2023** were respectively published, and on 6 March 2023, decision **557/2023**, with which the Regional Administrative Court of Lombardy, Milan, First Section, **in part annulled resolution 363/2021/R/rif**. Specifically, the Regional Administrative Court found that ARERA's identification of "minimum" plants fell outside of the government's area of responsibility, consequently granting Regions powers not due to them and inverting the proper direction of the scheduling process.
On 7 March 2023, ARERA published resolution **91/2023/C/rif** providing information on its appeal made to the Council of State, requesting precautionary suspension of the decisions of the Regional Administrative Court of Lombardy, in that in the Authority's opinion, "*the referenced decisions [...] are based on an erroneous interpretation of the relevant factual and legal elements*". The Council of State rejected this precautionary suspension request.
While awaiting the Council of State's decision on the merits, with consultation document **275/2023/R/rif**, in the context of the procedure begun with resolution 62/2023/R/rif, the Authority provided guidance for the 2024-2025 two-year update for the waste tariff method (MTR-2). In particular, the Authority confirmed its desire to not submit to the referenced Lombardy Regional Administrative Court decisions and proposed updates to the main economic parameters, above all the inflation rate.
Upon completion of the aforementioned procedures, in July 2023 ARERA published the following provisions:

- Resolution **385/2023/R/rif** "Basic service contract scheme to govern relations between awarding entities and urban waste management service operators" which follows (most recently) the guidelines presented with the cited DCO 262/2023/R/rif;
- Resolution **386/2023/R/rif** "Establishment of equalisation systems in the urban waste sector" which takes up the proposals formulated in DCO 611/2022/R/rif without confirming the introduction of the equalisation instrument linked to the waste hierarchy for that going to plans (postponed to the next regulatory period);
- Resolution **387/2023/R/rif** "Monitoring and transparency obligations for efficiency in separated waste and urban waste treatment plants", which introduced initial regulations for quality for plants, with reference to both technical aspects (in particular management of processing waste) and contractual/commercial aspects (management of complaints and written requests from users, monitoring of service interruptions) with respect to which the Company adopted specific compliance measures in terms of collecting and recording information and making adjustments to contracts and its website; while establishing initial monitoring and reporting obligations, the provision did not introduce service standards correlated to bonus and penalty mechanisms, which had been announced in DCO 214/2023/R/rif;
- Resolution **389/2023/R/rif** "Two year update (2024-2025) of the waste tariff method (MTR-2)" with which, in line with the proposals in DCO 275/2023/R/rif, confirms and updates (with particular reference to economic parameters and internal infla-

tion rates) the general structure for defining plant access tariffs pursuant to resolution 363/2021/R/rif, specifically the update of the tariff for 2024-2025 (based on updated data relative to 2022-2023) by 30 April 2024. With resolution 465/2023/R/rif ARERA subsequently confirmed the provisions inserted in line with Council of State ruling 7196/23, on the deduction of the tariff recognised for integrated management of costs/revenue attributable to precleaning, preselection or preprocessing of plastic packaging coming from separated waste.

During December 2023, the **Council of State Second Section Rulings 10548, 10550, 10734, and 10775,** rejected the ARERA appeal and confirming the reasoning already expressed by the Regional Administrative Court of Lombardy, which found the classification of plants envisaged in the MTR-2 to be illegitimate, in that the material fell under the areas of planning falling to the government.
With resolution **7/2024/R/rif and 72/2024/R/rif,** ARERA took action to comply with these rulings, confirming the tariff adjustment for "minimum" plants starting from 2024-2025 (as updated by resolutions 389/2023/R/rif and 7/2024/R/rif with reference to time references and the new investment remuneration rate – WACC – which rose from 6% to 6.6%). Confirmation of the structure for "minimum" plants now is based on the criteria identified in the meantime in the PNGR (Ministerial Decree 257 of 24 June 2022).
Additionally, with resolution **27/2024/R/rif** ARERA began the procedure to define directives for accounting and administrative separation in the urban waste sector, with the objective of applying the regulations starting in the next regulatory period, in 2026.
Lastly, with Determination no. 2 of 16 April 2024, ARERA approved the basic schemes for the documents making up the tariff proposal for the 2024-2025 two-year period and the operating methods for the related transmission to the Authority. It also provided clarifications on aspects of application of the tariff regulation on access to treatment plants, pursuant to resolutions 363/2021/r/rif, 7/2024/r/rif and 72/2024/r/rif.

SCENARIO OF REFERENCE FOR ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE) ASPECTS

Sustainable development

2024 was characterised by various initiatives carried out by the European Union, which, in a political context influenced by the end of the legislative cycle, consolidated the strategic and legislative framework of reference marked by the pursuit of shared sustainability objectives set out by the Green Deal. In this regard, the European Commission recently proposed a €100 billion investment to support the production of clean technologies in the EU, as part of the Clean Industrial Deal. This investment aims, in particular, to strengthen the competitiveness of very energy-intensive industries by helping them to confront the high costs and stringent regulatory requirements of the global market. Furthermore, the Commission is also launching a collaboration with the European Investment Bank to develop guarantee schemes able to reduce long-term contract costs for renewable energy and support electricity grid producers. The creation of an EU Centre for Critical Raw Materials has also been proposed, aimed at securing the metals and minerals required to tackle the energy transition.
As already established, the Corporate Sustainability Reporting Directive (CSRD) came into force on 1 January 2024, representing a substantial overhaul for corporate sustainable reporting, expanding the number of entities involved, and introducing new reporting standards for ESG (environmental, social, governance) aspects. The CSRD reinforces the correlation between financial and non-financial statements, establishing more stringent obligations in terms of data transparency and verifiability, with the aim of improving the sustainability and resilience of the European market. In this context, the adoption of EU Regulation 2023/2772, which establishes specific criteria for the disclosure of sustainability information, also assumes relevance.
On the other hand, in the context of the action plan for zero air, water and soil pollution, we find the proposals for directives regarding urban wastewater treatment and the protection of surface and ground water, in full synergy and coherence with the recent review of the drinking water directive. Approval of the Nature Restoration Law was also significant. It aims to restore, by 2030 and by establishing specific legally binding objectives and obligations, the natural quality of various ecosystems, from forests and marine ecosystems to agricultural and urban areas. Based on the new rules, Member States must prepare and present national restoration plans to the Commission.
In line with these developments, on 5 March 2024 Acea presented its new 2024-2028 Business Plan, entitled "Green Diligent Growth", in which all aspects of sustainable development (environment, social and governance), from the objectives assumed as part of the SBTi and the new human rights policy, to the commitment to promote sustainability performance along the supply chain and develop ESG financing, will play an enabling role in its mission as operator of sustainable infrastructure (for more information, please refer to paragraph "The strategy of sustainability").

Standards in the reference markets at a local, national and supra-national level

The regulatory context of the Acea Group is wide-ranging and articulated according to the specificity of the businesses managed and the variety of the frameworks within which the legal and regulatory disciplines intervene, which affect the business operations.
In the water sector, we note the significant entry into force on 26 June 2023 of Regulation (EU) 2020/741 on minimum requirements for water reuse and the related Commission Delegated Regulation (EU) 2024/1765, which came into force on 10 July and sets out technical specifications for the reuse of water for agricultural use, as well as Directive (EU) 2024/3019 of the European Parliament and of the Council of 27 November 2024, concerning the treatment of urban waste water. Through this Directive, new regulations were adopted for more efficient water treatment and covering more agglomerations and pollutants.
In relation to Italian legislation, we note Decree Law 89/2024 (Infrastructure DL), which also made specific changes to the resurfacing project of the upper section of the Peschiera aqueduct, providing for further public financing.
There was also the Cohesion Decree Law (DL 60/2024 converted by Law 95/24) on the use of the resources of 2021-2027 European cohesion policies, with the main goal of accelerating the actions of programmes in strategic sectors such as the water sector and the creation of the Steering Committee for the Italian Development and Cohesion Fund (FSC).
With the new plan of measures in the water sector (PNISSI), the MIT gave the green light for 418 projects worth €12 billion. The DPCM PNISSI, published in the Official Journal on 27 December 2024, provides for the adoption of the PNISSI for the planning of infrastructure and safety projects in the water sector. The plan also includes several measures adopted to fund the aforementioned

works, such as those included in the Extraordinary Reservoir Plan and the Excerpt concerning the water pipelines section.
Furthermore, with Agriculture Decree Law 63/2024, converted by Law 101/2024 (Art. 11), urgent measures were provided to counter water scarcity as well as to fund initial urgent intervention. In a similar vein, on 31 December 2024 Decree Law "NRRP Emergencies" entered into force, introducing urgent measures to combat water shortages and to optimise and update water infrastructure. On 16 December, the law covering the Environment Decree Law was published, which included provisions concerning environmental protection, the simplification of authorisation procedures, and the circular economy.

Various measures were relevant for promoting the use of renewables, such as:

- the Suitable Areas Ministerial Decree (Environment MD of 21 June 2024), which governs the identification of suitable surfaces and areas for the installation of renewable plants to achieve the objectives set by the NIECP and the "Fit for 55" package, including in light of REPowerEU in line with the principle of technological neutrality;
- the FER2 Ministerial Decree (MD 19 June 2024) on the production of electricity from innovative renewable energy source (FER) plants or with high generation costs via an incentive system;
- the CER Decree (MASE Decree no. 414 of 7 December 2023) which introduced new incentives to support energy from renewable sources produced under self-consumption arrangements;
- Legislative Decree "Riordino FER", concerning the reorganisation of renewable energy – Published in the Official Journal on 12 December and entered into force on 30 December 2024. The provision regulates the authorisation processes for the construction of renewable energy plants, specifically permit-exempt works, the simplified authorisation procedure (PAS), and the single authorisation (AU) mechanism. Furthermore, following parliamentary review, specific legislation was introduced for acceleration zones, regulating the authorisation procedures applicable to plants located in these areas and establishing a safeguarding clause. MASE Ministerial Decree "Admission to the Energy-Intensive Easing Scheme" – Published on 27 November 2024 and entered into the force the following day, this Decree establishes the terms and methods for presenting applications for admission of a sector or subsector into the easing scheme for energy-intensive sectors. Specifically, it provides that applications may be submitted to the Demand and Energy Efficiency Directorate of MASE by the following entities: A company that meets the consumption requirements and which, according to ARERA's criteria, operates in one of the sectors or subsectors not included in Annex 1 to the EC Guidelines on State Aid for Energy; Trade associations representing sectors or subsectors not included in the same annex; MASE Ministerial Decree "Renewables Installation Resources and Regions" – signed on 4 December, published on the MASE website on 12 February and entered into force the following day. Implementing act of art. 4 of Decree Law 181/2023 (the "Energy Security Decree Law") provides for the allocation of a share of the proceeds from ETS auctions to finance a fund aimed at supporting environmental and regional compensation and balancing projects, to be distributed among the regions for the adoption of measures to promote decarbonisation, sustainable development, and the acceleration and digitisation of authorisation procedures for renewable energy projects.

In Europe, the following legislative acts are of particular relevance:

- Directive (EU) 2024/1711 of the European Parliament and of the Council of 13 June 2024, amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union's electricity market design;
- Regulation (EU) 2024/1747 of the European Parliament and of the Council of 13 June 2024, amending Regulations (EU) 2019/942 and (EU) 2019/943 as regards improving the Union's electricity market design.

As regards the environment, please note the update of the EoW rules of the Ministry of the Environment regarding the termination of the waste classification of inert construction and demolition waste, as well as the update of the EU Protocol for the management of construction and demolition waste. At a domestic level, the new rules governing the emission trading system are also worthy of note. In terms of EU legislation, we also highlight Regulation 2024/1991 on "nature restoration", which introduces a series of targets for Member States to restore degraded terrestrial, marine, urban, forest and agricultural habitats to good condition. It should also be noted that infringement proceedings have been initiated against Italy for the incorrect transposition of Directive 2018/851/EU on waste, with regard to extended producer responsibility, ensuring high quality recycling, separate collection of hazardous waste, and the implementation of an electronic traceability system.

Climate change

Sensitivity to the evolution of climate change and its effects on the businesses managed is a well-established theme at international level, which is also reflected in a greater demand for information in the annual financial report. Specifically, ESMA, in its European Common Enforcement Priorities, highlighted that issuers should consider climate risks in the preparation of IFRS financial statements to the extent that they are significant regardless of whether or not these risks are explicitly provided for in the relevant accounting standards.
The Acea Group describes its considerations regarding actions attributable to mitigation of the effects of climate change as well as adaptation to climate change in the sustainability section of the non-financial statement, according to the content of the Corporate Sustainability Reporting Directive (CSRD).
The Acea Group has developed an integrated climate strategy that primarily centres on supporting climate change adaptation and mitigation targets by investing significantly to increase infrastructure resilience and security, to increase energy production from renewable sources, to improve energy efficiency, and to reduce greenhouse gas emissions. These targets are formalised in the 2024-2028 Group Sustainability Plan, which sets aside approximately €5.4 billion for projects related to environmental sustainability targets.
The sustainability strategy and action plan also incorporate the results of climate risk analyses conducted using the framework provided by the International Sustainability Board (ISSB) and the Group's Enterprise Risk Management (ERM) method. This analysis aims to identify the physical risks, linked to extreme weather events and climate change over the long term, that may impact infrastructure and the company's operations, and transition risks, linked to changes to the legislative framework, evolving consumer preferences, and the adoption of new low-carbon technologies.
When defining and implementing its strategy, Acea engages constantly with stakeholders, institutions and local communities, promoting awareness-raising and training activities to create a culture of sustainability, collaborating with research institutions to develop innovative solutions, and participating on national and interna-

tional round tables to help draw up effective environmental policies. Thanks to this integrated strategy, Acea has positioned itself as a key player in the ecological transition, showing a concrete commitment to climate action and to the promotion of a sustainable development model.

The main strategic elements adopted by Acea to pursue climate change risk mitigation include:

- increase in energy production from renewable sources, with a particular focus on solar, hydroelectric and wind power. In this context, Acea has implemented projects to develop new photovoltaic plants and to modernise existing hydroelectric plants, increasing their efficiency and production capacity. Furthermore, projects focused on biogas and biomethane production are being developed, aimed at optimising organic waste and treatment sludge.
- improving energy efficiency at the Group's plants and offices to improve the energy performance of its facilities, reduce resource use, and cut emissions. The most important initiatives include the adoption of smart technologies to manage water and electricity networks, the optimisation of industrial processes, and the use of energy storage systems to balance energy demand and supply;
- increase in the percentage of energy purchased with Guarantees of Origin and the production of renewable energy for self-consumption;
- increase in the quantity of green electricity sold to end customers and offsetting the methane gas volumes sold through the voluntary purchase of certified carbon credits.

Furthermore, the Group is continuing its commitment to reduce greenhouse gas emissions with a "Well below 2°C" target, in line with the trajectory set by the Paris Agreement. This commitment, which is certified by the Science-Based Targets initiative (SBTi), includes the following reduction targets by 2032, taking the year 2020 as the baseline: 56% reduction in direct Scope 1 emissions; 32% reduction in indirect Scope 2 emissions from purchased energy; 30% reduction in indirect Scope 3 emissions (indirect emissions deriving from gas sales). Furthermore, Acea is aiming to reduce Scope 1 and Scope 3 emissions related to the production and sale of electricity by 56%.

The following is a summary of the considerations made by management with reference to the aspects considered significant for the purposes of preparing the financial statements in the sectors of activity in which it operates.

For the short term horizon, considering the analyses carried out and the mitigation tools defined by the above-mentioned plans, the management has not identified any specific impacts of significant magnitude deriving from climate-related risks subject to consideration in the application of the accounting standards or requiring special disclosure. This is supported by the Group's constant commitment to pursuing the highest standards of service in all of its sectors of activity. This entails an ongoing commitment to the development of adequate infrastructures and the evolution of their management, with the application of technological innovation and digitalisation, as well as the preservation and protection of water resources, the development of electricity generation capacity from renewable sources, the energy efficiency of production processes, the pursuit of a circular economy approach, and the implementation of controls on commodities supplied to customers.

With reference to the medium/long term, the management, while continuing to define updated development plans, does not foresee any further specific considerations to be taken into account in the application of the accounting standards for the preparation of the financial statements and the relative disclosures.

It should also be noted that the Group's main companies began the process to identify priority physical risks in 2020-2021, analysing them through climate scenarios that consider the regions in which the assets exist, with medium to long term projections, and considering the economic impacts resulting from the increased probability of extreme events. The main physical risks identified are drought and water stress (for water systems), extreme rainfall and flooding (for power distribution networks), and lightning strikes (for power generation assets).

For example, the fully consolidated company Areti assesses and quantifies the effects of climate change (heat waves/drought and flooding) on its assets and the mitigation projects to implement in the Resilience Plan approved by the Regulatory Authority For Energy, Networks and Environment (ARERA). Management has assessed that these investments do not reduce or modify the expectation of the economic benefits associated with the use of the assets recorded under tangible fixed assets, as they have regulatory relevance and are therefore subject to specific reimbursement mechanisms. Therefore, a critical review of the useful life of fixed assets on the balance sheet was not necessary.

With specific reference to the sale of commodities, the Group monitors the useful life of the customer base and the related accounting assessments as a potential effect of reputational risk.

With reference to the existence of risks of asset impairment, management has considered that, although actions to mitigate/adapt to climate risk entail the need to plan for the maintenance/upgrading of plants in order to guarantee the quality of service, the safety of managed assets and the maintenance of their performance, these activities are in any case considered within the scope of the cash flow forecast used as the basis for determining value in use.

More specifically, impacts were identified in terms of sensitivity analysis carried out on CGUs, companies and systems by developing the risk analysis, considering the main external variables indirectly impacted by climate change issues (such as the production price index, energy price index and gas price index), potentially able to impact the relevant economic variables (EBITDA). Trends in raw material purchase costs along with hedging derivatives require a careful policy of monitoring requirements and price hedging. Trends in the cost of commodities as a result of the effects of climate change could make certain sales contracts costly. In addition, the unavailability of commodities could make cash flow hedges from highly probable future transactions ineffective.

Finally, with particular reference to regulated sectors, the presence of chronic physical risks could lead to a reduction in service quality resulting in liabilities for penalties. Specifically, extreme events such as floods can cause asset damage and service disruptions (equipment failures, blackouts, etc.) or, for the water network, overflowing of drains connected to wastewater systems and can cause turbidity of water springs. Such impacts may affect the provision of services in compliance with applicable laws and regulations, resulting in the risk of financial penalties. As indicated previously, also thanks to risk mitigation projects implemented, the potential economic/financial impacts associated with physical risks have been hypothesised as unchanged.

Geopolitical situation

Overall, 2024 was characterised by a backdrop of increasing economic and geopolitical fragmentation, requiring businesses to pay close attention to global scenarios and risk management strategies. The economic situation was influenced by several geopolitical and economic factors: the Russia-Ukraine war, despite the absence of any conclusive developments, continued to affect the global economy, with growing challenges for Ukraine and a possible move towards diplomatic solutions; meanwhile, relatively "newer" conflicts, such as the war between Israel and Hamas, progressively escalated throughout 2024, at huge humanitarian cost and with the risk of spreading within the region to also involve Hezbollah in Lebanon.
Currently, after the shocks of recent years, the global economy has continued to normalise, with most of the major imbalances becoming more even:

- 2024 saw a major rebalancing on the energy markets: Brent settled at around 80 USD/bbl, supported by weaker demand especially in China and a surplus of supply that counterbalanced geopolitical tensions, including the attacks by the Houthis in the Red Sea, which had a limited impact on the stability of global trade. The National Single Price (NSP) of electricity in Italy fell to €88/MWh in March 2024, while nonetheless remaining well above the pre-crisis levels of 2019 (when the average was around €52/MWh).
- At a macro-economic level, in its World Economic Outlook the International Monetary Fund predicted a continued slowdown in economic growth, with increasingly wide regional differences: the US has maintained a consistent pace thanks to internal consumption, while Europe has recorded weaker growth, and China has been faced with a slowdown linked to the real estate crash which has had a negative impact on internal demand.
- Inflation in the Eurozone has remained limited but with signs of increasing, particularly with regards to energy prices, while core inflation proved to be relatively stable (energy prices at the point of consumption rose by 1.8% year-on-year as at January 2025, while core inflation remained stable at 2.7%). The central banks continued to closely monitor inflation, adopting monetary policies aimed at maintaining prices at a stable level.

The geopolitical and macroeconomic context has continued to represent a critical variable for businesses, with impacts both on asset valuations and budgeting strategies. In this regard, the Public Statement issued by ESMA on 28 October 2022, which analysed the effects of the Russian invasion of Ukraine on financial reports, remains a key reference for impairment testing of non-financial assets. The change of strategic, commercial and financial approach of companies following the continuation of the conflict and the exacerbation of the global geopolitical situation considerably increased the risk of significant impacts on the carrying amount of balance sheet assets and liabilities. The ESMA therefore recommends that regulated companies review and update the assumptions and hypotheses underlying the calculation of prospective flows, ensuring consistency between business strategies and market conditions. In particular, the recoverable value of non-financial assets should be estimated considered all sources of information, both internal and external, and taking into account the increased global uncertainty. To confront this scenario, the use of forecasting models based on multiple scenarios is advised, supported by reasonable and realistic parameters and estimation inputs that reflect market risks, geopolitical tensions, and inflation impacts. A key element of the impairment testing process is the correct determination of the discount rate, which must reflect current market conditions as well as risks specific to the assets being valued, excluding any risk already incorporated into the forecast flows. The ESMA also underlines that increases to interest rates and inflation can have a significant impact on the discount rate used to estimate the recoverable value of the assets. Consequently, it is essential to ensure consistency between the macroeconomic scenarios adopted and the balance sheet valuations in order to guarantee the transparency and reliability of financial disclosures.

Development and technological innovation

For Acea, collaborations, partnerships and business systems represent a crucial driver for the positioning and improvement of the Acea Group in the innovation ecosystem, as well as helping to open new channels offering access to ideas, business and technological opportunities, academic research and new talent.
Acea participates in numerous partnerships and cooperative agreements linked to innovation; in fact, for several years the Group has actively participated in the Italian and international innovation ecosystem, sharing best practices and experiences.
In this regard, we note: **ROAD** (Rome Advanced District), a project developed from an ENI concept, in collaboration with Autostrade per l'Italia, Cisco, Ferrovie dello Stato, Bridgestone and NextChem, with the aim of creating an advanced knowledge and research centre to develop solutions for a sustainable future; **CTE** (Emerging Technology House) of Rome, a living lab within the Tiburtina station, created by Roma Capitale with co-financing from the MISE and other corporate partners of the CTE with the aim of supporting new players in the innovation ecosystem; **Zero**, a startup accelerator born from the collaboration between the National Network CDP Venture Capital SGR, Zest and ELIS to support the best startups in the cleantech field. This initiative offers new businesses the skills and tools necessary to overcome the challenges of the sector, as well as the possibility to develop concrete cases of use, validating their solutions in real-life contexts and testing them in industrial environments. This approach accelerates technological transfer and allows us to be at the cutting edge of innovation, identifying new opportunities to grow the businesses of the Acea Group. **Fondazione Rome Technopole,** a foundation that represents the innovation ecosystem in Lazio, bringing together universities, research centres, the Lazio Region, the Municipality of Rome, the Chamber of Commerce, Unindustria and innovative companies. Finally, in collaboration with **NTT Data**, a Tokyo-based multinational, an annual Open Innovation programme has been established with the goal of launching a challenge to identify innovative sewer management systems to confront the unpredictability of adverse weather events.

Development of personnel

For every organisation people represent a fundamental asset to remain competitive in a changing economic and social context. Acea listens to the needs of its people and develops a People Strategy, structured into projects and initiatives.
Every year Acea prepares an Equality & Care Plan that identifies goals and associated projects for diversity and inclusion, wellbeing, and corporate welfare. In 2024, Acea was included by the *Financial Times* and *Statista* in the special list of "Europe's Diversity Leaders 2024" and for the fourth consecutive year received *Top Employers* Italy Certification, official recognition of the excellence of the company's HR policies and strategies, and implementation of the same.
Acea has also developed an integrated corporate welfare system, based on listening to employees and their needs and structured around six fundamental pillars: health, corporate wellness, family care, income support services, complementary social security and

solidarity. Numerous initiatives were launched to implement the pillars of welfare, such as preventive health campaigns, mental and physical well-being support and parenthood support services, as well as income support services through the signing of various corporate agreements and participation in various solidarity initiatives.
These areas are shared with a Bilateral Committee, consisting of representatives from Group companies and the Unions.
As part of its training processes, the Group has established the Acea Business School Academy that provides courses on managerial, position, governance and digital issues, serving the entire group and designed with qualified partners (universities, business schools, research centres, etc.). In particular, the "Future Connections" webinar series was launched, with eight episodes focused on optimising the use of AI within the Group and ensuring close correlation between the evolutions of the Group's leadership and organisational mindset. The first four webinars were delivered in 2024 and were attended by over 5,000 people from all of the Group's companies. Thanks to the high level of interest, the LIA (Laboratorio Intelligence Artificiale) was launched, a learning community project focused on piloting the use of AI in company processes.
The Acea Group was also awarded a public contract for Maternity projects, which will therefore fund new services to support working women during maternity, for effective support and reintegration into the work environment. Furthermore, the Corporate Governance Code was signed in which the Acea Group confirmed its commitment to promote a fair and sustainable work environment, valuing the contribution of female workers and supporting their needs during the different stages of life, with a particular focus on maternity leave. The Acea Group has always been committed to implementing welfare policies and strengthening initiatives in favour of working mothers, including through the adoption of the "Charter of the Person and Participation" and UNI/PDR 125:2022 certification, renewed for 2024.

Sustainable management of the supply chain

Aware of the positive contribution that sustainable supply chain management can offer to protecting the environment, Acea is committed to defining purchasing methods that include intrinsic characteristics of the products and aspects of the process that limit environmental impact and foster initiatives aimed at minimising waste, reusing resources and protecting the social aspects involved in the procurement of goods, services and works. In tackling this green procurement issue, Acea has been using the minimum environmental criteria in force for several years, including non-compulsory bonus aspects in its tender procedures.
Acea has always been at the service of the community and the public and therefore puts a high priority on open exchanges with the supply chain to be increasingly efficient in responding to local demands.
The creation of a sustainable chain depends on each company monitoring itself, as well as on agreements between all members in a given chain. Cooperation allows for more transparent and clear relationships, helping to create shared value:

- EcoVadis assessment;
- Green purchases;
- Reputational due diligence;
- Management Systems – Supply Chain Verifications;
- Vendor ratings;
- Sustainability and safety;
- Cyber risk assessment.

Health and safety in the workplace

Acea carries out constant awareness campaigns on the subject, with the aim of profoundly affecting the widespread dissemination of a culture of safety involving all its people. It has implemented an advanced risk assessment model, not to mention control and mitigation measures. Acea has also launched a number of initiatives to raise awareness of and involvement in the issues discussed above with its contractors and sub-contractors, key business partners throughout the entire value chain.
Safety seen as strategy, and not only as compliance, is based on the possibility of measuring and monitoring the results in a managerial approach. In the context of the process of continuous improvement that it has undertaken, oriented to the prevention and reduction of injuries, Acea provides all its people with a valid and effective instrument for the purposes of active participation in analysing the trend of indicators; this aspect is often considered a measure of the level of maturity of the culture of safety and the culture of improvement in an organisation. Improvement actions based on the realisation that there are margins to pursue (for example actions to reduce the proportion of some types of injury) and consolidation actions (for example maintaining positive results, growing organisational resilience), represent the natural process of continual improvement in the field of workplace health and safety.

National Recovery and Resilience Plan (NRRP) Grants

As already highlighted, the Acea Group has been called upon to play a key role in Italy's growth within the context of the definition and implementation of the National Recovery and Resilience Plan.
The National Recovery and Resilience Plan (NRRP) is a package of investments and reforms put together by the Italian government and presented to the European Commission to draw on the support provided for under the Recovery and Resilience Facility (RRF), established by Regulation (EU) 2021/241 as a new financial instrument to support recovery among Member States.
To date, Italy has received the largest grant for the NRRP, with the Council of the European Union approving, with implementing decision 10160/21 of 13/07/2021, a total allocation of €191.5 billion. Precise targets and milestones are set for each investment and reform, which must be met in order for the funds to be disbursed. The original NRRP states that 40% of the resources will be allocated to regions in the South of Italy, 37% to ecological transition measures, and 25% to the digital transition. The annex to the decision defines, for each investment and reform, the precise targets and milestones that must be met in order for the funds to be disbursed. The fulfilment of this condition is verified on a six-monthly basis, from the second half of 2021 to 30 June 2026.
On 8 December 2023, the revision to the Italian NRRP (Implementing Decision 16051/23) was approved, introducing a new chapter on the REpowerEU project aimed at confronting the energy crisis and the geopolitical tensions caused by the war in Ukraine. The restructured plan provides for investments of €194.4 billion and includes 66 reforms and 150 investments, structured into 618 targets and milestones. In this regard, 39% of the funds must be used to support ecological transition projects. To date, €71.78 billion have been allocated in subsidies and €122.60 billion in loans.
In the course of 2024 the NRRP was further amended, most recently with the Decision of the Council of the European Union (15114/24) adopted on 18 November 2024 to adapt the plan to meet new implementation needs.

In the last three years, the Acea Group has received grants under the National Recovery and Resilience Plan (NRRP), aimed at supporting the investments and strategic initiatives set out therein.
In this context, Acea Group companies have benefited from a total of €0.89 billion in NRRP funding, of which:

- €0.70 billion of which €0.55 billion for water infrastructure (M2-C4-I4.1 and M2-C4-I4.2) and €0.15 billion for drainage and treatment systems (M2-C4-I4.4);
- €0.174 billion for electricity network resilience (M2-C2-I2.1) and smart grid (M2-C2-I2.2) projects.

The disbursement of NRRP grants is subject to the fulfilment of specific conditions established by the competent authorities, such as:

- the achievement of the targets of the funded project;
- the regular reporting of expenditure.

To date, the Acea Group has met all applicable conditions and continues to closely monitor changes to the regulatory and administrative landscape regarding the implementation of the NRRP, in order to guarantee the correct management and reporting of the funds received.

Operating segments

The macrosectors in which Acea works are broken down into the industrial segments listed below: Water, Networks and Public Lighting, Environment, Production, Commercial, and Engineering & Infrastructure Projects.

WATER

Integrated Water Service in Italy
Gas distribution
Development of initiatives outside of Italy

NETWORKS & PUBLIC LIGHTING

Distribution and **Measure**
Public Lighting

ENVIRONMENT

Sludge management
Treatment, recycling, waste-to-energy and **waste** disposal
Management of **recyclable plastics**

PRODUCTION

Electricity **generation**
Cogeneration
Photovoltaic

COMMERCIAL

Energy management
Sale of electric energy and gas
Energy efficiency for home clients

ENGINEERING & INFRASTRUCTURE PROJECTS

Laboratory analysis
Engineering & Consultancy

Trend of Operating segments

ECONOMIC RESULTS BY SEGMENT

The results by segment are shown on the basis of the approach used by the management to monitor Group performance in the financial years compared in observance of IFRS 8 accounting standards. Note that revenue includes the condensed result of equity investments (of a non-financial nature) consolidated using the equity method. The Water Segment also includes the financial statements of companies in the gas distribution segment and ASM Terni.

	31/12/2024									
€ million	Water	Water (Overseas)	Network and public lighting	Environment	Production	Commercial	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
Revenues	1,565	89	710	305	101	1,906	133	148	(671)	4,286
Costs	741	54	276	237	60	1,708	122	201	(671)	2,729
EBITDA	**824**	**35**	**434**	**68**	**41**	**198**	**11**	**(53)**	**0**	**1,557**
Depreciation/ amortisation and impairment losses	449	16	168	71	25	75	13	38	0	854
Operating profit/(loss)	**375**	**19**	**266**	**(4)**	**16**	**123**	**(2)**	**(91)**	**0**	**703**
Capex	895	9	316	100	26	67	5	20	0	1,439

	31/12/2023									
€ million	Water	Water (Overseas)	Network and public lighting	Environment	Production	Commercial	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
Revenues	1,494	97	628	334	131	2,483	95	145	(764)	4,644
Costs	750	61	253	250	77	2,354	86	187	(764)	3,253
EBITDA	**744**	**36**	**375**	**84**	**54**	**129**	**10**	**(42)**	**0**	**1,391**
Depreciation/ amortisation and impairment losses	419	15	154	59	20	70	8	34	0	779
Operating profit/(loss)	**325**	**21**	**221**	**25**	**34**	**59**	**2**	**(75)**	**0**	**612**
Capex	682	6	300	39	41	50	5	20	0	1,143

WATER

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
Water volumes	Mm³	517.7	517.1	0.6	0.1%
Energy consumed	GWh	760.6	730.6	30.1	4.1%
Sludge disposed of	kt	162.3	185.9	(23.6)	(12.7%)

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	1,564.5	1,493.7	70.8	4.7%
Costs	740.7	749.8	(9.0)	(1.2%)
EBITDA	823.8	743.9	79.9	10.7%
Operating profit/(loss)	374.9	325.0	49.9	15.4%
Average workforce	3,866	3,969	(102)	(2.6%)
Capex	895.4	682.4	213.0	31.2%

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Water segment	823.8	743.9	79.9	10.7%
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	52.9%	53.5%	(0.6 p.p.)	

EBITDA for the Segment stood at €823.8 million at 31 December 2024, an increase of €79.9 million compared to 31 December 2023 (+ 10.7%). The increase mainly derives from tariff approvals (+€107.0 million) especially for Acea Ato2 (+€66.2 million) and GORI (+€25.1 million), net of the components to hedge pass-through costs), following the incorporation of the tariff update, resulting from the introduction of the Water Tariff Method for the 4th regulatory cycle (MTI-4) 2024 – 2029, in particular for Acea Ato2 approved by the Conference of Mayors on 5 August 2024 and definitively by ARERA with Resolution 381/2024/R/IDR of 24 September 2024. The significant change in these revenues compared to the previous year is due to the update to the financial parameters (WACC, inflation and deflators) and the organic growth driven mainly by investments (Capex component of the tariff). This increase was offset by the reduction recorded in relation to Acquedotto del Fiora following its deconsolidation on 1 October 2024 (-€17.7 million) and the lower contribution of the companies consolidated using the net equity method (-€7.5 million). This latter variation was influenced by the devaluation of the company DropMi, in liquidation (-€5.5 million) and the lower contribution of Publiacqua (-€5.6 million) due to the lower revenue posted by SII (Capex and FoNI component), offset by the higher profit recorded by Umbra Acque (+€2.1 million) and Acque (+€1.0 million). The contribution to EBITDA of the companies valued at shareholders' equity is detailed below:

€ million	2024	2023	Change	% Change
Publiacqua	3.7	9.3	(5.6)	(60.0%)
Acque Group	8.4	7.4	1.0	13.1%
Umbra Acque	5.0	2.9	2.1	72.9%
Nuove Acque and Intesa Aretina	0.9	0.5	0.3	61.0%
Geal	0.8	0.9	(0.2)	(17.8%)
Umbria Distribuzione Gas	(0.4)	0.1	(0.5)	n.s.
DropMi in liquidation and Aqua Iot in liquidation	(5.6)	(0.1)	(5.5)	n.s.
Acquedotto del Fiora	0.9	0.0	0.9	n.s.
Total	**13.6**	**21.1**	**(7.5)**	**(35.5%)**

The quantification of the revenues deriving from management of the integrated water service is the consequence of application of the new water tariff method for the fourth regulatory period (MTI-4), as approved by the Authority (ARERA) with Resolution 639/2023/R/idr of December 2023, taking into account the approval of the 2024-2029 tariff provisions which occurred in the meantime. Further details are provided in the section "Service concession report".

The average number of staff at 31 December 2024 was 3,866 people, a decrease compared to the figure at 31 December 2023 of 102 people mainly attributable to the deconsolidation of **Acquedotto del Fiora.**

Investments by the Segment amounted to €895.4 million, an increase of €213.0 million compared to the previous year, primarily due to greater investments financed (+€117.0 million) and partly due to advances on tenders. The investments refer mainly to extraordinary maintenance work, reconstruction, modernisation and expansion of plants and networks, the reclamation and expansion of water and sewer pipes of the various Municipalities and work on purification and transport plants (ducts and feeders).

Revenue from the Integrated Water Service

The table below indicates for each Company in the Water Segment the amount of revenue in 2024 valued on the basis of the MTI–4 Tariff Method. The figures also include adjustments of pass-through items and the Fo.NI component.

Company

amounts in € million	Revenue from the IWS	FoNI	% of direct participation
Acea Ato2	819.3	FNI = 30.8 AMMFoNI = 10.8	96.5%
Acea Ato5	90.8	FNI = 0.5 AMMFoNI = 4.4	98.5%
GORI	258.5	-	37.1%
Acque*	76.4	-	45.0%
Publiacqua*	105.9	FNI = 16.7	40.0%
Acquedotto del Fiora	89.4	AMMFoNI = 10.3	40.0%
Gesesa	15.2	-	57.9%
Nuove Acque*	9.4	FNI = 0.3 AMMFoNI = 1.0	16.2%
Geal*	10.3	AMMFoNI = 0.8	48.0%
Acea Molise	6.0	-	100.0%
IWS	51.0	-	43.0%
Umbra Acque*	38.0	AMMFoNI = 2.6	40.0%

* pro-rata values

WATER (OVERSEAS)

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
Water volumes	Mm^3	46.2	46.6	(0.4)	(0.9%)
Volumes fed into the grid	Mm^3	80.5	77.8	2.7	3.5%
Number of customers (user accounts served)	Number	126,291	124,384	1,907	1.5%

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	88.8	96.7	(7.9)	(8.1%)
Costs	53.6	61.0	(7.4)	(12.1%)
EBITDA	35.2	35.7	(0.5)	(1.4%)
Operating profit/(loss)	19.4	20.9	(1.5)	(7.2%)
Average workforce	1,498	2,478	(980)	(39.5%)
Capex	8.5	5.7	2.8	49.1%

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Water (Overseas)	35.2	35.7	(0.5)	(1.4%)
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	2.3%	2.6%	(0.3 p.p.)	

The segment currently includes the companies that manage the water service in Latin America and closed 2024 with an EBITDA of €35.2 million, slightly down with respect to 31 December 2023 by €0.5 million, mainly as a result of the lower margins of **Acea Dominicana** (-€1.3 million), influenced by the end of a contract with a major customer in September 2023, partly offset by the better performance of **Consorcio Acea Lima Norte**, as a result of the price adjustment recognised at contractual level on the inflation component.

The average number of employees as at 31 December 2024 stood at 1,498 and was 980 less than at 31 December 2023, mainly as a result of the expiry of the three-year contract to manage the Lima drinking water pumping stations operated by **Consorcio Acea** (-904 employees) and **Acea Dominicana** (- 79 employees) due to the end of the contract with a major customer, as described above. Capital expenditure for the period amounted to €8.5 million, up from the previous year (+€2.8 million), and related almost entirely to investments made by **Aguas de San Pedro** in connection with the management of the integrated water service in the city of San Pedro Sula, Honduras.

NETWORKS & PUBLIC LIGHTING

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
Electricity distributed	GWh	9,240.4	9,049.9	190.5	2.1%
No. of customers	N/1000	1,669	1,662	7	0.4%
Km of grid (MV/LV)	Km	32,404	32,144	260	0.8%
2G metering groups	Number	446,351	333,664	112,687	33.8%

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	709.8	628.4	81.4	13.0%
Costs	276.1	253.0	23.1	9.1%
EBITDA	433.7	375.4	58.3	15.5%
Operating profit/(loss)	266.1	221.5	44.7	20.2%
Average workforce	1,238	1,269	(31)	(2.5%)
Capex	315.7	299.6	16.2	5.4%

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Networks & Public Lighting segment	433.7	375.4	58.3	15.5%
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	27.9%	27.0%	0.9 p.p.	

The EBITDA for the segment at 31 December 2024 was €433.7 million, showing an increase of €58.3 million compared to 31 December 2023. At **areti**, the EBITDA increased by €59.8 million as a result of the growth in regulated tariffs (+€70.0 million), predominantly due to the effect of the positive changes to WACC and the deflator (+€58.1 million), as well as the increase to the value of the RAB (+€14.1 million), partly offset by the higher operating costs (+€6.7 million), mainly linked to staff costs, the lower revenue deriving from the resilience plan (-€4.9 million) and asset disposal costs (-€4.0 million). As at 31 December 2024, **areti** had distributed 9,240 GWh of electricity to end customers, up compared to the previous year.

EBITDA from **public lighting**, for the management of the public lighting service in the Municipality of Rome, recorded a deterioration of €1.5 million as a result of fewer extraordinary maintenance activities.

The average number of employees fell compared to the previous year by 31 units.

Investments amounted to €315.7 million, an increase of €16.2 million compared to last year. The investments refer for the most part to **areti** and are attributable to the expansion and upgrading of the HV, MV and LV grids, the mass replacement of 2G metering groups, work on the primary stations, secondary substations and meters, and remote control equipment as part of the grid "Adequacy and Safety" and "Innovation and Digitalisation" projects, all intended to improve the quality of the service and increase resilience. Intangible investments refer to projects for the re-engineering of information and commercial systems. The **public lighting** sector contributed for €1.8 million.

ENVIRONMENT

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
WTE conferment	kt	358.4	375.9	(17.5)	(4.7%)
MBT waste and landfill	kt	445.0	474.0	(29.0)	(6.1%)
Conferments to composting plants	kt	159.1	156.5	2.7	1.7%
Conferments to selection plants	kt	336.9	339.2	(2.3)	(0.7%)
Intermediated waste	kt	154.2	151.0	3.2	2.1%
Liquids treated at plants	kt	264.0	310.1	(46.1)	(14.9%)
Waste produced	kt	460.4	484.3	(24.0)	(4.9%)
WTE net electricity sold	GWh	253.7	278.3	(24.6)	(8.9%)

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	305.2	334.3	(29.0)	(8.7%)
Costs	237.3	249.9	(12.6)	(5.0%)
EBITDA	67.9	84.4	(16.4)	(19.5%)
Operating profit/(loss)	(3.5)	25.4	(28.9)	(113.9%)
Average workforce	826	875	(49)	(5.6%)
Capex	100.3	38.9	61.5	158.0%

EBITDA

€ million	2024	2023	Change	% Change
EBITDA Environment segment	67.9	84.4	(16.4)	(19.5%)
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	4.4%	6.1%	(1.7 p.p.)	

The Environment segment closed 2024 with an EBITDA of €67.9 million, down by €16.4 million (- 19.5 % over the previous year). The variation can be attributed to lower margins on WTE linked to the energy scenario mainly at the San Vittore plant (-€15.1 million), and the downtime of the Terni plant (-€1.2 million), partly offset by high delivery prices (+€6.1 million). MBT and landfill also fell due to the collapse of the landfill tank at Cirsu (-€4.0 million), partly offset by the higher profit posted by Orvieto Ambiente (+€2.2 million). Finally, the recycling sector also saw a decline (-€2.8 million) due to both lower quantities and as a result of plastic prices (-€2.2 million).

The average number of employees as at 31 December 2024 was 826, slightly lower than at 31 December 2023.

Investments in the sector came to €100.3 million (+€61.5 million compared to 31 December 2023). This change was mainly influenced by investments for revamping works on the Terni smoke line (+€17.4 million) and works on the 4th San Vittore line (+€51.8 million). The increase was offset by the decrease recorded by AS Recycling (-€2.0 million) mainly attributable to the construction of the plastic SRF recycling plant in Borgorose in the previous year.

PRODUCTION

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
Energy produced	GWh	466.8	581.6	(114.9)	(19.7%)
of which hydro	*GWh*	*300.6*	*418.9*	*(118.4)*	*(28.3%)*
of which thermal	*GWh*	*166.2*	*162.7*	*3.5*	*2.1%*
Photovoltaic energy produced	GWh	173.2	138.5	34.7	25.1%
Energy produced (cogeneration)	GWh	53.4	34.1	19.2	56.3%

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	100.9	130.8	(29.9)	(22.9%)
Costs	60.4	77.0	(16.6)	(21.5%)
EBITDA	40.5	53.9	(13.3)	(24.8%)
Operating profit/(loss)	15.4	33.7	(18.3)	(54.4%)
Average workforce	98	97	1	0.6%
Capex	25.8	41.1	(15.3)	(37.1%)

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Production segment	40.5	53.9	(13.3)	(24.8%)
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	2.6%	3.9%	(1.3 p.p.)	

EBITDA as at 31 December 2024 amounted to €40.5 million, down €13.3 million compared to 31 December 2023, mainly attributable to **Acea Produzione** as a result of lower margins on energy produced by hydroelectric plants affected by both the price effect for €6.7 million (-€23/MWh) and lower quantities for €10.6 million (- 118 GWh) due directly to lower rainfall. The EBITDA of the **photovoltaic** segment improved, mainly due to higher volumes.

The average workforce was in line with the previous year; note that the photovoltaic companies do not have employees.

Investments amounted to €25.8 million and decreased by €15.3 million compared to the previous year, mainly due to lower investments made by **Acea Solar** to construct photovoltaic systems both on agricultural and industrial land (-€15.0 million). Investments made by **Acea Produzione** amounted to €9.5 million, an increase on the previous year (+€1.3 million) due to the combined effect of the power injection projects and upgrading work on the Montemartini and Tor di Valle power plants.

COMMERCIAL

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
Electrical energy sold - Free	GWh	4,774.3	5,602.7	(828.4)	(14.8%)
Electrical energy sold – Gradual Protection	GWh	176.9	169.5	7.5	4.4%
Electrical energy sold - Protected	GWh	621.9	1,032.8	(410.9)	(39.8%)
Electricity - Free market customers (P.O.D.)	No./1,000	757,676	639,374	118,302	18.5%
Electrical energy – Gradual Protection Customers (P.O.D.)	No./1,000	79,869	95,069	(15,200)	(16.0%)
Electrical energy - No. Protected Market Customers (P.O.D.)	No./1,000	189,443	509,179	(319,736)	(62.8%)
Gas sold	MSmc	218.0	198.9	19.1	9.6%
Gas - No. Free Market customers	No./1,000	396.9	306.3	90.7	29.6%

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	1,905.7	2,483.0	(577.3)	(23.3%)
Costs	1,708.1	2,353.7	(645.7)	(27.4%)
EBITDA	197.6	129.3	68.3	52.9%
Operating profit/(loss)	123.0	58.9	64.1	108.8%
Average workforce	433	450	(17)	(3.7%)
Capex	67.5	50.2	17.3	34.4%

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Commercial segment	197.6	129.3	68.3	52.9%
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	12.7%	9.3%	3.4 p.p.	

The Segment, responsible for the management and development of electricity and gas sales and related customer relationship activities as well as the Group's energy management policies, closed 2024 with a Gross Operating Income (EBITDA) of €197.6 million, an increase of €68.3 million compared to 2023. The variation is largely attributable to **Acea Energia** (+€83.9 million) as a result of the net improvement to the Energy and Gas margin (+€68.9 million), partially offset by higher operating costs (+€1.7 million), the reduction on margins in the Boiler and Air Conditioner sales business, the decision of the Italian government in early 2024 to remove the possibility of invoice discounts and credit transfers (-€1.6 million), and the fall in other revenue (-€2.6 million), the latter mainly related to lower penalties charged to suppliers on contracts payable. The rest of the increase derives from energy items from previous years (+€21.0 million).

This offsets the increase in the **Acea Innovation** segment (-€15.7 million), which recorded lower margins on energy efficiency activities as a result of the new scenarios linked to the change to the Superbonus incentives as a consequence of the end of construction projects initiated and completed in the previous financial year. With respect to effects on the primary energy margin, note:

- an improvement in the margin for the electricity free market (+€69.8 million), driven by the retail segment where there was an increase in customers (+ 30%) and unit margin (+ 51%); on the other hand, the Gradual Protection Service margin was €6.3 million and showed an increase of €0.3 million;
- a reduction in margins relative to the Greater Protection Service (-€10.5 million), in part due to the automatic assignment of non-domestic customers and micro-businesses ("Other uses") to the Gradual Protection Service as of 1 April 2023 and in part to the "natural" loss of Greater Protection Service customers to the Free Market (- 36%), not counterbalanced by application of higher tariffs;
- an improvement in the gas market margin of €14.6 million. With reference to performance, in the B2C sector, there was growth in the Average Customer Base (+ 34%) and higher sales volumes (+ 33%), in the B2B sector there was an increase in the Average Customer Base (+ 7%) and a reduction in the volumes (-29%) as a result of the exit of a key customer with direct M&R (with just one re-delivery point);
- a worsening of the Energy Management margin related to the

optimisation of energy flows (-€5.3 million compared to the previous year).

With reference to the workforce, the average number at 31 December 2024 stood at 433 employees, slightly down compared to 31 December 2023 by 17 employees.

Investments by the segment amounted to €67.5 million (+€17.3 million compared to 31 December 2023). Total investments mainly related to **Acea Energia** and mostly referred to the cost of acquiring new customers in accordance with IFRS15 (+€17.9 million). On the other hand, investments in the segment in *smart services* and *e-mobility* projects developed by **Acea Innovation** decreased compared to the previous year (-€1.0 million).

ENGINEERING & INFRASTRUCTURE PROJECTS

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2024	2023	Change	% Change
Number of projects	Number	69	60	9	15.5%
Number of EPC work sites	Number	33	27	6	22.2%
Number safety inspections	Number	15,066	14,443	623	4.3%
Number determinations	Number	1,085,231	1,039,344	45,887	4.4%
Number samples	Number	35,204	34,020	1,184	3.5%

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	133.0	95.5	37.5	39.3%
Costs	121.9	85.5	36.4	42.6%
EBITDA	11.0	9.9	1.1	11.0%
Operating profit/(loss)	(1.8)	2.0	(3.8)	(190.4%)
Average workforce	470	478	(8)	(1.7%)
Capex	5.2	4.7	0.4	9.3%

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Engineering & Infrastructure Projects segment	11.0	9.9	1.1	11.0%
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	0.7%	0.7%	0.0 p.p.	

EBITDA for the segment at 31 December 2024 came to €11.0 million, up by €1.1 million with respect to the previous year. The change can mainly be attributed to **Acea Infrastructure** (+€1.2 million) as a result of an increase in business.

The average number of employees at 31 December 2024 stood at 470 and was down slightly compared to 31 December 2023 (478 employees).

Investments amounted to €5.2 million, up by €0.4 million compared to the previous year following higher investments made by **SIMAM** in relation to the plants related to the Gela contract, partially offset by lower investments in information systems and equipment carried out by **Acea Infrastructure** (-€1.2 million).

CORPORATE

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Economic and financial results

€ million	2024	2023	Change	% Change
Revenues	148.3	145.2	3.2	2.2%
Costs	201.3	186.8	14.5	7.7%
EBITDA	(52.9)	(41.6)	(11.3)	27.2%
Operating profit/(loss)	(90.8)	(75.4)	(15.4)	20.4%
Average workforce	795	733	62	8.4%
Capex	20.4	20.1	0.2	1.2%

Economic and financial results

€ million	2024	2023	Change	% Change
EBITDA Corporate segment	(52.9)	(41.6)	(11.3)	27.2%
EBITDA – Group	1,556.8	1,390.9	166.0	11.9%
Percentage	(3.4%)	(3.0%)	(0.4 p.p.)	

Corporate closed at 31 December 2024 with a negative EBITDA level of €52.9 million, down €11.3 million compared to the previous year. The change is due to the combined effect of the increase in costs for €14.5 million, partially offset by the increase in revenue from Group companies for €6.7 million. The change in costs is essentially attributable to the increase in external costs (+€11.7 million) for consultancies and technical/administrative services, advertising costs, sponsorships and software licences, partly offset by lower costs for electricity consumption and surveillance services. The increase in personnel costs (+€2.8 million) is due to higher costs arising from the increase in the workforce and lower capitalised personnel, offset by the elimination of the obligation accrued for the tariff subsidy for retired staff recognised in the financial statements (€9.4 million).

EBIT was negative by €90.8 million, a worsening of €15.4 million on the previous year, on the one hand due to the worsening in the EBITDA and on the other to higher provisions for risks and charges, mainly relating to the estimated one-off benefit to be paid to retired staff as definitive write-off of the tariff subsidy for retired staff (+€3.5 million), partly offset by lower amortisation/depreciation.

The average workforce at 31 December 2024 stood at 795, an increase of 62 compared to 2023 (733 units).

Investments amounted to €20.4 million (€20.1 million at 31 December 2023), generally in line with the previous year, and mainly refer to software licenses, IT development and investments in company offices.

Significant events during the period and afterwards

ACEA: PUBLICATION OF THE SECOND GREEN BOND REPORT

On 12 January, the second Green Bond Allocation & Impact Report for the years 2019, 2020, 2021 and 2022 was published, concerning the green format bond loan for a total amount of €900 million under the EMTN program, and divided into two series, one of which for €300 million maturing in 2025, and another for €600 million maturing in 2030, issued as part of the Acea Group's Green Financing Framework for financing projects related to water resource protection, energy efficiency, development of the circular economy, and increased energy production from renewable sources.

ACEA: TWO TENDERS AWARDED IN CENTRAL SOUTHERN ITALY FOR HYDRAULIC WORKS AND NETWORK DIGITALISATION

On 17 January, Acea Infrastructure – an Acea Group company that designs and provides engineering and technology services - was awarded two tenders in Molise and Puglia for a total of around €2.1 million.

ACEA: TOP EMPLOYERS ITALIA 2024

On 18 January, the Acea Group has obtained Top Employers Italia Certification for the third consecutive year, official recognition of corporate excellence in HR policies and strategies and implementation of the same, with the aim of contributing to the well-being of people, improve the environment and the world of work.

ACEA: THE FIRST ELECTRIC FLEXIBILITY SERVICES IN ROME START WITH THE ROMEFLEX PROJECT

On 05 February, Acea announced the launch of the first electricity flexibility services in Rome through the RomeFlex project, aimed at creating an advanced flexibility market to regulate the amount of electricity fed into the grid so that supply matches demand.

ACEA, ONE MILLION NEW SMART METERS INSTALLED ON ROME'S ELECTRICITY NETWORK

On 21 February, Acea announced that 1 million new smart meters had been installed on Rome's electricity grid by the end of January; the advanced technology of the 'Rometrix' 2G Smart Meters allows greater transparency of consumption and the possibility of optimising energy efficiency and reducing waste.

ACEA: MEMORANDUM OF UNDERSTANDING BETWEEN MIM AND ACEA

On 27 February, Acea signed a three-year Memorandum of Understanding with the Ministry of Education and Merit to promote education on the proper use of water resources in primary and middle schools.

ACEA: BUSINESS PLAN 24-28 APPROVED: "PEOPLE FOR SUSTAINABLE INFRASTRUCTURE"

On 5 March, Acea's Board of Directors approved the 2024-2028 Business Plan, which reinforces the Acea Group's role as an infrastructure operator-focused on regulated activities-in a rapidly evolving context that offers important investment opportunities: in water, for infrastructure modernization; in electricity, for network resilience; and in the environment, for the circular economy. The Plan's pillars revolve around people-centricity, robust cost and investment discipline, and the optimization of the financial structure, it envisages a substantial increase in capital expenditure (capex) and aims to enhance shareholder value.

FITCH RATINGS IMPROVES ACEA'S OUTLOOK

On 20 March, Fitch Ratings upgraded Acea's outlook from 'Negative' to 'Stable' and confirmed the Long-Term Issuer Default Rating (IDR) at 'BBB+', the Short-Term IDR at 'F2' and the Long-Term Senior Unsecured Rating at 'BBB+'.

ACEA: SHAREHOLDERS' MEETING APPROVES BUDGET 2023

On 12 April, the Ordinary Shareholders' Meeting of Acea SpA approved the Financial Statements as of 31 December 2023, resolved on the allocation of the 2023 net profit, and appointed Yves Rannou as Director.

ACEA: PROTOCOL WITH THE PREFECTURE OF ROME FOR WORKSITE SAFETY AND THE PROTECTION OF LEGALITY

On 22 April, the Prefect of Rome, Lamberto Giannini, and the CEO of Acea, Fabrizio Palermo, signed a partnership protocol for the protection of legality and the fight against crime to be applied to the works that the industrial group will carry out in the coming years in the Rome area in all the sectors in which it operates: Water, Electricity and Environment.

ACEA: DISBURSEMENTS OF THE LOAN FOR € 435 MILLION GRANTED BY THE EUROPEAN INVESTMENT BANK (EIB)

As part of the total loan for €435 million, granted to Acea by the EIB in support of the investments of Acea Ato2, on April 29 the first tranche of €235 million was disbursed in full, subscribed on 6 July 2023, with final maturity on 29 April 2039. On 18 June, the entire second tranche of €200 million was disbursed, subscribed on 28 May 2024, with final maturity on 18 June 2039. The investments financed with these EIB resources will help to improve the coverage and quality of the integrated water service in the area operated by Acea Ato2, reducing water loss and improving energy efficiency and resilience.

ACEA: SUBMISSION OF OFFER IN THE CALL FOR TENDERS PUBLISHED BY ROMA CAPITALE FOR WASTE-TO-ENERGY SERVICES IN ROME

On 18 May, Acea Ambiente, a subsidiary of Acea, presented an offer in the call for tenders published by Roma Capitale to assign the systems hub concession relative to the design, operating authorisation, construction and management of a waste-to-energy plant and correlated ancillary systems. Acea Ambiente presented the offer alongside important national and international partners, including Hitachi Zosen Inova AG, Vianini Lavori SpA, Suez Italy SpA and RMB SpA. On 20 May the envelope of administrative documents was opened and the only bid received was the one presented by RTI, of which Acea Ambiente is a part. On 2 August 2024, the Selection Board for awarding the concession proposed that the tender be awarded to the consortium with parent company Acea Ambiente. The final decision is still pending.

ACEA: AGREEMENT SIGNED TO ESTABLISH TEMPORARY GROUPING OF COMPANIES (RTI) FOR TENDER ON ACQUE DEL SUD PARTNER

On 7 June, Acquedotto Pugliese (AQP) and Acea signed an agreement to participate together in the upcoming public tender in which the industrial partner of Acque del Sud will be chosen. Art. 23 of Decree Law 44/2023, converted by Law 74/2023, established the possibility for the company's current sole shareholder, the Italian Ministry for Economy and Finance, to transfer quotas up to 30% to parties with functions as operative shareholders and responsibility over the management. To participate in the public tender, AQP and Acea will form a temporary grouping of companies (RTI) with equal quotas.

ACEA: COLLABORATION AGREEMENT ON INNOVATION AND DIGITISATION FOR ELECTRICITY DISTRIBUTION

On 14 June, areti, the Acea Group company that oversees the distribution of electricity in Rome, and Wiener Netze, a company that manages the network in the city of Vienna, signed an important collaboration agreement on the topics of innovation and digitisation.

ACEA: MEMORANDUM OF UNDERSTANDING FOR INNOVATION AND ARTIFICIAL INTELLIGENCE INITIATIVES

On 18 June, Acea and Amazon Web Services signed a Memorandum of Understanding to collaborate on strategic initiatives in innovation and technological development, with a focus on artificial intelligence, IoT and sustainability.

ACEA: ENTRY INTO PRODUCTION OF THE PLANT IN CONTRADA GROTTE ALTE

On 20 June, the growth of Acea Solar (100% Acea Produzione) continued in the photovoltaic field with the entry into production of the plant built in Contrada Grotte Alte, in the Municipality of Licodia (CT); it has an installed power of 28 MW and is one of the largest in Sicily.

ACEA: REPAYMENT OF € 600 MILLION BOND LOAN

On 15 July, the €600 million bond loan was repaid upon natural maturity (ISIN: XS1087831688) previously issued on 15 July 2014 as part of the EMTN programme.

ACEA: AGREEMENT SIGNED TO PROTECT THE SUSTAINABLE MANAGEMENT OF WATER

On 18 July, Intesa Sanpaolo and Acea signed the first national agreement for the protection and sustainable management of water in company production processes, including in relation to the measures of the National Recovery and Resilience Plan (NRRP) which envisages the allocation of approximately €4.4 billion to protect water resources. The two companies aim to develop new systemic initiatives with innovative solutions that strive to promote an efficient use of the water resource through forms of technological advisory, alongside investments for the reuse of purified water within so-called water communities, with positive impacts on the environment, territories and the businesses themselves, which will be able to stabilise their own water supply.

ACEA: PARTIAL DEMERGER VIA SPIN-OFF – WATER SECTOR

On 19 July, the minutes of the Acea Board of Directors' meeting on 20 June 2024 were filed at the head office (subsequently recorded in the Register of Companies on 26 June 2024), which approved the partial demerger via spin-off in favour of the incorporating company Acea Acqua SpA. The corporate restructuring involves the activities falling within the management of integrated water services.

ACEA: CONTRACT AWARDED FOR THE MAINTENANCE OF THE WATER NETWORK IN AN AREA OF LIMA NORTH (COMAS)

On 22 July, Acea International, a Group company operating overseas in the water sector with approximately ten million inhabitants in Latin America, between Peru, Dominican Republic and Honduras, announced that it was awarded, through its subsidiary Acea Perù, a tender for the maintenance of the water and sewerage network in the Comas zone, an area of Lima North, benefiting a population of approximately 4 million people.

ACEA: MEMORANDUM OF UNDERSTANDING SIGNED FOR DEVELOPMENT OF THE WATER SECTOR IN AFRICA AND THE MIDDLE EAST

On 28 August, Acea and Orascom Construction (an engineering and construction services business that operates in the implementation of major industrial and infrastructural projects in the Middle East, Africa and the USA) signed a Memorandum of Understanding for the joint development of business opportunities in the water sector in Africa and the Middle East.

ACEA: APPOINTMENT OF PIER FRANCESCO RAGNI AS CFO

On 31 August, after receiving a favourable opinion from the Board of Statutory Auditors and effective immediately, the Acea Board of Directors appointed Pier Francesco Ragni – current Deputy General Manager Corporate and Chief Financial Officer – as Financial Reporting Manager, responsible for preparing the corporate accounting documents pursuant to article 154-bis of Italian Legislative Decree 58/98, replacing Sabrina Di Bartolomeo.

ACEA: RTI AWARDED CONTRACT FOR THE MANAGEMENT OF THE IWS IN SYRACUSE

On 9 September, Acea announced that the Syracuse Territorial Water Assembly (ATIS) awarded the contract for the selection of the private partner of Aretusacque SpA – a mixed ownership company that will be 51% held by the Municipalities of the territory – in favour of the temporary grouping of companies (RTI), formed of Acea Molise (100% Acea) and the company COGEN. The company will oversee management of the Integrated Water Service for 19 municipalities in the province of Syracuse; the concession will have a duration of 30 years from its launch.

ACEA: PUBLICATION OF THE THIRD GREEN BOND ALLOCATION & IMPACT REPORT

On 27 September, the third Green Bond Allocation & Impact Report for the years 2022 and 2023 was published, related to the green format bond loan amounting to €700 million, under the EMTN programme and maturing in 2031, issued as part of the Acea Group's Green Financing Framework.

ACEA: CORPORATE STANDARD ETHICS RATING "EE+" CONFIRMED

On 1 October, Standard Ethics confirmed the Corporate Standard Ethics Rating "EE+" of Acea. According to the rating agency, the Acea Group's sustainability strategy supplements and updates the international indications on environmental, social and governance indications in the industrial planning. Furthermore, the long-term planning is supported by investments that focus on the targets of the European strategy on the transition to a "zero impact" economy.

ACEA: TENDER PROTOCOL SIGNED FOR THE NEW SECTION OF THE PESCHIERA AQUEDUCT

On 2 October, it was announced that the President of ANAC (Italy's National Anti-Corruption Authority), Giuseppe Busìa, the Chief Executive Officer of Acea, Fabrizio Palermo and the Chairman of Acea ATO2, Claudio Cosentino had signed a protocol of action regarding the tender procedure for works to design and construct the "New upper section of the Peschiera aqueduct, from the sources to the Salisano Plant".

ACEA: COMMUNICATION OF NON-INDEPENDENCE OF PATRIZIA RUTIGLIANO

On 14 October, the Acea SpA Board of Directors acknowledged the communication of Patrizia Rutigliano, independent non-executive director, who communicated that she no longer met the requirements of independence set out by the combined provisions of articles 147-ter, paragraph 4 and 148, paragraph 3 of Italian Legislative Decree no. 58/1998 and of Recommendation no. 7 of the Corporate Governance Code, due to the managerial role taken up at Suez International SAS, a stakeholder in the Acea capital.

ACEA: ENTRY INTO PRODUCTION OF THE CANINO (VT) PLANT

On 15 October, Acea announced the entry into production of the photovoltaic system built at Canino (VT) with an installed power of 6.4 MW.

ACEA: SECOND LOT AWARDED OF THE CONTRACT FOR MAINTENANCE OF THE WATER AND SEWERAGE NETWORK IN THE ZONE OF CALLAO, NORTHERN LIMA

On 23 October, Acea International (Acea Group company) announced that it had been awarded, through its subsidiary Acea Perù, the second lot of the contract for the maintenance of the water and sewerage network in the zone of Callao, in northern Lima. Acea Perù now manages the entire water and sewerage network in northern Lima, offering a benefit to approximately 4 million people; as a matter of fact, in July the Company was awarded the first lot in the zone of Comas, also in the northern area of the city.

ACEA: 500-MILLION-EURO LOAN FROM EIB

On 28 October, Acea signed the first two tranches of the European Investment Bank (EIB) loan totalling 500 million euros for investments in the electricity distribution grid, of which 200 million euros directly from EIB, with SACE Archimede Guarantee, and 120 million euros from Cassa Depositi e Prestiti (CDP), with funding provided by the EIB itself. With this operation, EIB, CDP and SACE are cofinancing areti's investment plan in line with the targets of REPowerEU, the European Union's plan to reduce dependency on fossil fuels and to accelerate the transition towards green energy.

ACEA: AGREEMENT WITH TERNA FOR SALE OF HIGH VOLTAGE (HV) ELECTRICITY GRID

On 6 November, Acea and Terna signed a binding agreement for the sale to Terna of the High Voltage (HV) electricity grid of areti (100% Acea) at a consideration of 247 million euros, of which 224 million recognised by Terna and 23 million related to the bonus granted by ARERA.

ACEA: APPOINTMENT OF ELISABETTA MAGGINI AS MEMBER OF THE COMMITTEE FOR RELATED PARTY TRANSACTIONS

On 6 November, the Acea Board of Directors appointed Elisabetta Maggini as member of the Committee for Related Party Transactions.

ACEA: APPROVAL OF THE 2024-2028 SUSTAINABILITY PLAN

On 14 November, the Acea Board of Directors approved the 2024-2028 Sustainability Plan, which sets out the strategic objectives that the company aims to pursue in order to have a positive impact on the environment, on people, and on the communities in which it operates, defining the targets and investments association with the various lines of action.

ACEA: AWARD OF THE PROVINCE OF IMPERIA TENDER

On 27 November, Acea announced that, through Acea Molise (its wholly owned subsidiary), it had been successfully awarded the contract in the tender called by the Province of Imperia to select Rivieracqua's private partner. The public-private company, 48% owned by Acea and holder of the concession until 2042, is responsible for managing the Integrated Water Service (SII) in the West ATO Territorial Area in the Province of Imperia.

ACEA: APPOINTMENT OF THE INDEPENDENT AUDITOR FOR THE 2026-2034 NINE-YEAR PERIOD AND PARTIAL AMENDMENT TO THE ARTICLES OF ASSOCIATION

The ordinary and extraordinary Shareholders' Meeting of Acea SpA met on first call on 19 December.
In the ordinary session, the Meeting approved the appointment of KPMG SpA to conduct the legal audit of the accounts for the years 2026-2034.
In the extraordinary session, the Meeting resolved on the amendments to articles 13 and 17 of the Articles of Association, concerning: the introduction of the option that participation in the shareholders' meeting and the exercise of voting rights take place exclusively through the designated representative, as permitted by article 11, paragraph 1 of Italian Law 21 of 5 March 2024 ("the Capital Law"); the holding of Board of Directors' meetings solely by telecommunication means, removing the reference to the necessary co-presence of the Chairperson and the person taking the minutes at the place where the Board meeting is held.

ACEA: PARTIAL DEMERGER BY SPIN-OFF - GAS DISTRIBUTION SECTOR

On 23 December, Acea published the notification of the partial demerger by spin-off, pursuant to art. 2506.1 et seq. of the Civil Code, concerning a corporate restructuring under which the demerged assets are represented by equity investments in Group companies in the gas distribution sector and by other assets related to these, with the transfer of those assets to a newly established company that will be wholly owned by Acea.

ACEA: COMPLETION OF THE ENTRY OF ACEA MOLISE INTO RIVIERACQUA

On 30 December, the entry of Acea Molise (100% owned by Acea Acqua) into the share capital of the public/private company Rivieracqua was completed, with a 48% stake. The company holds the Integrated Water Service (IWS) concession in the West ATO Territorial Area, Imperia Province expiring in 2042.

ACEA: SIGNING OF THE SUSTAINABILITY AGREEMENT WITH GSE

On 14 January 2025, Acea and Gestore dei Servizi Energetici - GSE SpA signed an agreement aimed at promoting sustainability in the sectors in which Acea and the Group companies operate through energy efficiency and renewable energy projects.

ACEA: ONE OF THE TOP EMPLOYERS ITALIA 2025

On 16 January 2025, Acea announced that it had been awarded the Top Employers Italia award for the fourth year in a row. The award is a recognition of the Group's commitment to, and continuous improvement in, the development of recruitment, training, professional development, work environment, welfare, equity, inclusion and diversity policies.

ACEA: START OF PRODUCTION OF TWO PHOTOVOLTAIC SYSTEMS IN THE PROVINCE OF VITERBO

On 30 January 2025, Acea announced that production has begun on two plants in the Province of Viterbo, with a potential installed capacity of around 12 MW, the first in the Municipality of Nepi and the second in the Municipality of Bomarzo.

ACEA: GREEN & BLUE FINANCING FRAMEWORK

On 13 February 2025, Acea published its first "Green & Blue Financing Framework", confirming the Group's commitment to using sustainable financial instruments to implement investments in its areas of operation, starting with the integrated water service.

ACEA: ITALY – UAE BUSINESS FORUM

On 24 February 2025, during the "Italy – UAE Business Forum" event to support and strengthen the economic and industrial ties between Italy and the United Arab Emirates, Acea signed a Memorandum of Understanding with Metito Utilities aimed at exploring partnership opportunities in the water sector at an international level, focusing in particular on Africa and the Middle East.

ACEA: YVES RANNOU RESIGNS AS DIRECTOR

On 7 March 2025, Acea announced that it had received the resignation of Director Yves Rannou, appointed pursuant to art. 15.4 of the Articles of Association on the proposal presented by the Shareholder Suez International at the Meeting of 12 April 2024.

Main risks and uncertainties

Due to the nature of its business, the Group is potentially exposed to various types of risks, mainly from natural events, climate change and financial market risks (external risks), and Legal and Compliance risk, operational risks specific to each business sector, and Information Technology and Human Resources risks (internal risks).
To manage these risks, a series of analysis and monitoring activities have been implemented by each company as part of a structured approach coordinated at Group level through the integration of two complementary approaches: Enterprise Risk Management, and Continuous Risk Management. This process aims to assess and manage risks according to an integrated logic across the entire organisation, in line with its risk appetite, with the goal of effectively managing the necessary information and taking the most appropriate decisions to reach strategic business goals and to protect, grow and create value for the business.
As part of the Enterprise Risk Management Framework, Group companies, also availing themselves of the support and assistance of Acea SpA's Risk Management, Compliance & Sustainability Department, periodically carry out risk assessment activities in a structured manner, with the aim of identifying and assessing the main risks that may significantly affect the achievement of business objectives. In this way, a representation of the evolution of the Group's overall risk profile is achieved, through the mapping and prioritisation of the main risks to which the Group is exposed and the identification of optimal methods for managing them, by preparing mitigation strategies and monitoring its implementation. In the monitoring phase, Group companies ensure the management of identified risk scenarios, including through the implementation of specific response actions identified to reduce their potential effects.
Furthermore, among the tools available to the Group, the Key Risk Indicators (KRI) Framework makes it possible to assess changes in the organisation's exposure to "operational" risks through the adoption and integrated measurement of "sentinel" metrics. In order to contain these types of risks, the Group has implemented mitigation and monitoring as summarised below at both a corporate and business sector level.
For Risk Mitigation long ago the Acea Group introduced the development and adoption of a Group Insurance Plan based on the following pillars:

- Third Party Liability;
- Property Damage;
- Employee benefits.

More specifically, the first two pillars transfer the economic and/or asset risk deriving from civil liability – in all its general, professional, environmental forms – and from events (accidental, culpable or malicious) affecting the Group's physical and production assets.
The third pillar, on the other hand, aside from transferring economic and financial risk, implements a corporate welfare measure guaranteeing and paying the employees of the Acea Group significant financial support – both to those directly concerned and to those who may be entitled – in case of serious traumatic events related to both the professional and private spheres.
Still on the subject of *risk mitigation*, most of the companies of the Acea Group have adopted and maintain an Integrated Quality, Environment, Safety and Energy Management System (hereinafter the "System"), which complies with UNI ISO 9001:2015 (Quality), UNI ISO 14001:2015 (Environment), UNI ISO 45001:2018 (Safety) and UNI ISO 50001:2018 (Energy), certified by an accredited external body, as a tool for the prevention of accidents, diseases and pollution, as well as a measure to promote and support the efficiency and effectiveness of the company's processes, including energy processes, and to achieve continuous improvement in the performance of the System itself and work management.
It should be noted that the main risks and uncertainties that could cause significant effects on the Acea Group's economic, equity and financial situation present at the time this current Report on Operations was prepared are identified and that updates will be made when necessary.

COMPETITIVE-REGULATORY RISKS

REGULATORY EVOLUTION RISK

As is well known, the Acea Group operates mainly in regulated markets and the requirements and obligations that characterise them (as well as changes in the rules of operation of these markets) can significantly affect the results and performance of operations. In particular, several Group companies manage the Integrated Water Service in their respective Territorial Areas, which is known to be a sector receiving an increasing level of attention from lawmakers and the Sector Authority (ARERA). The Group is therefore exposed to the evolution of the relevant legal/regulatory frameworks in the areas served.
In this regard, it should be noted that following the extension of ARERA's regulatory and control powers to waste management, Companies in the Environment Segment are also exposed to potential risks arising from changes in the regulatory framework.
These risks are mitigated by careful monitoring of regulatory developments, interacting with the relevant bodies and participating in association and institutional meetings carried out by the competent business structures in synergy with the Group's organisational structures. These structures monitor regulatory developments in terms of providing support in the preparation of comments in the response to the Consultation Paper, in line with the interests of Group companies, and guidance for the consistent application of regulations in corporate procedures and within the electricity, gas, water and environment businesses.

POLITICAL, SOCIAL AND MACROECONOMIC CONTEXT RISK

In providing services to its customers, the Acea Group is very attentive to the expectations and choices of its institutional, regional and central counterparts. On the other hand, most of its activities are in any case sensitive to the economic and structural dynamics experienced by the economic and productive fabric of the respective regions.

In this sense, the main factors influencing the Group's performance include changes in the political, social and macroeconomic context of reference. These uncertainties can have an impact on the achievement of economic/financial objectives and investments, as well as on the implementation of major works, whose timing can be influenced by changes in government structures at both a central and local level.
The Group has historically focused on guaranteeing levels of excellence in the technical and commercial quality of the services provided, including through dialogue models that are increasingly attentive to the needs expressed by its stakeholders in order to put in place virtuous dynamics in relations with its customers, also with regard to payment habits. In this regard, it should be noted that the Group is also subject to the risk of deterioration of its credit positions, particularly in connection with the provision of the Integrated Water Service, with consequences on the exposure of working capital. This risk is managed proactively by the relevant structures of the individual companies, applying specific Group Credit Policies and with the support of the Parent Company's relevant organisational structures.

In relation to the ongoing international geopolitical crisis arising from the Russia-Ukraine and the Middle East conflicts, there are currently difficulties and uncertainties when assessing the effects and repercussions that could arise.
Management is currently engaged in monitoring the situation on international markets and will continue its analysis of commodity price trends as well as the trend of receivables that however do not represent critical elements at the moment. With reference to raw materials, in addition to monitoring balances on the basis of fixed and variable price sales forecasts, Group companies only use high-standing counterparties that meet the requirements of their own commodity and counterparty risk procedures. With regard to the short and medium-term effects of a financial nature, the Group is carrying out appropriate monitoring activities in order to take timely action. It should be noted that Acea Group has no direct relations with companies under Russian, Ukrainian or Belarusian law that are in any way affected by the conflict.

NATURAL RISKS

For the Acea Group, due to the nature and location of its business lines, the main issues related to climate change could arise in operational, regulatory and legal areas, with potential repercussions on finances as well. As far as the first aspect is concerned, chronic meteorological events like the reduction of rainfall can have negative impacts on both hydroelectric energy production and the reduction of the availability of drinking water to be distributed, with among other things an increase in energy consumption for the withdrawal of water from less favoured sources. On the other hand, extreme phenomena such as storms can lead to the risk of lightning strikes, blackouts or, for the water network, overflow of drains connected to the wastewater systems and turbidity of the water sources. Moreover, from a regulatory and legal point of view, these climatic effects can have an impact on the consequent provision of the service in accordance with the regulations in force, with consequent financial penalties. The implications of regulatory actions on CO_2 emission allowances, renewable sources, taxes and energy efficiency certificates could be very significant, with possible financial impacts.

Some of the risk that the Group must deal with includes possible impacts deriving from unpredictable natural phenomena (e.g. earthquakes, floods and landslides) and/or from cyclical or permanent climatic changes on the networks and plants managed by Acea Group companies. The first types of risks are addressed through the implementation of structured tools for the governance of assets, specific to each business area (e.g. Water Safety Plan within the IWS; constant monitoring of the reservoirs, also carried out in collaboration with the competent Ministry, in the field of dam management), as well as with projects, some of national scope, aimed at increasing the resilience of the infrastructure in the various regions (e.g. the project for the Peschiera-Le Capore aqueduct). The residual portion of risks from natural events is covered by the Group's insurance programme mentioned on the previous pages.
The natural environment is the basic scenario in which the Group's activities are developed and, as such, it is of fundamental importance to understand the regulations and global trends that impact the same, also in relation to links between the environment and energy/climate scenarios.
In 2024, at COP29 held in Baku, a number of key points emerged. These included a new climate funding objective of at least USD 300 billion by 2035, representing a significant commitment to support global initiatives to combat climate change. Furthermore, the Baku Climate Adaptation Plan was introduced, setting new indicators to monitor progress and strengthen the resilience of vulnerable communities. Finally, new rules were adopted for the global CO_2 emissions market, aimed at incentivising the reduction of emissions worldwide.
With reference to the energy situation, the IEA's World Energy Outlook 2023 confirms the ongoing transition scenario, with growing opportunities for clean energy (+40% for investments since 2020), while also forecasting an increase in liquefied natural gas projects in 2025, to deal with worries about supplies. In line with the UN Climate Change Conference, to achieve the zero net emissions goals by 2050, the IEA confirmed that additional progress was needed, including a tripling of renewable energy production, a doubling of energy efficiency improvements and an increase in electrification, with a reduction in methane emissions from fossil fuel operations.
In 2024 the World Energy Outlook issued by the IEA points towards a complex global energy scenario. Geopolitical tensions, such as those in the Middle East and the war in Ukraine, represent significant risks for global energy security. Despite progress in the field of clean technologies, uncertainties remain on future policies and supply chain resilience. The energy transition is accelerating, but more resilient and sustainable systems that integrate both traditional fossil fuels and renewable energies are required to guarantee energy security. Extreme weather events, intensified by emissions, are already threatening energy security, underscoring the urgent need for coordinated and incisive action.

In 2023, the Taskforce on Nature-related Financial Disclosure (TNFD) issued its final document, containing recommendations on nature aimed at organisations, sectors and value chains.
In its Code of Ethics the Acea Group assigns fundamental importance to principles linked to sustainability and the adoption of a climate strategy. In 2023, Acea received validation of its Science Based Targets Initiative (SBTi) for its emission reduction target (by 2032), in line with climate science indications. As agreed with the

SBT Initiative, and as provided for by the SBTi itself, Acea conducted monitoring over the 2021-2023 period and published its findings as at December 2023 on its website. The Group participates in the Carbon Disclosure Project (CDP) on an annual basis. This year, its CDP rating was downgraded from A- to B.

Additionally, with reference to climate altering gas emissions it published its second climate-related disclosure following the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), enriching its projects aimed at identifying risks and analysis of medium/long-term climate scenarios. As of January 2024, the TCFD transferred its mandate to the ISSB (International Sustainability Standards Board), the independent sustainability reporting standard-setting body of the IFRS Foundation. Consequently, in this document we directly quote the ISSB-TCFD system meaning those same TCFD Recommendations.

OPERATIONAL RISKS

REGULATORY COMPLIANCE RISK

The nature of its business exposes the Acea Group to risks of non-compliance with domestic and EU consumer protection regulations, that is the risk mainly linked to the commission of unlawful or improper consumer/business practices or the issuing of misleading advertising, as well as the risk of non-compliance with domestic or EU competition regulations, that is the risk mainly linked to the prohibition for companies to implement agreements to reduce competition or abuse their dominant market position.
Acea has long adopted a specific Antitrust Compliance Programme and appointed a Holding Antitrust Officer. The main objective of the programme is to strengthen internal controls aimed at preventing the violation of regulations through the implementation of regulatory and organisational instruments, as well as through a more widespread dissemination of the culture of respect for the principles of fair competition and consumer rights. The main Group companies adopted the Antitrust Compliance Programme in line with the indications of the Holding Company, and set up organisational structures in which Company Antitrust Officers were appointed, given the task of managing the activities to adapt the Programme to the individual companies and supervise its implementation and maintenance.
Regulatory risks also include all non-conformities, with particular regard to the environmental impact of Acea Group (generated for example by the activities of production and / or treatment of urban waste and waste, and of health and safety at work, mitigated through the adoption of certified management systems, respectively UNI EN ISO 14001: 2015 and ISO 45001:2018), which may result in the application of administrative and / or criminal penalties, including those of a disqualifying nature.
The Organisational Models pursuant to Legislative Decree 231/2001 adopted by Acea Group companies are continuously updated and improved to align with legal and doctrinal developments, the evolving regulatory landscape of the Decree, and changes to the corporate structure. In 2023 Acea S.p.A carried out a complete revision of the Model as regards the risk assessment methodology, in order to bring it into line with the other methodologies used in the company and reworked the Special Section using a "process driven" approach to make the document more usable and facilitate its application. The new Acea Spa model constitute the reference framework for the models of the Group companies. With regards to Acea SpA, the 231 Model was updated to reflect the regulatory changes introduced at the end of November 2024.
As part of the general Group Whistleblowing Procedure aimed at regulating the system with which anyone can make voluntary and discreet whistleblowing reports, guaranteeing the confidentiality of the identity of the whistleblower and thus protecting him/her from any retaliation, the rules governing Whistleblowing relating to unlawful conduct have been updated, also pursuant to Italian Legislative Decree 231/01 and/or violations of the 231 Model, expanding the possible channels of communication to include a specific IT platform, accessible by everyone (employees, third parties, etc.) on the website of each Group Company, and by employees of the Italian Companies of the Group having access to the company's Intranet.
It should be noted that some consolidated companies (areti, Acea Ato2, Acea Infrastructure and Acea Ambiente), as more fully illustrated in the related financial statements, are subject to investigations or proceedings that relate to significant cases pursuant to Italian Legislative Decree no. 231/01 concerning safety and/or the environment.
In this regard, the Preliminary Hearings Judge of the Court of Frosinone ruled that the case against them for offences of fraud in public supply, obstruction of the freedom of tender procedures and embezzlement could not proceed, declaring, at the same time, that the Court of Rome lacked territorial jurisdiction for the additional offences of obstructing the exercise of the public supervisory authority, false accounting and false declaration for the financial years 2015-2017. Subsequently, the Public Prosecutor of Rome, assigned to the relative proceedings, has submitted a request for closure to the local Preliminary Investigations Judge. As regards the criminal proceedings in which, pursuant to Legislative Decree 231/01 on the administrative liability of entities, certain consolidated companies were charged, two recent acquittals have taken place: the first relates to criminal case 2123/16 R.G.N.R., regarding a fatal occupational accident in 2015 involving an employee of Acea Ato2, with acquittals for both the natural person charged and the Company itself; the second relates to criminal case 9740/16 RGNR concerning an occupational accident involving an employee of an Areti contractor (the case against the natural persons was dropped due to the statute of limitations, while in the case of Areti "231" liability was excluded as there was insufficient evidence of the existence of the alleged administrative offence).
On the basis of the information currently available, taking into account the operational autonomy of the companies with respect to the parent company Acea, any responsibilities that may be ascertained upon the final outcome of the aforementioned proceedings are exclusively attributable to the companies themselves, without any repercussions on the Parent Company or other companies of the Group that are not involved.
Furthermore, the Acea Group is exposed to a potential non-compliance risk with regard to data protection law, specifically the European Data Protection Regulation 2016/679 (GDPR), the Italian Data Protection Code (Legislative Decree 196/03), and the provisions issued by the Italian Data Protection Authority. For example, breaches of privacy may include unlawful processing in violation of the principles of relevance and proportionality, due to a lack of an

appropriate legal basis, of adequate information, of adequate security measures, failure to appoint a Data Protection Officer (DPO), failure to notify data breaches, etc. In response to this, a Group Privacy Governance Model has been defined and adopted, focusing on the parent company in its role as the cornerstone of the system and provider of in-service and/or centralised activities, and looking at the Companies according to a logic of prioritisation of the core processes characteristic of each business area. The online training programme offered using an e-learning platform has been extended to Companies to provide a first layer of compliance with the obligation for Data Controllers to instruct data processing personnel, providing them with training on individual corporate processes as well as a particular focus on cross-cutting procedures (HR, Legal, etc.). The necessary measures to safeguard against privacy risk have been implemented (including, for example, procedures for data classification, data retention, data deletion and data breach, etc.) and a Group contact channel has been established for privacy-related reports/complaints. A Data Protection Officer has been appointed at Acea S.p.A and at direct and indirect subsidiaries.
Where necessary due to the nature of the business, the Group Model has been customised by the individual companies, with effects on the implementation and/or fine-tuning of processes having a high impact on privacy, and initiatives have also been carried out to test compliance solutions already adopted.

COMMERCIAL SEGMENT

With reference to the Commercial segment, the companies of the segment, in carrying out their sales activities on the electricity and gas free market, are fully exposed to the risk deriving from competition. In particular, there is the risk connected with potential economic and financial damage due to the progressive concentration of the electricity and gas market, i.e. the reduction in the number of competitors and the increase in their respective market shares, which would penalise the positioning of sales companies on the market, in the event of failure to align with the growth trend of the main competitors. This in particular in the case that a reduction in the prices of the reference commodity occurred, which could lead to exposure for a significant portion of the customer base to aggressive policies from the main competitors. Companies in this segment are also exposed to the risk of potential economic/financial impacts due to partial efficacy of commercial initiatives, intended to strengthen and increase the customer base and the margins of the companies.
Furthermore, with reference to commodities, there is the risk connected with potential economic and financial damage due to the impact of changes in the macroeconomic context, including geopolitical changes which would lead, in the first case, to a reduction in the consumption of commodities by business customers and, in the second case, to phenomena of extreme volatility in commodity prices, with negative consequences on trade dynamics.
Relative to the Electricity Greater Protection Service, which, as of 1 July 2024, saw the Company as the sole supplier for vulnerable customers, note the risk associated with changes in the reference regulations, which could have a significant impact on the growth of the customer base.
This situation carries the risk of Acea Energia being penalised due to: (i) the inability to perform any commercial activity with regard to customers in the vulnerable category of the greater protection service; (ii) dependence on tariffs regulated by revenues and margins of the greater protection service; (iii) exposure of a significant portion of its customer base to the impacts of policies that will be adopted with a view to moving away from the greater protection service for vulnerable customers.
In the context of Acea Energia's operating activities which, as a commercial company, are the single point of contact for end customers, both for the electricity and gas free market and for the Electricity Service for the standard-offer market, there is risk linked to the possibility of inadequate levels of performance on the part of Distributors, with consequent impacts on the sales company.
The Segment Companies also have typical business risks deriving from an efficient and effective management of billing and credit collection procedures, where it is affected by the sub-optimal performance of electricity and gas distributors.
Information about commodity price risk and the control tools adopted is provided in the financial risks section.

NETWORKS & PUBLIC LIGHTING

areti, making use also of the support and assistance of the Acea SpA Risk Management, Compliance & Sustainability Unit in managing the process and of the instruments of the Enterprise Risk Management system implemented in the corporate Group, carries out periodically and in a structured way an activity of identifying and assessing the main risks that can have a significant impact on the achievement of the business objectives deriving from the strategic, industrial, financial and sustainability plans.
During the last ERM assessment, a risk scenario was identified associated with the concrete appearance of cyber threats, exposing the Company's OT systems to compromised availability, integrity and confidentiality for data with reference to Industrial Control Systems (ICS), with potential damage in terms of business interruptions (due to alteration/unavailability of technical or administrative processes), data/infrastructure impairment (alteration of logical or physical infrastructure) and breaches in terms of regulatory compliance (e.g. the General Data Protection Regulation (GDPR), Network and Information Security (NIS) and the national cybernetic security perimeter).
The company has already adopted preventive measures and will implement further projects in line with the best available technology and in compliance with current legal provisions

PRODUCTION SEGMENT

The main operational risks associated with the segment's business may relate to property damage (damage to assets, adequacy of suppliers, negligence), personal injury and damage arising from information systems and external events.
The Company, in order to cope with any operational risks, has taken steps, since the start of its activity, to sign policies with leading insurance institutions for property damage, third party liability and employee accidents.
The Company pays particular attention to the training of its employees, through in-person, virtual and online training courses, in order to make field operators and all corporate management responsible for working safely, respecting the environment and ecosystems, with ethical appropriateness and with a view to eco-sustainability, as well as to ensure compliance with regulations associated with Legislative Decree 231/01 as amended. - Antitrust and Consumer Protection – Privacy (GDPR).
The Company also develops and defines internal organisational pro-

cedures aimed at describing the activities and business processes of production sites/operating units where it specifies the matrix of responsibility and the context and the applicable legislation of reference; In addition, it draws up its own operating instructions for the field, which show how recurring maintenance work is to be carried out, relating the technical operating specifications to the safety guidelines to be used in operations.
The above is also realised through the implementation of an Integrated Quality, Environment, Safety and Corporate Liability Management System (hereinafter SYSTEM or SGI), adopted by the Company pursuant to ISO 9001:2015, ISO 45001:2015 and ISO 45001:2018, in lined with international standard SA8000:2014, certified by an accredited external control body, respectively no. 44357/23/S - EMS-5491/S - OHS-2046 - SA-2349.
SYSTEM is intended to be a tool to:

- respect for human rights and implementation/improvement of workers' rights;
- protect health and safety in the workplace and throughout the supply chain;
- protect the environment and biodiversity in ecosystems of interest;
- promote rational and knowledgeable use of energy sources and raw materials;
- promote a culture of quality and energy savings;
- achieve customer satisfaction;
- ensure continuous and proactive dialogue with other interested parties;
- promote the participation and consultation of workers through their representatives (Workers' Safety/Environment/E Representative).

Moreover, the company is implementing a system to report and communicate its environmental performance in line with Reg.EC 1221/2009, as amended, for the "A. ANGELO" hydroelectric production plant (Altino - CH).
All the above is specifically detailed in the SYSTEM policy, as declared, adopted and published by the companies in the Segment.

ENVIRONMENT SEGMENT

With regard to the management phase, the possible discontinuity of the waste-to-energy activities carried out in the Terni and San Vittore del Lazio plants and the waste treatment activities carried out by the other plants, if connected to the production of electricity under incentive programmes and the provision of public services, could have significant negative repercussions both from an economic point of view and with respect to responsibility towards public and private suppliers. In this context, therefore, where not planned, a plant shutdown creates a concrete risk of failure to achieve the objectives of the industrial activity.
The waste-to-energy plants, as well as waste sorting, treatment and disposal plants to a lesser extent, are characterised by a high level of technical complexity, which requires the management of qualified resources and organisational structures with a high level of know-how. Therefore, there are specific risks with regard to the continuity of technical performance of the plants, as well as connected to the possible exodus of professional skills (not easily available on the market) having specific managerial skills in this area.
These risks have been mitigated by implementing specific maintenance and management programmes and protocols, drawn up partly on the basis of the experience acquired in plant management.
Similarly, plants and the relative activities are measured considering the specific characteristics of inbound waste and outbound waste and raw materials as a function of the site-specific authorisation process. The failure of incoming material to meet the necessary specifications could lead to concrete operational problems, sufficient to compromise the operational continuity of the plants and give rise to risks of a legal and reputational nature.
For this reason, specific procedures have been adopted for monitoring and controlling input and output materials via spot checks and the analysis of samples pursuant to legislation in force.

INFORMATION TECHNOLOGY RISKS

For years now Acea has followed a development path focused on the use of new technologies as a driving force for the operational efficiency, safety and resilience of its industrial assets. The main business processes are now all supported by the use of advanced information systems, implemented and managed by the Group's centralised departments to support the operations of the various companies. In this sense, the Group is therefore exposed to the risks of the adequacy of the IT infrastructure to the current or future needs of the various businesses, as well as to the risks of unauthorised access to the data processed using IT procedures, with or without intent, and in any case inappropriate or not in compliance with current regulations. Acea manages these risks with the utmost attention through specific corporate compliance structures coordinated by specialised Group safeguards.
As far as cyber security of systems, infrastructure, networks and other electronic devices is concerned within the scope of the services provided by the respective Group Companies, the current procedural and technological safeguards of the Companies themselves are implementing all the necessary actions to align their cyber security posture with the main national and international industry standards in order to increase their resilience to risks of this nature, possible repercussions in terms of business interruption and regulatory non-compliance. Technological and organisational measures have been implemented with the aim of:

- managing the threats to the organisation's network infrastructure and information systems in order to ensure a level of security appropriate to the existing risk;
- Preventing accidents and minimising their impact on the security of the network and information systems used to provide services, so as to ensure their continuity.

To that end, note that on 2 February 2023 Acea was the victim of a Ransomware hacker attack, which affected all Corporate IT services. Essential services (including electricity and water distribution) were not impacted; with reference to work stations, only a few units were compromised, thanks to the anti-malware technology installed. Concurrent with analysis, existing security measures were strengthened and recovery was begun, including restoration of full backups, which led to a gradual recovery of functioning for all systems/services. The event involved the compromising of the company's non-structured data repository with an impact on availability. Together with internal analysis, an investigation by the Public Prosecutor of Rome was launched and is still under way, utilising the bodies of the CNAIPIC Postal Police - PG to analyse the incident. The incident was also followed by the online publication of company folders and files illicitly extracted during the attack. Given that personal data was also contained in these, the company's Data Breach procedure was activated, with notification of the Personal Data Protection Authority (GPDP). Acea promptly implemented

all the procedures necessary to comply with the Privacy regulations. In particular, the GPDP received a preliminary notification by the deadline of 72 hours after the event was identified. Subsequently, two supplementary notifications were sent, followed by a third on 21 April 2023, completing the notification process and providing evidence of the results of the analysis carried out.
Following the conclusion of the notification process, the GPDP sent a request for information which Acea responded to by the deadline, and subsequently began an audit, mainly consisting of requests for information and documents inherent to the notifications made. The audit took place on a single day in May 2023, at the end of which the GPDP advised that a second audit would take place in July 2023. At the end of this second day, the GPDP set a deadline of 31 July 2023 to provide the additional documentation requested, which was not available at the time as it was being finalised. This documentation was supplied by the date indicated above.
From that point, no additional requests for information or clarifications have been received from the GPDP, although it has the power to request them, nor has it issued any provisions.
That being established, remember that still today the Authority has the right to obtain further information through requests and investigatory actions. It should be noted that at present it is not possible to predict, on the basis of currently available information, whether the Authority will apply any sort of penalty, nor the relative amount, that being represented in the communication made through Acea's request remaining still valid today, submitted through a third party, also taking into consideration that the regulatory process for notifying the Authority was followed.

MARKET RISK

The Group is exposed to various market risks with particular reference to the risk of price/volume oscillations for commodities being bought and sold, interest rate risks and foreign exchange risks to a lesser extent. To reduce exposure to within the defined limits, the Group enters into contracts drawn up on the basis of the typologies offered by the market.
The **Market Risk** is the risk concerning the unexpected effects on the value of the portfolio of assets due to changes to the market conditions.

COMMODITY RISK

Through the activities carried out by the Commodity Risk Control Unit of the Risk Management, Compliance & Sustainability Department, Acea SpA ensures the analysis and measurement of exposure to market risks, interacting with the Energy Management Unit of Acea Energia SpA, verifying compliance with the limits and criteria adopted by the General Risk Management of the Commercial and Trading Sector in line with the Acea SpA "Guidelines for the Internal Control and Risk Management System" and Acea SpA "Guidelines for Risk Management for Commodity Trading in Futures Markets" and specific procedures. The analysis and management of risks is carried out according to a second-level control process that involves the execution of activities throughout the year with different frequency by type of limit (annual, monthly and daily), carried out by the Commodity Risk Control Unit and by risk owners. Specifically:

- the risk metrics and limits to be observed in risk management activities are defined on an annual basis;
- every day, the Commodity Risk Control Unit monitors exposure to market risks of the companies in the Commercial and Trading Industrial Segment and verifies compliance with the defined limits.

The reports are sent to the Top Management on a daily and monthly basis. when requested by the Internal Control System, the Commodity Risk Control Unit sends the requested information.
In this context, reference is made to the Price Risk and Volume Risk cases as defined:

- **Price Risk**: risk linked to the change in commodities prices due to the difference in the price indices for purchases and sales of Electricity, Natural Gas and Environmental Certificates;
- **Volume Risk**: the risk linked to changes in the volumes effectively consumed by clients compared to the volumes envisaged in the sales contracts (sale profile) or, in general, the balancing of positions in the portfolios.

The risk limits of the Commercial and Trading Sector are defined in such a way as to:

- minimise the overall risk of the entire segment;
- guarantee the necessary operating flexibility in the provisioning of commodities and hedging;
- reduce the possibility of over-hedging deriving from the variation in expected volumes for the definition of hedges.
- The management and mitigation of commodity risk are functional to achieving the economic and financial objectives of Acea Group, as indicated in the budget, in particular:
- to protect the primary margin against unforeseen and unfavourable short-term shocks in the energy market which affect revenues or costs;
- to identify, measure manage and represent exposure to risks;
- to reduce risks through the preparation and application of adequate internal controls, procedures, information systems and expertise.

Commodity trading on futures markets is intended to satisfy expected needs deriving from electricity and gas sales contracts relative to end customers.
The risk hedging strategy adopted by the Commercial and Trading Industrial Area also aims to minimise the risk associated with the volatility of the Income Statement deriving from the variability of market prices and ensure correct application of the Hedge Accounting (in accordance with current International Accounting Standards) to all derivative financial instruments used for such purpose.
As regards the commitments undertaken by the Acea Group to stabilise the cash flow from purchases and sales of electricity, it should be noted that all of the ongoing hedging operations are recorded in the accounts using the flow hedge method, as far as the effectiveness of hedging can be demonstrated. The financial instruments used are of the swap and contracts for difference (CFD) type, or other instruments aimed at hedging commodity price risk.
The evaluation of risk exposure involves the following activities:

- recording of all transactions involving physical quantities carried out in special books (known as Commodity Books) differentiated according to the purpose of the activity (Sourcing on wholesale markets, Portfolio Management, Sale to end customers within and outside the Acea Group) and commodities (e.g., Electricity, Gas, Environmental Certificates);

- daily checks on observance of limits applicable to the various Commodity Books.

The activity performed by the Commodity Risk Control Unit provides for daily codified checks on compliance with risk procedures and limits (also for purposes of compliance with Law 262/05) and reports to the Top Management any discrepancies detected during the phases of checks, so that measures can be adopted to be within the established limits.
In 2024, the application of the limits established for management of the portfolios in the Commercial and Trading Segment continued to be suspended as the entire process is currently under revision with a view to expanding its scope of application and improving its operational efficiency.

INTEREST RATE RISK

The Acea Group's approach to management interest rate risk, which takes the structure of the assets and the stability of the Group's cash flows into account, has so far been prudent and intended to preserve the cost of funding, to stabilise the margins and the cash flows deriving from ordinary activities through a management method that tends to be static in nature.
In particular, for static management (to be opposed to the dynamic one) we mean a type of management of interest rate risk that does not provide for daily operations on the markets but an analysis and control of the position carried out periodically on the basis of specific needs. This type of management therefore involves daily activity in the markets, not for trading purposes but in order to hedge the identified exposure in the medium/long term. Acea has thus far opted to minimise interest rate risk by choosing a variable mix of fixed and floating rate funding instruments.
As it is known, fixed rate funding protects a borrower from cash flow risk in that it stabilises the financial outflows in the income statement, whilst heightening exposure to fair value risk in terms of changes in the market value of the debt.

FOREIGN EXCHANGE RISK

The Group is not particularly exposed to this type of risk, which is concentrated in the conversion of the financial statements of its overseas subsidiaries.
As regards the 20 billion Yen Private Placement, maturing in 2025, the exchange rate risk is hedged through a cross currency swap.

LIQUIDITY RISK

The goal of liquidity risk management, for both Acea and its subsidiaries, is to adopt a financial structure which, consistent with business objectives and within the limits defined by the Board of Directors, guarantees a suitable liquidity level that can meet short/medium-term financial requirements, while maintaining an appropriate balance between maturity and composition of debt, also taking into account the challenging objectives set out in the Business Plan in terms of developing new M&A initiatives.
The liquidity risk management process, which uses financial planning tools for outflows and receipts implemented at the level of the individual companies under the coordination of specific Group oversight, aimed at optimising the management of treasury hedges and to monitor the trend of consolidated financial debt, is carried out both through cash pooling management both through the support and assistance provided to the subsidiaries and associated companies with which there is no centralised finance contract.

CREDIT RISKS

Credit risk is associated with the possibility that a commercial counterparty is non-compliant, not honouring their commitments in line with the methods and schedules contractually established. This type of risk is managed by the Acea Group through specific procedures, prepared in line with the Group's Credit Policy and with appropriate mitigation actions.
The Credit Check system, which has been operating in unregulated markets for several years and with which all new mass market and small business customers are checked through customised scorecards, is integrated with the user management system of the Free Market energy and Acea Energia Spa gas.
Scorecards, updated based on the most recent collection experiences, began use at the beginning of 2022 and were adjusted in 2023 in line with the changed reference scenario.
In 2024 further amendments were made to the models to reflect the recent changes to the regulatory landscape (e.g. end of the standard market service) and the consequent development of the company's commercial policies, which were subsequently released in early 2025.
The assessment of Large Business customers is managed through an approval workflow with decision-making bodies consistent with the level of exposure expected from the supply. The models and tools for managing Large Business customers were also optimised during in 2023 and 2024.

The dynamic management of recovery strategies is carried out in the billing systems for active customers, based on their relative payment habits (performance scorecard) and through a dedicated management system for those discontinued.
The structures of the individual companies responsible for credit management are coordinated by Acea's Finance - Corporate Credit unit, which guarantees end-to-end control of the entire process.
The mass management of active and inactive receivables of a limited amount was carried out by the operating companies, leaving to the holding company the activity of disposing of non-performing receivables through disposal operations, as well as the management of inactive customers with significant amounts due. As a result of these interventions, in recent years the Acea Group significantly improved its collections capacity both in terms of electricity sales and the water supply business.
Due to the difficult macroeconomic situation in 2022, despite the excellent performance in terms of cash flow, the Acea Group held it expedient to incorporate a corrective factor when evaluating credit risk the previous year, in order to anticipate a possible worsening of the creditworthiness of its counterparties. Therefore, utilising "satellite models", a stress scenario was introduced for the main Group companies to determine the unpaid rates used to calculate the writedown of invoices to be issued, differentiated based on the business in question.
Despite continued financial uncertainties, with increased interest rates and inflation, 2023 was another year in which all the main Group companies saw excellent cash flow performance. With reference to the closure of financial statements of 2023, as in previous methodology, the prudential ratios applied in 2022 were up-

dated, leading to new amounts for "unpaid stressed".
This prudential approach was also replicated for the close of 2024, which nonetheless confirmed the positive trend shown over the last few years in terms of invoicing and collections, and a progressive reduction in inflation and interest rates.
As in previous years, this year the Group has also set up non-recourse, revolving and spot transactions for receivables from private customers. This strategy exposes the Group to the risks involved in closing or failing to close these operations, and on the other hand allows the full deconsolidation of the corresponding assets subject to disposal from the financial statements since all the risks and benefits associated with them have been transferred.
Trade receivables are shown in the financial statements net of any impairment; it is held that the value shown expresses an accurate representation of the presumed realisable value of total trade receivables.

RISKS RELATING TO THE RATING

Access to the capital market and other forms of funding and the related costs depends, amongst other things, on the Group's credit rating by rating agencies.
A reduction in the credit rating could represent a limiting factor for access to the capital market and increase collection costs, with the consequent negative effects on the equity, economic and financial standing of the Group.

Acea's current rating is shown in the following table.

Company	M/L Term	Short Term	Outlook	Date
Fitch	BBB+	F2	Stable	03/2024
Moody's	Baa2	Na	Stable	11/2023

SUSTAINABILITY REPORTING

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Introduction

Developing and operating safe and sustainable infrastructure. With our People, ensuring access and circularity to fundamental resources for citizens, businesses and the territory"; this is the claim of the Acea Group defined in the 2024-2028 Industrial Plan "Green Diligent Growth", which traces the path of the Group's business in coming years with a strategic vision that integrates sustainability as a transversal guideline to operational and business choices.
In 2024, the Acea Group celebrated its first 115 years of operations, starting with the construction and management of the electricity network for the capital, with the activation of the first hydroelectric power stations, the management of Rome's aqueducts, and the construction of the Peschiera-Capore aqueduct, currently representing the largest aqueduct investment in Italy and among the first in Europe, essential to securing the Capital's water supply. Water and energy, more recently joined by the environment area for waste management, to guarantee the management of these fundamental resources in a logic of efficiency and innovation, integrated with Acea's vocation of service to the territories and communities in which it operates, from the perspective of corporate responsibility towards the creation of shared value.
Attention to the environment, resources, territories and people, therefore form the basis for Acea's operations, where, in a nutshell, sustainability is a fundamental and unavoidable premise, and which the Group is committed to consistently pursuing with a strong strategic vision.

1. General information

1.1 GENERAL CRITERIA FOR SUSTAINABILITY REPORTING AND DISCLOSURES RELATING TO SPECIFIC CIRCUMSTANCES

ESRS 2 BP-1; ESRS 2 BP-2 The Acea Group's 2024 Sustainability Report is prepared in accordance with the reporting standards applied pursuant to the CSRD 2013/34/EU "Corporate Sustainability Reporting Directive" and Italian Legislative Decree 125/2024 transposing this nationally, and with the specifications adopted pursuant to Article 8 of the european Taxonomy Regulation 2020/852/EU.
The Report is prepared on a consolidated basis, approved by the Board of Directors of Acea SpA and subject to a limited review.
The scope of reporting includes the Parent Company and the companies consolidated on a line-by-line basis in the annual Financial Statements.
In the last quarter of 2024, corporate changes took place that led to a change in the scope of consolidation with reference to four Group companies (Acquedotto del Fiora SpA, Agile Academy Srl, Acea Renewable Srl, Fergas Solar 2 Srl, Berg SpA). as described in the Consolidated Financial Statements.
For sustainability reporting purposes, this change was managed as follows:

- technical data (consumption, energy production, emissions, pollution, resource inflows, resource outflows): the total annual figure is shown, given that the portion for the deconsolidated months is not significant in relation to the Group total;
- personnel data: the total number of employees as at 31 December does not include the staff from the deconsolidated companies; average figures for the year include all companies.

Consistent with the ESRS standards, the Report covers the thematic content of environmental, social and governance standards.
With reference to the value chain, the main information on upstream and downstream players is provided, relating to:

- the double materiality analysis process, with specific reference to identifying impacts, risks and opportunities;
- the Group's policies, actions and objectives, with a level of detail that varies according to the degree of control and influence;
- the identification of metrics, with specific reference to Scope 3 emissions reporting.

Furthermore, it is specified that in the Report:

- no information has been omitted that forms the subject of intellectual property, the result of innovation and referring to imminent developments or issues subject to negotiation;
- the phase-in provisions listed in Appendix C of ESRS 1 applicable to Acea have been adopted, with the exception of the requirements related to ESRS S1-15 Work-Life Balance Metrics, ESRS S1-12 Persons with Disabilities and ESRS S1-13 Training and Skills Development Metrics.

To avoid the duplication of data and information, the Sustainability Report refers to other sections of the Report on Operations regarding the information already contained therein, such as the business model, or for more in-depth information. The Report on Operations also describes the Group's reference context and the main risks and uncertainties from a market risk perspective, to which reference is made in the respective paragraphs. Any information referencing other corporate documentary sources is clearly specified in this document. As established by ESRS 1, Acea has defined time horizons corresponding to the Group's Enterprise Risk Management (ERM): short term (1 year), medium term (1-5 years, consistent with the coverage of the Business Plan, long term (over 5 years, namely, beyond the time frame of the Business Plan).
Regarding the use of estimates for the data published in the document, it is specified that no estimates were made for its own workforce. With reference to the value chain, it is noted that data on climate-changing emissions outlined hereunder in paragraph 2.2.4, is collected from a representative sample of Group suppliers based on a specific questionnaire. The figure is estimated by readjusting the consumption recorded relative to the total purchased during the year.
This questionnaire was also used to collect data on water consumption.

Because 2024 is the first year when ESRS standards were applied, and the Sustainability Report does not include comparative data with the previous year. Therefore, any information changes relating to previous periods or reporting errors, which could affect a comparison across several financial years, are not applicable. It is further noted that the scope for the Company's 2024 reporting differs from last year as a result of the increased perimeter, in compliance with the new reference legislation. For 2024, the first year of reporting under the new regulations, information on the following ESRS/data points has been omitted, using the phase-in option: SBM-1 paragraph 40 (b) and (c); SBM-3 paragraph 48 (e), E1-9, E2-6, E3-5, E4-6, E5-6, S1-7, S1-11, S1-14.

1.2 GOVERNANCE ESRS GOV-1; ESRS GOV-2; ESRS GOV-3

ESRS 2 GOV-1; ESRS 2 GOV-2 The Acea SpA Board of Directors consists of 13 members: 7 men (54%) and 6 women (46%); 12 board members are Italian citizens and 1 is French; 3 board members are between 30 and 50 years old, 10 are over 50; 10 board members (77%) qualify as being independent. Only one board member, the Chief Executive Officer, holds executive positions.
Board members generally have experience in the Group's business sectors, specifically in the energy, water and environmental sectors, with national and international experience, as shown in the CVs included in the Annexes.

Corporate Governance

Acea adheres to the Corporate Governance Code of Borsa Italiana, ensuring that its corporate governance system complies with the Code's principles and recommendations.
Specifically, the Board of Directors' actions are characterised by the pursuit of sustainable success, understood as the objective of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Group. The Chairperson of the Board of Directors is assigned a central role by the Board in overseeing issues related to the environmental impact and social sustainability of the Group's operations and processes.
The Board of Directors is tasked, inter alia, with defining the guidelines of the Internal Control and Risk Management System based on a proposal from the Control and Risks Committee, so that the main risks, including the risks that could become relevant from a sustainability perspective over the medium-long term, are correctly identified and adequately measured, managed and monitored.
The Board of Directors has set up three internal Committees to provide preliminary, propositional and advisory support to the administrative Body, namely: the Appointments and Remuneration Committee, the Control and Risks Committee and the Ethics, Sustainability and Inclusion Committee. The committees meet to deal with the issues falling within their remit, according to a schedule approved by each committee, based on the proposals of the respective chairpersons. This schedule is updated when deemed opportune or necessary according to developments in corporate operations. Based on the specific invitation of the respective chairperson, the meetings of each committee may be attended by other members of the Board of Directors or by representatives of company departments or third parties whose presence may be of assistance in the best performance of the committee's functions. At the meetings, committees are updated on sustainability issues relevant to the Group, ongoing actions and developments such as the adoption of policies and the implementation of operational plans.
During the year, the Ethics, Sustainability and Inclusion Committee and the Control and Risks Committee dealt with the following topics, also in terms of impacts, risks and opportunities: equality, diversity &; inclusion; occupational health and safety; business ethics; sustainability in the supply chain; corporate welfare; sustainability plan; double materiality analysis; sustainability reporting processes; integrated management systems reporting; anti-corruption; antitrust and consumerism.

The Ethics, Sustainability and Inclusion Committee (ESIC) is a collegial body with full and autonomous powers of action and control designated with providing preliminary, propositional and advisory support to the Board of Directors within the context of corporate ethics and environmental, social and governance topics. The Committee is tasked, inter alia, with the following:

- promoting the integration of sustainability in the strategies and culture of the company and encouraging its dissemination among employees, shareholders, users, clients, the territory and all stakeholders in general;
- overseeing the sustainability topics associated with the exercising of business activities and interaction dynamics between the company and all stakeholders and examine the main corporate rules and procedures proving to be of relevance upon comparison;
- examining the guidelines of the sustainability plan and the implementation procedures;
- monitoring the implementation of the sustainability plan approved by the Board of Directors;
- expressing, on the request of the Board of Directors, opinions on other matters regarding sustainability;
- liaising with the pertinent corporate structures and bodies in relation to aspects of ethics and sustainability;
- promoting, in light of international best practices, a culture of valuing diversity, avoiding and countering all forms of discrimination, to encourage the adoption of a diverse approach to people management, spreading sensitivity and awareness of the value of differences at all levels of the organisation and monitoring overall development.

The Control and Risks Committee was established to assist the Board of Directors, ensuring adequate preliminary investigations and support in the assessments and the decisions related to the Control System, as well as the approval of the financial and non-financial reports.
The Code of Ethics sets out the general ethical principles that all company practices must be linked to, specifying the criteria of conduct towards each category of stakeholder and defining the mechanisms for implementing the principles and controlling the behaviour of the people who work in the Group's interest.
The Code is adopted by a resolution of the Acea Board of Directors and periodically updated on the basis of the suggestions and proposals received from the Ethics, Sustainability and Inclusion Committee and the Control and Risks Committee.
The Ethics, Sustainability and Inclusion Committee, in connection with the tasks assigned by the Board of Directors, monitors the adequacy of the Code of Ethics and its effective implementation, also with the support of the Ethics Officer.
The Ethics Officer prepares a periodical report on the reports, the in-depth analyses carried out and the initiatives undertaken in the field of training and communication, which is sent to the Chairperson, the CEO and the Control Bodies of Acea S.p.A. (the Control and Risk Committee, the Ethics and Sustainability Committee, the Board of Auditors and the Supervisory Body of Acea, and the Supervisory Bodies of the Group companies).

The Board of Directors approves, reviews and updates the corporate sustainability policies, defined in line with the Code of Ethics, including: the Human Rights Policy, the Integrated Management Systems and Sustainability Policy, the Anti-Corruption Policy, and the Equality, Diversity & Inclusion Policy.

The Internal Control and Risk Management System is designed to identify, measure, manage and monitor key business risks, ensuring that the organisation operates effectively and in compliance with regulations. The SCIGR contributes to company management aimed at sustainable development, maximising the value of the company and in line with the company objectives defined by the Board of Directors of each Company, supporting Management in informed decision-making where the main risks are identified, assessed, managed and monitored, in relation to their ability to influence the achievement of the objectives and impact the value of the company.
Within the framework of the functions covered and in the achievement of the related objectives, Management ensures the SCIGR is appropriate for the activities within its remit, actively participating in its proper functioning. To this end and also depending on the risks being managed, Management establishes specific control activities and monitoring processes to ensure the effectiveness and efficiency of the SCIGR.
Within the system of controls for the governance and management of the SCIGR and sustainability issues, we note the Risk Management, Compliance &; Sustainability structure, with the mission, inter alia, of ensuring the valorisation of ESG aspects in the Acea Group, integrating sustainability principles and issues into corporate management, coordinating the planning and monitoring of sustainability objectives, and attending to ESG reporting. This structure, which reports in hierarchical terms to the Chief Executive Officer, interacts, discusses promotes and analyses the relevant sustainability issues on an ongoing basis with Group functions and companies.

Acea's Board of Directors defines the Group's strategic objectives, formalised through the Strategic Plan, in order to guide corporate management over the medium term. Management defines the company's operational, compliance and reporting objectives in line with the strategic objectives defined in the Business Plan and in accordance with the corporate mission. These objectives reflect the choices, according to which the company intends creating and preserving value for all stakeholders. This is the context for the Sustainability Plan which, defined with the contribution of the operating companies and various functions, highlights the consistency between the Group's development guidelines outlined in the Business Plan and the socio-environmental impact of business operations. The strategic planning process envisages the approval of the Plan by the Board of Directors and its subsequent monitoring, with a six-monthly review and an annual report included in the Sustainability Report, as well as a periodic review and update to maintain its consistency with business developments and strategic orientations.

Several management systems at Acea are implemented for sustainability relevant issues, from the environmental (environment, energy, etc.) to the social (diversity and inclusion, occupational safety).
The functioning of these systems involves, among other activities, identifying and evaluating the relevant aspects and impacts and continuous monitoring, including reviews by Management to assess the degree to which the systems are being applied and are effective in achieving corporate objectives.

During 2024, the Chairperson, together with the Chief Executive Officer, prepared a training programme for the Board that was also attended by the Board of Statutory Auditors, aimed at providing the Directors with a thorough knowledge of the company's activities and organisation, its sector and the regulatory framework and self-regulatory framework, the company dynamics and their evolution and the role to be performed with respect to the specific nature of Acea, from the perspective of sustainability issues. With regard to the latter, two Induction initiatives were carried out in the reporting period, with the support of external experts, focusing on the Corporate Sustainability Reporting Directive and its impact on the Acea Group. The Board of Directors also has specific competencies in the field of sustainability, with reference to management areas in the energy-utility sectors, e.g. the energy transition and climate impacts.

For its current three-year term of office, the Board resolved to carry out an evaluation of its size, composition and functioning (Board Evaluation), with the assistance of Crisci & Partners, in the role of independent external consultant. This project includes assessments of the onboarding activities and Induction needs, as well as useful recommendations on developing them over time, with reference to the methods and content, to better tailor them to the mix of skills held by individual Board of Directors members, in terms of the governance, strategy, risk and control aspects specific to Acea.

1.2.1 SUSTAINABLE REMUNERATION SYSTEMS
ESRS 2 GOV-3

Acea defines its sustainability model making reference to Agenda 2030 for sustainable development, adopted by the UN Assembly since 2015. This is a globally shared action plan to foster development potential and wellbeing of individuals in harmony with the environment and its resources, making it possible to guarantee shared, long-term progress.
In a market context in which there is an increasingly widespread connection between variable remuneration mechanisms and the achievement of social and environmental results, the Acea Group has confirmed its path of increasing the integration of sustainability into business activities, adopted over the years, also by strengthening of its own commitment.
This aim is also implemented through Group incentive plans, with the importance of sustainability issues highlighted once again in 2025 – in both the short-term and long-term incentive plans – and adequately balanced with economic and financial objectives.
The short-term variable incentive (MBO) scheme and the second cycle of the 2024-2026 Long-Term Incentive Plan have a composite sustainability objective, broken down into the following indicators:

2025 MBO PLAN

Composite sustainability objective

- Reduction in Accident Frequency Index (excluding commuting accidents)
- Organization of sewage and water treatment through measures aimed at strengthening and decommissioning/centralisation of plants
- Increase in remote control of MV secondary cabins
- Increase in plastic sent for recovery (circular economy in the Environment segment)

2025-2027 LONG-TERM INCENTIVE PLAN

Composite sustainability objective

- Equal representation of gender diversity in Acea structures
- Reduction in % water leaks (on volumes issued) compared to the base-year value
- Reduction in production of sludge compared to the base-year value
- Increase in resilience and upgrade to LV Network

The objectives set out in the 2024-2028 Sustainability Plan were developed in close alignment with the investments envisaged by the Business Plan. This integrated approach not only ensures that the sustainability initiatives respond to environmental and social requirements, but that they are also aligned with the medium-term growth strategy. In this way the creation of sustainable value is ensured for all stakeholders, while promoting the Company's innovation and competitiveness.

A 20% percentage share is linked to the composite sustainability target for MbO 2025 and the second cycle of the 2024-2026 plan. The final figures for the 2024 MbO and the second cycle of the 2021-2023 LTIP for the composite sustainability target are shown below, with the corresponding remuneration shares.
The final results are presented at the Nomination and Remuneration Committee before being approved by the Board of Directors.

2024 MBO Final Plan

KPIS	Weighting	Target	Balance 2024	% achieved
COMPOSITE SUSTAINABILITY OBJECTIVE	**20%**			
PEOPLE Reduction in accident frequency index	**5%**	**5.44**	**5.31**	**130.6%**
WATER Optimisation of sewage and water treatment through measures aimed at strengthening and decommissioning/ centralisation of plants	**5%**	**3**	**4**	**140%**
NETWORKS Increase in remote control of MV secondary substations	**5%**	**71%**	**76.70%**	**140%**
ENVIRONMENT Increase in MWh produced from biogas (Environment area renewable source)	**5%**	**+6%**	**5.76%***	**98.4%**

* The data related to the Environmental Area objective has been adjusted to manage the effects of a critical plant issue at the Aprilia plant, an external event that could not have been foreseen by the company's management team.

2021-2023 LTI Final Plan – II cycle 2022-2024

KPIS	Weighting	Target	Balance 2024	% achieved
SUSTAINABILITY	**10%**			
Cumulative percentage change to IRI (post-intervention value/pre-intervention value)	**2%**	**-70.0%**	**-70.0%**	**40%**
% reduction in volume of water lost compared to the base-year value (2019)	**2%**	**32.0%**	**27.0%**	**30%**
% reduction in production of dewatered/dried sludge compared to the base-year value (2019)	**2%**	**45.7%**	**36.2%**	**0%**
Reduction of CO_2 emission intensity index at Acea Produzione (gCO_2/kWh produced, and reduction as a percentage compared to the 2019 figure: 89 gCO2/kWh)	**2%**	**55**	**91.0**	**0%**
Reduction in injury-related indices (Acea Group severity index on average 2022-24 ≤ 2021) (using the same scope as the 2021 NFS)	**2%**	**-7.5%**	**20.0%**	**0%**

1.2.2 THE DUTY OF CARE STATEMENT

ESRS 2 - GOV- 4 Acea is committed to implementing the duty of care to identify, prevent and mitigate the effective and potential negative impacts generated by the operations and business relations of Group companies.

Specifically, the Human Rights Policy includes Acea's commitment to adopting a due diligence process, which, based on the implementation of dedicated tools (second-level controls, risk mitigation measures, etc.), aims to integrate human rights issues into the risk assessment and management model, strengthening the Internal Control System with a specific focus on the issue.

The Management and Sustainability Systems Policy reaffirms the Group's commitment to identifying, preventing, mitigating and stopping negative impacts on human rights and the environment relating to the Group's operations.

As part of its impact analysis (Materiality Impact), Acea involves stakeholders from different categories in the assessment of impacts, including actual or potential negative impacts generated externally by its operations.

With reference to business processes that are sensitive to ethical and professional risks linked to inter-relationships with third parties (e.g. suppliers, customers, partners, etc.), reputational verification activities are carried out based mainly on searches on ad hoc databases and OSINT methodology, i.e. intelligence analysis on public sources.

Fundamental elements of the duty of care	Paragraphs of the sustainability report
Integrating the duty of care into governance, strategy and the business model	1.2 Governance; 1.5 Policies; 1.7 Double materiality process: impacts, risks and opportunities; 2.2.1 Climate change strategy, 2.2.2 Climate change
Involving stakeholders during all key duty of care stages	Paragraphs 3.1.1 and 3.1.2 of ESRS S1 Own Workforce; paragraphs 3.2.1 and 3.2.2 of ESRS S2 Workers in the value chain; paragraphs 3.3.1 and 3.3.2 of ESRS S3 Communities involved; paragraphs 3.4.1 and 3.4.2 of ESRS S4 Consumers and end users
Identifying and assessing negative impacts	1.5 Double materiality process: impacts, risks and opportunities; paragraphs 3.1.1 and 3.1.2 of ESRS section S1 Own workforce; paragraphs 3.2.1 and 3.2.2 of ESRS section S2 Workers in the value chain; paragraphs 3.3.1 and 3.3.2 of ESRS section S3 Communities involved; paragraphs 3.4.1 and 3.4.2 of ESRS section S4 Consumers and end users
Intervening to address negative impacts	paragraph 2.2.3 of ESRS Section E1 Climate Change; paragraph 2.3.2 of ESRS section E2 Pollution; paragraph 2.4.2 of ESRS section E3 Water and marine resources; paragraph 2.5.3 of ESRS section E4 Biodiversity and ecosystems; paragraph 2.6.2 of ESRS section E5 Use of resources and the circular economy; paragraphs 3.1.1 and 3.1.2 of ESRS section S1 Own Workforce; paragraphs 3.2.1 and 3.2.2 of ESRS section S2 Workers in the value chain; paragraphs 3.3.1 and 3.3.2 of ESRS section S3 Communities involved; paragraphs 3.4.1 and 3.4.2 of ESRS section S4 Consumers and end users; paragraph 4.2 of ESRS section G1 Business conduct
Monitoring the effectiveness of interventions and communicating	paragraph 2.2.4 of ESRS Section E1 Climate Change; paragraph 2.3.3 of section ESRS E2 Pollution; paragraph 2.4.3 of section ESRS E3 Water and marine resources; paragraph 2.5.4 of section ESRS E4 Biodiversity and ecosystems; paragraph 2.6.3 of section ESRS E5 Use of resources and the circular economy; paragraph 3.1.3 of ESRS section S1 Own Workforce; paragraph 3.2.3 of ESRS section S2 Workers in the value chain; paragraph 3.3.3 of ESRS section S3 Communities involved; paragraph 3.4.3 of ESRS section S4 Consumers and end-users

1.2.3 RISK MANAGEMENT AND INTERNAL CONTROLS FOR SUSTAINABILITY REPORTING

ESRS 2 GOV-5 In 2024, Acea started a process to adapt to the requirements set out in Italian Legislative Decree 125/2024, through the definition and gradual implementation of a risk management and internal controls model on sustainability reporting, aimed at ensuring the reliability of such reporting and its compliance with reporting standards.

The risk management and internal controls model on sustainability reporting also aims to support the CEO and the Financial Reporting Officer in issuing declarations to the market on the compliance of Acea's Sustainability Reporting with the reporting standards provided at European level (ESRS) and the specifications adopted pursuant to Regulation (EU) 2020/852 (the EU taxonomy).

The project launched by Acea to define the Internal Control System on Sustainability Reporting ("SCIIS"), has the following main objectives:

- define the risk management and internal controls model on Sustainability Reporting (the "SCIIS Model");
- define the methodological approach for assessing and prioritising risks and for identifying the scope of analysis of the SCIIS, and apply this methodology to draw up a roadmap for implementation for the coming years;
- analyse risks, and define and implement controls of the Sustainability Reporting process;
- conduct a pilot implementation of the SCIIS Model on certain priority indicators (KPIs), based on a benchmarking analysis and the most relevant issues for the Group, aimed at defining a methodological approach that suits the characteristics of the company;
- define the information flow towards the Chief Executive Officer and the Financial Reporting Officer, as well as towards the administration, management and control bodies.

The defined SCIIS Model is developed on the basis of the framework prepared by the Committee of Sponsoring Organisations of the Treadway Commission (the "CoSO Report") which, in March 2023, published a specific supplementary guide dedicated to sustainability reporting, entitled "Achieving Effective Internal Control of Sustainability Reporting" (ICSR).

Consistent with the principles of the CoSo Report, the methodology adopted for assessing and prioritising risks on Sustainability Reporting is based on the following approach aimed at identifying the scope of analysis of the SCIIS:

- Identification of the analysis universe comprising the data points subject to disclosure by Acea, within the scope of Sustainability Reporting. Specifically, the data points feed into the plan of indicators (KPIs) defined by the Acea Sustainability Department following the double materiality analysis carried out pursuant to ESRS 1 "General Principles" to identify sustainability issues relevant to the Acea Group through the mapping of impacts, risks and opportunities (IRO);
- assessment and prioritisation of KPIs on the basis of a risk/relevance analysis, carried out by means of assessment drivers representing a combination of external and internal factors, in order to obtain a risk assessment that balances external expectations and the internal connotations and characteristics of the business processes from which the data disclosed in the sustainability report originates. The main drivers adopted concern consistency and relevance to sustainability policies, managerial incentives, sustainable finance instruments and rating agency assessments.

For the KPIs assessed as most at-risk/material and for the Group companies that contribute significantly to them, the approach adopted by Acea involves analysing the business processes, identifying the risks and controls aimed at ensuring that the data and in-

formation included in the Sustainability Report meet the qualitative characteristics of relevance, faithful representation, comparability, verifiability and comprehensibility. This analysis forms the basis for the procedures adopted to prepare and communicate sustainability data and information.

The development of the system included an analysis of Acea's Sustainability Reporting process, defining the activities and the roles and responsibilities of the parties involved.

In addition, the digitisation of the process was started during the year with a view to integrated reporting, by adopting the same computer application already used to prepare Acea's Consolidated Financial Statements. The digitisation of the process of collecting and consolidating sustainability data and information is an enabling factor to optimise and strengthen the control system through accountability, traceability, automated controls and monitoring dashboards.

Since the implementation phase of the SCIIS, carried out in the financial year 2024, the main risks identified, taking into account the "qualitative characteristics of information" governed by ESRS 1 - Appendix B, concerned
- the completeness and integrity of the data;
- the accuracy of estimates;
- the accuracy and completeness of descriptions;
- the availability and timeliness of data;
- the authorisation of data and information;
- compliance with the relevant legislation.

The following main types of controls are provided for to safeguard against these risks:
- approval and management review controls;
- data reconciliation checks;
- automatic checks to ensure the calculation and correct imputation of data in computer systems;
- controls on logical access to the systems and traceability of operations performed on the system used for Sustainability Reporting;
- consistency checks of sustainability reporting against ESRS reference standards and further regulations;
- analysis of the deviation of the data from the available time series.

Finally, as a further risk mitigation measure within the sustainability reporting process, Acea has implemented an internal control environment consisting of a set of different elements, consistent with each other, which contribute in an integrated manner to establishing the environment Acea's people operate in, directing their activities within their assigned responsibilities and encouraging the taking of conscious decisions aimed at achieving corporate objectives. The constituent elements of the internal control environment are:
- the adoption of ethical principles and standards of conduct;
- the adoption of regulatory instruments;
- the promotion of a risk management culture to support growth;
- system of delegations and powers and the development of skills among Acea personnel.

Given the current organisational set-up, an internal certification process was defined by the management and Delegated Administrative Bodies of the companies included within the scope of the Sustainability Reporting, concerning the correctness and authenticity of the sustainability data and information managed by them and the application of adequate internal control processes.

An internal certification on these aspects is also provided by the Head of Risk Management, Compliance & Sustainability Department of Acea to the Acea Chief Executive Officer and the Financial Reporting Officer.
During 2024, specific information flows were addressed to the Board of Directors, Management and Control Bodies and the independent auditors to illustrate the progress of Acea's programme in complying with the CSRD Directive, including the results and the development activities of internal control and risk management processes related to Sustainability Reporting.

1.3 BUSINESS MODEL AND VALUE CHAIN

ESRS 2 SBM-1 Acea's activities and business focus on the pursuit of "sustainable success" and to this end, the Group adopts appropriate policies and management systems, as well as planning and reporting tools. Of equal importance in the pursuit of continuously improving sustainability, are the initiatives of discussion, listening and sharing with the Group's various stakeholders, institutions, experts, companies, customers, suppliers, citizens, new generations, and generally, all interested parties.

The relationship between industrial strategy and sustainability is recognised in the Acea Group's Code of Ethics, which states that: *"Acea intends conducting its business while respecting the principles of sustainable development and contributing to the pursuit of the UN Sustainable Development Goals (2030 Agenda) (...) Acea also operates in line with the principles issued by the United Nations Global Compact, to which Acea has formally and substantially subscribed. Acea is aware that the services it provides underpin the fundamental rights of individuals and the influence, even indirect, that its activities have on people's living conditions, on the economic and social development of the areas in which it operates, and on the general well-being of the community. That is why it plans its investments and conducts its business to pursue sustainable success in the medium to long term (...). Acea works to integrate attention to the social and environmental aspects of operations with corporate growth strategies (...)."*

At 31.12.24, the Group had 8,715 employees, of which 7,376 were in Italy and 1,339 in Latin America, as detailed in the Own Workforce paragraph.

1.3.1 THE BUSINESS MODEL

Acea is one of the leading Italian industrial groups and has been listed on the stock exchange since 1999,. It has adopted an organisational structure and operating model that support its strategic lines based on:

- growth in the water market through infrastructure developments, geographic expansion, strategic partnerships, strengthening technology and protecting water resources;
- the resilience of the electricity grid and service quality in the city of Rome;
- the development of renewable capacity for the energy transition;
- the push towards the circular economy with geographical expansion, also in synergy with other businesses.

ESRS 2 SBM-1 The organisational structure tasks the Parent Company with the role of guidance and coordination of the operating companies, to whom the Holding Company offers management support through managerial, legal, logistical, technical, financial and administrative services.

The Group, through companies where the Holding has equity investments and plays the role of industrial entity of reference, the Parent Company is involved in the following industrial chains: water, networks & public lighting, environment and energy. The business operations and objectives are broken down in the Business Plan, which defines the development guidelines for the different chains based on an assessment of the opportunities offered by the market, the regulatory and social context of reference, the governance system and a thorough identification and weighting of the risks that could impact on achieving these objectives.
Acea Group pursues corporate management that is consistent with the principles of sustainable development and pays the utmost attention to interactions with the natural environment and stakeholder relations.

For a full description of the services offered and markets served, see the section “Organisational Model” in the Report on Operations. For the value relative to net revenue, reference is made to the item “Consolidated Net Revenue” in the “Notes to the Consolidated Income Statement”. For the value relative to gas sales, reference is made to the relative item “Revenues from gas sales” in the “Revenues from sales and services” table of the “Notes to the Consolidated Income Statement”.

1.3.2 THE VALUE CHAIN

ESRS 2 SBM-1 With reference to the value chain, as the first year of CSRD application, qualitative mapping was carried out of the main relationships and activities between the Group and the upstream and downstream parties enabling the transformation of production factors into services/products, to the benefit of customers and end users.
The mapping of the value chain was divided into business areas - Environment, Water, Networks and Public Lighting, Production, Commercial - within which the characteristic operational activities (own operations) and the main categories of parties involved upstream or downstream were mapped.
Specifically, upstream activities refer to the following procurement areas and product categories: supply of goods/materials, provision of services, execution of works.

In order to identify the main impacts, risks and opportunities connected to the Acea Group's value chain, the information made available by the relevant corporate structures was analysed, taking into account the results from the context analysis carried out as part of the double materiality process. The main impacts related to the value chain were identified and analysed, based on discussion with the internal experts who manage the processes associated with the impacts, and assessed, within the framework of the double materiality process, by representative stakeholders from the partner, supplier and customer categories or their representatives.

In the future, Acea will formulate a more granular analysis, with specific insights into the activities of the different business segments.

UPSTREAM

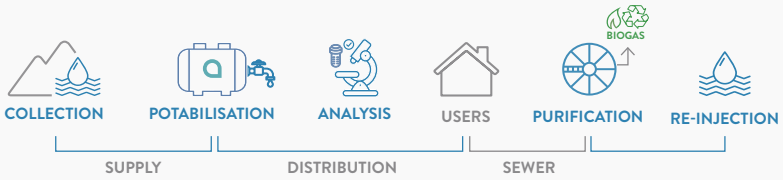
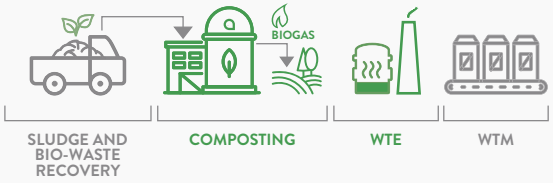
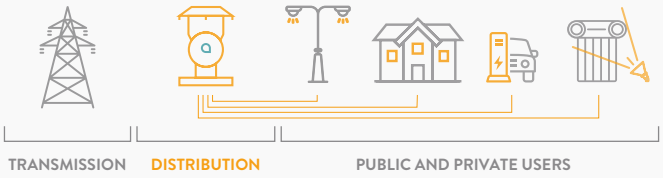
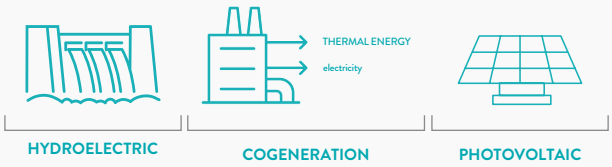
- Supply of raw materials and functional services for first and second tier supplier goods - Network maintenance works (contractors and sub-contractors) - Supply of goods and materials for water service processes (gas, chemicals, components. diesel, etc.) - Intercompany services (e.g. waste treatment laboratory analysis etc.) - Supply of water resources from Sub-distributors - Logistics services (transport of materials and waste), various services (e.g. surveillance, consultancy, etc.)	WATER
- Supply of raw materials and functional services for first and second tier supplier goods - Supplies of goods and materials for the construction of raw material processing machinery - Logistics services (disposal, transport, brokerage, etc.) - Supply of materials from separate collection (pulper, plastic, organic, etc.) - Supply of sludge, liquid waste, process water, waste by Group companies - Supply of goods and materials for industrial processes (gas, diesel, chemicals, components, etc.) - Works for plant construction (contractors and sub-contractors)	ENVIRONMENT
- Supply of raw materials and functional services for first and second tier supplier goods - Network maintenance works (contractors and sub-contractors) - Supply of goods and materials for operations (electromechanical equipment, components, gas, diesel, oils, etc.). - Plant design, installation, operations and maintenance activities - Various services (e.g. surveillance, consultancy, logistics, etc.)	NETWORK AND PUBLIC LIGHTING
- Supply of raw materials and functional services for first and second tier supplier goods - Network maintenance works (contractors and sub-contractors) - Supply of goods and materials for processes (e.g. panels, turbines, fuels, etc.) - Intercompany supply of water resources for hydroelectric production (Acea Ato 2 for Peschiera aqueduct) - Various services (e.g. surveillance, consultancy, logistics, etc.)	PRODUCTION
- Supply of raw materials and functional services for first and second tier supplier goods - Supply of goods and services for process management (software etc.) - Energy supply from wholesalers, traders, GME - Intercompany supply of electricity - Various services (e.g. surveillance, consultancy, logistics, etc.)	COMMERCIAL

Additional Group operations include:

- Engineering & Infrastructure Projects, which deal with plant design, construction management, safety coordination and inspections, research and development, etc.

UPSTREAM
• Supply of goods and materials for the management of engineering services
• Supply of goods and services for research and analysis activities (laboratory devices, chemicals, etc.)
• Provision of services for engineering activities
• Execution of works (contractors)
• Supply of goods and services for plant operations

DOWNSTREAM
• Main Intercompany water, environment and electricity companies

OWN OPERATIONS	DOWNSTREAM
	• Users of integrated water service (drinking water, sewerage and purification) • Sub-distributors to whom the water resource is supplied • Intercompany companies present in the territories served by Acea water companies (e.g. Acea SpA served by Acea Ato 2, Acea Ambiente served by Acea Ato 5) - Business partners and system entities (ARERA, water governing bodies, etc.).
	- Intercompany companies in the environment, water and energy areas receiving energy and waste management and disposal services - Municipalities and public administration for the disposal of their waste - Consortia and producers of secondary raw materials - End of Waste user companies - Nursery sector and agriculture consortia - Business partners and system entities (ARERA, GSE etc.)
	• Domestic e-business users for electricity distribution service provision • Production plants for grid connection • Large utilities and institutions serviced on medium voltage network • Communities in the territories where Acea operates (public lighting) - Business partners and system entities (ARERA, TERNA, etc.).
	• Intercompany company (Efficient utility systems for Acea Ato 2 (purifier) • Acea Energia as a Trader • Photovoltaic companies for operation & management services and asset management - Business partners and system entities (GME, TERNA, GSE, etc.).
	• Free market customers (domestic and business) • Protected market customers • Intercompany following selection (Environment companies, water companies, etc.) - Business partners and system entities (Sales agents, ARERA, etc.).

Acea SpA which centrally administers management, coordination and administrative services (human resources management, procurement, facilities) in favour of Group's subsidiaries.

UPSTREAM
- Supply of goods and materials for business process management
- Consultancy and specialised services
- Various services

DOWNSTREAM
- Subsidiaries

1.4 THE STRATEGY OF SUSTAINABILITY

ESRS 2 MDR-T In March 2024, the 2024-2028 "Green Diligent Growth" Business Plan was approved, which reaffirms Acea's leadership role as an infrastructure operator in the regulated Water, Electricity and Environment sectors, increasingly integrating ESG criteria into business decisions and reinforcing its commitment to valuing people. The Plan allocates EUR 7.6 billion in investments to support Italy's development, to make managed infrastructure increasingly sustainable and resilient with a focus on the energy transition, starting with water, decarbonisation and the development of energy from renewable sources, and the valorisation of the territory, from the perspective of a circular economy. Focusing on people, strong cost and investment discipline and optimisation of the financial structure complete the pillars of the Plan. The principles guiding the Green Diligent Growth Plan are: Developing and operating safe and sustainable infrastructure Ensuring, thanks to our people access and circularity to fundamental resources for Citizens, Businesses and the Territory.

The 2024-2028 Sustainability Plan

Consistent with the industrial development guidelines, the objectives of having a positive impact on people and the environment that Acea pursues in its operations are formalised in the 2024-2028 Sustainability Plan approved by the Board of Directors.
The Plan was defined with the involvement of the Functions of the Parent Company and operating companies, and taking into consideration the material issues and associated impacts, risks and opportunities identified by listening to external and internal stakeholders, and consistent with the objectives of the European Green Deal and the Agenda 2030 Sustainable Development Goals relevant to the businesses managed.
The Plan includes the formalisation of the Group's governance commitments, in line with policies, to ensure that business choices and execution methods are environmentally, socially and economically sustainable, and to ensure that the principles of sustainable development are progressively integrated into corporate governance.

Promoting the ethical dimension of the business	▶ Definition and updating of **value codes and policies**code of ethics, human rights policy, anti-corruption policy, integrated quality policy, etc. ▶ **Training** and monitoring of policy implementation
Integrating sustainability in business	▶ Alignment of organisational structure with committees and **specific responsibilities** on sustainability ▶ Inclusion of **ESG objectivesin performance management models** (Long Term, MBO) ▶ Monitoring and reporting on **public sustainability commitments** (e.g. targets validated by SBTi) ▶ Integration of sustainability aspects in the risks **assessment process** ▶ Increasing the use of **green/blue finance instruments** and strengthening relations with shareholders, investors and the financial community from an ESG perspective
Dissemination of sustainability culture and involvement	▶ **Training** of employees and valorisation of “sustainability professionals” ▶ Involvement of internal/external **stakeholders** in sustainability decisions ▶ Development of a **sustainable value chain**

The Plan formalises the 6 strategic sustainability objectives divided into 20 lines of action and 87 targets associated with specific actions, with progress monitoring KPIs defined for each one.

Strategic objectives	Infrastructure resilience and security	Water protection	Environmental protection	Centrality of people	Evolution in the supply chain	Value for the community
Action lines	▸ Strategic aqueduct works ▸ Optimisation of the sewage treatment system ▸ Strengthening the power grid ▸ Digitalisation	▸ Reduction in losses ▸ Water resilience ▸ Water quality	▸Circularity of resources ▸ Decarbonisation ▸ Biodiversity	▸ Employees' well-being ▸ Skills development ▸Diversity and inclusion ▸ People Engagement ▸Health and safety	▸Sustainable procurement ▸Supplier health and safety	▸Innovation in the territory ▸ Stakeholder engagement ▸Supporting local communities
Target	**17 targets**	**6 targets**	**19 targets**	**20 targets**	**8 targets**	**17 targets**

The first three strategic objectives are business-related and generate obvious environmental benefits, as well as effects on the overall improvement of the services rendered to the territory, through the upgrading and securing of water and electricity infrastructure and increasing their resilience, also for the purposes of mitigation or adaptation to climate change, in addition to the adoption of digital technologies for remote control and network demarcation, with a view to increasing their flexibility. The other three objectives focus more on people, from a perspective of creating shared value, well-being and the growth of People in the Group, suppliers, and communities.

The Plan was developed on a perimeter that includes the Group's main companies: Acea Ato 2, Acea Ato 5, Gori, AdF, Gesesa; Areti, Acea Energia, Ecogena (merged into a.cities), Acea Ambiente, Acea Infrastructure, Acea Produzione, and abroad Aguas De San Pedro and Consorcio Agua Azul, not corresponding to the CSRD perimeter however. At the time the Plan was formalised, it is noted that these companies accounted for 96% of capex, 91% of opex and 89% of turnover (2023 figures). The Plan will be updated during 2025, which will include aligning the planning perimeter to the CSRD perimeter.

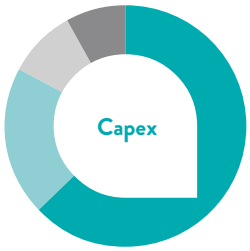
For the first time, the Sustainability Plan involved the Group's foreign companies operating in Honduras and Peru, with the provision of specific lines of action for environmental protection and the growth of the Group's people and communities involved, also considering the different geo-political situation of the areas in which Acea operates. Specifically, the objectives relating to people were defined with a view to ensuring standard treatment and working conditions for all People in the Group.

Strategic objectives	Action lines		Target @2028	Company
Environmental protection	Biodiversity	Árboles para el Merendón	▸ Planting of 350,000 new trees, in addition to the one million already planted, with protection and safeguarding of resident species and increasing employment in the area	Aguas de San Pedro
Centrality of people	Health and safety	Safety and prevention training	▸ 90% of employees involved in training	Aguas de San Pedro
	Skills development	Specialised training	▸ 95% sectors covered ▸ 97% course attendance	Aguas de San Pedro Consorcio Agua Azul
	Diversity and inclusion	Improving the D&I culture	▸ 1 initiative per year ▸ 90% participation rate	
Evolution in the supply chain	Health and safety	Safety and prevention training	▸ 90% attendance for supplier courses	Consorcio Agua Azul
Value for the community	Supporting local communities	Training in schools	▸ At least 1 campaign per year ▸ 2,780 school kits distributed in poorer areas	Consorcio Agua Azul
		Hygiene-health training	▸ 25 workshops/year for local communities	Aguas de San Pedro Consorcio Agua Azul
		Fire prevention	▸ Training of 1 fire-fighting team ▸30 new hydrants installed	

Finally, the Plan details the investments linked to the various lines of action, consistent with the Business Plan, totalling around EUR 5.4 billion to 2028.

STRATEGIC OBJECTIVES

Strategic objectives	Infrastructure resilience and security	Water protection	Environmental protection
	2,870EURM	1,183EURM	1,277EURM



63% Water
20% Electrical
9% Environment
8% Production

ESRS 2 MDR-T During 2024, progress on the targets was monitored both with regard to the actions implemented in the year and the investments made in the various lines of action, which at 31.12.2024, totalled EUR 950 million. In the following section of the Report, the progress of the different lines of action is detailed with an indication of the actions completed in 2024 and the related investments with any opex recorded during the year.

It is specified that the action lines for the plan, which may contribute to more than one environmental objective, have been included in the dominant ESRS. For example, water recovery and reuse projects contributing to both ESRS E3 "Water and Marine Resources" and ESRS E5 "Use of Resources and Circular Economy' were reported in ESRS E3.

1.5 GROUP POLICIES

ESRS 2 MDR-P The Group conducts its business from the perspective of sustainable growth, taking into account the strategic, regulatory and main standards defined at international level when defining its internal rules. Specifically, Acea operates in line with the principles issued by the UN Global Compact, to which it has formally subscribed, on human rights, working standards, environmental protection and the fight against corruption.

To ensure the relevant sustainability issues are properly managed in the social, environmental and governance contexts, Acea adopts the policies and guidelines listed below, which are approved by the Parent Company's Board of Directors, implemented by the subsidiaries, and monitored regarding their application and adequacy in relation to the objectives pursued and updated periodically. Specifically, the governance system envisages a specific intra-Board committee, the Ethics, Sustainability and Inclusion Committee which, among the tasks assigned to it by the Board of Directors, oversees the correct implementation of sustainability policies, with specific reference to the Code of Ethics and the Human Rights Policy, also with the support of the Ethics Officer. All internal and external persons, working in the interest of Acea, within the context of their respective structures, functions and responsibilities are committed to implementing the principles set out in the corporate regulatory systems.
The Human Rights Policy and the Anti-Corruption Guideline also apply to suppliers, partners and, more generally, to all those who have contract-based relationships with or act in the name and on behalf of Acea.
Acea disseminates information of the corporate regulatory system to stakeholders, providing information in this regard on this on the institutional website.
The main contents of the regulatory instruments that apply to relevant sustainability issues are outlined below.

Code of Ethics

Acea considers as inalienable in the definition of its Code of Ethics, the UN Universal Declaration of Human Rights, the International Labour Conventions and Recommendations issued by the ILO, the Charter of Fundamental Rights of the European Union and the Italian Constitution.
The Code establishes the principles and rules of conduct that must guide the Company in its behaviour in respect of stakeholders, pursuing the optimal management of impacts, risks and opportunities, and declares Acea's commitment to:

- enhancing the value of the **Group's people** in improving their well-being, protecting their health and safeguarding their working conditions;
- with regard to the **environment**, with the prevention of pollution, the sustainable management of natural resources, the protection of ecosystems, the fight against climate change and the promotion of the circular economy;
- to the **territory**, by supporting cultural and socially utility initiatives and those that promote the well-being of the community;
- to **customers**, protecting them with correct business conduct.

The Code of Ethics also requires **suppliers** to adopt behaviour protecting the human rights of their employees, with specific regard to dignified working conditions and the protection of health and safety.

Principles and values of Stakeholder Engagement

Acea has published its statement and formulated a procedure so as to involve **stakeholders**, including representatives from the **communities involved**, with the aim of creating relationships based on listening, dialogue, and the mutual understanding of points of view and expectations, with the goal of encouraging wider stakeholder engagement in defining the Group's strategic priorities as well as its business operations.

Human Rights Policy

Acea promotes human rights in their broadest sense, with a particular focus on aspects relevant to the areas of managed operations, in the areas of **community**, **work** and **customers**. The protection of fundamental workers' rights (combating forced and child labour, adequate working and wage conditions, etc.) extends across the **supply chain**. The protection of the community and customers manifests in the commitment to accessibility to adequate services, to developments in innovation and digitisation as an evolutionary function of the different businesses managed. The commitment to promoting human rights is also emphasised through responsible behaviour in respect of customers and the fight against all forms of corruption to protect the legality and correct economic and social development of the reference context. Human rights also include the sustainable management of natural resources, in particular water, by valuing its proper use and paying attention to waste reduction, rational use and reuse. The Group's commitment is expressed in the protection of the territories in which it operates, safeguarding ecosystems, protecting biodiversity and combating deforestation, and containing the phenomenon of climate change and its effects with mitigation and adaptation measures, such as infrastructure resilience, the efficient use of energy and increased production from renewable sources. The Policy has been defined in compliance with the main references on the subject, including the International Charter of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the ILO Core Conventions and the Global Compact, and with the internal regulatory assumptions already existing in Acea, including those on anti-corruption, fair competition, protection of privacy, etc.

Integrated management and sustainability systems policy

In carrying out its operations, the Acea Group has made a series of commitments with a view to the synergistic development of management systems and pursuit of strategic sustainability objectives. Acea therefore enhances its commitments to quality and **customer satisfaction**, offering quality services that increase satisfaction, by responsibly managing the economic, social and environmental impacts of operations; for the **environment**, through the sustainable management of energy, water and the other natural resources used, enhancing their uses and strengthening the processes of reuse and recovery with a view to the circular economy and rationalisation of their end uses, protecting the environment and countering climate change for **workers' health and safety**, maintaining safe and healthy working conditions, pursuing the protection, inclusion and enhancement of workers' diversity and well-being as an integral part of health and safety management; finally for **energy management**, structuring a process that allows efficient energy management, with the definition and monitoring of objectives with a view to continuous improvement. Specifically, Acea is committed to the integration of

sustainability logics in corporate structures, processes and activities to ensure the pursuit of sustainable success and to the identification, prevention, mitigation and stopping of negative impacts on **human rights and the environment** related to its operations.

Equality, Diversity & Inclusion Policy

The Acea Group promotes the principles of inclusion and the enhancement of diversity, prevention and combating all forms of discrimination and the pursuit of fair treatment among the **People of Acea** in the selection, training, development and remuneration processes. The Group's commitment to gender equity and overcoming stereotypes is also realised through policies and actions aimed at promoting a work-life balance.

Anti-Corruption guidelines

Acea has defined its commitment to preventing **corruption risks** in an organic framework of rules and principles. The Group is committed to constantly implementing sustainable business combining results and performance with compliance with rules and values, to make the Group ethically virtuous based on the supposition that "illicit" profit is not acceptable. Acea SpA has also adopted an anti-corruption policy, which resulted in the certification of the UNI ISO management system ISO37001:2016.

Antitrust and consumer protection guidelines

In order to responsibly manage its behaviour towards its customers, Acea has defined a set of rules, organisational and procedural measures aimed at ensuring that corporate activities comply with antitrust legislation, as well as preventing, managing and mitigating the risks arising from potentially anti-competitive behaviour or the **breach of consumers' rights**.

Privacy guidelines

Acea is committed to the creation and implementation of effective policies to protect the personal data of its employees, customers, suppliers, shareholders, stakeholders, partners, as well as the persons whose personal data, for various reasons, is processed by the company, with the aim of ensuring the application of the GDPR and other national and European regulations on the protection of personal data.

Policy for the management of reports

Finally, Acea has drawn up and implemented a Whistleblowing Management Policy to implement the requirements of Italian Legislative Decree No. 24 of 10 March 2023, the Code of Ethics, the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001, the Anti-Corruption Guideline, the Antitrust and Consumer Protection Compliance Guideline and the Equality, Diversity & Inclusion Policy.

Strategy for the correct management of variable and fiscal risks

The Acea Group considers the correct management of the tax variable to be of essential value. For this reason, the Group has adopted a tax policy with the aim of reducing the tax risks to which Group companies are exposed in the achievement of its statutory objectives, ensuring compliance with tax obligations and promoting a relationship of transparency and loyal cooperation with the tax authorities and third parties.

Acea has also made use of the following instruments to better regulate relations with workers and suppliers.

Charter of the Person and Participation

The Protocol between Acea and the trade unions aims to support involvement and participation in the life of the company, focusing on the **people in their individual, social, professional dimension**, and integrated with the environment and territory. The aim is to create value for the territory, strengthen the quality of service, develop and increase company professionalism and individual and collective well-being. The common and values that bind the parties are the enhancement of a healthy working environment, both in terms of safety and the corporate climate, the protection and quality of work also in the **procurement** chain, the care of professional skills, work-life balance, the promotion of well-being and a culture of safety.

Sustainable procurement policy

Acea promotes the involvement of its **suppliers** in a partnership relationship, with the aim of identifying aspects that can reduce any negative environmental and social impacts linked to the supply chain. Acea's commitment to various issues, including labour rights, health and safety, and environmental protection, is also a requirement to be shared along the **supplier value chain itself**, involving sub-contractors and sub-suppliers.

1.6 STAKEHOLDER ENGAGEMENT

ESRS 2 SBM-2 Acea's organisational structure is based on the principles and values of stakeholder engagement and serves as a centre of specialist competence and know-how at Group level. This is also facilitated through awareness-raising actions and the development of methodological models and tools to promote the implementation and management of stakeholder engagement activities by Acea structures and Group companies, which are responsible for managing their own stakeholders, ensuring reporting at Group level.

These tools include the Stakeholder Tree, a mapping of the relevant stakeholders for Acea, developed through an in-depth analysis of the Group's relational network and the involvement of both senior figures and those with operational responsibilities. The Stakeholder Tree is divided into categories and sub-categories, which are also subdivided according to issues of relevance for the different businesses. The stakeholder macro-categories are shown on the next page.

The stakeholder engagement process is regulated by a Group procedure and adheres to the Global Reporting Initiative Standards and AA1000 SES on stakeholder engagement. Owners of a stakeholder engagement process are the figures responsible for the design, implementation, realisation and management of a stakeholder engagement programme, project or initiative within Acea structures or Group companies. Approval is always required from the Head of the structure to which the owner belongs, and in the case of initiatives of specific strategic importance and sensitivity, also from higher level managers, up to, if applicable, Acea Top Management. The process is initiated with the definition of the subject and objectives to be achieved through the engagement of the structures of Acea

and Group companies, which are responsible for the management of their stakeholders. The identification of the topic of engagement is aimed at pinpointing the specific issues that will be addressed during the stakeholder engagement process. Subsequently, the stakeholder engagement project owner carries out the identification, analysis and prioritisation of all stakeholders who are interested in or can influence the course of the project at various levels and to varying degrees.
The definition of forms of engagement (e.g. information, consultation, etc.) also takes into account existing stakeholder relations, the subject matter of the initiative, resources and time frame. This phase also defines the operational tools (e.g. work tables, focus groups, etc.) needed to best target the needs, opinions and expectations of stakeholders. Next, a plan is drawn up to involve the relevant stakeholders, also taking into consideration the context. In this context, operational tools are prepared with all useful information, including any correlation with relevant sustainability issues, references to objectives of the Sustainability Plan, etc., for the implementation, realisation and operational management of the stakeholder engagement plan. Once the engagement has been planned, the defined activities are operationalised. Stakeholders are then involved in the manner envisaged by the defined tools.

The engagement initiatives introduced by Holding companies and functions involve various stakeholders. Specifically, initiatives are developed by looking for common benefits for both Acea and its stakeholders. In respect of stakeholders in the communities involved, such as the younger generation and the student population, numerous activities are implemented in the area of training and civic education. In respect of the employee stakeholder, numerous initiatives are proposed, for instance, to pursue their well-being and skills development. In respect of the supplier stakeholder, initiatives are undertaken to promote compliance with the Group's strategic guidelines, while at the same time protecting working conditions. For details on the initiatives, representative of the application of stakeholder engagement practices, reference is made to the information in paragraphs 3.1.2 of ESRS S1, 3.2.2 of ESRS S2, 3.3.2 of ESRS S3 and 3.4.2 of ESRS S4.

At the end of the process, a review of the activities is carried out involving the other company structures that may be involved, with the aim of learning from successes and mistakes, also for the benefit of future activities to be undertaken, as well as highlighting any new opportunities to be developed. Feedback is also provided to the stakeholders involved, following the principle of inclusiveness and accuracy.

To ensure the integration of stakeholder engagement within the Group's strategies, processes and business activities, also for the purpose of reporting and optimising the best practices implemented, Acea has prepared a report on the status of stakeholder engagement activities in the Group, which summarises the main projects and initiatives implemented during the previous year.

1.7 DOUBLE MATERIALITY PROCESS: IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 IRO-1 The double materiality analysis guides the Group's sustainability planning, highlighting relevant impacts, risks and opportunities related to strategic objectives along the value chain. This approach makes it possible to pro-actively adapt the company's strategy, anticipating and managing possible critical issues and strengthening the resilience of the business model against potential negative sustainability-related impacts. In 2024, the Acea Group carried out the double materiality analysis process in line with the ESRS standards and the Materiality Assessment Implementation Guidance (MAIG Guidance Line) developed by EFRAG, based on the dual perspective of impact and financial materiality.
The analysis was led by the Parent Company with the involvement of the sustainability and risk owners of the companies involved at each stage of the process.
The process involved the following main steps:

- Understanding the context;
- Identifying potentially relevant issues, impacts, risks and opportunities;
- Impact materiality assessment;
- Financial materiality assessment;
- Aggregation of results and drawing up the list of material IROs.

Understanding the context was carried out by studying external documents (regulatory developments in sustainability, sector, benchmark analysis, etc.) and internal documents (industrial and sustainability strategy, policies, etc.); the evidence that emerged was then traced back to the sub-themes and sub-sub-themes related to the thematic ESRS (governance, environmental and social) and the list of potentially relevant issues and associated impacts, risks and opportunities was drawn up. This activity takes into account the characteristics of the value chain in the geographical reference contexts and both the positive and negative impacts on people and the environment, considering current and future effects over a short, medium or long term time period. The list of impacts analysed includes those related to the company's activities or its business relations.

A multi-stakeholder focus group was organised for the impact materiality assessment, in which 32 persons representing 11 stakeholder categories (employees, peers, research organisations, innovative partners, suppliers, non-profit associations, institutions, consultancy companies, trade unions, consumer associations, new generations) participated. Stakeholders were divided into 6 work tables, coordinated by independent facilitators who guided the reflection, voting and collected the emerging evidence. The event comprised three main phases: the introductory session aimed at explaining the regulatory framework and voting methods to stakeholders, the discussion phase for voting on impacts, and the final phase for sharing results.
To ensure impacts are correctly represented, the outcomes of stakeholder assessments were reviewed based on internal knowledge, to balance any possible bias and overestimates of stakeholders, and were analysed on the basis of updated findings.
Stakeholders involved in the focus group rated the significance of impacts (magnitude, extent, and, for negative impacts, irremediable) on a scale of 1-5, subsequently re-weighted on a 1-4 scale for consistency with ERM metrics. The probability of occurrence of potential impacts was not measured directly, but rather calculated by considering the Group's level of control over the impacts (also considering the historical data series, where present). The impact materiality threshold was defined by considering the average value of the scores obtained from the product of significance and probability.

For the financial materiality assessment, the methodology used in the Group's risk assessment process (ERM) was adopted, which refers to the parameters of impact and probability. To this end, in the ERM framework, risk scenarios (short and medium term) and opportunity scenarios related to ESG dimensions potentially able to generate a significant impact on the Company (business trend, economic-financial performance, etc.) were identified and, where already present, broken down further, starting from the ESRS analysis (ESRS 1 Application Requirement 16). These scenarios were jointly assessed by risk owners, ERM focal points and corporate sustainability contact persons and validated at senior management level. For long-term risks and opportunities, which go beyond existing strategic planning guidelines, the analysis was based on scenario analyses of climate risks and opportunities. To identify the relevant risks and opportunities, the methodology used in the Group's risk assessment process was adopted, which considers the dimensions of impact and probability (on a scale of 1-4), in the context of the risk matrix, and assesses the impact in reputational or economic-financial terms.
Risks and opportunities with the following gross probability and impact values were considered material: impact 2 and probability 4, impact 3 and probability greater than and equal to 3, impact 4 and any level of probability.

The double materiality process and its outcomes were shared with the Ethics, Sustainability and Inclusion Committee and the Parent Company's Control and Risk Committee and approved by the Board of Directors of Acea S.p.A. As a result of the findings of the analysis, all ESRS environmental, social and governance issues were found to be material. The remainder of the document provides the disclosures for the different topics with details of policies, strategies, objectives, actions, resources and metrics, as required by the ESRS standard.

ERS 2 SBM-3 In order to quantify the current financial effects of material risks and opportunities, the Acea Group verified the actual occurrence during the year of events corresponding to the scenarios in question and associated cost and revenue items for these scenarios. The current financial effects of these scenarios were assessed in relation to the ERM financial materiality threshold. The representation of material IROs is detailed in each pertinent thematic ESRS.

For 2024, no relevant significant ESG risks and opportunities were found. It is noted that for 2024, the first year when the regulation was adopted, information on the expected financial effects has been omitted.

2. Environmental information

In compliance with the CSRD Directive and ESRS standards, Acea is committed to providing transparent and detailed reporting on its environmental performance. This section presents key environmental information reflecting the Group's ongoing commitment to sustainability and environmental protection in all its different aspects.

Our environmental strategy is based on sound principles that aim to reduce the ecological impact of our operations, promote climate resilience and contribute to the transition to a low-carbon economy. Through the responsible management of natural resources and implementation of innovative technologies, Acea is committed to minimising greenhouse gas emissions, optimising water use, reducing waste and protecting biodiversity.

In this section we provide an overview of our environmental initiatives, projects and achievements, outlining our progress and future goals. The disclosure includes quantitative and qualitative data illustrating our performance in the areas of:

- reducing greenhouse gas emissions (Scope 1, 2 and 3);
- energy efficiency and the use of renewable energy sources;
- sustainable management of water resources;
- waste reduction and management;
- protection of biodiversity and ecosystems.

This reporting is crucial not only in ensuring transparency in respect of our stakeholders, but also to guide our future actions and continuously improve our environmental practices. Acea recognises that environmental sustainability is a key element for long-term success and is committed to continuously improving all its operations.

2.1 DISCLOSURE REQUIRED BY THE EUROPEAN TAXONOMY

Pursuant to Regulation 2020/852 and Regulation 2021/2178 "Disclosure Delegated Act", the European Taxonomy is a classification system for economic activities that can contribute to achieving the environmental objectives set out in the European Green Deal: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection of biodiversity and ecosystem health. Currently, the Taxonomy has identified and regulated 155 economic activities within 16 production sectors.

The European Taxonomy lists and describes the economic activities that can contribute to achieving each environmental objective, if conducted in compliance with certain technical criteria, without causing significant damage to the remaining objectives and in compliance with social safeguards. These "eco-sustainable" activities are then enhanced, by representing their percentage contribution to three economic KPIs (turnover, capex and opex).
Regulation 2020/852 was applied from 2021, and supplemented with the gradual adoption of Delegated Acts. Specifically, in addition to the 'Disclosure Delegated Act', the European Commission adopted the "Climate Delegated Act" - C (2021) 2800 final, effective from 1 January 2022, in relation to the first two climate targets, supplemented by the "Complementary Delegated Act" - C (2022) 631, effective from 1 January 2023; the Commission regulated the remaining four environmental objectives, with the "Environmental Delegated Act" - C (2023) 2486, effective from 1 January 2024, which also amended the KPI reporting templates, and published Delegated Regulation 2023/2485, whereby further amendments were made to the Climate Delegated Act, both in terms of new activities and technical screening criteria.

Acea, which falls under the non-financial companies subject to the regulation since its first year of application, has regularly reported on the requirements of Regulation 2020/852 and Delegated Acts in its Consolidated Non-Financial Statement, anticipating the full application of the Environmental Delegated Act in relation to the 2023 financial year. With the entry into force of the CSRD Directive 2022/2464/EU, implemented in Italy by the Legislative Decree 125/2024 of 6 September 2024, the information required by the European Taxonomy forms an integral part of Sustainability Reporting.
This section details the analysis carried out, in compliance with the regulations, to identify the Acea Group's activities eligible for the Taxonomy and the reporting of the three key performance indicators: turnover, capex and opex resulting from eligible and aligned activities.

Analysis of eligibility and alignment

The analysis carried out identified the Group's activities that correspond to those described in the Delegated Acts and relative Annexes (I and II of the Climate Delegated Act, dedicated to climate mitigation and adaptation objectives), and taking into account the Complementary Delegated Act and the Environmental Delegated Act, identifying eligible activities and, among these, the activities that are "environmentally sustainable", i.e. aligned with the Taxonomy criteria, specifying any activities that are partially aligned (for example, for the same activity, only some companies are aligned, or when, for different companies, the activity meets the technical screening criteria only for a portion of the facilities/structures).

The analyses carried out in 2024 considered all operating companies included in the Acea Group's line-by-line consolidation perimeter, including an additional 14 companies compared to 2023. Specifically, the analysis increased the scope of eligibility compared to the previous year, from 24 to 29 activities attributable to 6 sectors identified by the Regulation: energy, water supply, sewerage, waste treatment and decontamination; transport; construction and real estate activities; professional, scientific and technical activities; information and communication. Eligible activities can contribute to the following objectives:

- 19 activities: contribution to climate change mitigation and adaptation;
- 2 activities: contribution to climate change mitigation
- 3 activities: contribution to the sustainable use and protection of water and marine resources;
- 3 activities: contribution to the transition to a circular economy;
- 2 activities: contribution to pollution prevention and reduction.

Alignment to the Taxonomy was assessed in respect of the eligible activities, using the three criteria set out in the regulations, checking that each activity:

- contributes substantially to the achievement of one or more of the environmental objectives set out in Art. 9, in accordance with Art. 10 to 16 (Reg. 2020/852);
- does not cause significant harm (DNSH criterion) to any of the environmental objectives, in accordance with Art. 17 (Reg. 2020/852);
- is carried out in compliance with the minimum safeguards provided in Art. 18 (Reg. 2020/852), in support of sustainable and inclusive growth, and in compliance with international labour and human rights, and social and governance standards.

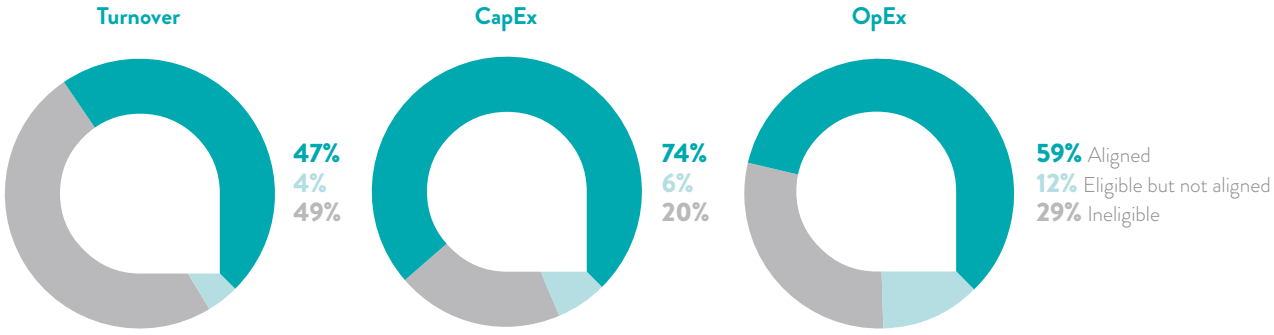
The Group adopted two distinctive approaches for the DNSH analysis: for the specific criteria, an assessment of the capacity of each individual activity to meet the requirements, while for "recurring criteria" (those detailed in the Appendices), the most common best practices available for each business were considered in order to guarantee, where possible, compliance with the applicable requirements for eligible activities. To complete the analysis, Acea verified compliance with the minimum safeguards, which include the minimum requirements for the protection of human and labour rights, as described in international standards. Acea's commitments in this respect are directly referenced in the Group's policies and documents, including, primarily: the Code of Ethics, the Human Rights Policy, the Integrated Management Systems and Sustainability Policy, as well as the corporate documents governing the Company's conduct on antitrust, consumer protection, anti-corruption and privacy issues. For more details on the main policies and methods for managing these issues reference is made to paragraph 1.5 Group Policies and paragraph 4 Information on Governance.

Based on the analyses performed, Acea identified a total of 33 eligible activities for the Group. Following the rationalisation and target positioning choices by the companies, there are 29 activities that are eligible and valued in the economic and financial KPI tables, as explained above. The 4 rationalised eligible economic activities have been valorised in the complementary tables showing the overall alignment percentages for each objective. The following is noted regarding the total 29 eligible activities:

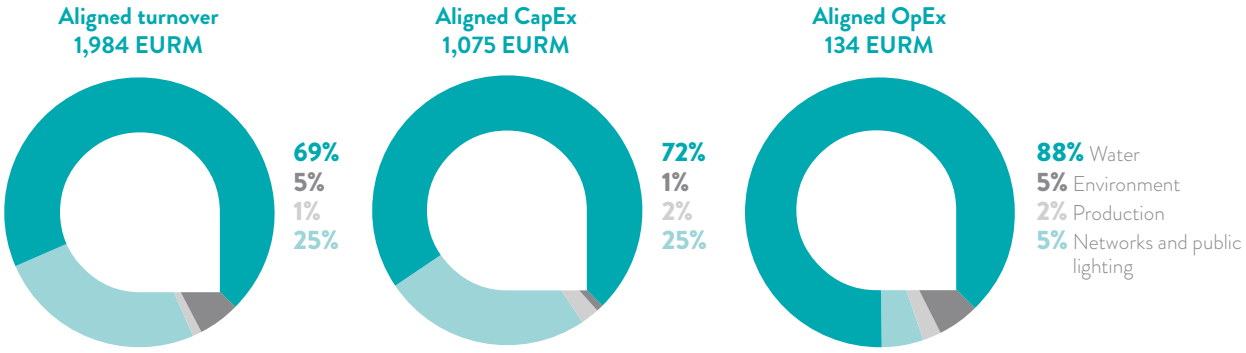
- 17 fully aligned activities;
- 8 partly aligned activities;
- 4 non-aligned activities.

Finally, performance indicators were associated with the activities: turnover, capex and opex from eligible and aligned activities, as shown below with respect to the Group total and with details of aligned activities according to business area.

KPIs attributable to eligible, aligned, and non-eligible activities



Details per business of economic KPIs for aligned activities



Turnover: of the total turnover of EUR 4,270 M, EUR 175 M is attributable to eligible activities but not aligned to the Taxonomy, EUR 1,984 M is aligned to the Taxonomy. The segments contributing the most to the aligned turnover are the Water segment, with 70% of the total (1,369 million) and the Networks segment with 25% (502 million).

Capex: out of the total capex considered for Taxonomy purposes of EUR 1,450 M (including increases during the year for Rights Of Use - IFRS 16 for about EUR 11,4 M), EUR 85 M is attributable to eligible but non-aligned activities, whereas EUR 1,075 M is considered aligned to the Taxonomy. The segments contributing the most to the aligned capex are Water (72% of the total for EUR 769 M)

and Networks (25% of the total for EUR 273 M).

Opex: out of the total operating expenses considered for the purposes of the Taxonomy, amounting to EUR 226 M, EUR 27 M is attributable to eligible but non-aligned activities, while EUR 134 M is considered aligned. Once again in this case, Water is the largest contributing sector with 88% of the total aligned opex (EUR 117 M).

The paragraphs below provide a sector breakdown of the activities that are eligible, aligned and non-aligned with the environmental goals of the Taxonomy. In accordance with the Regulation, it is noted that for the 19 eligible activities both in terms of the goals of mitigation and adaptation to climate change the mitigation goal was deemed prevalent.

WATER

14 activities are eligible for the water business:

- 8 activities with regard to climate change mitigation and adaptation goals (1 in the "Water Supply, Sewerage, Waste Treatment and Remediation" sector, 5 from the "Energy"sector and 2 from the "'Construction and Real Estate" sector). After verification of the criteria for a substantial contribution and DNSH, 5 activities were found to be aligned with the target, 1 partly aligned and 2 not aligned. No activities were found to be aligned with the climate change adaptation goal;
- 3 activities for the "Sustainable use and protection of water and marine resources goal", partially aligned;
- 3 activities for the Transition to a Circular Economy goal, of which 1 aligned, 2 partly aligned.

With reference to the capex associated with the "Sorting and recovery of materials from non-hazardous waste" activity, combined with the "Transition to a Circular Economy" goal, we note the intervention carried out by Acea Ato 2 for the recovery of sand from purification processes and the cleaning of sewerage networks for a total investment of approximately EUR 5.5 million in 2024.

Regarding foreign countries, only 1 activity is eligible and aligned, contributing to the climate change mitigation objective and relates to the "Water supply, sewerage, waste treatment and decontamination" segment.

PRODUCTION

8 activities are eligible for the Production area:

- 2 activities for the climate change mitigation goal;
- 6 activities for the climate change mitigation and adaptation goals.

These activities are mainly attributable to the "Energy" (4 activities), "Construction and Real Estate" (2 activities), "Transport" (1 activity) and"'Professional, Scientific and Technical Activities" (1 activity) sectors. Following the analysis, 5 activities were found to be fully aligned with the climate change mitigation target, 1 was partially aligned and 2 were not aligned. No activities were found to be aligned with the climate change adaptation goal.

ENVIRONMENT:

10 activities are eligible with reference to the Environment segment, which is mainly active in waste treatment:

- 7 activities with regard to climate change mitigation and adaptation goals (4 from the "Water Supply, Sewerage, Waste Treatment and Remediation" sector, 2 from the "Energy"sector and 1 from the "'Construction and Real Estate" sector). Following the analyses, 7 activities were found to be fully aligned with the mitigation target, and of these, 6 activities were also aligned with the adaptation goal;
- 1 activity was aligned for the "Transition to a circular economy" goal;
- 2 activities were aligned for the Pollution Prevention and Control goal.

NETWORK AND PUBLIC LIGHTING

2 activities are eligible for the area, one falling under the "Energy" sector and the other under the "Construction and Real Estate" sector. One was fully aligned with the climate change mitigation goal, and another aligned with the climate change mitigation goal and also aligned with the climate change adaptation objective.

ENGINEERING & INFRASTRUCTURE PROJECTS

For the area, dedicated to research, innovation, design and laboratory activities at the service of Group companies, 1 activity in the "Water supply, sewerage, waste treatment and decontamination" sector is eligible, and fully aligned with the climate change mitigation objective. It is not aligned with the adaptation target. Intercompany activities are removed from the accounting of the KPIs, in accordance with the Regulation.

COMMERCIAL

For the Commercial area, 5 activities addressing climate change mitigation and adaptation objectives are eligible, 3 in "Construction and real estate activities", 1 in "Water supply, sewerage, waste treatment and decontamination", and 1 in "Transport". 4 were aligned with the climate change mitigation goal, and one was not aligned. It is not aligned with the adaptation target. It is specified that the analysis excludes the electricity sales business, which is not included in the Taxonomy, and which covers 46% of the Group's 2024 turnover.

The table below shows the list of Acea Group's eligible activities according to environmental goal, with an indication of the degree of alignment and the sectors within which there is at least one company where the activity is eligible.

Objective	Economic activities	Description of eligibility/alignment	Area
CCM/CCA	4.1 Electricity generation using solar photovoltaic technology	• Eligibility: ASM Terni, Cavallari and the companies in the Production Area operating/installing photovoltaic plants for the production of electricity. • Alignment: plants operated by ASM Terni, Cavallari and the Production Area companies. Overall compliance with DNSH criteria for applicable objectives.	Water, Environment and Production
CCM/CCA	4.5 Electricity generation from hydropower	• Eligibility: ASM Terni and Acea Produzione operate hydroelectric power plants for the production of electricity. • Alignment: the Group's power generation plants are run-of-river plants and have no artificial reservoirs. Overall compliance with DNSH criteria for applicable objectives.	Water and Production
CCM/CCA	4.8 Electricity generation from bioenergy	• Eligibility: the activity is carried out by Acea Ambiente, Orvieto Ambiente, Deco and Ecologica Sangro. They operate plants for the production of electricity through biogas recovery. • Alignment: bioenergy power generation activity is compliant with all criteria and complies with industry BAT. Overall compliance with DNSH criteria for applicable objectives.	Environment
CCM/CCA	4.9 Transmission and distribution of electricity	• Eligibility: the activity is carried out by ASM Terni and areti. They operate electricity transmission and distribution networks. • Alignment: the activity involves transmission and distribution infrastructure or equipment which form part of the interconnected European system. Overall compliance with DNSH criteria for applicable objectives. • Non-alignment: a residual percentage of areti's transformers contain PCBs.	Water and Network and Public Lighting
CCM/CCA	4.13 Production of biogas and biofuels for use in transport and of bioliquids	• Eligibility: the activity is carried out by Acea Ato 2, which started up the biomethane upgrading plant in the Roma Nord and Roma Est treatment plants; • Non-alignment: although the plants operated by Acea Ato 2 are registered with the quality system for biomethane producers, biomethane production is not yet at full capacity.	Water
CCM/CCA	4.15 District heating/ cooling distribution	• Eligibility: Acea Produzione and Ecogena manage district heating and cooling distribution infrastructures. • Alignment: Acea Produzione manages district heating networks that reach and exceed 75% of the heat generated. Overall compliance with DNSH criteria for applicable objectives. • Non-alignment: the district heating networks managed by Ecogena do not reach the threshold value of 75% of heat generated, as required by Directive 2012/27/EU.	Production
CCM/CCA	4.20 Cogeneration of heat/cool and power from bioenergy	• Admissibility and non-alignment: (SII) is completing construction work on a cogeneration plant that will utilise the biogas produced by the anaerobic digester from the Terni 1 treatment plant. The activity is therefore eligible, but it is currently not possible to verify whether it passes the technical screening criteria.	Water
CCM/CCA	4.30 High-efficiency co-generation of heat/ cool and power from fossil gaseous fuels	• Eligibility: Ecogena and Acea Produzione have methane-fuelled plants. • Non-alignment: greenhouse gas emissions only in the operation phase exceed the maximum permitted limit of 100gCO_2/kWh.	Production
CCM/CCA	5.1 Construction, extension and operation of water collection, treatment and supply systems	• Eligibility: Aguas de San Pedro and Consorcio Agua Azul manage the water supply service, water collection and drinking water system. • Alignment: the activity meets the consumed energy threshold of 0.5 kWh/cm and complies with the DNSH criteria for the applicable targets.	Water Overseas

Objective	Economic activities	Description of eligibility/alignment	Area
CCM/CCA	5.3 Construction, extension and operation of waste water collection and treatment systems	• Eligibility: Acea Ambiente operates the Chiusi plant that treats wastewater through biological oxidation. • Alignment: wastewater treatment and collection systems meet net energy consumption thresholds. Overall compliance with DNSH criteria for applicable objectives.	Environment
CCM/CCA	5.5 Collection and transport of non-hazardous waste in source segregated fractions	• Eligibility: Acea Ambiente, Aquaser, Ferrocart and Tecnoservizi operate in the transport and intermediation of liquid and solid waste. • Alignment: Non-hazardous waste, collected separately and transported by Acea Ambiente, Aquaser, Ferrocart and Tecnoservizi, is separated at source and assigned for preparation for reuse or recycling. Overall compliance with DNSH criteria for applicable objectives.	Environment
CCM/CCA	5.6 Anaerobic digestion of sewage sludge	• Eligibility: Acea Ato 2, Gori and SII operate wastewater treatment plants that can be equipped with anaerobic digestion compartments to treat sewage sludge and produce biogas. • Alignment: Acea Ato 2 anaerobic digestion plants are equipped with systems to detect the accidental releases of biogas, which is transformed into biomethane to be injected into the natural gas network. Overall compliance with DNSH criteria for applicable objectives. • Non-alignment: Gori and SII plants do not use biogas directly for electricity production, which is therefore not injected into the natural gas network nor used as fuel.	Water
CCM/CCA	5.7 Anaerobic digestion of bio-waste	• Eligibility: Acea Ambiente and Orvieto Ambiente operate composting plants dedicated to the treatment of organic waste. • Alignment: Acea Ambiente and Orvieto Ambiente plants produce biogas and digestate from the digestion process of separately collected municipal organic waste. In addition, they implement a monitoring and contingency plan to minimise methane leaks in plants. Overall compliance with DNSH criteria for applicable objectives.	Environment
CCM/CCA	5.8 Composting of bio-waste	• Eligibility: Acea Innovation and Acea Infrastructure are involved in the installation and management of composting plants. • Alignment: composting plants produce compost from separately collected organic waste. The compost produced is used as fertiliser according to EU and Italian regulations. Overall compliance with DNSH criteria for applicable objectives.	Commercial, Engineering & Infrastructure Projects
CCM/CCA	5.10 Capture and use of landfill gas	• Eligibility: Orvieto Ambiente and Deco operate plants dedicated to capturing and utilising landfill gas. • Alignment: all closed landfills did not become operational after 8 July 2020. Overall compliance with DNSH criteria for applicable objectives.	Environment
CCM	6.15 Infrastructure enabling low-carbon road transport and public transport	• Eligibility: Acea Innovation, Umbria Energy and Ecogena manage and install electric vehicle charging stations. • Alignment: the Group's infrastructure is dedicated to vehicles with zero tailpipe CO_2 emissions. Overall compliance with DNSH criteria for applicable objectives.	Commercial, Production
CCM/CCA	7.3 Installation, maintenance and repair of energy efficiency equipment	• Eligibility: Acea Innovation, Umbria Energy and Ecogena are involved in the design, execution and marketing of energy efficiency devices. • Non-alignment: Group companies do not, and are unable to, carry out an appraisal of the components used in the implementation of devices, in accordance with national legislation, because they install energy efficiency devices on third-party assets.	Commercial, Production
CCM/CCA	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	• Eligibility: ASM Terni, Acea Innovation, Umbria Energy and Ecogena install wall-boxes and charging stations on private land. • Alignment: Ecogena, Acea Innovation, Umbria Energy and ASM Terni deal with the installation, management and maintenance of electric vehicle charging stations. Overall compliance with DNSH criteria for applicable objectives.	Water, Commercial, Production

Objective	Economic activities	Description of eligibility/alignment	Area
CCM/CCA	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	• Eligibility: ASM Terni, Adistribuzione and areti install and replace smart meters. • Alignment: ASM Terni, areti and Adistribuzione install, manage and replace smart meters for gas, heating and electricity. Overall compliance with DNSH criteria for applicable objectives.	Water, Networks and Public Lighting
CCM/CCA	7.6 Installation, maintenance and repair of renewable energy technologies	• Eligibility: Acea Ambiente, Orvieto Ambiente, Deco, Tecnoservizi, Acea Innovation and Umbria Energy install solar photovoltaic systems. • Alignment: companies carry out on-site installation, maintenance and repair of photovoltaic solar systems, solar hot water panels, heat pumps, electricity or thermal energy storage units, micro-cogeneration plants, heat recovery/heat exchanger systems.	Environment, Commercial
CCM	9.3 Professional services related to energy performance of buildings	• Eligibility: Ecogena carries out design and technical consulting activities aimed at increasing the energy efficiency of buildings. • Alignment: the activity consists of energy efficiency consulting services, energy audits, energy performance contracting and energy services.	Production
CE	2.2 Production of alternative water resources for purposes other than human consumption	• Eligibility: Acea Ato 2, AdF and SII implement solutions for the reuse of purified wastewater for industrial/irrigation use. • Alignment: AdF supplies purified wastewater from the Punta Ala plant for the irrigation of the golf course owned and operated by the Golf Punta Ala company. Overall compliance with DNSH criteria for applicable objectives. • Non-alignment: SII does not have a specific authorisation to reuse water, and Acea Ato 2 activity has not yet started, so the technical screening criteria cannot be considered to have been passed.	Water
CE	2.3 Collection and transport of non-hazardous and hazardous waste	• Eligibility: ASM Terni and Umbriadue. are authorised to transport non-hazardous and hazardous special waste. • Alignment: ASM Terni only allocates a proportion of waste for preparation for re-use or recycling. Source-separated waste is not mixed with other waste streams and the quality and quantity of the waste collected is continually monitored and evaluated. • Non-alignment: Umbriadue does not guarantee compliance with all DNSH criteria. ASM Terni only allocates a portion of waste for reuse or recycling.	Water
CE	2.7 Sorting and recovery of materials from non-hazardous waste	• Eligibility: Acea Ato 2, Demap, Ferrocart, Cavallari, Meg, S.E.R Plast and Tecnoservizi operate plants for the sorting and processing of non-hazardous waste streams into secondary raw materials. • Alignment: Acea Ato 2, Cavallari, Ferrocart, Meg, Demap, S.E.R Plast and Tecnoservizi produce secondary raw materials from separately collected and transported waste. For materials in which case separate collection is mandatory, the activity converts at least 50%, in terms of weight, of the separately collected non-hazardous waste into secondary raw materials suitable for the substitution of primary raw materials in production processes.	Water/Environment
WTR	2.1 Water supply	• Eligibility: Acea Ato 2, AdF, SII, Acea Ato 5, Gori, Gesesa, Acea Molise manage the water service, including water supply. • Alignment: Acea Ato 2, Acea Ato 5, AdF, Gori, Gesesa and Acea Molise comply with the alternative criterion related to water leaks, calculated as required by ARERA Resolution 917/17, Ref. Macro-indicator M1. Overall compliance with DNSH criteria for applicable objectives. • Non-alignment: SII does not always carry out loss recovery quantitative assessments and does not have concessions for all supply sources in use. Acea Ato 5 complies with the alternative criterion on water leaks, but is aligned at 79%.	Water

Objective	Economic activities	Description of eligibility/alignment	Area
WTR	2.2 Urban waste water treatment	• Eligibility: Acea Ato 2, AdF, SII, Acea Ato 5, Gori, Gesesa, Acea Molise and Umbriadue. manage the water service, including the treatment of wastewater. • Alignment: SII and Gori carry out their operations without deteriorating the sound ecological status and potential of any water body; the plants are equipped with a collection system and a secondary treatment system. • Not aligned: pollutants from discharges into receiving waters, in relation to Acea Molise, do not meet the maximum levels prescribed by national regulations, Umbriadue does not carry out assessments of direct greenhouse gas emissions from the wastewater system and Gesesa does not have sufficient information for the exceeding of criteria. Instead, AdF, Acea Ato 5 and Acea Ato 2 guarantee compliance with the criteria for only a portion of the plants.	Water
WTR	4.1 Provision of IT/OT (information technology/operational technology) data-based solutions for loss reduction	• Eligibility: Acea Ato 2 and Acea Ato 5 install technological solutions to control, manage, reduce and mitigate leaks in water supply systems. • Alignment: Acea Ato 5 has implemented a WMS platform to display the entire water system of the company and manage the “Out of Service” mapping processes. • Non-alignment: Acea Ato 2 is not aligned, as it does not meet the DNSH criteria related to the objectives of "Transition to a Circular Economy" and Pollution Prevention and Reduction.	Water
PPC	2.1 Transport of hazardous waste	• Eligibility: Cavallari transports hazardous waste prior to the treatment, recovery or disposal of materials. • Alignment: Cavallari is authorised to transport hazardous waste as per the Environmental Operators Register, also on behalf of third parties.	Environment
PPC	2.2 Treatment of hazardous waste	• Eligibility: Berg operates a facility for the storage, treatment, disposal of hazardous and non-hazardous waste, and in particular performs biological treatment of hazardous waste and physical-chemical treatment. • Alignment: Berg carries out its activities in accordance with the best available techniques and in a dedicated waste storage area. It also meets the criteria for handling mercury-containing waste.	Environment

Notes
Activity 5.5-Collection and transport of non-hazardous waste in fractions separated at source overlaps with 2.3-CE-Collection and transport of non-hazardous and hazardous waste for the Environment sector.
With the rationalisation of activities, activity 5.7 -CCM- Anaerobic digestion of organic waste was valorised instead of 2.5 EC.
With the rationalisation of activities, activity 2.7 - CE - Sorting and recovery of materials from non-hazardous waste was valorised instead of 5.9 CCM.
Activity 2.1-Water Supply, overlaps with 5.1-CCM-Construction, Extension and operation of water collection, treatment and supply systems, Treatment and Supply Systems for the Water Division and 5.2-CCM-Renewal of Water Collection, Treatment and Supply Systems, which is being rationalised.
Activity 2.2-Urban Wastewater Treatment, overlaps with 5.3-CCM-Construction, Extension and operation of waste water collection and treatment systems, and 5.4-CCM-Renewal of Wastewater Collection and Treatment Systems for the Water Area.
Activity 2.2 (PPC) is eligible and aligned only for Berg, which contributed 0% to the three economic KPIs and is therefore not included in the relevant tables.

KPI DISCLOSURE SPECIFICATIONS

Accounting policy

This section describes the process for constructing the economic KPIs associated with eligible and aligned activities, in accordance with Annex I of Delegated Regulation (EU) 2021/2178. Specifically, the indicators were reconstructed using data from general, industrial and regulatory accounting; the share of each KPI for each economic activity is calculated in relation to total turnover, investments and operating costs exclusively for the expenses provided by the European Taxonomy.
Specifically:

- Eligible turnover: the numerator was considered to be the portion of consolidated net turnover derived from the sale of products and services, including intangible products and services (item Revenue from sales and services and other revenue and income in the consolidated income statement), related to economic activities eligible for the Taxonomy and, as the denominator, the total net turnover recorded in the Consolidated Financial Statements (ref. IAS 1, item 82, letter a).
- Eligible CapEx: the numerator considered was the portion of capital expenditure posted to the assets of the Consolidated Financial Statements, and defined based on the criteria under point 1.1.2.2 of the Delegated Act and the denominator was the total capital expenditure quantified on the basis of the criteria under point 1.1.2.1 of the Delegated Act. The denominator includes additions to tangible and intangible assets for the year, net of depreciation, amortisation, write-downs, revaluations and changes in fair value, excluding changes in fair value. Capitalised expenses were identified using data from the Consolidated Financial Statements, taking into account increases related to the IAS 16 categories (property, plant and equipment), IAS 38 (intangible assets) and IFRS 16 (leases) and IAS 40 (investment properties).
- Eligible opex: the numerator used was the portion of operating expenses associated with the eligible activities and defined on the basis of criteria under point 1.1.3.2 of the Delegated Act and the denominator was the total operating expenses quantified on the basis of the criteria under point 1.1.3.1 of the Delegated Act. The item includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Acea has drawn up a Green Financing Framework and on the basis of this, in January 2023 issued a Green Bond totalling €700 million to support initiatives focused on four areas: water resource management; energy efficiency; circular economy; and green energy. With regard to the KPI relating to capital expenditure and turnover, there is a contribution from green bond issues for 2024 amounting to EUR 265 million or 18% of the eligible capex.

Detailed tables illustrating the percentages of turnover, capex, opex related to taxonomy-eligible, aligned and non-aligned activities are provided in Annexes (paragraph 5.2). The table relating only to activity on energy production from nuclear and fossil fuels (4.30 "High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels") found to be eligible and not aligned, and the tables showing the percentages of alignment on all 6 taxonomy objectives are also provided.
It is specified that, within the templates in paragraph 5.2, only the amounts for economic KPIs with a value other than zero were reported.

2.2 CLIMATE CHANGE

ESRS E1; ESRS 2 IRO-1

2.2.1 CLIMATE CHANGE STRATEGY

Environmental protection is a fundamental premise of the Group's business strategy, with major investments in implementing actions contributing to mitigation and adaptation to the climate crisis, from reducing the emission intensity of activities to the transition to a circular economy.
The main lines of action are set out in the Sustainability Plan, which includes interventions for the resilience and digitisation of water and electricity networks to increase the climate change adaptability of infrastructure, energy efficiency, emission reduction and renewable energy production, as well as water resource protection projects that contribute to climate change mitigation and adaptation objectives. Acea also continues to offer its customers certified energy with a guarantee of origin, energy produced from renewable sources and gas with associated emission offsetting.
In 2024, Acea also updated the climate scenario analyses for the third year relating to the Group's different businesses according to the recommendations of the ISSB-TCFD system, which are now supplemented by the ESRS (E1) standards, to continue refining the ability to understand and manage physical and transition risks and the related opportunities. This activity was also conducted in line with Article 19 of the CSRD, which requires companies to provide detailed information on how climate change could affect their activities, by analysing physical and transitional risks.

ESRS E1-1; ESRS 2 MDR-T Acea's climate strategy for climate change mitigation envisages a process to reduce climate-altering emissions with a 'Well below 2° C' target. This commitment has been validated by the Science Based Targets initiative (SBTi), and is aimed at limiting the global temperature increase to well below 2°C compared to pre-industrial levels, in line with the trajectories of the Paris Climate Agreement. Acea's targets are aligned with the EU Paris-Aligned Benchmarks, as they envisage a reduction in emission intensity of more than 50% from the baseline year and formalised targets on Scope 3 emissions. The commitment, which was not formalised through a specific "Climate Change Mitigation Transition Plan" as defined by the ESRS, was presented to the Board of Directors as part of the Business Plan, of which it is one of the basic elements. The current commitment includes targets to 2032 and will

be supplemented in 2025 with climate neutrality targets to 2050. The paragraphs below outline the emission reduction targets, the decarbonisation levers identified, the actions and resources envisaged in the Plan, and the related final figures to 2024. The decarbonisation levers underlying the achievement of the SBT targets mainly include:

- the increase in renewable energy production (Scope 1 target);
- the implementation of energy efficiency measures at facilities and premises and increased energy purchases with G.O. (Scope 2 target);
- the increase in the portion of energy sold with G.O. and the gradual reduction of gas distribution, in line with market developments that envisage an increasing electrification in consumption (Scope 3 target).

With regard to the Group's direct emissions, we note that locked-in emissions are mainly from waste-to-energy plants amounting to approximately 293,000 tonnes of CO_2 in 2024, which are included in the calculation for the purposes of SBTi targets. In the scope of the Group's decarbonisation programmes, feasibility studies are underway on CCSU (Emission capture and storage) and an initial pilot plant is planned at the new waste-to-energy plant that will be built in Santa Palomba to serve the capital. The impacts, risks and opportunities related to climate change are outlined below, with details on the transition risks. With regard to the objectives, planned actions and respective allocated resources, reference is made to Section 2.2.3"Climate Change Targets, Actions and Resources".

ESRS 2 SBM-3 ESRS 2 IRO-1 The impacts, risks and opportunities related to climate change have been identified through a double materiality analysis with a process that covers the entire Group value chain and actively involves internal and external stakeholders, as described in detail under General Information in paragraph 1.6 "Stakeholder engagement", and are reported in the table of IROs relevant to the topic.

Specifically, Acea periodically conducts analyses on climate risk scenarios to strengthen its resilience strategies. The results of the analysis conducted in 2024 are shown below. The analysis involved the Group's operating companies that manage strategic assets such as power generation plants, water and electricity distribution infrastructure. The infrastructure considered is located in geographical areas where they are exposed to physical hazards that may lead to periods of operational disruption. Major climatic events that could compromise business operations include heat waves, fires, floods, heavy rainfall and prolonged periods of drought. Based on these factors, a climate risk map was developed to assess Acea's vulnerability and, where possible, quantify the economic impact, in line with CSRD guidance and, in particular, ESRS E1 standard, as described below. The analysis of resilience to climate change considers a short to medium and long-term time horizon.

The climatic risk analyses to assess transition and physical risks were carried out by carefully harmonising the methodology in line with the recommendations of the ISSB-TCFD system with the Group's Enterprise Risk Management methodology, with the aim of ensuring that the analyses carried out are aligned with the Group's strategic objectives, as described in paragraph 1.7 "Double materiality process, impacts, risks and opportunities".

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Climate change mitigation		I *impact*	Innovation of industrial processes to support ecological transition	+	*medium*	• upstream • own operations • downstream
Climate change mitigation		I *impact*	Development of energy models based on electrification of consumption and production from renewable sources	+	*medium*	• own operations • downstream
Energy		I *impact*	Reducing energy consumption by optimising industrial processes	+	*long*	• upstream • own operations
Climate change mitigation		I *impact*	Production of direct greenhouse gas emissions, related to the use of fossil fuels and waste-to-energy, and indirect emissions	-	*medium*	• upstream • own operations • downstream
Climate change adaptation		I *impact*	Low resilience of plants, infrastructure and networks to the effects of climate change	-	*long*	• own operations
Climate change adaptation		R *risk*	Damage to infrastructure and production sites due to the effects of climate change (rivers flooding, storms)		*long*	• own operations
Climate change mitigation		R *risk*	Tightening/introduction of carbon pricing schemes with effects on industrial processes		*medium*	• own operations
Climate change mitigation		R *risk*	Tightening of regulations related to the marketing of products and services with a low environmental impact (Green Claims Directive)		*medium*	• own operations
Climate change mitigation		O *opportunities*	Growing push towards renewable energy, with business opportunities in the green energy production sector		*long*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

Transition risks

Various climate scenarios developed by international organisations, including in particular the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), were used to forecast the evolution of transition risks. The main scenarios used include:

- STEPS Stated Policies Scenario: based on climate policies already implemented by governments; it represents a future in which only the effects of current policies are reflected without necessarily achieving emission-reduction targets;
- APS Announced Pledges Scenario: based on climate commitments announced by countries, although not yet supported by concrete policy plans. It is a scenario that reflects a future with greater ambitions compared to STEPS;
- SDS Sustainable Development Scenario: represents a "well below 2° C" scenario and is based on an increase in clean energy policies and investments to achieve the main sustainable development goals;
- IEA NET ZERO by 2050 (NZE) Scenario: envisages achieving climate neutrality by 2050. This ambition would require a radical change in the energy and industrial sectors, with a transition to renewable energy sources, massive investments in carbon capture technologies and the phasing out of fossil fuels;
- SSP Shared Socio-economic Pathways Scenarios: five scenarios describing possible global socio-economic developments up until 2100; they help to assess the impact of climate policies on greenhouse gas emissions and understand different trajectories of socio-economic development.

For the identification of transitional climate risks and opportunities, an initial screening phase was conducted to identify the specific challenges of each business sector taking into account sector characteristics, market dynamics, emerging trends and existing and emerging regulations, with specific reference to European regulations and Directives, as well as global standards such as those defined by the TCFD taskforce and the Paris Agreement. As from January 2024, the TCFD (Task-Force on Climate-Related Financial Disclosure) transferred its mandate to the ISSB (International Sustainability Standards Board), the independent sustainability reporting standard-setting body of the IFRS Foundation. Consequently, in this document we directly quote the ISSB-TCFD system meaning those same TCFD Recommendations. The analysis also took into account best practices adopted by global organisations and recommendations from sector and scientific reports.

The preliminary screening identified the main climate risks and opportunities that could potentially affect the Group's operations and value chain. The long list of potential transition risks and the preliminary results of the analysis were submitted to the risk owners of Group companies to prioritise the risks, based on the specific characteristics and activities of each company. In this way, the most relevant risks were identified for each corporate entity, allowing for a targeted analysis of potential vulnerabilities and opportunities, in line with the operational and strategic specific characteristics of individual entities. This approach was complemented by discussions with the corporate functions involved, identified on the basis of the pertinence and relevance of the risks and opportunities identified. The process included plenary meetings and one-on-one interviews to provide a better understanding of the risks, stimulate internal dialogue, reinforce the validity of the analysis, and at the same time, promote a corporate culture geared towards proactive risk management, the adoption of sustainable practices and the identification of opportunities.

With respect to relevant transition risks, companies are working to implement emission reduction strategies by investing in innovative technologies and/or adopting offsetting measures to also mitigate the financial impact, as described in the paragraphs below.

Physical risks

For the analysis of the Group's physical risks the IPCC's Representative Concentration Pathways (RCPs) scenarios were considered. Each scenario is associated with a level of global warming and provides an overview of how greenhouse gas emissions could evolve depending on the policies and practices adopted at international level. The following scenarios were considered for the analysis:

RCP Scenario	Scenario description
RCP 8.5	RCP scenario 8.5 is the most extreme; it predicts an increase of more than 4° C by 2100 and it **is believed that this could be reached if no mitigation policy is adopted**. The high economic and demographic growth rates described in the Shared Socio-economic Pathway 5 (SSP5) Scenario favour this scenario, triggering most of the so-called climate "tipping points" with consequences that are difficult to model.
RCP 4.5	RCP scenario 4.5 is the one **considered most likely considering countries' current commitments**. It envisages a temperature increase of between 2 and 3° C by 2100, well beyond the limits of the 2015 Paris Agreement and the Kyoto Protocol. Considering current commitments by countries, it is considered likely that 2.5°C will be reached by 2100.
RCP 2.6	RCP scenario 2.6 is **in line with the Paris/Kyoto agreements**, with a temperature increase of less than 1.5° C by 2100, and calls for a 70% reduction in emissions between 2010 and 2100 with substantial changes in energy use and greenhouse gas emission reduction programmes by also acting on carbon dioxide, in addition to other gases with a very high Global Warming Potential (GWP) (methane, nitrous oxide, sulphur hexafluoride and other fluorinated gases).

For the representation of Business Interruption Days (BID) we chose to focus on the RCP 4.5 climate scenario, which represents projections that are closest to the current conditions and trajectories that could materialise, and the RCP 8.5 scenario, which represents the worst-case trajectory that could occur in the absence of significant changes in climate policies.

The analysis for the identification of physical climate risks was based on a structured methodology, consistent with the main international reference standards and guidelines.
The main climate risks that could affect the Group's assets were selected according to a logic of relevance, classifying them inter alia, in line with the requirements of the European Taxonomy DNSH into:

- acute physical risks, which include extreme events such as storms, flash floods and forest fires, in which case the impact has been calculated in Business Interruption Days (BID);
- chronic physical hazards, representing gradual climate changes, such as desertification, drought or changes in rainfall.

The analysis was conducted taking into account the risk and vulnerability for economic activity related to physical climatic hazards. An analysis was also conducted in this regard on the geographical coordinates of the main assets, including altitude. For the assessment, data from the IPCC ATLAS database, the CORDEX-Copernicus project and literature data from sources such as Nature or MDPI were used, and a climate projection analysis programme from seven different climate models was used. The programme calculates the average of the climate projections and the distributions at the 25% and 75% percentiles, specific to different geographical areas, providing a simulation for the prediction of climate change in different regions in the different scenarios, with an indication of the average prediction value, the expected variability and uncertainties associated with the climate projections provided by the different models.

The results were prioritised with the cooperation of Group companies' contact persons who, on the basis of their knowledge of past risk situations, provided further specific criteria appropriate for the classification of results:

- **Water area**: for companies operating in the Integrated Water System sector, the prioritisation of results was carried out with different criteria for the different types of plants. For sewage treatment plants, the "population equivalent" criterion served by each plant was adopted; for sewage and water lifts, prioritisation was based on energy consumption; for springs and reservoirs, the hourly flow rate criterion was used, expressed in litres per second;
- **Environment area**: for companies operating in the waste management, treatment and disposal sector, the analysis focused on the most economically important assets, such as waste-to-energy plants, excluding offices;
- **Production area**: for electricity production assets, the prioritisation criterion was established according to the type of plant: for solar panels, hourly production was used; for hydroelectric power plants, which represent greater value both economically and in terms of production, all results were investigated without additional selection criteria;
- **Networks and public lighting area**: for the company areti, which manages the electricity distribution network, the criterion adopted to assess the relevance of results was based on the annual transformation capacity of each primary substation.

ESRS E1-9 In the analysis, the estimated economic impacts are defined by considering two aspects: the loss of revenue associated with BIDs (Business Interruption Days) and the damage to the asset; no detailed economic quantification is available for the current year.

2.2.2 CLIMATE CHANGE POLICIES

ESRS E1-2The issue of climate change is a priority for the Acea Group, which is committed to identifying, assessing, managing and, where possible, reducing the impacts and risks generated by its operations or those linked to players across the value chain, both in terms of mitigation and adaptation.
The Group has formalised and adopted a number of commitments in this respect over the years. Specifically, the *Code of Ethics* defines climate change commitments within the broader sense of "environmental protection and enhancement", with the aim of defining a mitigation and adaptation strategy that includes measures to make energy use more efficient, enhance and exploit renewable sources, and increase infrastructure resilience. The Group's commitment to combating climate change is also confirmed in the "Integrated Management Systems and Sustainability Policy", corresponding to the call for specific focus on this issue in all technical management regulations, expressed by the ISO standard setter. Furthermore, in being aware that the impacts of climate change could affect the protection of human rights, Acea has reaffirmed its commitments to manage its operations in a way that is appropriate to containing this phenomenon in the Human Rights Policy.
Group policies are described in Section 1.6 of this document.

2.2.3 CLIMATE CHANGE TARGETS, ACTIONS AND RESOURCES

ESRS E1-4; ESRS 2 MDR-T With a view to managing significant climate-related impacts, risks and opportunities, the Group has formalised specific strategic objectives, in line with the policies adopted, so as to contribute to mitigating and adapting to climate change, which are included in the Sustainability Plan that also outlines the actions and investments for the action lines developed by operating companies.

Action lines	Action	IRO	Description
Strategic aqueduct works	▸ Peschiera and Marcio works ▸ Other aqueduct works	I I R	▸ Innovation of industrial processes to support ecological transition ▸ Low resilience of plants, infrastructure and networks to the effects of climate change ▸ Damage to infrastructure and production sites due to the effects of climate change (rivers flooding, storms)
Strengthening the power grid	▸ Network extension ▸ Network continuity ▸ Strengthening medium-voltage substations	I R	▸ Low resilience of plants, infrastructure and networks to the effects of climate change ▸ Damage to infrastructure and production sites due to the effects of climate change (rivers flooding, storms)
Digitalisation	▸ Broadband connectivity ▸ Smart Grid ▸ Business continuity ▸ Water and sewerage remote control ▸ Networks remote control	I I	▸ Innovation of industrial processes to support ecological transition ▸ Development of energy models based on electrification of consumption and production from renewable sources
Decarbonisation	▸ Photovoltaic ▸ Hydroelectric ▸ Renewables for self-consumption ▸ Energy efficiency ▸ Biomethane ▸ Purchasing electricity with G.O. ▸ Electricity sales with G.O. ▸ ESCO installations	O I I I R	▸ Growing push towards renewable energy, with business opportunities in the green energy production sector ▸ Development of energy models based on electrification of consumption and production from renewable sources ▸ Reducing energy consumption by optimising industrial processes ▸ Production of direct greenhouse gas emissions, related to the use of fossil fuels and waste-to-energy, and indirect emissions ▸ Tightening of regulations related to the marketing of products and services with a low environmental impact (Green Claims Directive)

With reference to the risk related to the "Tightening/introduction of Carbon Pricing schemes with effects on industrial processes", it is noted that Acea currently manages this risk by adopting a strategy of purchasing CO_2 quotas in stages throughout the year, as described in the paragraph on Climate Change Metrics below.

ESRS 2 MDR-T, ESRS E1-3 The objectives and investments envisaged in the Sustainability Plan until 2028 are shown below, with the progress in the actions and related investments at 31.12.2024, with reference to the lines of action that contribute to the management and mitigation of impacts and risks and the development of opportunities relevant to climate change. For actions related to these strategic lines, only the capex was monitored, because opex represents a non-significant portion.

Action line	Action (company)	Target @ 2028	Target progress	Overall 2024	Baseline 2023	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Strategic aqueduct works	▸ Peschiera and Marcio Works (Acea Ato 2)	▸ Peschiera, completion of the planning/authorisation process	- 84%	-	-	1,266	133.6
		▸ Marcio, completion of 4 works	47%				
	▸ Other aqueduct works (Acea Ato 2)	▸ Realisation 32 works	6%	2 works completed, 5 in progress	-	129	20.5
Strengthening the power grid	▸ Network expansion (areti)	▸ 600 km prepared for connection of new loads	13%	80 km	-	167	33.3
	▸ Network continuity (areti)	▸ Work on 240 km of LV network and 840 km of MV network	26% LV 15% MV	63 km LV 126 km MV	-	476	56.1
		▸ 285,000 beneficiary users	16%	44,869 users	-		
	▸ Strengthening medium-voltage substations (areti)	▸ Work on 34 primary and 3,800 secondary substations	38% primary 77% secondary	13 primary substations 2,929 secondary substations	-	100	34

Action line	Action (company)	Target @ 2028	Target progress	Overall 2024	Baseline 2023	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Network digitisation	▸ Broadband connectivity (areti)	▸ 2 primary substations	50%	1 primary substation		16	5.2
		▸ 6,100 secondary substations	24%	1,463 secondary substations			
	▸ Smart Grid (areti)	▸ 333,000 population equivalent beneficiaries	In progress	-	-	9	4.6
	▸ Business continuity (areti)	▸ 0 interruptions at the control room	In progress	2 interruptions	-	52	2.3
	▸ Network remote control (areti)	▸ 4,600 LV substations	26%	603	581	92	20.1
		▸ 12,985 MT substations	77%	1,334	8,667		
	▸ Sewer water remote control (Acea Ato 2, Acea Ato 5, AdF)	▸ 2,193 remote-controlled sewage plants	64%	49	1,345	20	2
		▸ 3,206 remote-controlled drinking water plants	100%	1,830	2,141	19	3.8
Water resilience	▸ Water requirements modelling (AdF)	▸ 24 Municipalities covered by the water supply plan	50%	3 Municipalities	9 Municipalities		
	▸ Aquifer modelling (Gori)	▸ Total coverage of 5 aquifers, 5 well fields and 2 springs	In progress				
Decarbonisation	▸ Photovoltaic (Acea Produzione)	▸ 870 MW realised and operational	29%	153.6 MW installed	101 MW under management	318	16.2
	▸ Renewables for self-consumption (Acea Ato 2, Gori, AdF, Acea Ambiente)	▸ 17 MW of installed photovoltaic	6%	1 MW		14	0.7
	▸ Energy efficiency (Acea Ato 2, Acea Ato 5, AdF, Gori, areti, Acea SpA)	▸ 42 GWh of energy saved (vs 2023)	27%	11 GWh		157	14.8
	▸ Biomethane (Acea Ato 2)	▸ 1.2 Mcm/year produced	10%	0.12 Mcm		2	1.8
	▸ Purchasing electricity with G.O. (Acea Energia)	▸ 0.5 TWh of purchased green energy per year	69%	0.3 TWh		-	
	▸ Electricity sales with G.O. (Acea Energia)	▸ 75% green energy sold	-	46%		-	
	▸ ESCO installations	▸ 40 MW installed at customer sites (PV and CHP)	5%	-	2 MW	44	-
Biodiversity (abroad)	▸ Árboles para el Merendón (Aguas de San Pedro	▸ +350,000 trees	24%	83,331			

ESRS E1-3; ESRS 2 Below is a description of the main actions implemented by Group companies in 2024, summarised in the previous Plan monitoring table.
The strategic works envisaged by the Plan in all areas, mainly water and electricity networks, contribute to the goal of adapting to climate change as they aim to increase infrastructure resilience and safety and, consequently, their ability to react and manage extreme phenomena by minimising service disruptions.
Specifically, in 2024, Acea Ato 2 participated in the definition of the Municipality of Rome's Climate Adaptation Strategy, to which it contributes through investments to increase resilience and safety and the strengthening of the drinking water and purification systems, the creation of a network for the distribution of purified wastewater for reuse for non-drinking purposes, and specific measures to mitigate the impact of heat waves and rising temperatures, including the extension of the drinking water network in squares and public spaces.

Works in progress mainly refer to:
- the continuation of the planning and authorisation process for the construction of the second section of the Peschiera-Marcio aqueduct, one of the main aqueducts in Europe, which today guarantees water supplies to 80% of Romans with water of the highest quality and purity. The second line will increase infrastructure resilience and secure the water supply of the capital and certain areas in upper Lazio;
- the commencement of the construction of the 4 strategic works on the Marcio aqueduct: Marcio aqueduct 1st lot, Ottavia Trionfale pipeline,1st phase of the doubling of the VIII Sifone, Monte Castellone pipeline;
- the commencement of five new strategic works to increase the resilience and safety of the aqueduct system serving ATO 2 Lazio Centrale and neighbouring ATOs, specifically: securing the Frascati Bunker, a new drinking water plant serving the Spolverino Water Centre, works in the municipality of Trevignano, a connection between the Villa Parodi and Altipiani di Arcinazzo reservoirs, and an interconnection near Civitavecchia;
- Works to strengthen the electricity grid enabling the connection of new loads and distributed generation on electricity grids, and aimed at mitigating and/or preventing the risk of user disconnections;
- the programme of digitisation and remote control of electricity grids to increase the flexibility and resilience of the network. Specifically, with reference to the smart grid, activities were completed to create the ADMS platform for managing the MV and LV network, and tools are currently been developed to manage energy flexibility on the electricity distribution network to rebalance loads in critical grid situations.

In addition, in 2024, areti drew up the Resilience Plan, in accordance with Article 77 of the Consolidated Act on the Quality of Electricity [Testo Integrato della Qualità Elettrica] (TIQE - Annex A of Resolution 646/2015/R/eel and subsequent amendments), which includes works aimed at limiting the probability of disconnection in the face of the main risk factors affecting the network. The plan contains the interventions aimed at improving the resilience index of the medium and low voltage electricity network in the metropolitan city of Rome. The main critical risk factors assessed in the Plan refer to flooding due to particularly heavy rainfall or landslides and floods caused by hydro-geological instability, and heatwaves associated with prolonged periods of drought.

NEW PHOTOVOLTAIC WINDOW AT THE VATICAN MUSEUMS

In 2024 Acea built the new photovoltaic window at the Vatican Museums' Cortile delle Corazze to produce renewable energy, with an important aesthetic and functional value. Replacing the existing glass panes with new photovoltaic glass has resulted in a roof that provides thermal insulation and a shading effect that significantly increases the liveability of the spaces. The work, completed in just six months, was carried out without interrupting museum activities and without any disruption to visitors. In addition to the Corazze Courtyard, the project also includes the photovoltaic glass roofing of the Vignaccia warehouse in the Vatican Gardens, which will be completed by early 2025. In total, the two plants will provide 350 kW of peak photovoltaic power for a total production of around 500 MWh of electricity per year. The intervention was completed with a new lighting system to improve the lighting efficiency of the site and with the installation of 20 "fast" charging points on 10 stations and 2 "ultra fast" charging points on an additional station at the side of the Aula Paolo VI entrance to encourage the spread of electric mobility.

Actions aimed at climate change mitigation encompass investments in decarbonisation by Group companies, in line with the decarbonisation levers required by SMTi targets. The 2024 actions include:
- the commissioning of new Acea Produzione photovoltaic plants mainly in Lazio (Licodia Eubea, Nepi, Bomarzo, Canino, Picinisco, Ferentino and Scurcola) with an installed capacity of 153.6 MW;
- the upgrading of biogas plants at the Roma Nord and Roma Est treatment plants managed by Acea Ato 2 for the production of biomethane, with the completion of the sustainability certification, in accordance with Decree-Law 7/8/2024 on biofuels;
- the purchase of approximately 0.34 TWh of electricity in 2024, with a guarantee of origin (30% of total Group electricity consumption) for consumption by Acea Ato 2, Ambiente, Acea Innovation, Serplast, AdF, Geal, Nuove Acque and Orvieto Ambiente;
- Acea Energia's sale to end customers of approximately 2.5 TWh of electricity G.O. (46% of total electricity sold), and the offsetting of CO_2 emissions related to the quantities of methane gas distributed and sold during the year through the purchase of voluntary carbon credits, as reported in paragraph below;
- the implementation of the energy efficiency measures programme at the head offices and facilities of Group Companies to reduce energy consumption and related emissions. Specifically, the company areti contributes to the objective through interventions to reduce technical energy losses for the adaptation to the standards of the nominal voltages of the HV, MV and LV networks and optimise the MV network set-up (also thanks to the use of MV/LV transformers with very low losses).

With regard to foreign companies, mention should be made of the work carried out by Aguas de San Pedro in Honduras, where the reforestation project in the Merendón area is continuing, which will lead to approximately 1.5 million fruit trees being planted by 2028, with a consequent benefit for the local communities also linked to employment opportunities. This project aims to reduce the environmental damage caused by deforestation through agroforestry practices and environmental education. To date, 1,200,000 trees have been planted, contributing to the capture of CO_2 emissions, the conservation of biodiversity and the protection of ecosystems.

ESRS 2 MDR-T The actions included in the Plan under the Decarbonisation action line contribute to achieving the targets validated by SBTi to 2032 (compared to the base year 2020), and already described in the climate change strategy:

- **Scope 1**: Reduce the intensity of direct emissions per unit of energy produced by 56% compared to the base year value (i.e. 0.71 tCO_2e/MWh);
- **Scope 2:** reduce indirect emissions related to energy withdrawals from the grid by 32% compared to the base year value (or 301,649 tCO_2e);
- **Scope 3:** Reduce indirect emissions related to the sale and distribution of natural gas by 30% compared to the base year value (or 439,514tCO_2e);
- **Scope 1+3:** Reduce the intensity of indirect emissions related to the production and sale of electricity by 56% compared to the base year value (or 0.42 tCO_2e/MWh).

Performance monitoring for the first three years of SBTi, published on the Acea's website as required by SBTi, showed significant progress in the achievement of targets for the reduction of direct emissions and those related to the sale of electricity. Emissions related to electricity withdrawals will be reduced over the next few years thanks to energy efficiency measures and the increased use of energy purchases with Guarantees of Origin, while emissions related to methane gas will be reduced in the second half of the period, thanks also to the progressive electrification of consumption in Italy, as already envisaged when setting the targets.
Overall, the decarbonisation actions implemented by the various companies in the Group contributing to the SBTi targets, involved investments totalling EUR 33.5 million.

2.2.4 METRICS RELATED TO CLIMATE CHANGE

ESRS E1-5 Energy consumption

The Group's total energy consumption in 2024 was approximately 3.560 GWh, of which 37% was from renewable sources. Of the non-renewable portion, about 20% refers to methane consumption, mainly used for power generation processes and heating, while 36% relates to Solid Recovered Fuel (SRF) and pulper for waste-to-energy processes at the San Vittore del Lazio and Terni plants. Electricity consumption, amounting to about 1 TWh, of which about 35% was purchased from certified renewable sources with G.O., is mainly attributable to the withdrawal and distribution processes of potable and non-potable water, purification systems, and consumption by plants and premises. With reference to the Other items, it is noted that: the figure included in Renewable consumption (8 MWh) refers to biodiesel fuel for automotive use used by Acea Molise; the figure included in Purchased renewable consumption (6 MWh) refers to consumption from hydroelectric renewable sources purchased and consumed by Consorcio Agua Azul; the figure in Consumption of self-generated non-fuel renewable energy (4,927 MWh) mainly represents self-consumption by Acea Produzione hydroelectric plants.

ESRS E1-5 Measurement, calculation and/or estimation methodology

Data on the consumption of fuels used for plant operations and space heating (e.g. methane, diesel and petrol) are measured by on-site meters with uncertainties ranging from ± 0.5% to ± 2%. The consumption of biogas, photovoltaics and paper mill FSCs/pulper come from meters (with an uncertainty of ± 1%). Data on electrical, thermal and cooling energy consumed at the Group's facilities and used, for example, for water lifting plants are measured by meter readings with an uncertainty of ± 1%. The electricity consumption at company offices is measured by reading the bills provided by Acea Energia. With regard to the energy consumption of the Environment segment, for Acea Molise and Gesesa, the figures for December are estimated on the basis of historical data. The quantities of fuel used for the fleet of Group Companies comes from fuel cards that record the filling up of vehicles.

ESRS E1-5 **Total energy consumption expressed in MWh**

ESRS_E1-5	Type of sources		31/12/2024
			MWh
	Methane - Natural Gas		419,929
	Diesel		67,989
	LPG		447
	Petrol		11,940
	FSCs - non-renewable portion		808,180
	Electricity		675,252
	Thermal energy		71
	Refrigeration energy		35
	Technical network losses		279,070
	Non-renewable sources		**2,262,913**
	Fuel consumption for renewable sources, including biomass	Biogas self-consumed in landfill (including flared biogas)	78,708
		Biogas self-consumed in digestion plant (including flared biogas)	79,704
		FSCs - renewable portion	798,543
		Other	8
		Total	**956,963**
	Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources.	Electricity G.O.	344,996
		Thermal energy - Renewable	3,856
		Photovoltaic	2,355
		Other	6
		Total	**351,213**
	Consumption of self-generated non-fuel renewable energy	Photovoltaic	2,298
		Other	4,927
		Total	**7,224**
	Renewable sources		**1,315,400**

ESRS E1-5 **Details of source type iro total consumption**

ESRS_E1-5		31/12/2024
		Percentage
	Portion of fossil sources iro total energy consumption (%)	63%
	Portion of nuclear sources iro total energy consumption (%)	0%
	Portion of renewables iro total energy consumption (%)	37%

ESRS E1-5 **Details of fossil energy consumption in high climate impact sectors**

		31/12/2024
	Consumption of fuel from coal and coal products (MWh)	0
	Consumption of fuel from crude oil and petroleum products (MWh)	80,301
	Fuel consumption from natural gas (MWh)	419,929
	Fuel consumption from other non-renewable sources (MWh)	808,180
	Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired (MWh)	888,245

ESRS E1-5 Energy intensity rate

The energy intensity rate for the Group's high-impact sectors is 0.0006 MWh/€. The rate represents the ratio of energy consumption expressed in MWh to consolidated net revenue of the high-impact sectors. According to the NACE classification defined in Delegated Regulation (EU) 2022/1288, the sectors considered in the calculation are: D - electricity, gas, steam and air conditioning supply, E - water supply, sewerage, waste treatment and sanitation, and F - construction.
The revenue corresponding to these segments, amounting to EUR 3,660,861,000, represent part of the Group's total net revenue in the "Notes to the Consolidated Income Statement".

Energy consumption along the supply chain

Acea constantly raises awareness and monitors its supply chain with respect to specifically, energy issues using a specific questionnaire submitted to a representative panel of suppliers. In addition, the questionnaire also includes a specific section on water withdrawals, broken down according to process and civil use, with the aim of promoting supplier awareness regarding water use.
In 2024, the questionnaire was completed by 47 suppliers (out of the 100 invited), representing 42% of the total expenditure on goods/services and works, with data on: fuel consumption, electricity, fuel and refrigerant gas.
Total energy consumption for the supply chain was then estimated by comparing the consumption indicated in the questionnaire with total purchases for the year, which amounted to 95,389 MWh.

ESRS E1-5 Energy production

The Group produces electricity, totalling about 982 Gwh through the Production and Environment areas. More than 60% (around 600 GWh) comes from renewable sources, mainly from hydroelectric plants (52% of the renewable portion) and from waste-to-energy from paper pulp and FSCs (25%) at the two plants in San Vittore del Lazio and Terni, as well as photovoltaics (10%). Photovoltaic production includes energy used for self-consumption. Non-renewable production relates to thermoelectric plants, mainly including the high-efficiency cogeneration plant at Tor di Valle fuelled by methane gas, and the non-renewable portion related to waste-to-energy managed by Acea Ambiente.

In 2024 Acea will have the following fleet of power generation plants:

- 8 hydroelectric power stations located in the Lazio, Abruzzo and Umbria regions for a total of 124.2 MW;
- 2 thermoelectric power stations located within the Municipality of Rome area: Montemartini (78.3 MW) and Tor Di Valle (28.5 MW), for 106.8 MW in total installed capacity;
- a photovoltaic park with a total capacity of approximately 170 MW, of which 153.6 MW will become operational by 2024;
- 2 waste-to-energy plants at San Vittore del Lazio and Terni, with a total available gross electrical power of approximately 62.5 MW.

In addition, the Environment area produces electricity from biogas derived from the anaerobic digestion process at the Orvieto Ambiente technology hub, the sites managed by Deco and Ecologica Sangro and the Acea Ambiente composting plants at Aprilia and Monterotondo Marittimo. The figure for "Other" under energy production from renewable sources refers to biomethane produced by Acea Ato 2.

ESRS E1-6 Measurement, calculation and/or estimation methodology

The energy generated by the plants is measured by meters installed on site, with uncertainties varying between ± 0.5% and ± 5% depending on the type of energy produced. As an example, the thermal energy produced in the Tor di Valle cogeneration plant is measured at the generator discharge pipes, with an uncertainty of ± 2%.

ESRS E1-5 Energy production from renewable sources

ESRS_E1-5		31/12/2024
		MWh
	Hydroelectric energy	313,735
	Photovoltaic energy	59,514
	Biogas	76,658
	FSC/Pulper - Renewable portion	147,595
	Other	1,260
	Energy production from renewable sources	**598,762**

Including the photovoltaic energy production of the plants operated by the equity-consolidated companies, total production is at approximately 173 GWh.

ESRS E1-5 Energy production from non-renewable sources

ESRS_E1-5		31/12/2024
		MWh
	Thermoelectric power - from non-renewable sources	132,879
	Thermal energy - from non-renewable sources	101,214
	FSC/Pulper - non-renewable portion	148,742
	Energy production from non-renewable sources	**382,835**

ESRS E1-6 Greenhouse gas emissions

GHG emissions are quantified according to the GHG Protocol guidelines by classifying them into direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions. With reference to Scope 3, it is noted that the table below only shows the categories relevant to the Group, i.e.: goods and services purchased, capital goods, fuel and energy related activities (not included in Scope 1 or 2), business travel, use of products sold, investments. The table below shows the emissions classified against SBTi targets and CSRD perimeter.

ESRS E1-6 Gross emissions Scope 1, Scope 2, Scope 3

	Retrospective				Goals and target year			
	SBT 2020	SBT 2023	CSRD 2024	%N/N-1	2025	2030	2032	Annual target % / base year
Scope 1 emissions [tCO_2e]								
Scope 1 emissions	**428,043**	**372,227**	**398,813**	**NA**	**NA**	**NA**	**NA**	**NA**
% of Scope 1 emissions covered by regulated emissions trading systems (%) (*)	39%	14%	13.4	NA	NA	NA	NA	NA
Scope 2 emissions [tCO_2e]								
Location based Scope 2 emissions	396,740	343,543	410,891	NA	NA	NA	NA	NA
Market-based Scope 2 emissions (tCO_2)	301,649	305,888	421,755	NA	NA	NA	205,121	NA
Scope 3 emissions [tCO_2e]								
Total indirect emissions Scope 3	**3,523,006**	**NA**	**2,306,415**	**NA**	**NA**	**NA**	**NA**	**NA**
1 Purchased goods and services	9,713	NA	20,745	NA	NA	NA	NA	NA
2 Capital goods	1,929	NA	4,517	NA	NA	NA	NA	NA
3 Fuel and energy-related activities (not included in Scope 1 or 2)	2,850,252	1,682,901	1,537,403	NA	NA	NA	NA	NA
4 Upstream transport and distribution	NA	NA	NA	NA	NA	NA	NA	NA
5 Waste generated during operations	91,108	NA	NA	NA	NA	NA	NA	NA
6 Business trips	46	NA	336	NA	NA	NA	NA	NA
7 Employee commuting	1,937	NA	NA	NA	NA	NA	NA	NA
8 Leased assets upstream	NA	NA	NA	NA	NA	NA	NA	NA
9 Downstream transport	NA	NA	NA	NA	NA	NA	NA	NA
10 Processing of products sold	NA	NA	NA	NA	NA	NA	NA	NA
11 Use of products sold	439,514	680,241	697,006	NA	NA	NA	307,660	NA
12 End-of-life treatment of products sold	NA	NA	NA	NA	NA	NA	NA	NA
13 Leased assets downstream	NA	NA	NA	NA	NA	NA	NA	NA
14 Franchising	NA	NA	NA	NA	NA	NA	NA	NA
15 Investments	129,047	NA	46,408	NA	NA	NA	NA	NA

Scope 1 direct emissions mainly originate from the two waste-to-energy plants operated by the Environment area and the thermal power plants. Scope 1 emissions are calculated starting from energy consumption multiplied by specific emission factors (Defra 2024 coefficients) and also include contributions from certain processes in the Environment area (composting, treatment and disposal of liquid waste), sludge drying at treatment plants, consumption of petrol and diesel vehicles, sulphur hexafluoride (SF_6) leaks that may occur at the areti and Acea Produzione plants, heating of premises and freon gas leaks/top-ups from air conditioners. In 2024 biogenic emissions, calculated from consumption for the Defra 2024 coefficients, amounted to approximately 290,000 tonnes of CO_2e and derive mainly from energy production plants in the Environment area.

Only the thermoelectric power plants (Montemartini and Tor di Valle) operated by Acea Produzione are subject to the Emission Trading Scheme (ETS). In 2024 53,450 tonnes of emission volumes were entered into the EU-ETS, 13% of the Scope 1 total.

Indirect Scope 2 emissions are caused by electricity withdrawals related to covering the needs of the Group's plants and sites, consumption for public lighting and technical losses in the electricity grid, which amount to 83,721 tCO_2e (calculated using the location-based factor). For the location-based calculation, the Ispra 2024 coefficient of 0.3tCO_2/MWh was used, for the market-based calculation, the AIB-residual mix coefficient of 0.5tCO_2/MWh was used.

Scope 3 emissions are calculated on the CSRD perimeter, and relate mainly to the sale of electricity (67%) and the distribution and sale of natural gas (31%), referring to the following activities in 2024:

- the companies active in the commercial sector that sell energy and gas Acea Energia and Umbria Energy placed 5,573 GWh of electricity on the market (both on the free market and the protected market), with a 46% share sold with a Guarantee of Origin, and therefore not responsible for climate-changing emissions;
- the methane gas sold by the same companies in the commercial segment amounts to 217,963,737 scm;
- the Adistribuzione and Notaresco companies distributed 96,382,124 scm of methane gas (97% distributed by Adistribuzione).

In the investment category, the emissions by investee and non-consolidated companies are shown.
Each entry is calculated according to a specific methodology, according to the GHG Protocol:

- the emissions for the Capital Goods and Purchased Goods and Services categories are calculated using the estimated consumption data for the supplier fleet, by normalising data from the collected questionnaires (Hybrid method);
- emissions from Fuel and Energy activities are calculated by considering the electricity sold for the market-based coefficient (AIB-residual mix 2024) (Average data method);
- emissions from Business Trips were provided by the independent travel agency, which calculated them from the distance data for the relevant emission coefficients (distance-based method);
- emissions from the Use of Products Sold were calculated considering the gas sold and distributed by the Group, multiplied by the Defra emission coefficient (Average data method);
- emissions from Investments were calculated considering Group companies' Scope 1 and Scope 2 emissions that were not included in the CSRD reporting scope or in the value chain (Investment method).

Emission intensity

Emission intensity is calculated as the ratio of the Group's total emissions to consolidated revenues, in which regard reference is made to the relevant item in the notes to the Group's consolidated income statement.

ESRS E1-6 **Emission intensity**

ESRS_E1-6		31/12/2024
	Intensity of GHG emissions, location based (total GHG emissions vs net revenue)	0.00073 t CO_2/€
	Intensity of GHG emissions, market based (total GHG emissions vs net revenue)	0.00073 t CO_2/€

ESRS E1-7 Emission offsetting

Acea's commitment to combating climate change is also realised by participating in voluntary offsetting projects, specifically by purchasing certified carbon credits to offset the amount of methane gas sold on the market.
The carbon credits purchased for 2024 contributed to funding mitigation projects in Cambodia and Vietnam with tangible benefits for the local communities, totalling EUR 407 thousand credits:

- Southern Cardamom REDD+ in Cambodia will protect a key area in the Cardamom Mountains rainforest ecosystem, one of the 200 most important places for biodiversity conservation on the planet; the project will support around 30 villages by providing new and sustainable livelihood opportunities for more than 17,000 people, with additional activities related to food security, health education and environmental awareness.
- Dak Psi 3 and 4 Hydropower Project in Vietnam, construction and operation of a run-of-river hydroelectric project with total installed capacity of 45 MW from two waterfalls in one of the poorest areas of Vietnam. The project will impact positively on the environment and local communities and will help reduce Vietnam's dependence on electricity imports.

The total amount of carbon credits verified, recognised and cancelled by the two projects are as follows:

- Southern Cardamom REDD+ - Cambodia - 10,000 credits;
- Dak Psi 3 and 4 Hydropower Project - Vietnam - 397,000 credits.

In summary, credits amounting to 407,000 tCO_2eq were cancelled during the year, through certified reduction Verified Carbon Standard (VCS) projects and developed outside the European Union. No Absorption project was used, and no information is currently available on any credits that are expected to be cancelled in the future.

ESRS E1-8 Internal carbon pricing

The internal carbon price is used to assign an economic value to carbon dioxide emissions. This internal price helps the company to integrate emission costs into investment and management decisions, incentivising the reduction of emission and supporting the transition to a low-carbon economy.

Acea Produzione, the only company in the Acea Group obligated by the EU-ETS market, buys CO_2 quotas from Acea Energia, which in turn procures them during the year from external counterparties, so as to diversify the purchase price, while at the same time buying and selling electricity, with a strategy that allows it to decrease the price risk and not compromise margins from the managed business. The price is estimated during the budget definition phase on the basis of market scenarios acquired from leading rating companies that deal with market forecasting and modelling, and is also used in climate risk analyses according to the ISSB - TCFD system, in which Acea Produzione participates together with other Group companies, to assess the Carbon Pricing (EU-ETS) transition risk. In 2024, the estimated price used in forecasts and scenarios was EUR 80/tonne, compared to the final average price of EUR 63.7/tonne.

2.3 POLLUTION ESRS E2

ESRS E2; ESRS 2 IRO-1 The Acea Group's main operations that could generate pollution-related impacts include waste management, power generation, water management and energy distribution, all of which, if not managed properly, could affect the environment and surrounding ecosystems.

Pollution-related impacts, risks and opportunities have been identified through a double materiality analysis with a process that covers the entire Group value chain and actively involves internal and external stakeholders, as described in detail under General Information in paragraph 1.5. As proof of the Group's commitment to pollution issues, Acea is also in constant communication with local institutions and municipalities. Specifically, the analysis assessed the effects of Group company operations on air, soil and water pollution, including microplastics and hazardous substances.

Pollution Impact Risks and Opportunities

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Water pollution		I *impact*	Damage to human health and ecosystems due to the presence of pollutants in the water (emerging pollutants, microplastics, etc.)	-	*short*	• own operations
Substances of concern		I *impact*	Environmental impacts from the use of chemicals in the Group's industrial processes	-	*long*	• own operations
Air pollution		I *impact*	Damage to human health due to harmful atmospheric emissions from sites and installations	-	*short*	• own operations
Soil pollution		R *risk*	Risk related to environmental offence charges by the relevant authorities for non-compliance with the Consolidated Environmental Act		*medium*	• own operations
Water pollution		O *opportunities*	Development of process control technologies to contain pollutants		*medium*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

2.3.1 POLLUTION POLICIES

ESRS E2-1; ESRS 2 MDR-T To strengthen its commitment to pollution prevention and control, the Acea Group has defined specific strategic objectives and over the years, implemented a series of policies aimed at identifying, assessing, managing and, if possible, mitigating its significant impacts and the risks related to this issue. In this regard, in its Code of Ethics, the Group emphasises its commitment to environmental protection through the prevention of pollution and minimisation of environmental risks and impacts. This commitment is also reflected in the Integrated Management and Sustainability Systems Policy in which the Group defines the protection of the natural environment as a priority. With a view to constant improvement, Acea also undertakes to define, pursue and monitor specific environmental objectives, taking into account the reference context, and identify actions and lines of action to increase its environmental performance. The Emergency Management Plans of companies operating in the water, energy and environmental sectors define the conditions that could prejudice the continuity and quality of the services provided, classify emergency levels, describe preventive and remedial measures for types of unforeseen events, including pollution and environmental protection, and identify actions to limit the contamination of environmental matrices (air, water, soil).
Finally, Acea asks its suppliers to share its commitment to environmental protection, also with reference to minimising waste produced and implementing strategies to optimise the use of resources and reduce any direct and indirect negative impacts on the environment. Group policies are described in Section 1.5 of this document.

2.3.2 POLLUTION-RELATED OBJECTIVES, ACTIONS AND RESOURCES

ESRS 2 MDR-T; ESRS E2-3 The Group has formalised specific strategic objectives in the Sustainability Plan with a view to managing the relevant impacts, risks and opportunities related to pollution.

Action lines	Action	IRO	Description
Water quality	▸ Quality of purified water ▸ Quality of drinking water ▸ PFAS monitoring, MOE, microplastics in water	I I O	▸ Damage to human health and ecosystems due to the presence of pollutants in the water (emerging pollutants, microplastics, etc.) ▸ Environmental impacts from the use of chemicals in the Group's industrial processes ▸ Development of process control technologies to contain pollutants
Innovation in the territory	▸ Reducing odour emissions	R	▸ Risk related to environmental offence charges by the relevant authorities for non-compliance with the Consolidated Environmental Act

With reference to the impact of "Damage to human health due to harmful atmospheric emissions from sites and plants, it is noted that Group Companies, particularly the Environment Area, work constantly to reduce polluting emissions from their plants and have continuous emission monitoring systems in place, also with the aim of managing and minimising the "Risk associated with environmental offence charges by the relevant authorities for non-compliance with the Consolidated Environmental Act".
The objectives and investments envisaged in the Plan are shown below, with the progress in the actions and related investments at 31.12.2024, with reference to the lines of action that contribute to the management of impacts, risks and opportunities relevant to pollution. For actions related to these strategic lines, only the capex was monitored, because opex represents a non-significant portion.

Action line	Action (company)	Target @ 2028	Target progress	Overall 2024	Baseline 2023	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Quality water	▸ Improving quality of purified water (Acea Ato 2)	▸ Reduction of non-compliant samples/ total samples analysed (ind. ARERA M6)	-	7.77%	9.6%	165	54.3
	▸ Improving quality of purified water (AdF)	▸ Reduction of non-compliant samples/ total samples analysed (ind. ARERA M6)	-	5.26%	11.28%	12.3	2.2
	▸ Quality of purified water (Gori)	▸ Reduction of total suspended solids to 91%	-	93%	-	50	0.02
	▸ Quality of drinking water (AdF)	▸ Improved quality of water provided (ind. ARERA M3)	-	4.68%	5.94%	3	0.6
		▸ Extension of the Water Safety Plan to the total area covered (265 zones)	44%	5 zones	112 zones	-	-
	Water monitoring (Acea Infrastructure)	▸ 55 parameters of perfluoroalkyl substances (PFAS) and emerging organic micropollutants (MOE) in water	69%	8 parameters	30 parameters	-	-
		▸ 50 monitorings/year of microplastics in water	40%	20 monitorings	10 monitorings	-	-
Innovation in the territory	Reduction of odour emissions (Acea Infrastructure)	▸ Strengthening of controls: 7 control technologies, 30 odorous species, 12 receptors	57%	1 technology 12 species 6 receptors	2 technologies 5 species 2 receptors	0.5	0.2

ESRS E2-2 ESRS 2 MDR-T; ESRS 2 MDR-A In general, all Group Companies in the various businesses pursue the continuous improvement in the processes and resources used to reduce the environmental impact, including water, air and soil pollution. All plants have the main environmental certifications (in line with ISO 9001, 14001, 45001, 50001) and the plants in the Environment area are EMAS certified, attesting to the ongoing commitment to sustainability and reduction of the environmental impact, mainly in terms of optimising energy efficiency and minimising harmful emissions.

Water quality improvement measures are among the main actions implemented by Group Companies in 2024:

- GI interventions by Acea Ato 2 and AdF to improve purified water, measured according to the M6 indicator of the Regulatory Authority for Energy Networks and Environment (ARERA). Indicator M6 measures the quality of purified water, defined as the rate overshooting the limits in discharged wastewater samples.
- GI interventions to AdFs to improve purified water, as measured by ARERA's M3 indicator, which measures the quality of the water supplied. This indicator assesses the adequacy of water quality intended for human consumption by taking into account various parameters, such as the incidence of non-potability orders and the rate of non-compliant internal samples. AdF, for example, has an ongoing programme to extend Water Safety Plans to all supplied areas (Water Safety Zones -WSZ) to improve the quality of the drinking water supplied. The other companies in the area have already established Water Safety Plans in advance of the deadlines set by the relevant regulations;
- activities to extend the spectrum of analyses conducted to improve monitoring capacity for perfluoroalkyl substances (PFAS), Emerging Organic Micropollutants (MOE) and Microplastics (MP) in water. In 2024, eight additional test methods were validated by Acea Infrastructure for pharmaceutical components to be detected in wastewater, with specific focus on antibiotics, and monitoring campaigns were conducted on the Tiber River;
- the development of activities by Acea Infrastructure to expand odour monitoring capacity through the adoption of control technologies for a greater number of odorous species and receptors, with a significant impact on communities in the areas surrounding the Group's plants.

It is also noted that the Environment area sites have implemented a series ofinterventions on plants to reduce pollution: completion of the revamping of the flue gas treatment line at the Terni waste-to-energy plant; interventions to control and reduce accidental leaks for composting sites and the installation of containment basins to limit spills; the construction of roofing and waterproofing to reduce odorous emissions; and the efficiency of the company fleet vehicles, with the reduction of emissions and pollution into the atmosphere.

Finally, in 2024, Areti continued its experimentation with the use of vegetable dielectric oil in transformers, replacing traditional oil, to reduce environmentally harmful spills.

2.3.3 POLLUTION METRICS

ESRS E2-4; ESRS E2-5 Without prejudice to the policies on pollution and the actions that the Group's companies put in place, particularly at the plants, with the aim of reducing any emissions of pollutants, the quantities measured in 2024 for each pollutant covered by the standard, are shown below, broken down according to air, water and soil.
In 2024, air emissions wee only reported by companies in the Environment and Production area, as the water business has no emissions above the threshold to report. Emissions into water are mainly reported by companies operating integrated water systems, in cases where values are above the threshold. In this sense, Acea Ato 2 took into consideration the 4 plants with more than 100,000 population equivalent (Roma Nord, Roma Est, Roma Sud, Ostia), and Gori considering 7 (Angri, Area Nolana, Nocera Superiore, Scafati, Mercato San Severino, Foce Sarno, Punta Gradelle). In 2024, ground pollutant emissions were at zero, no spills were detected and no microplastics were used or generated.

ESRS E2-4 **Measurement and calculation methodology**
The water emissions reported for the Water area refer to the already existing and consolidated information flow to the supervising Ministry relative to the E-PRTR (European Pollutant Release and Transfer Register), because the thresholds envisaged by the CSRD are congruent with those of the E-PRTR itself (Italian Presidential Decree 157/2011). The values given for each plant derive from an average concentration value (mg/l) multiplied by the average flow rate for the year 2024.
Atmospheric emissions are monitored in a planned and consistent manner. The plants are managed according to UNI EN ISO 14001 and UNI EN ISO 45001 management standards. Acea Ambiente also applies the UNI EN ISO 50001 management system, while the waste-to-energy plants, the Orvieto Ambiente plant and the Deco and Ecologica Sangro sites also hold certification under the European EMAS III scheme. The main macro-pollutants of Acea Ambiente and Acea Produzione plants are monitored through Continuous Emission Monitoring Systems (CMMS). With reference to the Environment area, it is further specified that the monitoring of air pollutant emissions takes place both continuously and discontinuously, in accordance with sector regulations and the Integrated Environmental Authorisation of the sites, as specified in the site monitoring and control plan. For energy production sites, pollutant masses were calculated using the monthly average pollutant concentration for the flow rate of the flue gas for the fuel hours.

ESRS E2-4 Pollutant quantities of air, water, soil

ESRS E2_4	Pollutant	31/12/2024
		Kilograms
	Carbon monoxide (CO)	47,327
	Ammonium (NH_3)	14,711
	Nitrogen oxides (NO_x/NO_2)	206,181
	Sulphur oxides (SO_x/SO_2)	6,104
	Chromium and compounds (expressed as Cr) (9)	1
	Mercury and compounds (expressed as Hg) (9)	0
	Nickel and compounds (expressed as Ni) (9)	0
	Lead and compounds (expressed as Pb) (9)	1
	PCDD + PCDF (dioxins + furans) (expressed as TEQ) (11)	0
	Polycyclic aromatic hydrocarbons (PAHs) (15)	0
	Chlorine and inorganic compounds (expressed as HCl)	12,685
	Fluorine and inorganic compounds (expressed as HF)	310
	Particulate (PM_{10})	1,937
	Other	35,126
	Emissions broken down by pollutant - Air	**324,383**
	Total nitrogen	6,062,602
	Total phosphorus	859,861
	Total Organic Carbon (TOC) (expressed as total C or COD/3)	4,694,435
	Other	12,087,814
	Emissions broken down by pollutant - Water	**23,704,713**
	Emissions broken down by pollutant - Soil	**0**

Pollutants in the air

Among the pollutants in the air resulting from combustion processes are carbon monoxide (CO), nitrogen oxides (NO_x) and sulphur oxides (SO_x), which come from energy production activities at the thermal power plants, the two waste-to-energy plants and biogas production. Specifically, nitrogen oxides (NO_x) are produced by the waste-to-energy plants of San Vittore del Lazio and Terni (46%), the Aprilia composting site (22%) and the Tor di Valle and Montemartini power plants (10%). The item "Other" includes certain compounds that the plants monitor as a whole in accordance with regulatory requirements and consists mainly of 28,000 tonnes of heavy metals (Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V) emitted from the Deco site.

Pollutants in water

Pollutants in water, including nitrogen, phosphorous and organic carbon, are mainly emitted by the water companies. Specifically, Acea Ato 2 is responsible for 88% of total nitrogen and phosphorus emissions through its 4 purification plants with more than 100,000 AE, and contributes 82% of total organic carbon emissions, with Gori contributing 15%.

The item "Other" consists of 98% of the chlorides emitted into water by the company Gori through its 7 plants serving more than 100,000 AE.

ESRS E2-5 The table below shows the substances of concern and substances of very high concern generated or used during the production processes, subdivided according to hazard classes.

ESRS E2-5 **Substances of concern and very high concern**

ESRS E2_5	Risk class	31/12/2024
		Tonnes
	Germ cell mutagenicity	0
	Reproduction toxicity	0
	Endocrine system disruption to human health	0
	Endocrine system disruption to the environment	0
	Persistent, mobile and toxic or very persistent and very mobile properties	0
	Persistent, bioaccumulative and toxic or very persistent and very bioaccumulative properties	0
	Respiratory sensitisation	0
	Skin sensitisation	51
	Chronic danger for the aquatic environment	77
	Danger for the ozone layer	0
	Specific target organ toxicity (repeated exposure)	1
	Total amount of substances of concern generated or used during production or acquired	**129**
	Total amount of substances of very high concern generated or used during production or acquired	**0**

Substances of concern are reported by the company Simam and are used mainly for carpentry activities. The chemicals used are dosed online, with no direct human contact with these substances, including iron chloride (which impacts the skin), sodium sulphide and sodium hypochlorite (which can affect the aquatic environment). The quantities of chemical compounds are extrapolated using management software that records the quantities purchased for each order placed. Also of note is the presence of ammonia (NH_3) used for the flue gas treatment at the Terni waste-to-energy plant.

2.4 WATER AND MARINE RESOURCES ESRS E3

ESRS E3; ESRS 2 IRO-1 Impacts, risks and opportunities related to waters and marine resources have been identified through a double materiality analysis with a process that covers the entire Group value chain and actively involves internal and external stakeholders, as described in detail under General Information in paragraph 1.7.

Specifically, the analysis focused on companies that manage and process water resources to ensure a thorough understanding of the environmental impacts and informed management of water-related risks, which is fundamental to the Group's operations. With reference to these issues, Acea is also in constant contact with the municipalities where it operates and the relative territorial entities.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Acque	Water consumption	I *impact*	Reducing water consumption based on industrial process optimisation	+	*long*	• upstream • own operations
Acque	Water withdrawals	I *impact*	Increased reliability and resilience of water infrastructure and improved quality of service with the adoption of innovative technologies	+	*long*	• own operations • downstream
Acque	Water discharges	I *impact*	Alteration of the chemical composition of reservoirs	-	*medium*	• own operations
Acque	Water withdrawals	I *impact*	Reduced availability of quality water due to system inefficiencies (ageing networks, water losses, etc.).	-	*short*	• own operations • downstream
Acque	Water withdrawals	R *risk*	Scarcity of water resources due to climate change, affecting water service management		*medium*	• own operations
Acque	Water discharges	O *opportunities*	Development of solutions for wastewater treatment and reuse		*medium*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

2.4.1 POLICIES ON WATER AND MARINE RESOURCES

ESRS E3-1; ESRS 2 - MDR-P Water represents one of the key elements of Acea's business.
In confirming the importance it attributes to the sustainable management of water resources, the Group adopts a structured approach, also defining specific strategic objectives, aimed at identifying, assessing, managing and, where possible, reducing the impacts and risks associated with the issue, and seeking opportunities associated with the protection of water and marine resources. In this respect, as stated in the Acea Group's Code of Ethics and Integrated Management and Sustainability Systems Policy, the company has set as its main objective the sustainable management of the water and other natural resources used, maximising their uses, optimising reuse and recovery processes and promoting the efficient management of their end uses. The Group's commitment to the protection of water resources is also implemented through single policies and guidelines implemented by the companies operating in the Integrated Water Service, which include specific commitments to ensure high standards of purification quality, for example through the constant monitoring of discharged water with the aim of limiting pollution to surface water bodies, preventing environmental damage and promoting the protection of ecosystems and natural habitats. Group policies are described in Section 1.5 of this document.

2.4.2 OBJECTIVES, ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

ESRS E3-3; ESRS 2 MDR-T The management of the Integrated Water Service is one of the fundamental businesses of the Acea Group, which therefore pays special attention to the protection of water resources in all their forms. Furthermore, the objectives of protecting and conserving water resources are particularly relevant because the areas where Acea operates and/or impacts are all in areas of high water stress, as defined by the Aqueduct Water Risk Atlas map drawn up by the World Resources Institute (WRI).

ESRS 3-2 The Group has formalised strategic objectives linked to the impacts, risks and opportunities related to the issue and highlighted as relevant as a result of the double materiality analysis, focusing on:

- the management of the relevant impacts, risks and opportunities related to water risk-prone areas, including the improvement of water quality;
- responsibly managing impacts, risks and opportunities in terms of marine resources, including the nature and quantity of marine resource products (such as gravels, deep-sea minerals, fish products) used by the company; and
- reducing water consumption, including an explanation of how these targets apply to water risk-prone areas, including those with high water stress.

The plan lines of action with reference to the IROs relevant to the issue are shown below.

Action lines	Action	IRO	Description
Optimisation of the sewage treatment system	▸ District metering of the sewerage network ▸ Upgrading purification	I	▸ Alteration of the chemical composition of reservoirs
Digitalisation	▸ Water and sewerage remote control	I	▸ Increased reliability and resilience of water infrastructure and improved quality of service with the adoption of innovative technologies
Water quality	▸ Quality of purified water ▸ Quality of drinking water ▸ Monitoring perfluoroalkyl substances (PFAS), microorganic pollutants (MOE), microplastics (MP)	I	▸ Alteration of the chemical composition of reservoirs
Reduction in losses	▸ Reduction in lost volumes	I I R	▸ Reducing water consumption based on industrial process optimisation ▸ Reduced availability of quality water due to system inefficiencies (ageing networks, water losses, etc.). ▸ Scarcity of water resources due to climate change, affecting water service management
Circularity of resources	▸ Wastewater reuse	O	▸ Development of solutions for wastewater treatment and reuse
Water resilience	▸ Modelling water needs ▸Aquifer modelling	R	▸ Scarcity of water resources due to climate change, affecting water service management

The objectives and investments envisaged in the Sustainability Plan until 2028 are shown below, with the progress in the actions and related investments at 31.12.2024, with reference to the lines of action that contribute to the management and mitigation of impacts and risks and the development of opportunities relevant to water, water consumption, water withdrawals and water discharges. For actions related to these strategic lines, only the capex was monitored, because opex represents a non-significant portion.

Action line	Action (company)	Target @ 2028	Target progress	Overall 2024	Baseline 2023	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Optimisation of the sewage treatment system	▸ District metering of the sewerage network (Acea Ato 2, Acea Ato 5)	▸ 1,930 km of network	16%	371 km	-	96	25.0
	▸ Upgrading purification (Acea Ato 2, Acea Ato 5, AdF, Gori, Gesesa)	▸ Work on 46 treatment plants	20%	9		335	41.2
Reduction in losses	▸ Reduction in lost volumes (Acea Ato 2, Acea Ato 5, AdF, Gori, Gesesa)	▸ Reduction in the volume of water lost of 93 Mcm (vs 2023)	34%	457 Mcm lost	489 Mcm lost	952	267.3
		▸ Losses 41.1% (-5.6 p.p. vs 2023)	-	44.7% (-2 p.p. vs 2023)	46.7%		
Circularity of resources	▸ Wastewater reuse (Acea Ato 2, AdF, Gori)	▸ 7 Mcm/year for reuse	41%	2.9 Mcm (3.4 Mmc on CSRD perimeter)	-	12	0.02

ESRS E3-2; ESRS 2 MDR-A; ESRS 2 - MDR-T In accordance with the policies adopted by Acea, aimed at managing the impacts, risks and opportunities associated with issues related to water and marine resources, the Group implemented measures during 2024 to achieve its water and environmental protection goals.
Specifically, in view of various internal assessments conducted and recent studies by ISPRA and CMCC (Euro-Mediterranean Centre on Climate Change), an action strategy was developed along a number of main lines, such as: the containment of losses, both physical and commercial, efficiency gains in networks and interconnection of aqueduct systems, safeguarding of supply sources, with a view to preventing risks and protecting current and future needs, digitalisation of water networks and measurement methods.
In terms of of reducing both physical and commercial water losses, day-to-day water management is implemented in a responsible and efficient manner through several specific lines of action such as the district metering of water networks, combating misuse and optimising metering and monitoring.

In 2024, all companies in the Water area continued to carry out interventions aimed at reducing losses, mainly related to the digitisation and district metering of networks, but also water reclamation, meter replacements and work on pipelines, which reduced losses to about 45% as a calculated average figure across all Group Companies. Metrics include the Group water balance.

The companies in the area also constantly strive to improve the quality of the water distributed. This objective, reported in the environmental goals, includes constant monitoring of the resource with analytical controls, in addition to those carried out by the local health authorities, both on drinking water intended for users, which is of fundamental importance given its health repercussions, and on wastewater returned to the environment after purification treatment, which is functional in guaranteeing the regeneration of aquatic ecosystems and water bodies, and generally, the environmental quality of the territory. With regard to the optimisation of the sewage treatment system, we note specifically:

- the implementation of interventions to optimise the treatment sections of the Acea Ato 2 and AdF purification plants, with the aim of minimising going over the BOD, COD, SST, total phosphorus and nitrogen parameters;
- upgrading of purification, through centralisation, efficiency and decommissioning of plants aimed at increasing overall purification efficiency. Specifically, Acea Ato 2 extended two treatment plants and decommissioned four inefficient plants with an investment of EUR 28 million;

Compliance with drinking water analyses for all companies within the scope of reporting is between 96% and 100%. The ARERA indicator (M3b) requires compliance with percentage threshold values of samples (for the non-compliant) on drinking water analyses. Acea carries out extensive analyses, exceeding those stipulated by regulatory requirements. Some parameter overruns may occur, but the values of compliance certifications recorded by the Group meet ARERA requirements to ensure full service delivery.

With regard to strengthening resource circularity processes, we note the implementation of measures for the recovery and reuse of purified waste water to reduce the consumption of drinking. For example, wastewater is used for cleaning the forecourts at the Chiusi wastewater treatment plant, used as technical water for washing equipment, sand and screenings at Gori sites, or used as industrial water at Acea Ato 2 sites. AdF also provides reclaimed wastewater to a third party for the irrigation of a golf course as part of the circular economy.
With a view to the circularity of resources, we also note the adoption at Acea Ambiente sites of innovative systems for the recovery and treatment of the first rain water for reuse as industrial water (Terni, Orvieto Ambiente, Aprilia, and Monterotondo Marittimo sites) or for fire-fighting and dust abatement (Orvieto Ambiente), as part of programmes for the continuous monitoring and reduction of water consumption. In addition, demineralised water is produced from rainwater at the waste-to-energy plant in San Vittore del Lazio and reused entirely in the process with zero discharge into the environment.

2.4.3 WATER AND MARINE RESOURCES METRICS

ESRS E3-4 At Acea, water resources are used in various industrial processes, such as electricity production, the compost generation process, the cleaning of water treatment and anaerobic digestion plant compartments, as well as for hygienic and sanitary uses and, in lesser quantities, for laboratory activities.

All Group companies are committed to reducing the consumption of drinking water. Specifically, programmes to reuse the recycled portion, including by reusing purified water in the plants, as outlined in the previous section. Specifically, in 2024 all Acea Ato 2's industrial water plants became fully operational, allowing for the recovery and reuse of approximately 2.8 million cubic metres of purified water for industrial purposes. Out of the approximately 3.4 million total cubic metres of recycled and reused water shown in the table, 83% refers to Acea Ato 2. Companies in the Environment area limit their use of drinking water, mainly utilising water from wells and adopting rainwater recovery systems, as described in the previous paragraph. The reuse of treated waste water is an effective response to water stress in Acea's areas of operation, but specific regulatory interventions are required to further expand its potential. In this sense, European Regulation 2020/741 on the reuse of treated water in agriculture, besides introducing important requirements, facilitates the option of increasing this reuse.

2024 data on water withdrawals, quantities of water recovered and reused, and total water consumption, is shown below for all from high water stress areas, as recorded by the World Resource Institute's Aqueduct Water Risk Atlas tool.

ESRS E3-4 Water withdrawals

ESRS_E3-4	Water use	31/12/2024
		m³
	Water for industrial purposes	1,169,225
	Water for civil purposes	2,833,045
	Water withdrawals	**4,002,270**

ESRS E3-4 Volumes of recycled and reused water and stored water stored

ESRS_E3-4	31/12/2024
	m³
Total volume of recycled and reused water	3,377,247
Total volume of stored water	15,252
Changes in the volume of stored water	80

ESRS E3-4 Water consumption

ESRS_E3-4	Water use	31/12/2024
		m³
	Water for industrial purposes	4,434,302
	Water for civil purposes	1,850,638
	Water consumption	**6,284,940**

ESRS E3-4 In the case of water for industrial purposes, this mainly refers to water recovered from purification and treated by Group companies themselves; regarding the volumes of reuse of purified water recorded, for example, by Acea Ato 2 (62% of the total consumed for industrial purposes), these refer to uses within the wastewater treatment process, for the maintenance and cleaning of compartments such as the sludge lines and initial pre-treatment. This reduces the use of water resources according to a circular economy logic. Other industrial uses include recovered rainwater. The Monterotondo Marittimo composting plant has a rainfall recovery system that, after phytodepuration, enables the collection of water into special aerated reservoirs both as a reserve for fire-fighting and as a reserve of industrial water for reuse in processes.
The water consumed for civil purposes, i.e. sanitary use at the company's premises, is mainly supplied from public waterworks (99%). The quality of the same water is regulated in Italy by Legislative Decree No. 18 of 23 February 2023, which implements Directive (EU) 2020/2184 on the quality of water intended for human consumption.

Water consumption is measured for 68% by direct measurement, 32% by best estimates, and a very small portion (0.1%) by sampling and extrapolation.

ESRS E3-4 Water intensity rate

ESRS_E3-4	31/12/2024
	m³/Mln€
Water intensity rate	1,472

The water intensity rate is calculated as total water consumption in m³ compared to net revenues from own operations in millions of euro; Regarding the value of consolidated net revenue, reference is made to the relevant item in the notes to the Acea Group consolidated income statement.

Group Water Balance and Loss Reduction

The issue of containing leaks in water distribution networks, which all Group Companies are committed to, is at the heart of sustainable water resource management, and requires constant monitoring of networks to identify leaks or intercept other anomalies and intervene promptly. The Business Plan envisages major investments for the district metering of networks aimed at optimising operating pressures and reducing lost volumes, focusing on field losses starting in the most critical districts. The adoption of georeferencing systems enables constant improvements to the monitoring process, based on the verification and calibration of the meters installed on the sources and in the drinking water plants, and the expansion of the census and georeferencing of networks to detect leaks.

The water balance of the Water area Group company is shown below, with the evaluation of losses carried out in line with ARERA Resolution 917/17 R/IDR, which requires water losses to be calculated across the entire perimeter of the aqueduct system (and not only the distribution network) and include apparent losses. The consolidated Group figure is the total of the amounts from the different companies in the perimeter.

Acea Group Water Balance	u.m.	2024
drinking water collected from the environment or from other systems and fed into the aqueduct systems	**Mm³**	**1,137.6**
surface water	Mm³	30.1
from wells	Mm³	310.7
from springs	Mm³	707.5
water collected from other aqueduct systems	Mm³	89.4
total drinking water leaving the aqueduct system	**Mm³**	**638.5**
total drinking water dispensed and billed in the network	Mm³	540.9
total drinking water authorised and not billed in the network	Mm³	50.6
total drinking water exported to other systems	Mm³	43.3
total metered drinking water losses	Mm³	3.7
Loss assessment according to ARERA Resolution 917/17 R/IDR		
total Group water losses	**Mm³**	**499.1**
water loss percentages	%	43.9
Treated water Acea Group		
water treated at the treatment plants	Mm³	817.7
treatment plants	no.	632

It is noted that withdrawals for the water balances of the companies in the Water business, as well as withdrawals for the Group's civil and industrial water consumption, illustrated above, are made in areas at potential risk of water stress, as analysed using the World Resource Institute's Aqueduct Water Risk Atlas tool.

2.5 BIODIVERSITY AND ECOSYSTEMS ESRS E4

ESRS E4; ESRS 2 IRO-1 Based on their typical activities such as water supply, energy production and distribution, and waste management, Acea Group Companies could impact on biodiversity. On this basis, Acea focuses closely on protecting ecosystems, as defined in the procedures of the Environmental Management Systems, which pursue continuous improvements in reducing impacts, in the assessments for the planning and creation of plants, as well as in managing operational areas.
Biodiversity-related impacts have been identified through a double materiality analysis with a process that covered the entire Group value chain and actively involved internal and external stakeholders, as described in detail under General Information in paragraph 1.7.

Specifically, the analysis focused on activities that interact with the natural environment, to provide an in-depth understanding of ecological impacts and informed management of the activities with a potential impact. As a result of this analysis, no relevant opportunities or risks were identified with regard to biodiversity.

ESRS 2 SBM-3

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Impacts and dependencies in terms of services / ecosystems		I *impact*	Restoration of ecosystems through renaturation (planting, etc.)	+	*long*	• own operations
Impacts on the extension and condition of ecosystems		I *impact*	Alterations in the environmental balance of ecosystems caused by the presence of Group sites and plants on the territory	-	*long*	• upstream • own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

ESRS 2 IRO-1 As part of its dual materiality process, Acea identified and assessed dependencies on biodiversity, ecosystems and related services at its operating sites and upstream and downstream along the value chain. An analysis of the physical, transitional and systemic risks with regard to biodiversity is not available. A new integrated transition plan is being developed, which will include climate, resources and nature and for the first time in 2025, will consider opportunities, physical, transition and systemic risks in terms of biodiversity.

ESRS E4 SBM-3 For the purpose of identifying and assessing the relevant impacts, risks and opportunities relating to biodiversity and ecosystems, Acea has identified its sites/plants located in high biodiversity areas, i.e. nationally-derived Protected Natural Areas (EUAPs) and Natura 2000 Network Sites (Sites of Community Interest, Special Areas of Conservation and Special Protection Areas), mapping the infrastructure of the Group's main companies. The analysis conducted on over 23,000 sites/plants, including pylons but excluding underground electricity grids and pipelines, showed that less than 5%, could have significant impacts on biodiversity whereas around 10% represent potential interference in biodiversity-rich areas. The analyses conducted on the electricity distribution network showed interference with protected areas over approximately 400 km of network. No plants from the Environment Segment, carrying out waste-processing activity, are located in the aforesaid areas.

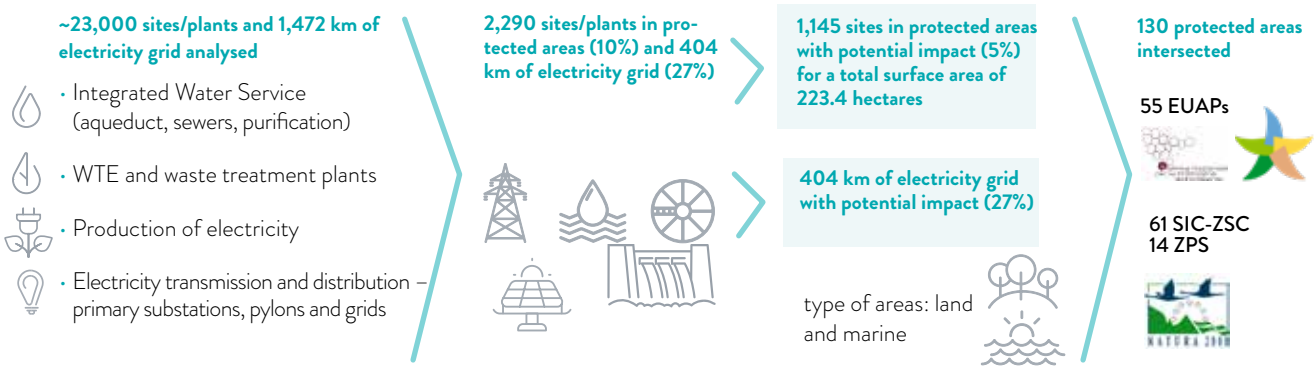
In the analysis, Acea also identified high biodiversity priority areas by calculating the relative Environmental Fragility Index (IFA) to assess the different habitats included and the portion of land occupied, the fragility of the habitat and the type of sites/installations present for each of the protected areas intersected.

The IFA definition is based on the information provided by the Nature Map, calculating the ratio between the area of each habitat and the protected area containing it, and multiplying this value by the habitat's own ISPRA-defined environmental fragility. For each protected area, the IFA was defined by totalling the environmental fragility values for the habitats, and an association was created with the Group's highest impact facilities in the area. The product between the IFA and the area intersected by the plants made it possible to identify twelve "priority" zones, the first eight with potential impacts related to sites/facilities, the last four with potential interference with electricity distribution networks.

An awareness of the potential interference enables the optimisation of operations and companies have planned and/or implemented various actions to safeguard biodiversity, some in "priority" areas with a high level of biodiversity.

Group companies with plants in the area	Natural area	Type of protected site
Gori	Monti Lattari Regional Park	EUAP
Gori	Dorsale dei Monti Lattari	SCIs-SCZs
Acea Ato 2	Piana di S. Vittorino - Sorgenti del Peschiera	SCIs-SCZs
Acea Ato 2, areti	Riserva naturale Valle dell'Aniene	EUAP
Gori	Parco regionale bacino fiume Sarno	EUAP
Gori	Monte Mai and Monte Monna	SCIs-SCZs
Acea Ato 2	Farfa River (medium-high course)	SCI-SAC/SPA
Acea Ato 2, areti	Riserva naturale Litorale romano	EUAP
areti	Parco regionale urbano Pineto	EUAP
areti	Castel Porziano - coastal strip	SCIs-SCZs
areti	Castel Porziano - presidential estate	SPAs
areti	Riserva naturale dell'Insugherata	EUAP

Acea sites/plants analysed, with potential impacts on biodiversity and protected areas intersected



NOTE: where SCIs/SCZs and SPAs coincide, they are only considered once under SCIs/SCZs.

2.5.1 BIODIVERSITY AND ECOSYSTEM PROTECTION STRATEGY

ESRS E4-1 A new integrated transition plan is being developed that will include climate, resources and nature, and will be completed by 2025.

The preservation and enhancement of biodiversity are among the environmental priorities of Group's companies, which are committed when carrying out their activities to contain the factors responsible for the loss of biodiversity - avoiding the overexploitation of natural resources, the introduction of invasive species and the pollution of air, water and soil - and implementing measures to restore ecosystems, wherever possible.
To this end, Group Companies manage their processes in compliance with the environmental authorisations which each plant is subject to, striving to safeguard the flora and fauna present and protect the natural environment, including by adopting the best available technologies and the best environmental management practices. Specifically, the activities involved in the Integrated Water Service are aimed at the maintenance of optimal environmental conditions and sites where water is drawn, near to springs, are managed with attention to the conservation of existing ecosystems and, more generally, the preservation of the water flow. Likewise, with treatment activities, the primary goal is that discharges, after appropriate treatment at Acea plants, comply with the limits established by regulations in the sector and do not damage but rather protect the natural habitats of the receiving bodies of water. Targets for improving the purification efficiency of some water companies form part of this commitment.

As far as hydroelectric power stations are concerned, Acea Produzione manages water withdrawals and releases in compliance with the concessions issued by the relevant authorities and with current legislation; for all reservoirs, management projects are defined with the relative impact studies for protected areas, to ensure the maintenance of the reservoir capacity and safeguarding of the quality of the stored water and the recipient water body, as well as guaranteeing the functioning of the discharging and intake bodies (Italian Legislative Decree no. 152/2006, Ministerial Decree 30/06/2004 and subsequent amendments). The company also provides for the protection of the habitats of all species present in order to mitigate the effect of the artificial barrier of the dams, which interferes with the natural migration of fish and the gradual sedimentation of the riverbed, with consequent changes in the native flora of the banks. Protection of the aforementioned basins ensures the living conditions of the "resident" and "migratory" birds, which use these sites for reproduction and feeding even during migration.

2.5.2 BIODIVERSITY AND ECOSYSTEM POLICIES

ESRS E4-2 The Acea Group recognises the priority importance of protecting the environment and is committed to managing environmental risks through policies to ensure the integrity of ecosystems and the protection of biodiversity, and assessing and managing relevant impacts, risks, dependencies and opportunities in this area. Specifically, the Code of Ethics defines the objective of protecting the territories in which Group companies operate, also with specific attention to combating deforestation. This commitment extends to the value chain based on adherence to the Code of Ethics, which requires that suppliers also share, inter alia, the principles of biodiversity and ecosystem protection, thus contributing to responsible and sustainable environmental management. The protection of the natural environment, biodiversity and ecosystems is a commitment confirmed in the Integrated Management and Sustainability Systems Policy, which aims to guide the operations of various management systems on the subject, as well as in the Human Rights Policy, where the company's focus on this issue is highlighted. This document formalises Acea's commitment to safeguarding the integrity of ecosystems while respecting the community and the intergenerational pact, including through the implementation of environmental and energy management systems, which define objectives, improvement programmes and monitoring tools to prevent and reduce the environmental impacts related to Group company operations. Group policies are described in Section 1.5 of this document.

2.5.3 OBJECTIVES, ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

ESRS 2-MDR-T; ESRS E4-4; ESRS 2 MDR-A With a view to managing the relevant impacts, risks and opportunities related to biodiversity and the protection of ecosystems, the Group has formalised specific strategic objectives, in line with the policies adopted, included in the Sustainability Plan, which also outlines the actions and investments planned up to 2028.

Action lines	Action	IRO	Description
Biodiversity	▸ Removal of high-voltage pylons ▸ Sarno basin reclamation ▸ Ecosystem Protection Plan	I I	▸ Alterations in the environmental balance of ecosystems caused by the presence of Group sites and plants on the territory ▸ Restoration of ecosystems through renaturation (planting etc.)

Below are the objectives and investments foreseen in the Sustainability Plan to 2028 and the progress of the actions and related investments as of 31.12.2024, with reference to the lines of action that contribute to the management and mitigation of the relevant impacts on the subject identified as a result of the double materiality analysis: impacts and dependencies in terms of ecosystem services and impacts on the extent and condition of ecosystems. For actions related to these strategic lines, only the capex was monitored, because opex represents a non-significant portion.

Action lines	Action (company)	Target @ 2028	Target progress	Overall 2024	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Biodiversity	▸ Removal of high-voltage pylons (areti)	▸ 115 pylons removed	43%	49 pylons	3	1.4
		▸ 620 m² of reclaimed land in high biodiversity areas	32%	200 m2 reclaimed land		
	▸ Sarno basin reclamation (Gori)	▸ Elimination of 69 unlawful discharges	6%	4 discharges eliminated	143	55

ESRS E4-3 With reference to the management of biodiversity-related impacts, risks and opportunities, the company plans to implement several projects in 2024 that will contribute to the protection of ecosystems. The main actions implemented by operating companies in different businesses are outlined below, specifying, where applicable, the priority areas with a high biodiversity value, where the intervention is focused.

WATER

The Sarno basin reclamation programme continued, aimed at resolving the pollution of the river hydrographic basin with the completion of the sewerage system and consequent collection and treatment. Thanks to the project, swimming in the sea at the Gulf of Castellammare has once again become possible after 50 years. (Parco regionale bacino fiume Sarno). In 2024, two discharges were eliminated in the municipality of Gragnano and two in the municipality of Castellammare di Stabia.

We remind you in addition of the different ongoing interventions by Acea Ato 2 to ascertain and prevent possible critical events in neighbouring habitats, where it constantly monitors the areas affected by water service management and purification activities:

- in the areas of the Peschiera-Capore aqueduct system, where the doubling of the upper section is being carried out, a study was conducted by the Federico II University of Naples, which showed how the release of water from the spring positively impacts the Farfa River ecosystem, promoting biodiversity. (Piana di S. Vittorino, Sorgenti del Peschiera Fiume Farfa medium-upper course);
- at the major purification plants (Roma Nord, Roma Sud, Cobis, Ostia, Roma Est, Fregene), monitoring programmes have been carried out, which have shown that the analysed plants play a positive role for the ecosystem by providing synanthropic biodiversity hotspots, favouring the presence of an extremely characteristic fauna community (Valle dell'Aniene Nature Reserve, Litorale Romano Nature Reserve).

Monitoring of the peregrine falcon also continued (included under the category of "Least Concern" in the Red List) at the Villa Borghese and Villa Pamphili sites, in an area around the Acqua Vergine springs.

Adistribuzionegas, which operates the methane gas distribution network, minimised the impact on biodiversity in the Abruzzo Region's National Park by restoring conditions at the site after the pipelines were laid.

ENVIRONMENT

None of the plants in the Environment area fall under high biodiversity areas. The Acea Ambiente UrBees project aimed at environmental monitoring by observing the behaviour of bees as bio-indicator insects at the waste-to-energy plant in San Vittore del Lazio continues. It confirms the overall good health of the bees and absence of cases of unforeseen diseases or depopulation, as well as the absence of dust from the plant on the bees' wings.
Activities also continued to create and manage green areas at Acea Ambiente sites, including the Terni and Orvieto Ambiente plants, where native tree species were planted to reduce the visual impact of the plants and increase the presence of plant and animal species in the surrounding areas. In addition, beehives were installed in the perimeter of the Orvieto Ambiente plant in 2023, while a zoning project is being developed within the plant complex to create a natural garden.

NETWORK AND PUBLIC LIGHTING

Areto is continuing with the decommissioning and demolition programme for the overhead power lines and pylons within important areas subject to protection, including Parco di Veio, Riserva Naturale della Marcigliana and, south of Rome, Riserva Naturale Decima Malafede and Riserva Naturale del Litorale romano. In 2024, 49 pylons were removed in the Decima Malafede Nature Reserve and the Litorale Romano Nature Reserve. The activity contributed to the restoration of 200 m2 of soil in a high biodiversity area, in line with the European Nature Restoration Directive that came into force in 2024, which aims to restore at least 20% of land and marine areas in the European Union by 2030.

ESRS 2 MDR-A;, ESRS E4-3 It is noted that Acea did not undertake any biodiversity offsets in 2024.

2.5.4 BIODIVERSITY AND ECOSYSTEM METRICS

ESRS E4-5 As mentioned above, Acea has identified its sites/plants located in high biodiversity areas, i.e. nationally-derived protected natural areas (EUAPs) and Natura 2000 network sites (Sites of community interest, Special areas of conservation and special protection areas), mapping the infrastructure of the Group's main companies.

ESRS E4-5 **Sites located in or in the vicinity of biodiversity-sensitive areas**

ESRS E4-5		31/12/2024
		Hectares
Sites in or nearby protected areas or major biodiversity areas negatively affected by the business	Owned	439
	Leased	0
	Managed	278
		Number
Sites in or nearby protected areas or major biodiversity areas negatively affected by the business	Owned	543
	Leased	21
	Managed	2,131

ESRS E4-5 The hectares corresponding to Group sites within or near protected areas or major biodiversity areas refer for 41% (about 300 hectares), to areas under the Casoli dam and related ancillary works, related to the Sant'Angelo hydroelectric power plant, owned by Acea Produzione, for a total of 5 sites; for 19% (about 140 hectares) this refers to sensitive areas managed by the water company Gori, corresponding to more than 500 sites, including water and sewage; for 18% (about 130 hectares) refer to areas managed by Acea Ato 2 and corresponding to almost 550 sites, including water and sewage. Finally, almost 1,500 sites corresponding to 2% of the areas (about 13 hectares) include areti secondary substations and high-voltage substations.

2.6 USE OF RESOURCES AND THE CIRCULAR ECONOMY ESRS E5

ESRS E5; ESRS 2 IRO-1 Impacts, risks and opportunities related to the use of resources and the circular economy were identified based on an assessment carried out with the support of internal and external experts. This assessment involved the entire Acea Group value chain, carefully analysing its assets and activities so as to identify potentially relevant impacts, risks and opportunities. Furthermore, stakeholders were actively involved in the assessment process, participating in the voting of impacts, to foster a shared approach and responsible management of the risks related to the use of resources and promotion of circular economy practices.

In addition, risks related to the use of use and the circular economy were assessed by the company's internal experts, integrating the methodologies used for risk assessment (ERM), already in use in the Acea Group. Opportunity, on the other hand, was identified as being long-term, going beyond the existing strategic planning guidelines, consequently the assessment was carried out according to ISSB - TCFD principles, referring to internationally recognised scenarios and metrics.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Waste		I *impact*	Contribution to the resolution of critical issues related to mass waste production using waste-to-energy processes	+	*long*	• own operations
Outflows of resources related to products and services		I *impact*	Reduction of pressures on the natural environment by processing to reuse civil and industrial waste (plastic, paper, sludge, wastewater, etc.)	+	*long*	• upstream • own operations
Resources inflow, including use of resources		I *impact*	Reducing pressures on the natural environment by sourcing environmentally sustainable goods and products (reusable, recycled, etc.)	+	*long*	• upstream • own operations
Waste		I *impact*	Environmental impacts related to waste generated by business processes	-	*medium*	• own operations
Waste		R *risk*	Non-compliance of suppliers with the current legislation, with reference to operational waste management		*medium*	• own operations
Waste		O *opportunities*	Development of production solutions/technologies with low environmental impact (advanced systems for waste treatment, etc.).		*medium*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

2.6.1 POLICIES FOR THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

ESRS E5-1 The use of resources and the circular economy are a priority issue for the Group, which is committed to assessing, managing and, where possible, reducing the related impacts and risks, as well as identifying and developing opportunities related to the issue, focusing on resource circularity.
Specifically, the integrated management and sustainability systems policy includes the objective of sustainably managing energy, water and other natural resources, focusing on enhancing their uses, reuse and recovery processes with a view to the circular economy, while paying particular attention to rationalisation of their end uses. Furthermore, Acea is committed to implementing and promoting a business model based on the circularity of resources, focusing especially on the Environment area, with waste recovery programmes, and the Water area, with commitments related to the conservation and protection of water, with measures to reduce leakages and waste, water recovery and reuse projects, and by training consumers and citizens on the correct use of the resource. Group policies are described in Section 1.5 of this document.

With reference to the impact "Reducing pressures on the natural environment by sourcing environmentally sustainable goods and products (reusable, recycled, etc.)", we note the principles set out in the Group's Sustainable Procurement Policy, which promotes the creation of a virtuous ecosystem with its suppliers by promoting initiatives aimed at reusing resources, minimising waste, and protecting social aspects. Specifically, Acea recognises the value of companies that have chosen to gain certification in the quality, safety, environment and energy schemes and enhances the value of companies that demonstrate that they apply sustainability criteria, also by supporting the adoption of sustainability performance monitoring systems (e.g. Ecovadis), as described in section 4.2 Management of relations with suppliers. The correct adoption of the Policy, as well as the principles set out in the Group Code of Ethics that is submitted to suppliers, helps to mitigate the risk associated with "non-compliance of suppliers with the current legislation, with reference to operational waste management". The obligation for suppliers to properly manage waste in compliance with current regulations is also specified in the procurement contracts of Group companies.

2.6.2 OBJECTIVES, ACTIONS AND RESOURCES RELATED TO THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

ESRS 2 MDR-T; ESRS E5-3; ESRS 2 MDR-A The issue of the circular economy is of priority importance to the Group and in line with the policies adopted, includes a dedicated strategic objective in the Sustainability Plan, with specific lines of action for the various businesses, with specific focus on the Environment area.

Attention to the circularity of resources is a common goal of all Group companies, which contribute to the recovery and reuse of every possible resource and to the overall effort to reduce the amount of waste produced.

With a view to managing the relevant impacts, risks and opportunities related to this issue, the Group has formalised specific strategic objectives included in the Sustainability Plan, which also outlines the measures and investments for the lines of action developed by operating companies.

Action lines	Action	IRO	Description
Circularity of resources	▸ Increased volume of processed waste ▸ End-of-Waste Recovery (recycling) ▸ Sludge recovery for biolignite ▸ Purification sand recovery ▸ Reduction of sewage sludge	I I O I I	▸ Contribution to the resolution of critical issues related to mass waste production using waste-to-energy processes ▸ Reduction of pressures on the natural environment by processing to reuse civil and industrial waste (plastic, paper, sludge, wastewater, etc.) ▸ Development of production solutions/technologies with low environmental impact (advanced systems for waste treatment, etc.). ▸ Reducing pressures on the natural environment by sourcing environmentally sustainable goods and products (reusable, recycled, etc.) ▸ Environmental impacts related to waste generated by business processes

The objectives and investments envisaged in the Plan are shown below, with the progress in the actions and related investments at 31.12.2024, with reference to the lines of action that contribute to the management of impacts, risks and opportunities relevant to the issue.

For actions related to these strategic lines, only the capex was monitored, because opex represents a non-significant portion.

Action line	Action (company)	Target @ 2028	Target progress	Balance 2024	Baseline 2023	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Circularity of resources	▸ Increased volume of processed waste (Acea Ambiente)	▸ 1.9 Mt/year	-	1.7 Mt	-	433	94.7
	▸ End of Waste Recovery (AS Recycling)	▸ Material recovery > 85% of input volumes	-	83%		33	5.5
	▸ Recovery of purification sand "soil washing" (Acea Ato 2)	▸ 65% recovered material	Plant to launch	-	-	6	5.5
	▸ Reduction of sewage sludge	▸ -40% (vs 2023)	-18%	123.419 t	149.770 t	51	8.9

Interventions that contribute to the circular economy of resources relate mainly to the Environment and Water areas:

- increased volume of processed waste: in the Environment area, for example, the recovery of plastic and metal materials from separate urban waste collection (Demap), the recycling of plastic and paper waste for the production of secondary raw materials; in addition, the plan includes a target toincrease waste-to-energy treatments with the aim of reducing waste treated in landfills, with a reduction in emissions from the supply chain and benefits for the territory. In the Water area, the recovery of sludge for the production of biolignite to be used as fuel or fertiliser;
- End of Waste (AS Recycling) recovery: the upgrading of waste input sorting and recycling plants for the recovery of secondary raw materials (recycling);
- sand recovery from soil washing (Acea Ato 2): recovery of sand from purification processes and sewer cleaning
- reduction of sewage sludge: refer to interventions mainly in Acea Ato 2 plants.

ESRS E5-2; ESRS 2 MDR-A; ESRS 2 MDR-T In accordance with the policies adopted by the Acea Group, aimed at managing the impacts, risks and opportunities associated with issues related to the use of resources and the circular economy, the Group implemented a series of and measures and interventions during 2024 that contribute to the objectives of protecting the environment and natural resources, with particular reference to the circular economy.
The efficient use of resources and maximisation of circularity processes are a common commitment of the Group companies, specifically the Environment Area.
A description of the main actions implemented by Group Companies in 2024 that contributed to the objectives of efficient use and circularity of resources are provided below, and summarised in the Plan monitoring table above:

WATER

- measures to reduce sewage sludge, amounting to EUR 8.9 million. Specifically, the measures implemented by Acea Ato 2 included: the commissioning of the Roma Sud treatment plant, the revamping of the sludge silos at the Cobis and Montagnano treatment plants, and the construction of the dewatered sludge treatment plant at the Roma Est purifier;
- the completion of the "soil washing" plant built by Acea Ato 2 for the recovery of sand from purification processes and sewer cleaning.

ENVIRONMENT

Interventions that contribute to the circular economy of resources relate mainly to the Environment and Water areas:

- increased volume of waste processed through the waste-to-energy plants in San Vittore del Lazio and Terni that integrate circular economy and resource efficiency. San Vittore del Lazio, the only plant in the region, processes special non-hazardous waste; Terni processes pulper waste from paper mills. Both plants recover energy from waste combustion and reduce waste treated in landfills, benefiting local communities and with an overall reduction in supply chain emissions linked to the waste chain;
- the recovery of plastic and metal materials from separate urban waste collection (Demap), the recycling of plastic and paper waste for the production of secondary raw materials (Ferrocart, Meg, Tecnoservizi), including mainly: the recovery and treatment of organic waste for the production of compost and electricity, also used for self-consumption, at sites in the Environment area;
- interventions for the recovery of secondary raw materials with the upgrading/construction of waste sorting and recycling plants, with a recovery rate of 83% of the total waste entering the recycling area;
- energy valorisation of landfilled waste, with the production of electricity from the biogas produced at the plant and in the landfill (Orvieto hub);
- the recovery of whey, a by-product of dairy processing, for reuse as a food product (Iseco);
- the construction and operation of community-based composting plants (so-called Smart Comp), which have resulted in the production of more than 100,000 tonnes of quality compost, also reducing emissions locally by avoiding the transportation and disposal of waste that is now composted on site.

ENGINEERING & INFRASTRUCTURE PROJECTS

- Simam aims to reduce the impact on the environment right from the design phase: treatment services are provided with mobile plants designed to favour modularity, thus avoiding oversizing and the waste of resources and offering versatile solutions in the event of process modifications and reusable options in the event of treatment decommissioning. Simam is also committed to finding innovative solutions for the recovery and reuse of resources, starting with the treatment of wastewater and waste, and the optimisation of treatment plants both in terms of management methods and the adoption of new technologies.

Finally, all the Group's sites and offices implement separate waste collection, in accordance with the specifications of the municipalities where they are located, also with a view to constantly educating and improving the sensitivity of the people in the offices.

2.6.3 METRICS FOR THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

ESRS E5-4; ESRS E5-5 Over the last year, Acea generally increased its capacity to intervene in the management of the final part of the waste cycle, with the aim of recovering, recycling, reusing and, where possible, recovering energy. Specifically, the Group manages the treatment of municipal solid waste (MSW) and other types of waste (such as green waste from separated waste collection, industrial waste, etc.) for the recovery of material and disposal of residual materials in landfill, the storage, selection, sorting and separation of multi-material waste originating from separated waste collection, such as plastic and metal packaging, for subsequent recovery, the treatment of liquid waste such as leachates and liquid sludge, waste-to-energy the volumes for disposal, the land needed for the disposaland recovery of the waste energy portion,and the production of high quality compost for agricultural use.

ESRS E5-4 Resource inflows

Incoming flows mainly include various types of materials and waste arriving at Environment Area plants, and the chemical resources used for process management, from the treatment of wastewater from water companies to the operation of production plants and the Environment Area.
Of the incoming materials, 47% refer to biological resources, mainly biomass arriving at the Aprilia and Monterotondo Marittimo composting sites (approximately 160,000 t) and at the Orvieto Ambiente composting line (112,00 t) and the biological component arriving at the waste-to-energy plants in San Vittore del Lazio and Terni (174,000 t). Other incoming liquid waste involves Simam and the Chiusi site for a total of 380,000 t. Non-organic materials used during the year are also calculated (approximately 986,000 t); these include the portion of waste-to-energy FSCs and pulper,

amounting to approximately 150,200 and 40,000 t, respectively. Deco's Municipal Solid Waste (MSW) Mechanical Biological Treatment (MBT) plant received more than 245,000 t of municipal solid waste (MSW), from which it recovers material and FSCs. The company Cavallari receives waste at its sites mainly from separate urban waste collection or special non-hazardous waste from production activities, totalling about 110,000 t.Tecnoservizi, a company operating in the mechanical treatment and recovery of sorted municipal waste, receives more than 95,300 t, including quantities of used hydraulic oil and motor oil. Another important facility is the Ecologica Sangro landfill site, which treated approximately 62,000 t before being sent to landfill. Regarding the Networks & Public Lighting area, Areti accounts for approximately 4,100 t of electromechanical materials installed in works on substations and networks, as well as oil and sulphur hexafluoride (SF_6) top-ups. Technical materials include approximately 41,500 t of chemicals used for process management, from water company wastewater treatment to production plants, to the Environment area.

ESRS E5-4 **Resource inflows**

ESRS E5-4	Incoming flows	31/12/2024
		Tonnes
	Overall total weight of products used during the reporting period	1,911,281
	Total secondary components	0
		Percentage
	Biological materials	46.5%
	Secondary components	0%

ESRS E5-4 Measurement, calculation and/or estimation methodology

Data for the different types of waste is taken from management software, and can therefore be considered as direct measurements derived from certified weighing systems on entry and exit from the plant. For biological materials (organic waste), the input streams to the sites also come from extractions from management software used to register incoming weighed biomass forms. Data on purchased chemicals, which constitute a part of the total weight of the products used during the reporting period, is taken from the purchase invoices of the supplier companies verified by a certified proprietary weighing system.

ESRS E5-5 Resource outflows

Resource outflows mainly relate to the activities of plants in the Environment area. Specifically, they include the quality compost produced at the Monterotondo Marittimo and Aprilia sites and at the Orvieto Ambiente site and used in agriculture, and the Solid Secondary Fuel (CSS), produced mainly by Deco and Cavallari, used by cement works or waste-to-energy plants, which will respectively valorise its material or energy component. "Other" includes other products placed on the market, mainly the result of material recovery and waste from the environment chain. Ferrocart, for example, produces about 20,500 tonnes of secondary raw materials (MpS)/EoW from the processing and paper waste, Cavallari produces and sells paper, cardboard and secondary raw materials and pallets (about 16,500 t), Meg, whose plants receive waste from sorting centres accredited by the Consortia (Corepla, Conip, Ecolight) or from private producers who sort and select plastic waste, obtains different types of plastics from its production processes, defined as MpS/EoW and all conforming to UNI standards. Compared to incoming waste quantities, Meg converts at least 70% in terms of weight, of the recovered plastic waste into secondary raw materials (about 9,600 t released on the market). Tecnoservizi also produces and markets around 7,400 t of EoW paper. Wastewater accounted for in outflows are the quantities recovered and sold to third parties, mainly related to water sold by AdF for non-agricultural irrigation. The company Iseco produces milk powder from dairy derivatives.

ESRS E5-5 **Outflows**

ESRS E5-5	Outflows	31/12/2024
		Tonnes
	Compost	43,047
	SRF	102,285
	Milk powder	1,384
	Waste water	72,100
	Other	56,597
	Weight of products released on the market	**275,414**
	Weight of recycled content (including packaging)	NA

ESRS E5-5 Product durability is not an applicable figure, given the Group's business.

ESRS E5-5 Waste produced

The principles of the circular economy drive the shared goal pursued by all Group companies in their overall commitment to reduce waste. The main categories of waste produced are outlined below, including sludge or sand and screenings for the companies in the Water area, leachate for the landfill sites in the Environment area, and fly and bottom ash for the waste-to-energy plants in the Environment area. 58% of the total waste produced (898,000 tonnes) is recovered, whereas the remainder is destined for disposal. Companies in the Environment area that sent significant amounts of waste for recovery include: Deco (22% of total waste to recovery), Tecnoservizi (15%) and Acea Ambiente's two waste-to-energy plants (10%). Companies in the Water area, on the other hand, send more than 120,000 tonnes of waste for recovery (23% of the total).

ESRS E5-5 Waste not intended for disposal

ESRS_E5-5	Types of waste	Preparation for re-use	Recycling	Other recovery operations
		Tonnes		
Waste not intended for disposal	Hazardous	52,045	3	844
	Non-hazardous	287,129	68,291	118,997

ESRS E5-5 Waste intended for disposal

ESRS_E5-5	Types of waste	Incineration	Landfill disposal	Other recovery operations
		Tonnes		
Waste intended for disposal	Hazardous	1,212	573	15,916
	Non-hazardous	891	167,962	184,148

ESRS E5-5 Total waste produced

ESRS_E5-5	Materials in waste	31/12/2024
		Tonnes
Total waste produced	Buffer tank water	10,756
	Lead batteries	37
	Paper and cardboard	7,536
	Hazardous fly ash	9,179
	Hazardous bottom ash	50,584
	FSCs (combustible waste)	124,648
	Sewage sludge	157,476
	Iron and steel	15,156
	Oils, mineral oils and concentrates produced by separation processes	386
	Leachate	57,308
	Sands and screens	22,311
	Surplus	74,613
	Excavated earth and rocks	24,163
	Transformers and capacitors containing PCBs	16
	Plastic	106,359
	Other materials	237,484
	Total	**898,010**

ESRS E5-5 Among the waste produced, the most significant category is sludge from water companies. Specifically, Gori produced about 65,500 t of sludge (42% of total sludge), Acea Ato 2 almost 45,000 (29%). It is noted that water companies aim to reduce the volume of sludge produced by implementing new drying lines, latest-generation centrifuges and other specific systems every year. These initiatives have a major impact in terms of the circular economy: reducing the water content of the sludge optimises opportunities to use it in material and/or energy processes and reduces disposal costs.

14% of waste consists of Solid Secondary Fuels produced mainly by Deco (79%) and Cavallari (10%), which are sent for energy recovery in cement works or waste-to-energy plants. Plastics are mainly produced by Cavallari (59%) and Meg (20%) and everything is sent for recovery. Hazardous bottom ash is produced by the waste-to-energy plant San Vittore del Lazio (93%) and the remaining amount by Terni. Most bottom ash and fly ash is recovered. The surplus, consisting of various scraps from the treatment of different types of waste, is mainly produced by the Orvieto Ambiente (26%) and Cavallari (26%), Demap (21%) and Ferrocart (14%) landfills and is sent to various disposal operations.

The item "Other materials" includes very different types of waste and scrap from the different business areas. For example, 38% is produced by Deco's plants, mainly waste from mechanical biological treatment, sent for disposal as well as heavy inert materials and aqueous waste solutions sent for disposal; 32% is produced by Tecnoservizi and includes inert waste from demolition and construction, insulation waste, bituminous mixtures and other waste from various processes, mainly sent for disposal.

The distribution of the main types of waste, in particular hazardous waste and non-recycled waste, is described below. Hazardous waste, as defined by the European Waste Codes (EWC), is classified according to specific hazard characteristics. The waste-to-energy plant at San Vittore del Lazio produces about 86% of the total hazardous waste, including slag and bottom ash from the combustion process, fly ash and residual sodium products from the flue gas treatment process. The category of non-recycled waste comprises most of the waste generated (91%), including all waste sent for disposal and recovered waste, except for recycled waste in the strictest sense (9%).

ESRS E5-5 **Details of non-recycled, hazardous and radioactive waste**

ESRS_E5-5	31/12/2024
	Tonnes
Non-recycled waste	819,071
Hazardous waste	70,591
Radioactive waste	0

ESRS E5-5 **Recyclable content of products and non-recycled waste**

ESRS_E5-5	31/12/2024
	Percentage
Recyclable content in products	1%
Recyclable content in product packaging	0%
Non-recycled waste	91.2%

ESRS E5-5 Product durability is not an applicable figure, given the Group's business.

ESRS E5-5 Measurement, calculation and/or estimation methodology

The waste produced is accounted for using specific management software that records data from the forms, following operations on the loading and unloading registers. Quantitative data on waste disposed of derives from direct measurements taken using weighing systems, which are periodically calibrated and certified. In addition, environmental legislative compliance checks are systematically carried out on suppliers handling and transporting waste. Specifically, sewage sludge is mechanically removed from sedimentation tanks and placed on drying beds, after centrifugation in larger plants.

3. Company information

3.1 OWN WORK FORCE ESRS S1

ESRS S1 The information and data presented in this section refers to employees who have a direct contract with Acea Group companies.

ESRS 2 SBM-2 The personnel of Group companies represent a key stakeholder, whose contribution is central to the pursuit of industrial objectives. To give due consideration to the interests, opinions and rights of employees, the Company has set up a procedure for consulting trade unions representing the interests and demands of workers.

ESRS 2 SBM-3 The definition of the relevant impacts, risks and opportunities (IROs) with reference to its own workforce involved the direct involvement of employees and trade unions, who participated in the multi-stakeholder focus group to assess the impacts, and ERM managers and focal points of the Human Resources and Organisation function who participated in the risk assessment process. IROs have been defined in line with the corporate strategy that reaffirms the Group's commitment to valuing people and protecting human rights, a strategy outlined in the Sustainability Plan, which includes the "Centrality of People" objective with lines of action relating to: employee welfare, skills development, people engagement, diversity and inclusion, and employee health and safety. Relevant negative impacts on the issue refer to specific events that may occur in Group companies (e.g. accidents at work, incidents of discrimination, etc.). With regard to the relevant positive impacts, the Group is committed to adequate remuneration, operates in compliance with labour regulations and has performance management systems in place.

Acea also promotes the development of professional skills through a structured training process that starts with a needs analysis to define targeted training courses (in technical, managerial, governance, digital and occupational safety); Acea promotes the application of the principles of inclusion and enhancement of diversity in all human resources management processes (selection, training, development, welfare, etc.), including through dedicated initiatives. Included among these is the Group's Welfare Plan, identifying six fundamental pillars relating to health, work-life balance, emotional and physical well-being, supplementary pensions, income support measures and family, with special attention paid to social solidarity.

Significant risks related to employees, which emerged from the risk assessment process, relate to the difficulties the Group may encounter in finding key competencies for business processes and the climate of potential conflict with the trade union partners representing the world of work.

To give due consideration to the needs of all Group employees, the risk assessment also covered the companies operating in Latin America, with specific reference to the protection of working conditions and equity, diversity and inclusion issues. The relevant IROs that emerged from the dual materiality process, therefore, concern all Group employees.

In 2024, the Acea Group was not involved in activities that exposed its employees to the risk of child, forced or compulsory labour.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Working conditions	Appropriate salaries	I *impact*	Appropriate salaries to ensure safe and decent living conditions	+	*medium*	• own operations
Equal treatment and equal opportunities for all	Training and skills development	I *impact*	Professional fulfilment/ satisfaction and enhancement of individual skills	+	*medium*	• own operations
Working conditions	Work-life balance	I *impact*	Improving corporate well-being through welfare and work-life balance initiatives	+	*medium*	• own operations
Working conditions	Health and safety	I *impact*	Occupational accidents with health consequences for Group personnel	-	*long*	• own operations
Working conditions	Secure employment	I *impact*	Critical issues related to working conditions and the work environment impacting the internal climate	-	*medium*	• own operations
Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value	I *impact*	Deterioration in the psycho-physical well-being of staff as a result of any episodes of discrimination and incidents affecting the dignity of persons	-	*short*	• own operations
Working conditions	Freedom of association, existence of works councils and workers' rights to information, consultation and participation	R *risk*	Climate of potential conflict with trade union partners representing the world of work		*medium*	• own operations
Equal treatment and equal opportunities for all	Training and skills development	R *risk*	Difficulties in sourcing and attracting resources with key competencies to ensure the continuity of business processes		*medium*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

3.1.1 POLICIES AND PROCESSES RELATED TO THE OWN WORKFORCE

ESRS S1-1 The Charter of the Person and Participation signed by Acea with the trade unions is the reference protocol for managing relations with employees and defines common values and commitments to ensure adequate working environments, the enhancement of skills, well-being and work-life balance, and a culture of safety at work. The protocol promotes the participation of trade union representatives in company labour relations system on issues related to training, health and safety, professional retraining, welfare, inclusion and equal opportunities.

The Acea Group's commitment to the protection of human rights is formalised in the applicable value documents, specifically, the Code of Ethics and the Human Rights Policy described in the General Information in the paragraph on Group policies, and is supported by a collegiate body - the Ethics Officer - who manages the reporting system and monitors compliance with the values. The Human Rights Policy sets out principles for the protection of workers' fundamental rights, such as the rejection of child and forced labour, the guarantee of adequate working conditions and remuneration, non-discrimination on the basis of gender, age, ethnicity, sexual orientation and identity, disability, religious faith or other individual characteristics, the fight against physical and psychological violence, sexual harassment and bullying in the workplace - further reiterated in the Equality, Diversity & Inclusion Policy - health, safety and psycho-physical well-being in the workplace. The Policy has been defined according to the main references on the subject, including the International Charter of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the ILO Core Conventions and the Global Compact, and on the internal regulatory assumptions already existing in Acea, including those on anti-corruptionfair competition, privacy protection, etc. With specific reference to the issues of diversity and inclusion, Group policies are implemented through specific procedures, including the Diversity & Inclusion Plan and the Diversity & Inclusion Protocol, with a system defined by the Holding company that has obtained

gender equality certification. For a description of the Group policies, reference is made to paragraph 1.5 of the document.

In 2024, Acea Ambiente, areti, Acea Ato 2, Acea Infrastructure and Acea Energia also obtained gender equality certification in accordance with UNI PdR 125:2022. During the year, and in line with the process started with the adoption of the Charter of the Person and Participation, Acea signed the Code for responsible companies in favour of maternity, promoted by the Ministry for Family, Natality and Equal Opportunities, which provides for various areas of intervention, including: career continuity for mothers, prevention and care of health needs, balancing work time and methods with private life, and support for child care and education expenses.

In 2024, the Acea Group obtained Top Employers Italia Certification for the third consecutive year, serving as recognition of corporate excellence in HR policies and strategies and their implementation, with the aim of contributing to the well-being of people, improving the environment and the world of work.

With regard to occupational safety, most Group companies have implemented an Occupational Safety and Health Management System certified in accordance with UNI ISO 45001:2023.

ESRS S1-2 Aware of the role that dialogue with workers' representatives plays in the correct management of industrial relations, Acea has adopted a high-profile model managed by the Parent Company's Human Resources and Organisation department, which has operational responsibility for ensuring that the involvement of workers' representatives takes place and that the results guide the company's approach. The model is based on systematic discussion and participation and provides for bilateralism that take the form of the establishment of Committees, Bodies, Commissions and Work groups, made up of members of the company and representatives identified by the trade unions. These joint bodies, which meet in response to specific needs, are responsible for training, retraining, welfare, inclusion and equal opportunities. During the year, social partners were involved in meetings aimed at providing them with information or initiating discussions on the following specific issues: valuing people, adapting workspaces, revising working hours to meet the new needs of the production context, smart working and desk sharing, and training financed by inter-professional bodies for continuous training, to which Acea belongs. Trade unions at national, regional, territorial and company level were also involved in a specific event to present the 2024-2028 Business Plan.

In line with regulatory requirements, workers representatives are regularly involved in matters relating to occupational health and safety management through the Unitary Trade Union Representatives (RSU) and the Workers' Safety and Environmental Representatives (RLSA).

Specifically, in 2024, Acea launched the internal communication campaign "Every gesture can make a difference" aimed at raising staff awareness on work safety issues. The campaign also included an internal survey, carried out in cooperation with INAIL, the workers' safety representatives and the company doctor, aimed at understanding workers' perceptions of the risks they are exposed to in the workplace and identifying possible improvement measures.

ESRS S1-3 In order to adequately address the impacts, particularly any negative ones that it may generate with staff, Acea has adopted structured employee relations management processes. Specifically, the Human Resources and Organisation function, in coordination with the Group companies, is responsible for:

- the in service management on behalf of the subsidiaries, of the administration of the personnel employed by them;
- defining the remuneration policy, which includes performance appraisal processes and meritocratic plans;
- managing industrial relations;
- defining the lines for developing training plans, starting from a survey of the training needs of Group personnel;
- Setting commitments and plans for promoting inclusion and valuing diversity.

With regard to safety in the workplace, the Health, Quality, Safety and Environment department of the Parent Company provides coordination and guidance on the subject, monitoring Group companies on the application of regulations, guidelines and corporate policies, and draws up the Group's accident report on a central and annual basis. Each company has direct responsibility for the operational management of safety and takes care of training staff, monitoring accidents and assessing the risks to the workers, preparing the Risk Assessment Document (RAD).

With reference to employees' reports on alleged breaches of the principles set out in the Code of Ethics and in the Policy on Human Rights at Work, Acea has activated the "Comunica Whistleblowing" platform, which guarantees the highest degree of confidentiality and privacy in the processing of communications. Reports are forwarded to the Ethics Officer, who takes charge of them and carries out the appropriate investigations. Employees may also send communications to the Human Resources and Organisation department that are acknowledged by the relevant departments.

The Group has also set up specific communication channels, including dedicated e-mail addresses available on the company intranet, to allow workers to express concerns about injuries and accident rates. The issues raised are examined and addressed through structured processes, which include analysing the reports, identifying appropriate solutions and verifying the effectiveness of the actions taken. The results of the analyses are monitored and reported to management to ensure continuous improvement.

To ensure that workers are aware of the existence of these tools, Acea informs staff through the corporate intranet portal and specific awareness and training campaigns. With reference to these communication channels, regular surveys are conducted to assess the perception of their use and collect feedback on their effectiveness.

3.1.2 OBJECTIVES, ACTIONS AND RESOURCES RELATED TO THE OWN WORKFORCE

ESRS S1-4; ESRS S1-5; ESRS 2 MDR-T; ESRS 2 MDR-A

With a view to managing the relevant impacts, risks and opportunities related to the issue, the Group has formalised specific strategic objectives included in the Sustainability Plan, in line with the policies adopted, which also outlines the actions for the lines of action developed by operating companies. Opex of approximately EUR 2.4 million was realised in 2024 for these strategic lines.

Action lines	Action	IRO	Description
Employee well-being	▸ Welfare enhancement	I I	▸ Improving corporate well-being through welfare and work-life balance initiatives ▸ Critical issues related to working conditions and the work environment impacting the internal climate
Skills development	▸ Corporate Academy ▸ Training	R I	▸ Difficulties in sourcing and attracting resources with key competencies to ensure the continuity of business processes ▸ Professional fulfilment/satisfaction and skills enhancement
People Engagement	▸ People Survey ▸ Involvement of operational staff	I	▸ Professional fulfilment/satisfaction and skills enhancement
Diversity and inclusion	▸ Gender equality ▸ Improving the D&I culture	I I I	▸ Appropriate salaries to ensure safe and decent living conditions ▸ Critical issues related to working conditions and the work environment impacting the internal climate ▸ Deterioration in the psycho-physical well-being of staff subjected to any episodes of discrimination and incidents affecting the dignity of persons
Health and Safety	▸ Culture of safety (for accident reduction) ▸ HSE process optimisation ▸ Innovative safety equipment (Youcare kit, man-down device)	I	▸ Damage to health caused by occupational accidents occurring to Group personnel

The Sustainability Plan defines the objectives that the Group intends pursuing to manage the positive and negative impacts and any relevant risks and opportunities related to personnel management, also taking into consideration the workers' requests noted by the Parent Company's Human Resources and Organisation function in the performance of its personnel relations management activities and in its periodic discussions with trade union representatives.

Specifically, the Centrality of People objective has been defined in the Plan, which includes the objectives and actions for managing the relevant impacts and risks on the topic identified as a result of the double materiality analysis: appropriate salaries, training and skills development, work-life balance, health and safety, secure employment, gender equality and equal pay for work of equal value, freedom of association.

Action line	Action (company)	Target @ 2028	Target progress
Employee well-being	▸ Welfare enhancement	▸ Increase in service users vs. previous year	✓ Target reached (from 3,954 to 5,942 people)
Skills development	▸ Corporate Academy	▸ 6,500 people/year trained	5,045 people trained
		▸ 140 internal faculties involved	31 internal lecturers
	▸ Training	▸ 15 digital training courses, 5,000 total participants	14 courses 3,184 participants
		▸ 22h of training per capita/year (excluding foreign countries)	100% (27h)
		▸ 100 people certified as "Sustainability Professionals"	22%
Diversity and inclusion	▸ Gender equality	▸ 32.6 % women managers (executives and middle managers)	30.17%
	▸ Improving the D&I culture	▸ 1 campaign and 1 initiative per year	4 initiatives
	▸ Culture of safety	▸ Accident frequency and severity indices < average over the last three years	IFI > average IGI < average
		▸ > 90% Near Misses resolved	52% Near Misses resolved
	▸ HSE process optimisation	▸ Process digitisation for 100% of Group Companies	In progress
	▸ Innovative safety equipment	▸Testing Youcare kit and man-down device for areti and Acea Ato 2	9 people areti 20 Acea Ato 2
Health and safety (foreign countries)	▸ Safety and prevention training (Aguas de San Pedro)	▸ 90% of employees involved in training	100%
Skills development (foreign countries)	▸ Specialised training (Aguas de San Pedro, Consorcio Agua Azul)	▸ 97% course attendance	86%
Diversity and inclusion (foreign countries)	▸ Improving D&I culture (Aguas de San Pedro, Consorcio Agua Azul)	▸ 1 initiative per year ▸ Participation rate 90%	100%

With reference to the risk connected to the climate of potential conflict with representative trade union partners, the Group has set up a structure dedicated to dialogue with the trade unions in the company and has established bilateral bodies with trade unions, including the Bilateral Inclusion and Equal Opportunities Committee, the Bilateral Welfare Committee and the Technical Working Groups on tenders and the optimisation of working hours, the Training, Health and Safety Observatory and the Observatory on professional retraining. The Group also organises information and consultation meetings with trade unions on important negotiation issues that may lead to trade union agreements, which are also concluded by means of specialist legal assessments.
With reference to the risk connected to the possible difficulties in sourcing and attracting resources with key competencies to ensure the continuity of business processes, Acea has reorganised the selection process, adopting a Group procedure that regulates the methods and actions to be implemented in the selection processes, enhanced the search for personnel through specific digital platforms, and extended the search for personnel to new territorial areas.

In order to counter the occurrence of negative impacts related to the protection of safety at work, with particular reference to accident prevention and the reduction of accident rates, Acea implements safety training programmes and customised protocols for workers with specific physical or health conditions, ensuring adjustments to equipment and work processes.

Occupational health and safety

During the year, training activities were carried out to promote safety at the workplace in the operational contexts most exposed to the risk of accidents, involving the correct use of personal protective equipment and knowledge of safety procedures in the field. Risk monitoring was also enhanced through targeted inspections and audits for the most sensitive operational areas, integrating innovative technologies for the early detection of hazardous situations, and awareness-raising campaigns were launched for workers engaged in high-risk activities, such as working at heights, confined spaces, electrical work or work in areas with exposure to biological and chemical agents. Awareness-raising events on safety in the workplace were also held during the year, where topics related to risk prevention, continuous monitoring and the correct use of personal protective equipment were analysed. These included the "Team Building Operations", the "Safetycomedy" and the "Safety Day Acea Ambiente - Insieme per crescere in sicurezza" (Acea Environment - Together to grow in safety), aimed at operational staff in the electricity distribution and environment sectors. Health promotion and health education plans are also in place for foreign companies.

Diversity & Inclusion

With the aim of fostering a serene working climate and countering possible episodes of discrimination, promoting inclusion and valuing diversity, Acea adopted the annual Equality & Care Plan and the Equality, Diversity & Inclusion Policy, appointed an Equality, Diversity & Inclusion Manager and set up the Equality, Diversity & Inclusion Committee. A space dedicated to ED&I issues is also available on My Intranet. In 2024 the UNI/PdR 125:2022 certification on gender equality was confirmed for Acea SpA and extended to Acea Ambiente, areti, Acea Ato 2, Acea Energia and Acea Infrastructure; additionally Acea joined Valore D, an association of companies that promotes gender balance and the dissemination of the values of inclusion in organisations. Specific initiatives were also organised during the year, including: the webinar "Beyond Words. From inclusive language to broad language", on the occasion of the World Day of Cultural Diversity for Dialogue and Development, the event "The Dialogue of Diversity: Let's Build the Road to Inclusion", dedicated to the Equality Diversity & Inclusion Champions who are part of the Equality Community and the Talks Academy on Disability. The companies operating abroad also organised initiatives during the year to raise employee awareness on diversity management and gender equality.

Remuneration and benefits

The Group's commitment to producing positive impacts on personnel, with particular reference to adequate working conditions and remuneration, the enhancement of skills and the promotion of well-being, is embodied in specific activities. The remuneration that Acea pays its employees is determined by applying the National Collective Bargaining Agreements (CCNL) of reference, which ensure the minimum salary levels according to professional categories. The company also applies a remuneration policy that includes merit-based principles, in line with the Performance Management Model adopted, with effects on the fixed and variable components of the remuneration, determining remuneration that is above the minimum salaries set by the National Collective Bargaining Agreements (CCNL). Employees are eligible for the performance bonus every year. This is a variable payment, linked to qualitative and quantitative results achieved in the realisation of business objectives, in line with the industrial and sustainability planning, which aims for workers to participate in company processes and projects to increase profitability and improve competitiveness, productivity, quality and efficiency. There are also benefits for employees, including those with part-time or fixed-term contracts, such as meal vouchers (tickets), supplementary health insurance and benefits granted through the Circolo Ricreativo Aziendale (CRA).

Training and skills development

To develop people's skills, the Group is committed to setting up a high-level training centre, called the "Acea Academy", which is also open to external stakeholders, and has adopted the "Pianetacea" e-learning platform, offering staff the opportunity to choose online training courses. In 2024, Acea also implemented training courses of excellence in the field of leadership, including:

- the Manager programme, dedicated to those responsible for managing people and complex processes, which involved 150 participants;
- the Growth Programme dedicated to talents, young people or high-potential individuals on growth paths, involving 350 people;
- the course "Future Connections: the Role of Artificial Intelligence and the Evolution of Leadership", designed with the aim of exploring the main aspects of the application of AI in work contexts and analysing how the role of leadership is transforming within organisations.

Each training course includes an entrance test, an exit test and an assessment test to verify the effectiveness of the course in relation to the skills acquired and assessment of the course teaching and organisation. Appropriate actions are also planned for the training of staff with disabilities, through the provision of sign language.

Corporate welfare and well-being

The Acea Group is active in promoting corporate welfare, starting with listening to staff on a periodic basis through surveys referring to needs and assessments of welfare initiatives. During the year, the Welfare Plan was consolidated, which is divided into six pillars relating to health, work-life balance measures, psycho-physical well-being, supplementary welfare, economic benefits, and family, and specific initiatives were implemented, including:

- "Previeni con Acea", a five-day campaign dedicated to cancer prevention with 625 breast, dermatological and endocrinology screenings free of charge for employees at the Group's offices, in collaboration with Susan G. Komen Italia;
- corporate wellness programmes to promote physical well-being by adopting healthy lifestyles, participating in sports and customising one's diet plan with a nutritionist;
- self-defence courses dedicated to all Group employees;
- mental well-being programmes and the introduction of an online psychology service for all employees;
- a permanent advice channel aimed at employee mothers and fathers, whereby the company interacts with them and collects information about their needs with a view to promoting corporate well-being and reducing the gender gap;
- digital platform dedicated entirely to in-home parental support.

3.1.3 OWN WORKFORCE METRICS

ESRS S1-6; ESRS S1-8 Employee characteristics

The effective workforce at 31.12.2024 numbered 8,715 employees, of which 78% were men and 22% women; this figure refers to the number of persons operational at the end of the reporting period and corresponds to a personnel cost of EUR 328,524,000 as per the Group's Consolidated Financial Statements.
The composition of the workforce confirms the prevalence of the male component, which refers mainly to technical activities.
90% of employees are employed under open-ended contracts, confirming employment stability within the Group; all employees from the operating companies in Italy are covered by National Collective Labour Agreements (CCNL).

ESRS S1-6 Employees per country

ESRS_S1-6	Employees broken down by country	31/12/2024
		Number
	Italy	7,376
	Peru	891
	Honduras	419
	Dominican Republic	29
	Total	**8,715**

ESRS S1-6 Contract type

ESRS_S1-6	Type of employment contract	Male	Female	Other	Not reported
	Employees with open-ended contracts	5,988	1,823	-	-
	Employees with fixed-term contracts	829	75	-	-
	Employees with variable hours	-	-	-	-
	Total	**6,817**	**1,898**	**0**	**0**

ESRS S1-8 Collective bargaining coverage

ESRS_S1-8		31/12/2024
	Geographical area	Percentage
Total number of employees covered by collective labour agreements		89%
Employees registered as trade union members within the European Economic System		50%
Employees covered by collective labour agreements (in companies within the European Economic System) in relation to the total workforce	Italy	85%
Employees covered by collective labour agreements (in companies outside the European Economic System) in relation to the total workforce	Peru	0%
Employees covered by collective labour agreements (in companies outside the European Economic System) in relation to the total workforce	Honduras	5%
Employees covered by collective labour agreements (in companies outside the European Economic System) in relation to the total workforce	Dominican Republic	0%

ESRS S1-6 Output turnover rate

The exit turnover rate, given by the ratio of exits to numbers for the year, was 11% for companies operating in Italy, mainly due to the exit of the water company Acquedotto del Fiora from the scope of full consolidation. For the foreign companies operating in Latin America, which recorded a total of 782 staff departures, the rate was 58%, mainly due to the termination of the existing contract with Consorcio Acea.

ESRS S1-6 Number of employees leaving operating companies in Italy

ESRS_S1-6	31/12/2024
	Number
Voluntarily	148
Due to dismissal	19
Due to retirement	115
Due to death in the line of duty	12
Other (to be specified)	487
Employees who left the company	**781**

ESRS S1-9 Diversity metrics

The personnel of the Group companies with senior management roles, consisting of managers in positions n-1 from top management, are 74% male and 26% female; 8% of the workforce is under 30 years old, 51% are between 30 and 50 years old and 42% are over 50.

ESRS S1-9 Employees with senior management roles according to gender

ESRS_S1-9	Employees with senior management roles according to gender	Male	Female	Other	Not reported
	Number	42%	15%	-	-
	Percentage	74%	26%	-	-

ESRS S1-9 Staff age brackets

ESRS_S1-9	Personnel age brackets	Under 30 years old	30-50 years old	Over 50 years old
	Employees	660	4,435	3,620

ESRS S1-10 Adequate wages

All Group employees receive an appropriate salary in line with applicable benchmarks (National Collective Labour Agreements, in Italy, and the Labour Code and collective and industry agreements, abroad).

ESRS S1-12 Persons with disabilities

ESRS_S1-12	Gender	31/12/2024
		Percentage
Disabled persons among employees, subject to legal restrictions on data collection	Male	5%
	Female	11%
	Other	0%
	Not reported	0%

ESRS S1-13 Training and skills development metrics

A total of 226,195 training hours were provided to Group personnel during the year, of which 24% was provided to female staff and 76% to male staff. Per capita training hours were 29 for women and 25 for men. The figure for training hours per capita broken down according to gender is calculated as the ratio of male/female training hours provided to the number of males/females. A total of 85% of the Group's personnel were involved in performance and competence appraisal systems during the year.

ESRS S1-13 Hours of training provided according to gender

ESRS_S1-13	Gender	31/12/2024
		Number
Training hours	Male	171,972
	Female	54,223
	Other	0
	Not reported	0
Average number of training hours per employee	Male	25
	Female	29
	Other	0
	Not reported	0

ESRS S1-13 Number of employees who participated in regular performance and career development reviews

ESRS_S1-13	Gender	31/12/2024
		Number
Employees who participated in regular performance and career development reviews	Male	5,617
	Female	1,760
	Other	0
	Not reported	0
		Percentage
Employees who participated in periodic performance and career development reviews	Male	82%
	Female	93%
	Other	0%
	Not reported	0%

ESRS S1-14 Health and safety metrics

Safety management in the Acea Group is structured at an organisational level: the Parent Company manages coordination and guidance activities on the subject, and each Group company has direct responsibility for the operational management of safety.

All Group companies operating in Italy have adopted certified occupational safety management systems that cover all the employees they employ.

In 2024, no Group company in Italy or abroad recorded deaths among its staff due to work-related injuries and illnesses or fatal accidents.

The work-related injury rate is calculated as the ratio of the number of recordable work-related injuries to the total number of hours worked by own workers and multiplied by 1,000,000.

ESRS S1-14 Employees covered by the health and safety management system

ESRS_S1-14	Geographical area	31/12/2024
Employees covered by the health and safety management system	Italy	7,376
	Honduras	0
	Peru	860
	Dominican Republic	0
	Total	8,236
Employees covered by management system for health and safety		95%

ESRS S1-14 Number of of occupational accidents

ESRS_S1-14	Geographical area	31/12/2024
		Number
Number of occupational accidents	Italy	86
	Honduras	31
	Peru	18
	Dominican Republic	0
	Total	135

ESRS S1-14 Rate of work-related injuries

ESRS_S1-14	Geographical area	Number
Injury rate related to work	Italy	6
	Honduras	34
	Peru	10
	Dominican Republic	0

ESRS S1-15 Work-life balance metrics

Acea operates in compliance with the legislation referring to leave for family reasons, which governs days off and economic support for female and male workers connected with maternity, paternity of children, adopted children and fostered children. 100% of employees are entitled to this leave in Italy.

In the Dominican Republic, where Acea Dominicana operates, this type of leave is not covered by local legislation. Consequently, the percentage of employees entitled to family leave drops to 99.7% at Group level.

ESRS S1-15 **Number of employees entitled to family leave**

ESRS_S1-15	31/12/2024
	Percentage
Employees entitled to leave for family reasons	99.7%

ESRS S1-15 **Number of eligible employees who took family leave**

ESRS_S1-15	Gender	31/12/2024
		Percentage
Eligible employees who have taken leave for family reasons	Male	5%
	Female	4%
	Other	0%
	Not reported	0%

ESRS S1-16 Remuneration metrics (pay gap and total remuneration)

Information on remuneration metrics is reported with details of the countries where the companies operate: Italy, Peru, Honduras, Dominican Republic.

The gender pay gap is calculated by comparing the difference between the average male gross hourly remuneration and the average female gross hourly remuneration with the average male gross hourly remuneration. The annual total remuneration rate is the ratio of the annual total remuneration of the highest paid person to the median remuneration of the employees (excluding the highest paid person).

In Italy, the gender pay gap is 1% in favour of men and the total annual salary of the highest paid person is 24 times higher than the median employee salary. In Honduras, women are paid 9 % more than men, and the ratio of the highest paid person's total annual salary to the median employee salary is 12. In Peru, the gender pay gap is 25% in favour of women and the highest paid person receives an annual salary 8 times higher than the median employee. In the Dominican Republic, men earn 39% more than women, and the total annual salary of the highest paid person and the median employee is 8.

ESRS S1-16 **Pay gap and total remuneration in Italy**

ESRS_S1-16	31/12/2024
Gender pay gap	1%
Remuneration rate annual total	24

ESRS S1-16 **Pay gap and total remuneration in Honduras**

ESRS_S1-16	31/12/2024
Gender pay gap	-9%
Annual total rate of remuneration	12

ESRS S1-16 **Pay gap and total remuneration in Peru**

ESRS_S1-16	31/12/2024
Gender pay gap	-25%
Annual total rate of remuneration	8

ESRS S1-16 **Pay gap and total remuneration in the Dominican Republic**

ESRS_S1-16	31/12/2024
Gender pay gap	39%
Annual total rate of remuneration	8

ESRS S1-17 Serious human rights incidents, complaints and impacts

In 2024, three reports were submitted by company employees through the dedicated channels relating to human rights issues, one of which related to an alleged case of harassment, which was closed after further investigation, and two relating to human resources management.

ESRS S1-17 No human rights related sanctions or fines were imposed on the Group.

ESRS S1-17 **Number of incidents of discrimination**

ESRS_S1-17	Form of Discrimination	31/12/2024
		Number
Incidents of discrimination	Gender	0
	Race or ethnic origin	0
	Nationality	0
	Religion or personal beliefs	0
	Disability	0
	Age	0
	Sexual orientation	0
	Harassment	1
	Other forms of discrimination	0
	Total	**1**

ESRS S1-17 **Number of complaints**

ESRS_S1-17	31/12/2024
	Number
Complaints submitted through the channels provided for their own workers to raise concerns	2
Complaints submitted through the channels provided for their own workers to raise concerns	0
Serious labour-related human rights problems and incidents of non-compliance with the UN Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises	0

ESRS S1-17 **Amount of fines and penalties**

ESRS_S1-17	31/12/2024
	EUR
Fines, sanctions and compensation for damages following incidents of discrimination, including harassment and complaints filed	0
Fines, sanctions and compensation for significant damages for serious human rights problems and incidents related to their own workforce	0

3.2 WORKERS IN THE VALUE CHAIN ESRS S2

ESRS 2 SBM-3 The information illustrated in the following section refers to the main categories of suppliers, and describes the characteristics of the Acea Group's value chain in qualitative terms, taken as a whole:

- non-employee personnel working at the company's premises, including consultants, contract staff, personnel of service providers (cleaning, maintenance, etc.);
- personnel of contractors carrying out activities at Group work sites;
- sales agents and workers in logistics companies.

Impacts, risks and opportunities related to workers in the value chain have been identified through a double materiality analysis with a process that covers the entire Group value chain and actively involves internal and external stakeholders, as described in detail under General Information in paragraph 1.5.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Other work-related rights	Child labour	I *impact*	Any incidents of human rights infringements along the supply chain related to child labour	-	*long*	• upstream
Other work-related rights	Forced labour	I *impact*	Any incidents of human rights infringements along the supply chain related to forced labour	-	*long*	• upstream
Working conditions	Secure employment	I *impact*	Lack of respect for workers' rights along the supply chain (stable and regular employment, appropriate contracts, decent working hours, etc.)	-	*medium*	• upstream
Working conditions	Health and safety	I *impact*	Damage to health caused by occupational accidents occurring to contractor company's personnel	-	*long*	• upstream

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

In supply contracts with suppliers located in at-risk countries, defined as such by recognised organizations, contractual clauses have been introduced that involve compliance of the supplier with specific social obligations; e.g. measures that guarantee employees respect for their fundamental rights, the principles of equal treatment and non-discrimination, protection against child labour, the fight against forced labour, guaranteed minimum wage, limited work hours.

3.2.1 WORKER-RELATED POLICIES AND PROCESSES IN THE VALUE CHAIN

ESRS S2-1 The Acea Group is aware that along the supply chain, characterised by extensive and often delocalised production chains, negative impacts may be generated relating to the violation of the fundamental rights of workers employed by supplier companies, such as child labour, forced labour, workplace safety. Acea has therefore adopted value codes and policies dedicated to the proper management of the supply chain.

Specifically, the Code of Ethics reaffirms the reference principles that should guide relations between Acea, as a contracting authority, and its suppliers (contractors and subcontractors), "on the basis of the principle of mutual benefit and cooperation that underlies such relations", including:

- compliance with rules and procedures, including verification processes to identify potential risks to reputation and/or corruption;
- the protection, by the supplier or sub-supplier, of the human rights of their employees (decent working conditions, protection of health and safety) and safeguarding of the environment (protection of ecosystems and biodiversity, rational use of natural resources, minimisation of waste, energy saving);
- respect for privacy and guarantee of the quality of goods, services and performance.

Suppliers issue a declaration of acceptance and commitment to comply with the prescriptions contained in the Code of Ethics, which constitutes an element of the contractual relationship with Acea, who is entitled to take appropriate measures in the event of the specified principles and criteria of conduct being breached.

During the year, Acea adopted the Sustainable Procurement Policy to confirm its commitment to sustainable supply chain management and the increasing integration of ESG criteria into procurement processes.

Finally, the Human Rights Policy, which is inspired by the main relevant international references (International Bill of Human Rights, International Labour Organisation Declaration on Fundamental Principles and Rights at Work, ILO conventions, etc.), includes the principle of "Responsible Management of Supplier Relations", which states that: "*Behaviour aimed at protecting the human rights of staff is expected from the supplier and sub-supplier (...), with particular attention to dignified working conditions (equal treatment and non-discrimination, fight against child labour and forced labour, guarantee of minimum wages, wages in line with the relevant national labour contracts and in any case proportionate to the quantity and quality of the work performed, compliance with the limits linked to the duration of working hours, etc.) and to the protection of health and safety in the workplace (...).*

ESRS S2-2 In the definition of trade union agreements and protocols that also include supply chain issues, through the structures in charge of managing industrial relations of the Human Resources and Organisation Department of the Parent Company, Acea interacts with the main trade union representatives of the workers of the supplier companies and with trade associations in the definition and signing of specific agreements that refer to supply chain issues (health and safety in the workplace, employment protection, combating unlawful forms of work, compliance with contractual regulations, etc.).

ESRS S2-3 For several years now, Acea has signed a "Water Contracts Protocol", which includes aspects such as employment protection (proper application of the trade union clause with reference to contract changes), combating unlawful work or work not complying with the relevant national labour contracts, workplace health and safety and compliance with contractual regulations.

In addition, a Contracts Protocol was signed between Acea and the trade unions to ensure the highest levels of legality and efficiency in the handling of contracts, strengthen the protection of occupational health and safety and support stable, quality employment. The Protocol also defines rewarding criteria for the assignment of tenders, to continue the objective of quality work throughout the cycle, including: lowest total number of sub-contractors; the commitment of ensuring minimum percentages of women and young people, the use of workers primarily employed under permanent employment contracts, the application of gender parity policies, the application of the trade union clause, to promote stable employment, with a commitment by the incoming contractor to absorb staff leaving the outgoing contractor within their own staff component. The Protocol references the principles and aims of the National Framework Protocol to support legality, signed by Acea and the Ministry of the Interior, with the aim of strengthening the joint commitment to combat the potential for corruption and the risks of organised crime infiltrating sectors of national strategic importance.

Acea has activated the "Comunica Whistleblowing" platform, also accessible to external stakeholders, to collect reports on alleged breaches of the principles in the Code of Ethics and the Human Rights Policy, including those relating to "work", guaranteeing the highest degree of confidentiality and privacy. Reports are forwarded to the Ethics Office, which takes charge of them and carries out the appropriate investigations. The reporting channel is available on the institutional website, where there is a dedicated section explaining its purpose and promoting its use.

3.2.2 OBJECTIVES, ACTIONS AND RESOURCES RELATING TO WORKERS IN THE VALUE CHAIN

ESRS S2-4; ESRS S2-5; ESRS 2 MDR-T; ESRS 2 MDR-A
With a view to managing the relevant impacts, risks and opportunities related to the issue, the Group has formalised specific strategic objectives included in the Sustainability Plan, in line with the policies adopted, which also outlines the actions and investments for the lines of action developed by operating companies. The Plan defines the objectives the Group intends pursuing to manage the value chain-related impacts identified as relevant following the double materiality analysis, with specific reference to labour-related rights, working conditions, safe employment and health and safety.

These actions form part of the "Supply Chain Evolution" objective, which includes one line of action for the strengthening of the sustainable procurement process and another on workers' health and safety.

Action lines	Action	IRO	Description
Sustainable procurement	▸ ESG criteria in tenders ▸ Responsible Procurement Policy ▸ Supplier qualification (Ecovadis)	I I I	▸ Lack of respect for workers' rights along the supply chain (stable and regular employment, appropriate contracts, decent working hours, etc.) ▸ Any incidents of human rights infringements along the supply chain related to child labour ▸ Any incidents of human rights infringements along the supply chain related to forced labour
Supplier health and safety	▸ Security training ▸ Verification of technical and professional qualifications ▸ Construction site supplier inspections	I	▸ Damage to health caused by occupational accidents occurring to contractor company's personnel

As described in the policies section above, the Code of Ethics, the Human Rights Policy and the Sustainable Sourcing Policy, which suppliers are required to accept, allow the Group to intervene, including on a contract basis, in the event of any incidents of human rights infringements along the supply chain related to forced or child labour, and in general, for any failure to respect workers' rights along the supply chain.
The objectives envisaged in the Plan up to 2028 and progress in the actions at 31.12.2024 are shown below. Economic commitments are envisaged to implement these actions, with the relative amounts not significant in terms of capex/opex.

Action line	Action (company)	Target @ 2028	Target progress
Sustainable procurement	▸ ESG criteria in tenders	▸ Application of sustainability rewarding criteria for 90% of tendering procedures	60% application of procedures
	▸ Supplier qualification (Ecovadis)	▸ 80% Ecovadis accredited suppliers	71%
Supplier health and safety	▸ Security training	▸ Accident incidence rate < average over the last three years	Incidence rate > average over the last three years
	▸ Verification of technical and professional qualifications (ITP)	▸ Digitisation of ITP verification process for all Group Companies	12%
	▸ Construction site supplier inspections	▸ +5% number of inspections/year vs 2023	+5.3% (approx. 15,000 inspections)
Suppliers health and safety (foreign countries)	▸ Safety and prevention training (Consorcio Agua Azul)	▸ 90% attendance for supplier courses	67%

During the year, several activities were carried out to manage the negative impacts related to workers in the value chain that emerged from the double materiality analysis.

To protect the rights of workers along the supply chain and to counter possible episodes of child and forced labour, in 2024, Acea strengthened the commitment it had already made with the Code of Ethics and the Human Rights Policy, by adopting the Sustainable Procurement Policy that includes the principle of Work and People, calling on suppliers to comply with current labour regulations, refraining from any form of illegal, forced or child labour. The Policy also promotes best practices in environmental, social and good governance sustainability along the supply chain and is submitted to suppliers at the qualification stage. Reference is made to paragraph 1.5 for more information on the policies.

Again with the aim of promoting ethical and sustainable behaviour along the supply chain, in 2024, monitoring continued in respect of suppliers' performance with regard to environment, labour and human rights, ethics and sustainability in procurements through the Ecovadis platform, with 783 suppliers assessed at 31.12.2024. In 2024, Acea organised the first "Vendor Day Acea. Together for Growth", during which it shared the vision and objectives set out in the 2024-2028 Business Plan with its partners and suppliers, so as to engage the supply chain in business challenges and opportunities. With reference to the issue of occupational health and safety along the supply chain, Acea conducted about 15,000 work site safety audits during the year, relating both to major maintenance contracts for networks and services in the water and electricity sectors, and to smaller contracts, and organised the "Safety Walk & Talk" and the "Contractor Safety Day" to disseminate a culture of safety at work sites.

3.3 COMMUNITIES INVOLVED ESRS S3

ESRS 2 SBM-3 Aware of the role it plays in the socio-economic system in which it operates, integrates its commitment to contribute to the sustainable development of the territories and the welfare of its people and all its stakeholder into the efficient and effective management of its businesses. The Group recognises its stakeholders not only as parties that have a key role in enabling the company's objectives but also, and above all, as the main direct or indirect recipients of its activities. The Group promotes the development of trusting relationships with stakeholders and adopts an inclusive and proactive approach in their regard.

Acea identifies stakeholder categories and sub-categories within the Stakeholder Tree, also subdividing them according to issues relevant to the business. Within these categories, the different communities, which are impacted by the Group's activities because they live near the production sites (waste-to-energy plants, purifiers, primary substations, etc.), are represented, including by neighbourhood committees, territorial committees, and environmental and social protection associations. Reference is made to paragraph 1.6 of the document for more details on the stakeholder engagement process.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Economic, social and cultural rights of the community	Territory-related impacts	I *impact*	Creation of community awareness and sensitivity and skills in new generations regarding the responsible use of natural resources	+	*medium*	downstream
Civil and political rights of the community	Freedom of expression	I *impact*	Constructive dialogue with the territory and community	+	*medium*	• downstream
Civil and political rights of the community	Freedom of expression	I *impact*	Failure to take community and territorial demands into account in company choices and planning	-	*short*	• downstream
Economic, social and cultural rights of the community	Territory-related impacts	R *risk*	Possible impacts on the development of company plants due to territory's lack of acceptance		*medium*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

3.3.1 THE POLICIES AND PROCESSES RELATING TO THE COMMUNITIES INVOLVED

ESRS S3-1 The Group is committed to managing relations with its stakeholders according to the principles of integrity, transparency, fairness, impartiality and inclusiveness according to the provisions of the Code of Ethics, the Human Rights Policy and the Integrated Management Systems and Sustainability Policy. The aim is to create relationships based on listening, dialogue, and the mutual understanding of points of view and expectations, with the goal of encouraging wider stakeholder engagement in defining the Group's strategic priorities as well as its business operations, by also dealing with any critical and/or conflict situations as soon as possible. Any significant negative impacts are not systemic in nature but, where applicable, relate to individual projects linked to infrastructure developments. The Acea Group respects the rights of local communities and contributes to their advancement, promoting the socio-economic development of the contexts in which it operates. The Acea Group is attentive to the protection of the natural environment and ecosystems, working to preserve their integrity, respecting the community and the intergenerational pact. The Group also contributes to the enhancement of the territory by supporting socially useful initiatives with a cultural purpose or that promote the well-being of the community. In this regard, projects and initiatives promoted by organizations, associations, institutions, etc., that concern social, environmental, cultural, sporting, recreational and charitable issues, aimed at the inclusion of people in particularly disadvantaged social contexts, are supported, including financially.

As set out in the specific Policy, respecting human rights, understood in the broadest sense and with particular focus on the aspects relevant to the areas of operations managed, is an indispensable value for Acea. It therefore undertakes to ensure that no form of infringement occurs in this regard, developing and implementing processes that are appropriate to identifying the potential or current risks and impacts of its activities in the context of human rights, to prevent breaches and to remedy these should they occur. For a details on Group Policies, reference is made to paragraph 1.5.
In 2024, there were no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

ESRS S3-2 Participation by the communities involved takes place at different stages and with different stakeholders depending on the specific initiative and instance. The stakeholder engagement process requires the owner of the initiative to identify the stakeholders that need to be engaged through stakeholder mapping, so as to assign relevance and define priorities in terms of engagement. Having identified the stakeholders to be involved, the owner, in agreement with any relevant corporate structures, defines the forms of engagement and the operational tools that will be used, taking into account the subject and objectives of the activity. Stakeholders are therefore involved in the manner envisaged by the tools used (e.g.

Through an invitation to work tables or other specific communications, etc.) by the owner of the engagement process.

With reference to communities, initiatives frequently take place involving educational institutions, local administrations, consumer associations and environmental associations. These parties represent the needs and expectations of the territory, making an essential contribution to directing the actions of companies towards greater sustainability and responding to the needs of the population.

In the water sector specifically, direct involvement is pursued through regular meetings with local administrations, e.g. at the Conference of Mayors, which is entrusted with decisions on guiding, planning, scheduling and controlling the service, and is therefore an essential element in ensuring constructive dialogue with the territory and communities.

In the energy grids sector, given the growing importance of the electrification of consumption and distributed generation scenario, discussions were developed with a number of local community stakeholders (e.g. citizens, energy communities, universities), to share plans for the development of flexibility services on the electricity grid and acquire the knowledge and propensity of stakeholders to participate in the new paradigm for the grid's operation. Participants in these initiatives were involved at different stages, in goal setting, monitoring operations and assessing results.

In both the environmental and water sectors, there are significant initiatives involving schools, which are particularly sensitive to the issues of environmental and water education and the skills required by emerging professions for the younger generations. Group companies are constantly responding to these demands with a range of proposals, from initiatives at plants, to school training projects for primary and secondary schools, to curricular training courses for high school students.

The operational responsibility for ensuring that community involvement takes place and that the results guide the company's approach lies with top management and management, according to Acea's organisational structures and the level of engagement activated. The stakeholder engagement process envisages that the planning of activities is approved by the organisational structure owner of the project/initiative, and also by higher-level managers, up to the level of Acea's top management if necessary, in the case of especially significant initiatives for the Group. Acea monitors the effectiveness of involvement through direct and indirect feedback with stakeholders on shared projects and the level of participation in initiatives launched by the Group. As part of the stakeholder engagement process, the feedback phase to stakeholders and any follow-up activities to stakeholders are regulated.

ESRS S3-3 Acea ensures that communities are heard in instances involving the Group's activities and that may be of concern to stakeholders. To do this, various channels are in place, ranging from commercial channels or for emergency and breakdown reporting, from physical contact to social channels and apps, whereby real-time updates and interaction with companies can be maintained. The use of these tools is promoted via corporate websites, communication campaigns and social channels. According to their organisation, operating companies have structures to oversee the territories, which manage the process of collecting, analysing and responding to requests from municipalities and the other main territorial stakeholders.

Reports, enquiries and complaints received through official channels are recorded, analysed and managed by the relevant corporate structures according to their type and priority, monitoring the entire process until resolution, ensuring updates to reporting stakeholders and using the data collected to improve processes and prevent future critical issues.

With regard to possible reports on episodes that may represent breaches of internal and external regulations, the Group has adopted a whistleblowing system that safeguards the whistleblower against possible retaliation. This system can be used by all stakeholders via a digital platform that complies with regulatory requirements. Reports received are analysed and processed according to a specific procedure, ensuring the appropriate checks and providing feedback to the whistleblower. Group companies have implemented Environmental and Energy Management Systems (ISO 14001, ISO 50001), defining environmental objectives, the relative improvement programmes and tools to control and monitor potential and actual risks and impacts, to prevent and minimise impacts on local communities.

3.3.2 OBJECTIVES, ACTIONS AND RESOURCES RELATED TO THE COMMUNITIES INVOLVED

ESRS S3-4; ESRS S3-5; ESRS 2 MDR-T; ESRS 2 MDR-A

In accordance with the policies adopted, the Sustainability Plan defines the objectives that the Group intends pursuing to manage the positive and negative impacts and any relevant risks and opportunities on the topic: land-related impacts, freedom of expression, community rights. The objectives and actions related to the issue for the communities involved fall under the plan objective "Value for the Territory", which includes an action line regarding innovation in the territory and a line for listening and supporting communities.

Action lines	Action	IRO	Description
Innovation in the territory	▸ Water kiosks ▸ Electric mobility infrastructure ▸ Reducing odour emissions	I R I	▸ Creation of community awareness and sensitivity and skills in new generations regarding the responsible use of natural resources ▸ Possible impacts on the development of company plants due to territory's lack of acceptance ▸ Creation of community awareness and sensitivity and skills in new generations regarding the responsible use of natural resources
Stakeholder engagement	▸ Dialogue on the territory ▸ Training in schools ▸ Artistic lighting ▸ Sponsorships ▸ Raising awareness on environmental issues	I I R	▸ Constructive dialogue with the territory and community ▸ Failure to take community and territorial demands into account in company choices and planning ▸ Possible impacts on the development of company plants due to territory's lack of acceptance

The objectives and investments envisaged in the Plan up to 2028 and progress in the actions and related investments at 31.12.2024 are shown below. Opex of approximately EUR 0.7 million was realised in 2024 for actions referring to stakeholder engagement.

Action line	Action (company)	Target @ 2028	Target progress	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Innovation in the territory	▸ Water houses (Acea Ato 2, AdF)	▸ 102 new installations	30 kiosks installed	2	0.7
	▸ Electric mobility infrastructure (Acea Energia)	▸ 229 new stations	50 stations installed	11	1.7
Stakeholder engagement	▸ Raising awareness on environmental issues	▸ 1-2 communication campaigns per year	7 campaigns	-	-
	▸ Dialogue on the territory	▸ 1 territorial project per year	1 territorial project	-	-
	▸ Training in schools	▸ 1 primary and secondary school programme per year	1 educational programme	-	-
	▸ Artistic lighting	▸ 8 interventions/year	24 events	-	-
	▸ Sponsorships	▸20 projects/year	50 projects	-	-
Supporting local communities (foreign countries)	▸ Training in schools (Consorcio Agua Azul)	▸ at least 1 campaign per year and 2,780 school kits distributed in poorer areas	Annual target reached	-	-
	▸ Hygiene-sanitation training (Aguas de San Pedro)	▸ 25 workshops/year for local communities	Annual target reached	-	-
	▸ Fire Prevention (Aguas de San Pedro)	▸ Training of 1 fire-fighting team and 30 new hydrants installed	Annual target reached	-	-

All Group companies are committed to preventing negative impacts, enhancing positive impacts, generating value in the territories where they operate, and mitigating the risks relating to interaction with communities. Specifically, to promote the creation of constructive dialogue with the territory, take into due consideration the requests of communities and reduce the risk that its presence is not accepted in the territory, the Group's companies envisage processes and tools for managing relations with stakeholders and receiving the requests from the community, to activate projects and solutions that can maximise the level of the services rendered and infrastructure projects.

For example, the companies operating in the environment chain are committed to building trust with the communities involved; to this end, the main waste treatment plants were opened for stakeholder visits during the year. To promote transparent communication with the citizens of the Municipality of Rome, a new WhatsApp channel was activated in 2024 to receive information on breakdowns, maintenance activities and planned interventions on the water and electricity networks. To make energy infrastructures more sustainable and resilient and generate positive impacts on the quality of life in communities, the Group's electricity distribution company has carried out interventions, including designing

analytics processes to perform predictive maintenance of plants, aimed at adapting infrastructure to the increasing electrification of consumption and distributed generation, such as connecting to large infrastructure works.
In relation to any significant negative impacts on the communities that may emerge as a result of the need to acquire land, for the installation of plants and networks needed to provide services, Acea undertakes a cost-benefit analysis to assess the solutions that could reduce the potential negative impacts on stakeholders.

Acea has also launched several initiatives to create greater awareness in the community and the younger generations on the issue of the responsible use of natural resources and train students in green skills. For example, in the water sector, in response to the requests in the area that highlight an increased awareness towards a more sustainable and responsible way of consuming natural resources, awareness-raising initiatives on the sustainable management of the integrated water cycle, including the purification chain, have been implemented, targeting citizens as a whole and the new generations, with training and school-to-work alternation activities. Specifically, in 2024, as part of the three-year Memorandum of Understanding with the Ministry of Education and Merit, a new "Water Education" project was created for primary and secondary schools in Lazio, Campania, Umbria, Tuscany, Molise and Valle d'Aosta, which includes a dedicated digital platform and the opportunity to participate in guided tours at the operational sites in the regions involved. In addition, the Group offered a free training course to young people up to 35 years of age or unemployed and out-of-work adults in Lazio to acquire technical skills in the water and electricity business sectors, offering them the opportunity of a placement in the Acea world.

The objectives and activities carried out by Acea abroad are very relevant considering the economic and social context in which Group Companies operate. To this end, the plan includes training and awareness-raising activities, particularly on hygiene and health issues and respect for natural resources, as well as specific practical measures to support local communities.

In particular, efforts continued during the year to increase attention and awareness on the importance of preserving the quality of water resources from a health and hygiene perspective, including through the organisation of workshops dedicated to the local community and training at schools.

MIM-ACEA MEMORANDUM OF UNDERSTANDING TO PROMOTE THE CONSCIOUS USE OF WATER RESOURCES

Acea signed a three-year Memorandum of Understanding with the Ministry of Education and Merit to promote education on the correct use of water resources in primary and middle schools.
The educational project, in which Acea will make its know-how and expertise available to schools nationwide, aims to provide training and information on the value of safeguarding and consciously using water. Topics related to the water cycle (water collection, distribution and quality); uses in industry, agriculture and households; supply and reuse; infrastructure, such as aqueducts and dams; and the application of technological innovation and Artificial Intelligence in the optimal management of the water system will be explored.
The Protocol includes interactive formats and quizzes, videos and photographic material for students to illustrate all the operational phases in the water cycle, and also specific training sessions for teachers.
"The agreement is a novelty in the European context as it sees a company like Acea, the leading national water operator, put its expertise at the service of the Ministry of Education and Merit's education measures. Today's initiative also confirms Acea's commitment to introducing the Charter of the Person, which puts the citizen at the centre as the recipient of essential public services. Greater involvement by young people is needed to establish a culture of sustainable water use so that, by adopting respectful lifestyles, we can have an impact on climate change, shaping the citizens of tomorrow." Fabrizio Palermo, CEO of Acea.

3.4 CONSUMERS AND END-USERS ESRS S4

ESRS 2 SBM-3 Acea is a major infrastructure operator in water, environmental (waste treatment and composting, energy valorisation, material recovery) and energy (production, distribution and sale of energy, public lighting) services).

The services provided by water companies cover the water, sewerage and purification segments, ensuring environmental protection and public health. Customers of the water sector are the inhabitants of the municipalities where the water companies are located.
In the environmental sector of waste management, companies provide services to public and private customers, in the treatment and recovery of materials, from the perspective of a circular economy, energy valorisation (electricity and biogas) and disposal.
The energy sector includes the generation, distribution and sale of energy. Production is mainly from renewable sources, with a growing commitment in the photovoltaic sector. Distribution covers the needs of households and businesses in the Rome and Formello metropolitan area, whereas the sale of electricity and gas is aimed at customers in the free market and, residually, in the protected market.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Information-related impacts for customers	Access to (quality) information	I *impact*	Increased customer awareness in the choice of products and services via appropriate corporate communications	+	*short*	• downstream
Social inclusion of consumers and/or end-users	Access to products and services	I *impact*	Development of innovative, digital and value-added solutions and services (e-mobility, green product sales) in response to emerging needs	+	*medium*	• downstream
Personal safety of consumers and/or end users	Health and safety	I *impact*	Possible damage to human health related to the inadequate control and monitoring of the quality of services provided (drinking water quality, etc.)	-	*short*	• downstream
Social inclusion of consumers and/or end-users	Access to products and services	I *impact*	Deterioration in the quality of life and socio-economic context due to the possible lack of access to adequate services	-	*short*	• downstream
Information-related impacts for consumers and/or end-users	Confidentiality	I *impact*	Loss of customer data due to privacy breaches	-	*long*	• downstream
Information-related impacts for consumers and/or end-users	Freedom of expression	I *impact*	Deterioration of the customer experience and increase in complaints and litigation	-	*medium*	• downstream
Social inclusion of consumers and/or end-users	Responsible business practices	I *impact*	Economic damage to customers for unfair, deceptive and aggressive business practices	-	*short*	• downstream
Social inclusion of consumers and/or end-users	Access to products and services	I *impact*	Difficulties in using online services (digital counter, website, etc.) by those less accustomed to using technology (elderly, etc.)	-	*short*	• downstream

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

3.4.1 CONSUMER AND END-USER POLICIES AND PROCESSES

ESRS S4-1 Acea is committed to implementing correct, transparent and non-discriminatory behaviour towards customers, corresponding to the universal nature of the service characterising its activities, and consistent with the principles in the Code of Ethics and the Integrated Management Systems and Sustainability Policy. Contracts and communications with customers are based on clarity, simplicity and completeness of information to enable an informed choice by the customer. Acea is mindful of understanding customers' needs, translating them into performance requirements, and pursuing their satisfaction by guaranteeing excellent quality standards in the services/products offered. Acea's suppliers are also required to share their commitment to customers by guaranteeing high quality standards, the accessibility of services, safety and efficiency. Suppliers undertake to minimise non-conformities and potential complaints arising from their own activities and those of their suppliers and pursue initiatives that contribute to the continuous improvement of production processes and quality performance, also for the benefit of customers and end-users.

Acea treats customer data confidentially and in accordance with competition, privacy, and personal data protection legislation. To this end, a Group Privacy Governance Model has been established, in compliance with the EU Regulation 2016/679 on data protection (GDPR), in which roles, responsibilities and implementation methods of the basic principles of privacy protection regulations are identified, using a preventive risk-based approach supported by continuous monitoring and periodic reviews.

Acea has an Antitrust Compliance Programme in place, consisting of a set of regulatory tools and organisational safeguards, methodologies and processes aimed at preventing the potential risks of infringing competition and consumer protection laws, including the Antitrust Compliance and Consumer Protection Manual as the main tool. In addition to reporting the main elements of the reference legislation, the Manual sets out the relevant cases and conducts and the main rules of conduct to be observed by all recipients, including specific guaranteed protection for vulnerable consumer groups (e.g. minors, the disabled), and reaffirms and applies the principles in the Code of Ethics, which enshrines the protection of competition and consumers as founding values of Acea and the Group's Companies' business.

Any significant negative impacts for customers that are not systemic in nature but related to individual incidents, may involve the areas of privacy and business practices.

As stated in the Human Rights Policy defined on the basis of the main relevant international references (International Charter of Human Rights, OECD Guidelines, Global Compact, etc.), the Acea Group is aware that it provides public utility services, underpinning the fundamental rights of individuals, and generating significant impacts on people. Based on this assumption, it plans investments and conducts its activities with the aim of developing accessible and functional services to improve the quality of life. Acea is committed to ensuring that no form of human rights' infringements occur, developing and implementing processes that are appropriate to identify the potential or current risks and impacts of its activities in the sphere of human rights, preventing violations and remedying them if they do occur. Furthermore, Acea has made the whistleblowing platform for reporting possible violations of these rights also by parties in the downstream value chain available to all stakeholders, including external parties.

Acea is committed to designing infrastructure and delivering products and services in such a way as to protect the health and physical integrity of its customers, adopting appropriate measures to prevent and protect health and safety from any type of potential direct or indirect impact, with specific regard to the activities managed. For example, the Group pays careful attention to the quality controls for drinking water intended for human consumption.

ESRS S4-2 Through the Institutional Affairs & Business Development Function of the Parent Company, the Acea Group interacts, in a structured manner, with consumer associations operating in the territory, in particular those recognised by the National Council of Consumers and Users (CNCU), which represent the demands of consumers and end-users. Specifically, the Association Relations Unit is responsible for overseeing the relationship with consumer representatives and receiving requests from the territories in the context of ongoing relations with them. The Unit, in turn, forwards these to the Acea SpA functions and to the relevant operating companies for the necessary analyses and possible related actions. In addition, it organises regular meetings with consumer representatives and, in relation to specific needs, dedicated meetings with the individual sector representatives. The ADR Acea SpA - Consumer Associations body also falls under the Unit. In the framework of the conciliation protocol signed between some Group companies (6 for the Water Sector and 2 for the Energy Sector) and consumer associations registered with the CNCU, this body deals with the out-of-court management of disputes that may arise between consumers and companies.

Acea has a corporate procedure in which the stages of activities relating to measuring the customer experience and verifying their internal application are formalised, and carries out periodic surveys of customer and citizen satisfaction with respect to the services provided. The customer satisfaction surveys ("quality perceived") are carried out with support from a market research company. Most of the surveys are distributed evenly throughout the year so as to generate frequent results that allow the Group companies to intervene promptly, where necessary, on the provision of the services and communication. Additionally, the new continuous survey method for customers who contact Acea (call back) makes it possible to minimise the impact of any seasonal peaks on the results. In 2024, Acea was among the first Italian listed companies to receive a certificate from RINA Services Spa confirming its processes comply with the ISO 10004 guidelines for the design, development and delivery of customer satisfaction monitoring and measurement services.

In accordance with the provisions of the law and the relevant institutions (ARERA, Area Management Authorities), water companies adopt the Service Charter, which is an annex to the supply contract. Among other commitments, the Service Charter recognises the users' right of access to information and an opinion on the actions of operators as an essential element of conscious participation by all users in the service; it outlines the modalities for the submission of complaints and requests for information and the related answers by operators; it states the modalities for proposing conciliatory methods and alternative dispute resolution procedures; it provides for concessions for certain categories of more needy customers, such as the elderly, handicapped or persons with illnesses.

Within the different companies, the sales and communication units ensure the proper functioning of the customer care and management procedures at the different stages of the relationship with the organisation. The development of innovative digital channels, the counter booking system and the video call service are designed to ensure easy and inclusive access to services. These tools make it possible even the most vulnerable consumers to communicate their needs quickly and directly.

ESRS S4-3 The Acea Group is mindful in adopting responsible marketing styles, focusing, in the promotion of its products and services, on methods and forms of communication that are suited to making the message authentic, clear, transparent and exhaustive, and guiding consumer choices without manipulative or deceptive intent.
Acea operates the ADR (Alternative Dispute Resolution) Body, Acea SpA - Consumer Associations which, under the Conciliation Protocol signed between certain Group Companies (6 for the Water Sector and 2 for the Energy Sector) and the Consumer Associations registered with the CNCU, deals with the out-of-court management of disputes that may arise between consumers and the Company.

In the commercial sector, the marketing processes implemented by business partners are constantly monitored and any resulting complaints about disputed contracts are followed up with corrective measures. For customers experiencing hardship conditions, support instruments are provided by legislation to ensure water and energy services are affordable. These instruments take the form of social bonuses and are paid to household utility owners against specific requirements.

Most Group companies have ISO 9001-certified quality management systems in the pursuit of continuous performance improvement and resulting customer satisfaction. These systems are based on fundamental principles such as customer focus, management involvement and a process approach. Any aspects of the service that may lead to negative impacts, in terms of dissatisfaction with the quality of customer service, are reported as non-conformities and actions are initiated to correct the phenomenon and prevent its recurrence.

In the drinking water sector, through the implementation of Water Safety Plans, it is possible to prevent and reduce the risks of water pollution or shortages by analysing hazardous events along the entire supply chain and defining their mitigation interventions, monitoring systems, operating procedures in both ordinary and emergency conditions, the water quality control plan, and the methods for informing the public and the competent authorities.

Customers in the electricity distribution service include users of electro-medical equipment, to whom special attention is paid in the event of breakdowns or planned supply interruptions, providing solutions to ensure their safety.

The electricity distribution network management activities include the Electricity System Safety Emergency Plan (PESSE), which is designed to prevent uncontrolled blackouts in the event of an imbalance between energy demand on the national grid and electricity production. The aim of the Plan is to bring about a predefined and targeted reduction in electricity consumption, through a selective and planned shutdown of certain utilities, to avoid the occurrence of widespread power cuts with consequent inconvenience to the entire community. Major utilities such as hospitals, railways, airports, etc. are excluded from the plan.

Acea ensures that consumers are heard when they have concerns about the Group's activities and that may be a cause for concern for stakeholders. To do this, various channels are in place, ranging from commercial channels or for emergency and breakdown reporting, from physical contact to social channels and apps, whereby real-time updates and interaction with companies can be maintained. The use of these tools is promoted via corporate websites, communication campaigns and social channels. Reports, enquiries and complaints received through official channels are recorded, analysed and managed by the relevant corporate structures according to their type and priority, monitoring the entire process until resolution, ensuring updates to reporting stakeholders and using the data collected to improve processes and prevent future critical issues. With regard to possible reports on episodes that may represent breaches of internal and external regulations, the Group has adopted a whistleblowing system that safeguards the whistleblower against possible retaliation. This system can be used by all stakeholders via a digital platform that complies with regulatory requirements. Reports received are analysed and processed according to a specific procedure, ensuring the appropriate checks and providing feedback to the whistleblower.

3.4.2 ACTIONS AND OBJECTIVES RELATING TO CONSUMERS AND END USERS

ESRS S4-4; ESRS S4-5; ESRS 2 MDR-T; ESRS 2 MDR-A
The Sustainability Plan defines the objectives that the Group intends pursuing in line with the adopted policies, to manage the relevant impacts on the topic highlighted following the double materiality analysis, including: information-related impacts for customers and consumers/end users, social inclusion for consumers/users, personal safety of consumers/users.

It is specified that certain sustainability objectives are common and already reported in the “Communities involved” section because, for Acea, most of the services offered to consumers and end-users correspond with services rendered to the community. Furthermore, the impact related to possible harm to human health associated with the inadequate control and monitoring of the quality of services provided is already addressed in the Water and Marine Resources section with the objectives referring to water quality.

Action lines	Action	IRO	Description
Innovation in the territory	▸ Water kiosks ▸ Electric mobility infrastructure ▸ RomeFlex flexibility activation ▸ Smart lighting ▸ Reducing odour emissions ▸ Management of electricity grid customers	I I I	▸ Increased customer awareness in the choice of products and services via appropriate corporate communications ▸ Development of innovative, digital and value-added solutions and services (e-mobility, green product sales) in response to emerging needs ▸ Deterioration of the customer experience and increase in complaints and litigation
Stakeholder engagement	▸ Raising awareness on environmental issues ▸ Dialogue on the territory ▸ Training in schools ▸ Artistic lighting ▸ Sponsorships	I I	▸ Increased customer awareness in the choice of products and services via appropriate corporate communications ▸ Difficulties in using online services (digital counter, website, etc.) by those less accustomed to using technology (elderly, etc.)
Water quality	▸ Quality of purified water ▸ Quality of drinking water ▸ PFAS monitoring	I	▸ Possible damage to human health related to the inadequate control and monitoring of the quality of services provided (drinking water quality, etc.)

With reference to the potential negative impact "Deterioration in the quality of life and socio-economic context due to the possible lack of access to adequate services", it is noted that the Group's operating companies sign an Integrated Water Service Charter that defines the quality levels of water services for drinking water, public sewage and purification that operators are obliged to observe.

The management of impacts related to the "Loss of customer data due to privacy breaches" and "Economic damage to customers for unfair, deceptive and aggressive business practices" is done through the Group's policies on the subject, described in the section on Business Conduct.

Action line	Action (company)	Target @ 2028	Target progress	Baseline 2023	Capex 2028 (EUR M)	Capex 2024 (EUR M)
Innovation in the territory	▸ Electricity grid customer management (areti)	▸ -20% non-recurrent complaints	-12% non-recurrent complaints		4	0.1
	▸ Romeflex flexibility activation (areti)	▸ 890 interruptions avoided	904 interruptions avoided	-		
Digitalisation	▸ 2G meters (areti)	▸ 770,000 installed meters (for a total of over 1,750,000 by 2028)	58% (446,351 meters installed)	986,291	91	36.1

To mitigate any negative impacts and enhance the positive impacts on customers and end-users from the various business activities, companies pay attention to the demands being made and implement projects and solutions to maximise the effectiveness of the services rendered.

In addition, in response to evolving customer demands, the Group has developed new tools (e.g. chatbots, artificial intelligence, interactive fault map, etc.) to improve the services provided. In the electricity distribution service, the campaign to replace electricity meters with new-generation equipment will enable users to increase their awareness of consumption using the real-time communication possibilities offered by the new devices.

To protect customers, Acea Energia is committed to preventing unfair, deceptive and aggressive commercial practices in respect of customers. To this end, it has continued to verify that its sales agents conduct themselves correctly, that the presentation of contracts is clear, and, above all, that customers are fully aware of the choice they have made, that they receives specific communications on the progress of the case by email or telephone to limit the risks of misunderstandings and late exercising of their right of withdrawal. Communication actions were promoted to increase customer awareness in the choice of innovative products and services. Acea Energia's sustainable offers fall into this context, with the *Luce 100% Green* and *0% CO_2* tariffs, which are consistent with the Acea Group's environmental protection and regional commitment targets.

In 2024, so as to better manage the customer satisfaction monitoring process with the aim of improving the customer experience, Acea obtained certification confirming its processes comply with the ISO 10004 guidelines for the design, development and delivery of customer satisfaction monitoring and measurement services. The protection of personal data is an issue of fundamental interest to customers, and in this regard, Acea is committed to continuously improving the relevant corporate processes; in this respect, during the year, the Register of Processing Activities was updated, specifying the types of data subjects, personal data processed, the systems used and the relevant security measures.

4. Governance information

ESRS 2 IRO-1 Acea is mindful of managing the impacts, risks and opportunities related to business conduct, particularly in the areas of business ethics, anti-corruption, whistleblowing, the appropriate management of relations with suppliers, identified with the involvement of key external and internal stakeholders as part of the process of double materiality, and is aware that these aspects affect the sustainability of business operations and are central to ensuring compliance with environmental and social regulations.

Specifically, external stakeholders were involved in the dedicated multi-stakeholder focus group, when the potentially relevant impacts, identified by Acea were discussed.
Sustainability risks and opportunities were assessed by corporate risk owners, as part of the risk assessment process (ERM) already in use by the Group.
Reference is made to paragraph 1.2 Governance, for information on the role of the administrative, management and supervisory bodies.

Subtopic	Sub-subtopic	IRO	Description	Positive/Negative/ Current/Potential	Time frame	Value chain
Protection of whistleblowers		I *impact*	Promoting a work environment that guarantees the freedom and safety to report unlawful or fraudulent activities (whistleblowing)	+	*medium*	• own operations
Management of relations with suppliers including payment practices		I *impact*	Promotion of sustainability logic along the supply chain, resulting in an improved production environment	+	*long*	•upstream •own operations
Management of relations with suppliers including payment practices		I *impact*	Difficulties experienced by smaller companies to comply with sustainability requirements required by the Group	-	*medium*	• upstream
Active and passive corruption	Prevention and detection, including training/ incidents	I *impact*	Negative repercussions on the social environment and the production system due to incidents of corruption and misconduct	-	*short*	• upstream • own operations • downstream
Management of relations with suppliers including payment practices		I *impact*	Delays in payment deadlines that can generate liquidity crises and difficulties in business continuity for suppliers	-	*short*	•upstream •own operations
Management of relations with suppliers including payment practices		R *risk*	Potential sanctions for misconduct (privacy, antitrust, etc.) by third parties (e.g. sales agents)		*medium*	• own operations

+ Positive impact; - Negative impact; ◯ Effective; ◌ Potential

4.1 POLICIES ON CORPORATE CULTURE AND CONDUCT ESRS G1-1

ESRS G1-1 Acea expresses its value orientation through the Code of Ethics , which sets out the principles and rules of conduct that guide the behaviour of all persons who, in any capacity, work in the interest of Acea and the companies of the Group in respect of stakeholders, i.e. those on whom Acea may exert a direct or indirect influence and who may, in turn, influence its actions (employees and contractors, customers, local communities, suppliers, financial community, institutions, natural environment, etc.).
Each employee, collaborator, or top manager in the interests of Acea is required to know, formally accept, and comply with the provisions of the Code of Ethics. Acea ensures continuous information and training activities at all levels and monitors their uptake and effectiveness. Suppliers and partners are expressly requested to conduct themselves in line with the general Acea principles and values.
Subsidiaries adopt the Code of Ethics based on a resolution taken by their Board of Directors, while subsidiaries and joint ventures promote its principles and content within their corporate entities.
The Group implements the values expressed in the Code of Ethics through policies inherent to the key sustainability issues, including the relevant impacts, risks and opportunities, which include:

- Integrated Management Systems and Sustainability Policy, whereby the Group formalises its commitment to pursue the development of management systems (quality, environment, safety and energy) and strategic sustainability objectives in a synergistic manner;

- Human Rights Policy, which constitutes the reference basis for the protection of human rights in Acea's activities and is based on documents issued by competent bodies recognised at international, European and national level;
- Equality, Diversity & Inclusion Policy, which promotes the principles of inclusion and valuing diversity, as well as preventing and countering all forms of discrimination within the corporate community;
- Acea Group Whistleblowing Management Policy, which defines the process for receiving, analysing and processing reports of alleged violations of Italian Legislative Decree no. 24/2023, the Code of Ethics, Legislative Decree no. 231/01 or its Management Model, the Anti-Corruption Guidelines, the Antitrust and Consumer Protection Guidelines, the Equality, Diversity & Inclusion Policy.

The Group is committed to the implementation and active maintenance of these policies, taking the necessary measures for their implementation, including training and awareness-raising of target audiences, and ensuring they are regularly monitored. The policies are made known to stakeholders through dissemination on the institutional website. As part of the Group's Regulatory System, consisting of the set of rules governing processes, responsibilities, information flows and control points, there are specific Guidelines that identify the principles of conduct and control and the best practices that need to be adopted for each macro-process and regarding the issue of compliance and governance. The guidelines on antitrust and consumer protection, privacy, ERM, and anti-corruption are noted for their relevance to the issue of business conduct. Acea SpA has an anti-corruption policy (UNI ISO 37001:2016) aimed at countering and preventing the phenomena of corruption.

In implementing the principles of the Code of Ethics, and in compliance with Legislative Decree 24 of 10 March 2023, Acea has adopted a procedure so as to easily, independently and objectively receive, analyse and process notifications of presumed violations (whistleblowing) of the Code of Ethics, the Organisation and Management Model pursuant to Legislative Decree No. 231/01, the Anti-Corruption Guidelines, the Antitrust and Consumer Protection Guidelines, the Equality, Diversity & Inclusion Policy and the Human Rights Policy, whilst guaranteeing the confidentiality and protection from retaliation of bona fide whistleblowers and also the protection of the reported party and other persons involved.

In compliance with regulatory provisions and guidelines issued by ANAC, Acea has adopted a dedicated IT platform, for reporting by internal and external entities of suspicious phenomena or behaviour, of irregularities in business actions, events or facts which could constitute a violation of internal or external regulations, with the maximum guarantee of confidentiality. Acea carries out information and training campaigns aimed at the entities managing reporting and staff on the model for receiving and handling reports.
Responsibility for managing notifications and for monitoring compliance with the values of transparency, legality, equity and ethical integrity in relations with employees, suppliers, clients and all stakeholders is entrusted to the Ethics Officer. Pursuant to the Code of Ethics and implementing Legislative Decree no. 24 of 10 March 2023, the Ethics Officer is the collegial body with the responsibility for managing the system of reporting alleged violations for non-compliance with the law, internal regulations and the Code of Ethics (Whistleblowing System), as well as monitoring compliance with the values of transparency, legality, fairness and ethical integrity in relations with employees, suppliers, customers and all stakeholders. Its responsibilities also include promoting communication programmes and activities intended to further disseminate the principles of the Code of Ethics within the companies of the Group, as well as any updates made to the Code of Ethics, and issuing guidelines and operating procedures to reduce the risk of violations of the Code. The Ethics Officer is supported by a technical secretariat, set up within the Internal Audit function of Acea, to fulfil his/her duties. The Ethics Officer periodically reports in an anonymous and aggregate manner, in accordance with the methods defined by the relevant control models, on the issues subject to reporting, to the Financial Reporting Officer, the Antitrust Officer, the Anti-Corruption Officer, the Equality, Diversity & Inclusion Committee and the structures responsible for sustainability reporting.

Finally, the Ethics Officer publishes an annual report detailing the numbers and content of the reports received on the website's whistleblowing page. With reference to reports concerning alleged breaches of Italian Legislative Decree no. 231/01 or the organisation and management model adopted by the companies, the Reporting Management Policy stipulates that the managing entities, pursuant to Legislative Decree no. 24/23, are the Corporate Supervisory Bodies.

With regard to training on business conduct, compulsory e-learning courses are constantly held for all Group employees, including managers and top management, from the time that they join Acea. Of note are the training courses on the Code of Ethics, anti-corruption and the whistleblowing reporting system.
Specific training is provided to company personnel involved in the whistleblowing process on an operational level. The course content extensively covers various topics, including example cases on the implementation of the illustrated concepts. Participation in the courses is monitored to ascertain the actual take-up by recipients and effectiveness of the training itself based on the entry and exit tests that are conducted. Periodic in-depth courses are scheduled for specific representatives of the Holding and Group companies, based on risk-based assessments that take into account the areas of activity, updates to working methods and regulatory changes (Italian Legislative Decree no. 231/01, antitrust and data protection, etc.).

Furthermore, Acea conduct its business while respecting the European directives and guidelines on sustainability, the principles of sustainable development and contributing to the pursuit of the UN Sustainable Development Goals (2030 Agenda). Acea also operates in compliance with the principles issued by the United Nations Global Compact, which is actively promotes. Acea also supports third-party initiatives to promote sustainability in business management: in this regard, in 2024, it subscribed to the "Companies for People and Society" manifesto promoted by the UN Global Compact Network Italy. Finally, again in 2024, Acea signed a partnership protocol with the Prefecture of Rome for the protection of legality and fight against crime to be applied to the works it will be carrying out in the future in the Rome area in the water, electricity and environment sectors. The three-year agreement follows and implements the “National Framework Protocol” already signed with the Ministry of the Interior.

4.2 MANAGEMENT OF RELATIONS WITH SUPPLIERS ESRS G1-2

ESRS G1-2 Acea promotes the creation of a virtuous ecosystem with the objective of involving its suppliers in a partnership relationship, contributing to defining the sustainability characteristics of the products or services offered and promoting the introduction of initiatives aimed at reusing resources, minimising waste, and protecting social aspects.
Acea recognises the value of the companies in its supply chain that have chosen to be certified in the quality, safety, environment and energy, corruption prevention, social responsibility and gender equality areas and has undertaken initiatives to recognise companies that apply sustainability criteria, invest in safety training for their people and adopt energy efficiency practices to carry out their activities.

The Parent Company Procurement Function defines policies and guidelines and manages as a service the procurement of goods, services and works required by the Holding Functions and the main Group Companies, developing transparent relationships with suppliers.
The Code of Ethics, reaffirms the reference principles that should guide relations between Acea, as a contracting authority, and its suppliers (contractors and subcontractors), on the basis of the principle of mutual benefit and cooperation. The selection and purchasing processes are based on pre-contractual and contractual conduct geared towards indispensable mutual loyalty, transparency, and cooperation and pursue the recognition of equal opportunities for each supplier. Specific internal procedures, which include verification processes aimed at identifying potential reputational and corruption risks, govern relations with suppliers. Suppliers need to issue a declaration of unconditional acceptance of the prescriptions contained in the Code of Ethics and commitment to comply with them, which constitutes an element of the contract relationship, and Acea can carry out control actions at the supplier's production units or premises to verify compliance and is entitled to take appropriate measures in the event of any infringements of the principles and criteria of conduct.

The commitment to sustainable procurement is also reaffirmed in the Human Rights Policy, which prescribes the following: "*Behaviours aimed at protecting the human rights of staff are expected from the supplier and sub-supplier, with particular attention to dignified working conditions (equal treatment and non-discrimination, fight against child labour and forced labour, guarantee of minimum wages, wages in line with the relevant national labour contracts and in any case proportionate to the quantity and quality of the work performed, compliance with the limits linked to the duration of working hours, etc.) and to the protection of health and safety at work, to safeguard the environment (protection of ecosystems and biodiversity, rational use of natural resources, waste minimisation, energy saving, etc.), to guarantee the quality of goods, services and performances and to respect privacy*."

To register on the suppliers' list relating to the Single Regulations for Goods and Services and Works, suppliers must complete a self-assessment questionnaire on the Quality, Environment, Safety, Energy and Social Responsibility management systems (QASER), found on the Vendor Management platform. The QASER Questionnaire makes it possible to map the qualification level achieved by suppliers with regard to the certifications they hold and how these affect processes and procedures. Various systems for qualifying suppliers of works, goods and services are active in Acea in observance of principles of competition and equal treatment, which set out "general" requirements - including the moral requirements provided for by sector legislation, including the acceptance of the Code of Ethics and the Organisational, Management and Control Model of Acea Group - and "specific" requirements, referring to the groups of goods covered by the individual Lists of Suppliers, which may include holding specific authorisations and certifications, such as:

- UNI EN ISO 9001 certification (binding requirement for all the "works" product groups and for almost all the "goods and services" suppliers);
- UNI EN ISO 14001 certification (for inclusion in the lists of suppliers for special non-hazardous waste, cleaning services, armed surveillance service and concierge/reception);
- Registration with the National Environmental Operators' Register or authorisation to manage a plant for the recovery/disposal of waste (for inclusion in suppliers' lists for Waste Management Systems);
- UNI EN ISO 45001 certification (for inclusion in the suppliers' list for the electro-mechanical maintenance of industrial plants and cleaning services);
- UNI EN 15838:2010 certification (for inclusion in the call center and back office supplier list);
- SA 8000 certification (for inclusion in the cleaning services suppliers' list).

In 2024, Acea adopted a Sustainable Procurement Policy that defines the guiding principles and operating methods to continuously promote best practices in environmental and social sustainability and good governance in the supply chain. The Policy applies to all suppliers, including subcontractors, sub-suppliers, partners and third party collaborators operating at Acea Group plants, sites and work sites. Signing the Policy is a mandatory condition for establishing and maintaining a business relationship with Acea, who is entitled to precautionary suspension and early termination with immediate effect of any existing business relationship in the case of breaches. A special channel of communication is provided for suppliers, where they can discuss the Policy with Acea.

The Group encourages its suppliers to implement sustainability-oriented practices and has therefore adopted the sustainability assessment model developed by EcoVadis, which monitors the ethical, social and environmental footprint of business partners. Acea invites its suppliers and business partners to register on the platform and undergo the evaluation process, following which the supplier is assigned a score, specifying the areas of strength, improvement and related action plan. To reward the most virtuous companies, the evaluation is included in Acea's tenders as one of the awarding criteria based on the assignment of a specific technical score. When submitting the bid, the supplier must declare that it holds a valid scorecard and share this with Acea or, alternatively, declare that is has completed the questionnaire.
The Acea Group with banking institutions, promotes the enhancement of the Ecovadis rating for its suppliers who intend exercising the option of assigning credit without recourse. In this context, suppliers will be able to receive a benefit linked to the achievement and improvement over time of the Ecovadis rating, from the banks with whom they have assigned their credit. This initiative is part of the measures to support the supplier stakeholder which, as specified in the current tender specifications, following the awarding of contracts, provides for the reimbursement of related charges in the event of its voluntary adherence to the commercial deferment proposal.

In addition to the rewarding elements applied when awarding tenders to entities with a sustainability rating, the Acea Group provides additional opportunities to suppliers who intend exercising the option for non-recourse in the assignment of credit. In this way, a benefit linked to the achievement and improvement of sustainability ratings will be recognised by the Acea Group contracting authority/contracting party, in addition to a commercial deferral charge, as already provided for in the current tender specifications.

4.3 MANAGING CORRUPTION ESRS G1-3

ESRS G1-3;ESRS G1-4 Over time, Acea has developed and implemented a series of compliance measures designed to prevent the risks of unlawful conduct in the performance of business activities, particularly those most exposed to the risk of corruption.

The Parent Company implemented a Management System for the prevention of corruption, achieving UNI ISO 37001:2016 certification in 2023. The ACEA Group Anti-Corruption Guidelines identify the anti-corruption framework, i.e. the pillars for preventing and monitoring the risk of corruption, the need for information flows and reporting on the implementation and monitoring of the framework (implemented in detailed procedures), the principles of conduct to be observed in the sensitive areas potentially most exposed to the risk of corruption, and certain applicable controls and control measures that need to be adopted in managing these processes. Through the compliance clauses found in standard contracts, the Guidelines apply to Group Companies and to suppliers, partners, business associates and more generally, all parties who act in the name and on behalf of the Group or the parties they come into contact while conducting their business. With reference to the types of activity performed by Acea and to the assessment of the inherent risks and to the best practices of reference the following main sensitive macro-areas have been identified:

- purchases of goods, work, services, professional appointments and advice;
- selection, recruitment and management of personnel;
- management of donations;
- management of sponsorships and contributions to associations / entities of the Public Administration;
- management of gifts, hospitality and entertainment expenses;
- merger & acquisition operations;
- relationships with the Public Administration;
- participation in tender procedures.

In the context of its risk assessment, to be carried out periodically, every company identifies additional activities potentially at risk of corruption on the basis of its reference business. Any investigations into corruption allegations that also lead to potential breaches of the 231 Model (e.g. assumption of active corruption) are handled by the respective Supervisory Bodies. Corruption offences that may not constitute infringements of the 231 Model are managed by the Ethics Officer (a collegial body appointed by a resolution/determination of the Company's Administrative Body as an internal subject of Acea SpA and as an external subject for the subsidiaries of the Acea Group).

To internally and externally disseminate and promote their values and rules, companies in the Acea Group activate communication/information/training campaigns on anti-corruption issues addressed to Group staff and also to external stakeholders (especially with reference to communication/information campaigns, e.g. compliance pills). Each company must initiate and at regular intervals (at least every 24 months) hold refresher mandatory training courses on corruption prevention issues, and, in any case, conduct these promptly in the event of significant events (e.g. significant regulatory changes, substantial business changes, reports received, etc.).

An Anti-Corruption Officer is appointed for each Group company to ensure compliance for the prevention of corruption. In line with the principles of the Group's SCIGR, Anti-Corruption Officers prepare specific information flows to their respective top management and supervisory bodies, aimed at highlighting the implementation, updating and monitoring of the key elements of the anti-corruption framework, as well as the main measures to manage the relevant risk.

The adoption and updating of the Anti-Corruption Policy adopted by the Group Companies, which have implemented a Management System for the Prevention of Corruption, and of the Acea Group Anti-corruption Guidelines are disseminated via dedicated communications to staff, publication on the Company websites and intranet.

These documents are also referred to in the compliance clauses in the contract standards adopted by the Group and published on the website. The dissemination of an anti-corruption culture and training to the members of the Board of Directors is ensured on several occasions, such as, for example, the approval or updating of the Anti-Corruption Policy and Guidelines, as part of the information flows and periodic reports provided for by the Guideline itself and by the SCIGR - where the processes at risk and the mitigation measures adopted are also analysed in line with the anti-corruption framework, during the periodic reports on the Management System for the Prevention of Corruption carried out by the Anti-Corruption Manager (RAC) and Senior Management of the System and the related Review by the Management Body, and finally during any updates to the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (especially with reference to predicate offences of a "corrupt" nature). With reference to the Holding Company, Board of Directors members periodically sign a declaration that they are cognisant and compliant with the main compliance documents adopted, including the Anti-Corruption Policy and Guidelines and Model 231, and the principles of conduct and control measures defined therein.

The Parent Company Internal Audit function carries out the controls envisaged in the Audit Plan, approved by the Board of Directors and subject to the opinion of the Control and Risk Committee. The Plan is drawn up on the basis of the analysis and prioritisation of the main risks for Acea and its subsidiaries, carried out during the Risk Assessment, also thanks to the monitoring carried out by the corporate Functions responsible for second-level controls. In 2024, around 88% of the Plan activities concerned corporate processes deemed as exposed to the risks as per Legislative Decree no. 231/2001, amongst which the crimes regarding corruption, the environment, and in violation of injury prevention laws and the laws safeguarding occupational health. With regard to audits of pro-

cesses related to corruption risks, there are, in particular, periodic audits of sponsorships, consulting, personnel selection, purchasing and payments, and out-of-court settlements for all subsidiaries that adopted the Model pursuant to Legislative Decree no. 231/2001.

4.4 BUSINESS CONDUCT METRICS AND OBJECTIVES

ESRS G1-3; ESRS G1-4; ESRS G1-6

ESRS 2 MDR-T At a governance level, for the management of sustainability issues and in line with the policies adopted, Acea has defined commitments on the promotion of the ethical dimension in business operations, on the integration of sustainability in business and on the dissemination of a culture of sustainability.

Anti-Corruption training

ESRS G1-3 Holding company functions receive training following changes to sensitive offences for anti-corruption purposes; some of these functions perform centralised services (purchasing, legal, etc.) for Group companies.

	Functions at risk	Senior executives	Administrative, management and control bodies	Other own workers
Training coverage				
Total employees to be trained	727 (in 18 Holding Functions)	78	0	6,295
Total trained employees	55 (in 8 Holding Functions)	39	0	4,703
Training procedures and duration				
Classroom training hours	83	0	0	0
Computer-based training hours	0	39	0	4,703

Frequency	
Frequency with which training must be provided	- the course is mandatory during on boarding - half-yearly reminders are provided to those who have not yet done the course
Topics covered	
The course covered ISO 37001 on the Prevention of Corruption and the Management System for the Prevention of Corruption in Acea	

Active and passive corruption

ESRS G1-4 In 2024, there were no cases of convictions for violations of anti-corruption laws.

Average payment times

ESRS G1-6 Considering the Group's corporate perimeter, which, net of foreign companies, covers 94% of consolidated external costs, payments made on time account for 45% of the total.
With reference to the Group companies whose payments are handled by the Parent Company, representing 91% of the consolidated perimeter, the average payment time is 39 days, weighted on the amounts. This figure is compiled by taking into account the date when the invoice was registered and the overall main classes of payment stipulated in the contracts (30, 60, 90, 120 days). During the year, thirty proceedings were pending for late payment by suppliers. Suppliers of the main Group companies operating in Italy, considering the value of the order for the year as a whole, accounted for 50.9% of the suppliers of works, 35.3% of the suppliers of services and 13.8% of the suppliers of goods.
On the other hand, as far as the main foreign operations are concerned, the standard payment terms included in contracts include different types of time categories (on receipt of invoice, 60 days after receipt of invoice, etc.). Except in certain minor cases, payments of invoices are made, within the prescribed time limits.

5. Annex

5.1 REPORTING OBLIGATIONS

ESRS 2-IRO-2 A list of indicators subject to reporting for 2024 is provided below. This was defined on the basis of the double materiality analysis, with the involvement of the operating companies and Holding company managements/functions, to provide a meaningful representation of all Group businesses.

Below is the list of indicators subject to reporting:

ESRS 2

ESRS 2 BP-1	76
ESRS 2 BP-2	76
ESRS 2 GOV-1	77
ESRS 2 GOV-2	77
ESRS 2 GOV-3;	78
ESRS 2 GOV-4	80
ESRS 2 GOV-5;	81
ESRS 2 IRO-1	92; 101; 113; 118; 123; 127; 155
ESRS 2 IRO-2;	160
ESRS 2 MDR-A	116; 121; 125; 126; 128; 130; 137; 145; 148; 153
ESRS 2 MDR-P;	88; 89; 119
ESRS 2 MDR-T	86; 100; 104; 105; 108; 114; 116; 119; 121; 125; 128; 130; 137; 145; 148; 153; 159
ESRS 2 SBM-1	82; 83
ESRS 2 SBM-2	90; 134; 137
ESRS 2 SBM-3	92; 101; 123; 134; 144; 147; 150

ESRS E1

ESRS E1-1	100
ESRS E1-2	104
ESRS E1-3	105; 107
ESRS E1-4	104
ESRS E1-5	108; 110
ESRS E1-6	110; 111
ESRS E1-7	112
ESRS E1-8	113
ESRS E1-9	104

ESRS E2

ESRS E2-1	114
ESRS E2-2	116
ESRS E2-3	114
ESRS E2-4	116
ESRS E2-5	116; 118

ESRS E3

ESRS E3-1	119
ESRS E3-2	119; 121
ESRS E3-3	119
ESRS E3-4	121; 122

ESRS E4

ESRS E4 SBM-3	123
ESRS E4-1	124
ESRS E4-2	125
ESRS E4-3	126
ESRS E4-4	125
ESRS E4-5	126; 127

ESRS E5

ESRS E5-1	128
ESRS E5-2	130
ESRS E5-3	128
ESRS E5-4	130; 131
ESRS E5-5	130; 131; 132; 133

ESRS G1

ESRS G1-1	155
ESRS G1-2	157
ESRS G1-3	158; 159
ESRS G1-4	158; 159
ESRS G1-6	159

ESRS S1

ESRS S1-1	135
ESRS S1-2	136
ESRS S1-3	136
ESRS S1-4	137
ESRS S1-5	137
ESRS S1-6	140
ESRS S1-8	140
ESRS S1-9	141
ESRS S1-10	141
ESRS S1-12	141
ESRS S1-13	141
ESRS S1-14	142
ESRS S1-15	142
ESRS S1-16	143
ESRS S1-17	143

ESRS S2

ESRS S2-1	144
ESRS S2-2	145
ESRS S2-3	145
ESRS S2-4	145
ESRS S2-5	145

ESRS S3

ESRS S3-1	147
ESRS S3-2	147
ESRS S3-3	148
ESRS S3-4	148
ESRS S3-5	148

ESRS S4

ESRS S4-1	151
ESRS S4-2	152
ESRS S4-3	153
ESRS S4-4	153
ESRS S4-5	153

The entity-specific indicators are shown below:

water treated at the treatment plants	122
treatment plants	122
total Group water losses	122
total drinking water leaving the aqueduct system	122

5.2 ECONOMIC KPI DETAILS TAXONOMY

TURNOVER 2024 FROM PRODUCTS OR SERVICES ASSOCIATED WITH ACTIVITIES ALIGNED WITH THE TAXONOMY

Financial year 2024		Year	
Economic activities	Code	Turnover	Turnover percentage of OpEx year 2024
		(€000)	%
A. TAXONOMY ELIGIBLE ACTIVITIES			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			
Electricity generation using solar photovoltaic technology	CCM 4.1	2,613	0.1%
Electricity generation from hydropower	CCM 4.5	8,128	0.2%
Electricity generation from bioenergy	CCM 4.8	1,704	0.0%
Transmission and distribution of electricity	CCM 4.9	497,759	11.7%
District heating/cooling distribution	CCM 4.15	6,870	0.2%
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	65,988	1.5%
Construction, extension and operation of waste water collection and treatment systems	CCM 5.3	3,020	0.1%
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	15,600	0.4%
Anaerobic digestion of bio-waste	CCM 5.7	11,440	0.3%
Composting of bio-waste	CCM 5.8	76	0.0%
Capture and use of landfill gas	CCM 5.10	104	0.0%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	2,158	0.1%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	149	0.0%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	16,276	0.4%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	602	0.0%
Professional services related to energy performance of buildings	CCM 9.3	3	0.0%
Supply of fresh water	WTR 2.1	781,551	18.3%
Urban waste water treatment	WTR 2.2	491,100	11.5%
Production of alternative water resources for purposes other than human consumption	CE 2.2	335	0.0%
Sorting and recovery of materials from non-hazardous waste	CE 2.7	59,968	1.4%
Collection and transport of non-hazardous and hazardous waste	CE 2.3	17,725	0.4%
Collection and transport of hazardous waste	PPC 2.1	1,297	0.0%
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,984,465**	**46.5%**
of which enabling		516,948	9.70%
of which transitional		-	0.00
A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)			
Transmission and distribution of electricity	CCM 4.9	29	0.0%
District heating/cooling distribution	CCM 4.15	6,051	0.1%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	4,657	0.1%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	7,576	0.2%
Supply of fresh water	WTR 2.1	35,034	0.8%
Urban waste water treatment	WTR 2.2	109,000	2.6%
Collection and transport of non-hazardous and hazardous waste	CE 2.3	12,835	0.3%
Turnover of activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities) (A.2)		**175,181**	**4.1%**
A. Turnover of activities eligible for the taxonomy (A.1+A.2)		**2,159,647**	**50.6%**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES			
Turnover of activities not eligible for the taxonomy		**2,110,208**	**49.4%**
Total (A+B)		**4,269,855**	**100.0%**

Substantial contribution criteria						DNSH criteria ("Do no significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safe-guards	Turnover percent-age aligned (A.1.) or eligible (A.2.) to the taxonomy, year 2023	Enabling activity category	Transition activity category
Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes		Yes		Yes	Yes	0.0%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	0.1%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.1%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes		Yes	Yes		Yes	9.3%	A	
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.2%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes			Yes	Yes	NA		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	NA		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes		Yes			Yes	0.3%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes		Yes	Yes	Yes	0.3%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.0%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes			Yes	Yes	Yes	0.0%		
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	Yes	Yes	0.1%	A	
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	A	
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.3%	A	
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	A	
Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes					Yes	0.0%	A	
N/EL	N/EL	Yes	N/EL	N/EL	N/EL		Yes				Yes	Yes	15.9%		
N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes			Yes	Yes	Yes	10.6%		
N/EL	N/EL	N/EL	N/EL	Yes	N/EL		Yes	Yes		Yes	Yes	Yes	NA		
N/EL	N/EL	N/EL	N/EL	Yes	N/EL		Yes	Yes		Yes	Yes	Yes	NA		
N/EL	N/EL	N/EL	N/EL	Yes	N/EL		Yes	Yes		Yes	Yes	Yes	NA		
N/EL	N/EL	N/EL	Yes	N/EL	N/EL		Yes	Yes		Yes	Yes		NA		
14.8%	**0.0%**	**29.8%**	**0.0%**	**1.8%**	**0.0%**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**37%**	**12.1%**	**0%**
														A	
															T
EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
N/EL	N/EL	N/M	N/EL	N/EL	N/EL								3.7%		
N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
N/EL	N/EL	EL	N/EL	N/EL	N/EL								4.4%		
N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
0.4%	**0.0%**	**3.4%**	**0.0%**	**0.3%**	**0.0%**								**8.15%**		
15.2%	**0.0%**	**33.2%**	**0.0%**	**2.1%**	**0.0%**								**45%**		

CAPEX 2024 FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXO

Financial year 2024		**Year**	
Economic activities	**Code**	**CapEx**	**Portion of CapEx year 2024**
		(€000)	%
A. TAXONOMY ELIGIBLE ACTIVITIES			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			
Electricity generation using solar photovoltaic technology	**CCM**/CCA 4.1	15,695	1%
Electricity generation from hydropower	CCM 4.5	3,275	0%
Electricity generation from bioenergy	**CCM**/CCA 4.8	582	0%
Transmission and distribution of electricity	**CCM**/CCA 4.9	232,686	16%
District heating/cooling distribution	CCM 4.15	2,334	0%
Construction, extension and operation of water collection, treatment and supply systems	**CCM**/CCA 5.1	6,426	0%
Construction, extension and operation of waste water collection and treatment systems	**CCM**/CCA 5.3	403	0%
Collection and transport of non-hazardous waste in source segregated fractions	**CCM**/CCA 5.5	1,013	0%
Anaerobic digestion of sewage sludge	CCM 5.6	1,361	0%
Anaerobic digestion of bio-waste	**CCM**/CCA 5.7	4,103	0%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	1,387	0%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	49,950	3%
Installation, maintenance and repair of renewable energy technologies	**CCM**/CCA 7.6	859	0%
Supply of fresh water	WTR 2.1	505,687	35%
Urban waste water treatment	WTR 2.2	241,361	17%
Production of alternative water resources for purposes other than human consumption	CE 2.2	33	0%
Sorting and recovery of materials from non-hazardous waste	CE 2.7	7,951	1%
Collection and transport of hazardous waste	PPC 2.1	1.18	0%
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**1,075,107**	**74.1**
of which enabling		**284,882**	
of which transitional		**-**	
A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	373	0.0%
District heating/cooling distribution	**CCM**/CCA 4.15	286	0.0%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM**/CCA 4.30	2,643	0.2%
Anaerobic digestion of sewage sludge	CCM 5.6	87	0.0%
Supply of fresh water	WTR 2.1	18,482	1.3%
Urban waste water treatment	WTR 2.2	62,204	4.3%
Provision of IT/OT (information technology/operational technology) data-based solutions for loss reduction	WTR 4.1	598	0%
Production of alternative water resources for purposes other than human consumption	CE 2.2	116	0%
Collection and transport of non-hazardous and hazardous waste	CE 2.3	367	0%
CAPEX of Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2)		**85,156**	**5.9%**
A. Head of Taxonomy eligible activities (A.1+A.2)		**1,160,263**	**80%**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES			
CAPEX of activities not eligible for taxonomy		**290,560**	**20%**
Total (A+B)		**1,450,823**	**100%**

ONOMY

	Substantial contribution criteria						DNSH criteria ("Do no significant harm")									
	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safe-guards	Portion of CapEx aligned (A.1.) or eligible (A.2.) with the taxonomy, year 2023	Enabling activity category	Transition activity category
	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	Yes	`	Yes	Yes	2.9%	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	`	Yes	Yes	0.3%	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.03%	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	Yes	Yes	`	Yes	20.3%	A	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.3%	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	`	Yes	Yes	N/EL	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	N/EL	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	Yes	`	`	Yes	0.0%	`	`
	Yes	`	N/EL	N/EL	N/EL	N/EL	`	`	`	`	`	`	Yes	0.4%	`	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.3%	`	`
	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	Yes	Yes	Yes	Yes	0.2%	A	`
	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	`	Yes	`	`	`	`	Yes	3.3%	A	`
	Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	`	`	`	Yes	0.0%	A	`
	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	`	Yes	`	`	`	Yes	Yes	31.8%	`	`
	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes	`	`	Yes	Yes	Yes	15.5%	`	`
	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.01%	`	`
	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	NA	`	`
	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	NA	`	`
	22.1%	**0.0%**	**51.5%**	**0.0%**	**0.6%**	**0.0%**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**75%**	**19.6%**	**0.0%**
															A	
																T
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/EL		
	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
	EL	EL	N/EL	N/EL	N/EL	N/EL								0.15%		
	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
	N/EL	N/EL	EL	N/EL	N/EL	N/EL								N/EL		
	N/EL	N/EL	EL	N/EL	N/EL	N/EL								7.46%		
	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.09%		
	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/EL		
	0.2%	**0.0%**	**5.6%**	**0.0%**	**0.0%**	**0.0%**								**8%**		
	22.3%	**0%**	**57.1%**	**0.0%**	**0.6%**	**0%**								**83%**		

OPEX 2024 FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY

Financial year 2024		**Year**	
Economic activities	**Code**	**OpEx**	**Share of OpEx year 2024**
		(€000)	%
A. TAXONOMY ELIGIBLE ACTIVITIES			
A.1 Environmentally sustainable activities (Taxonomy-aligned)			
Electricity generation using solar photovoltaic technology	**CCM**/CCA 4.1	978	0.4%
Electricity generation from hydropower	CCM 4.5	908	0.4%
Electricity generation from bioenergy	**CCM**/CCA 4.8	446	0.1970%
Transmission and distribution of electricity	**CCM**/CCA 4.9	6,321	2.793%
District heating/cooling distribution	CCM 4.15	973	0.4%
Construction, extension and operation of water collection, treatment and supply systems	**CCM**/CCA 5.1	6,001	2.7%
Construction, extension and operation of waste water collection and treatment systems	**CCM**/CCA 5.3	120	0.1%
Collection and transport of non-hazardous waste in source segregated fractions	**CCM**/CCA 5.5	502	0.2%
Anaerobic digestion of bio-waste	**CCM**/CCA 5.7	2,714	1.2%
Composting of bio-waste	CCM 5.8	10	0.0%
Capture and use of landfill gas	**CCM**/CCA 5.10	238	0.1%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	233	0.1%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1,801	0.8%
Installation, maintenance and repair of renewable energy technologies	**CCM**/CCA 7.6	10	0.0%
Supply of fresh water	WTR 2.1	69,187	30.6%
Urban waste water treatment	WTR 2.2	32,977	14.6%
Provision of IT/OT (information technology/operational technology) data-based solutions for loss reduction	WTR 4.1	24	0.0%
Sorting and recovery of materials from non-hazardous waste	CE 2.7	2,521	1.1%
Collection and transport of non-hazardous and hazardous waste	CE 2.3	8,196	3.6%
Production of alternative water resources for purposes other than human consumption	CE 2.2	41	0.0%
Collection and transport of hazardous waste	PPC 2.1	192	0.1%
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**134,394**	**59.4%**
of which enabling		**8,365**	**8.97**
of which transitional		**-**	**0.00**
A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)			
Transmission and distribution of electricity	**CCM**/CCA 4.9	14	0.0%
District heating/cooling distribution	**CCM**/CCA 4.15	419	0.2%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM**/CCA 4.30	2,251	1.0%
Installation, maintenance and repair of energy efficiency equipment	**CCM**/CCA 7.3	101	0.0%
Supply of fresh water	WTR 2.1	3,158	1.4%
Urban waste water treatment	WTR 2.2	15,338	6.8%
Collection and transport of non-hazardous and hazardous waste	CE 2.3	5,935	2.6%
OpEx of activities that are Taxonomy-aligned but not environmentally sustainable (not taxonomy-aligned activities)		**27,216**	**12.0%**
A. Operating expenses of Taxonomy-eligible activities (A.1+A.2)		**161,610**	**71.4%**
B. TAXONOMY NON-ELIGIBLE ACTIVITIES			
OpEx of Taxonomy non-eligible activities		**64,684**	**29%**
Total (A+B)		**226,294**	**100%**

Substantial contribution criteria						DNSH criteria ("Do no significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safe-guards	Aligned OpEx dimension (A.1.) O eligible (A.2.) to taxonomy, year 2023	Enabling activity category	Transition activity category
Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No N/EL	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	Yes	`	Yes	Yes	1.6%	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	`	Yes	Yes	1.6%	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.1%	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	Yes	Yes	`	Yes	8%	A	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.4%	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	`	Yes	Yes	N/EL	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	N/EL	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	Yes	`	`	Yes	0.05%	`	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	4.16%	`	`
Yes	N/EL	N/EL	N/EL	N/EL	N/EL	`	Yes	`	`	Yes	Yes	Yes	0.01%	`	`
Yes	N/EL	N/EL	N/EL	N/EL	N/EL	`	Yes	`	`	Yes	Yes	Yes	0.12%	`	`
Yes	N/EL	N/EL	N/EL	N/EL	N/EL	`	Yes	Yes	Yes	Yes	Yes	Yes	0.21%	A	`
Yes	N/EL	N/EL	N/EL	N/EL	N/EL	`	Yes	`	`	`	`	Yes	0.33%	A	`
Yes	Yes	N/EL	N/EL	N/EL	N/EL	`	Yes	`	`	`	`	Yes	0%	A	`
N/EL	N/EL	Yes	N/EL	N/EL	N/EL	`	Yes	`	`	`	Yes	Yes	32.25%	`	`
N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes	`	`	Yes	Yes	Yes	26.09%	`	`
N/EL	N/EL	Yes	N/EL	N/EL	N/EL	`	Yes	`	Yes	Yes	`	Yes	N/EL	`	`
N/EL	N/EL	N/EL	N/EL	Yes	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	N/EL	`	`
N/EL	N/EL	N/EL	N/EL	Yes	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	N/EL	`	`
N/EL	N/EL	N/EL	N/EL	Yes	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	0.02%	`	`
N/EL	N/EL	N/EL	Yes	N/EL	N/EL	`	Yes	Yes	`	Yes	Yes	Yes	N/EL	`	`
9.4%	**0.0%**	**45.2%**	**0.0%**	**4.7%**	**0.0%**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**75%**		
														A	
															T
EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.23%		
N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.35%		
EL	EL	N/EL	N/EL	N/EL	N/EL								0.18%		
N/EL	N/EL	EL	N/EL	N/EL	N/EL								N/EL		
N/EL	N/EL	EL	N/EL	N/EL	N/EL								5.60%		
N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/EL		
1.2%	**0.0%**	**8.2%**	**0.0%**	**2.6%**	**0.0%**								**7%**		
10.6%	**0.0%**	**53.3%**	**0.0%**	**7.4%**	**0.0%**								**83%**		

The eligibility and alignment percentages for each environmental objective, consistent with the amendments made by the Environmental Delegated Act are provided below.

	Turnover percentage/total turnover	
	Aligned to taxonomy by goal	Eligible for taxonomy by goal
CCM	14.8%	15.2%
CCA		
WTR	29.8%	33.2%
CE	1.8%	2.1%
PPC	0.0%	0.0%
BIO		

	Total CapEx/CapEx share	
	Aligned to taxonomy by goal	Eligible for taxonomy by goal
CCM	22.0%	22.3%
CCA	18.0%	18.2%
WTR	51.5%	57.1%
CE	0.6%	0.6%
PPC	0.0%	0.0%
BIO		

	Portion of OpEx/OpEx totals	
	Aligned to taxonomy by goal	Eligible for taxonomy by goal
CCM	9.4%	10.6%
CCA	7.7%	8.9%
WTR	45.2%	53.3%
CE	4.8%	7.4%
PPC	0.1%	0.1%
BIO		

TAXONOMY-ELIGIBLE BUT NOT ALIGNED NUCLEAR AND FOSSIL GAS RELATED ECONOMIC ACTIVITIES

		amount and proportion					
Economic activities		**CCM + CCA**		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount (€k)	%	Amount (€k)	%		**%**
Turnover							
(...)							
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	4,657	0.1	4,657	0.1	-	0.00
(...)							
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of turnover	13,656	0.3%	13,656	0.3%	-	0.00
8	Total amount and proportion of taxonomy-aligned economic activities in the denominator of turnover	175,181	4.1%	175,181	4.1%	-	0.00
CapEx							
(...)							
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	2,643	0.2%	2,643	0.2%	-	0.00
(...)							
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of CapEx	746	0.1	746	0.1	-	0.00
8	Total amount and proportion of taxonomy-aligned economic activities in the denominator of CapEx	85,156	5.9%	85,156	5.9%	-	0.00
OpEx							
(...)							
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OpEx	2,251	1.0	2,251	1.0	-	0.00
(...)							
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of OpEx	535	0.2%	535	0.2%	-	0.00
8	Total amount and proportion of taxonomy-aligned economic activities in the denominator of OpEx	27,216	12.0%	27,216	12.0%	-	0.00

5.3 LIST OF INFORMATION REQUIREMENTS REFERRED TO IN CROSS-CUTTING AND THEMATIC PRINCIPLES OF OTHER EU LEGISLATION

Disclosure requirements and related data	SFDR Reference	Reference to Pillar 3	Benchmark Regulation reference	Disclosure
ESRS 2 GOV-1 **Gender diversity on the board, paragraph 21(d)**	Annex I, Table 1, Indicator No. 13	N/EL	Commission Delegated Regulation (EU) 2020/1816 (5), Annex II	1.General Information | 1.2 Governance
ESRS 2 GOV-1 **Percentage of independent board members, paragraph 21 (e)**	N/EL	N/EL	Commission Delegated Regulation (EU) 2020/1816, Annex II	1.General Information | 1.2 Governance
ESRS 2 GOV-4 **Duty of Care statement, paragraph 30**	Annex I, Table 3, Indicator No. 10	N/EL	N/EL	1.General Information | 1.2 Governance | 1.2.2 Duty of Care Statement
ESRS 2 SBM-1 **Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)**	Annex I, Table 1, Indicator No. 4	Article 449 of Regulation (EU) 575/2013. Commission Implementing Regulation (EU) 2022/2453 (6), Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	1.General Information | 1.3 Business Model and Value Chain | 1.3.1 The Business Model
ESRS 2 SBM-1 **Involvement in activities related to the production of chemicals, paragraph 40(d) (ii)**	Annex I, Table 2, Indicator No. 9	N/EL	Commission Delegated Regulation (EU) 2020/1816, Annex II	The Acea Group is not involved in the production of chemicals
ESRS 2 SBM-1 **Participation in activities related to controversial weapons, paragraph 40(d) (iii)**	Annex I, Table 1, Indicator No. 14	N/EL	Article 12(1) of Delegated Regulation (EU) 2020/1818(7) and Annex II of Delegated Regulation (EU) 2020/1816	The Acea Group is not involved in the production of controversial weapons
ESRS 2 SBM-1 **Involvement in activities related to tobacco cultivation and production, paragraph 40(d)(iv)**	N/EL	N/EL	Article 12(1) of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816	The Acea Group is not involved in the production of tobacco
ESRS E1-1 **Transition Plan to achieve climate neutrality by 2050, paragraph 14**	N/EL	N/EL	N/EL	General Information | 1.4 Sustainability Strategy
ESRS E1-1 **Enterprises excluded from benchmarks aligned with the Paris Agreement, paragraph 16(g)**	N/EL	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818	General Information | 1.4 Sustainability Strategy

ESRS E1-4 **GHG emission reduction targets, paragraph 34**	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio - Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818	2. Environmental Information | 2.2 Climate Change | 2.2.3 Climate Change Targets, Actions and Resources
ESRS E1-5 Energy consumption from fossil fuels, according to source (high climate impact sectors only), paragraph 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5	N/EL	N/EL	2. Environmental Information | 2.2 Climate Change | 2.2.4 Climate Change Metrics
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, Table 1, Indicator No. 5	N/EL	N/EL	2. Environmental Information | 2.2 Climate Change | 2.2.4 Climate Change Metrics
ESRS E1-5 **Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43**	Annex I, Table 1, Indicator No. 6	N/EL	N/EL	2. Environmental Information | 2.2 Climate Change | 2.2.4 Climate Change Metrics
ESRS E1-6 **Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44**	Annex I, Table 1, Indicators 1 and 2	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818	2. Environmental Information | 2.2 Climate Change | 2.2.4 Climate Change Metrics
ESRS E1-6 **Intensity of gross GHG emissions, paragraphs 53 to 55**	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio - Indicators of potential transition risk related to climate change: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818	2. Environmental Information | 2.2 Climate Change | 2.2.4 Climate Change Metrics
ESRS E1-7 **GHG absorptions and carbon credits, paragraph 56**	N/EL	N/EL	N/EL	2. Environmental Information | 2.2 Climate Change | 2.2.4 Climate Change Metrics

ESRS E1-9 **Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66**	N/EL	N/EL	Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816	For the tax year 2024, which corresponds to the first year of sustainability reporting in accordance with ESRS, Acea Group has decided to make use of the phase-in option relating to the disclosure of the expected financial effects of physical and material transition risks
ESRS E1-9 **Breakdown of monetary amounts according to acute and chronic physical risk, paragraph 66(a)** **ESRS E1-9** **Location of significant assets at physical risk, paragraph 66(c)**	N/EL	Article 449 bis of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking portfolio - Indicators of potential physical risk related to climate change: exposures subject to physical risk	N/EL	
ESRS E1-9 Breakdown of the book value of its real estate assets according to energy efficiency classes, paragraph 67(c)	N/EL	Article 449 bis of Regulation (EU) No 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio - Indicators of potential climate change-related transition risk: loans secured by real estate - Energy efficiency of collateral	N/EL	
ESRS E1-9 **Degree of portfolio exposure to climate-related opportunities, para. 69**	N/EL	N/EL	Annex II to Delegated Regulation (EU) 2020/1818	
ESRS E2-4 **Quantities of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted into the air, water and soil, paragraph 28**	Annex I, Table 1, indicator No 8; Annex I, Table 2, indicator No 2; Annex 1, Table 2, indicator No 1; Annex I, Table 2, indicator No 3	N/EL	N/EL	2. Environmental Information | 2.3 Pollution | 2.3.3 Pollution Metrics
ESRS E3-1 **Waters and marine resources, paragraph 9**	Annex I, Table 2, Indicator No. 7	N/EL	N/EL	2. Environmental Information | 2.4 Water and Marine Resources | 2.4.1 Policies on water and marine resources
ESRS E3-1 **Dedicated policy, paragraph 13**	Annex I, Table 2, Indicator No. 8	N/EL	N/EL	2. Environmental Information | 2.4 Water and Marine Resources | 2.4.1 Policies on water and marine resources
ESRS E3-1 **Sustainability of the oceans and seas paragraph 14**	Annex I, Table 2, Indicator No. 12	N/EL	N/EL	Not relevant for the Group
ESRS E3-4 **Total recycled and reused water, paragraph 28(c)**	Annex I, Table 2, Indicator No. 6.2	N/EL	N/EL	2. Environmental Information | 2.4 Water and Marine Resources | 2.4.3 Metrics on water and marine resources
ESRS E3-4 **Total water consumption in m3 in relation to net revenue from own operations, paragraph 29**	Annex I, Table 2, Indicator No. 6.1	N/EL	N/EL	2. Environmental Information | 2.4 Water and Marine Resources | 2.4.3 Metrics on water and marine resources

ESRS 2 IRO-1 - E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7	N/EL	N/EL	2. Environmental information | 2.5 Biodiversity and ecosystems
ESRS 2 IRO-1 - E4 paragraph 16 (b)	Annex I, Table 2, Indicator No. 10	N/EL	N/EL	2. Environmental information | 2.5 Biodiversity and ecosystems
ESRS 2 IRO-1 - E4 paragraph 16 (c)	Annex I, Table 2, Indicator No. 14	N/EL	N/EL	2. Environmental information | 2.5 Biodiversity and ecosystems
ESRS E4-2 **Sustainable agricultural/ land-use policies or practices, paragraph 24(b)**	Annex I, Table 2, Indicator No. 11	N/EL	N/EL	2. Environmental Information | 2.5 Biodiversity and Ecosystems | 2.5.2 Biodiversity and Ecosystem Policies
ESRS E4-2 **Sustainable sea/ocean use practices or policies, paragraph 24(c)**	Annex I, Table 2, Indicator No. 12	N/EL	N/EL	2. Environmental Information | 2.5 Biodiversity and Ecosystems | 2.5.2 Biodiversity and Ecosystem Policies
ESRS E4-2 **Policies to address deforestation, paragraph 24(d)**	Annex I, Table 2, Indicator No. 15	N/EL	N/EL	2. Environmental Information | 2.5 Biodiversity and Ecosystems | 2.5.2 Biodiversity and Ecosystem Policies
ESRS E5-5 **Non-recycled waste, paragraph 37(d)**	Annex I, Table 2, Indicator No. 13	N/EL	N/EL	2. Environmental information | 2.6 Use of resources and the circular economy| 2.6.2 Metrics for the use of resources and the circular economy
ESRS E5-5 **Hazardous waste and radioactive waste, paragraph 39**	Annex I, Table 1, Indicator No. 9	N/EL	N/EL	2. Environmental information | 2.6 Use of resources and the circular economy| 2.6.2 Metrics for the use of resources and the circular economy
ESRS 2 - SBM3 - S1 **Risk of forced labour, paragraph 14 (f)**	Annex I, Table 3, Indicator No. 13	N/EL	N/EL	3. Company Information | 3.1 Own Workforce
ESRS 2 - SBM3 - S1 **Risk of child labour, paragraph 14(g)**	Annex I, Table 3, Indicator No. 12	N/EL	N/EL	3. Company Information | 3.1 Own Workforce
ESRS S1-1 **Policy commitments to human rights, paragraph 20**	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.1 Policies and processes related to the own workforce
ESRS S1-1 **Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 21**	N/EL	N/EL	Commission Delegated Regulation (EU) 2020/1816, Annex II	3. Company Information | 3.1 Own Workforce | 3.1.1 Policies and processes related to the own workforce

ESRS S1-1 **Procedures and measures to prevent human trafficking, paragraph 22**	Annex I, Table 3, Indicator No. 11	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.1 Policies and processes related to the own workforce
ESRS S1-1 **Occupational accident prevention policy or management system, paragraph 23**	Annex I, Table 3, Indicator No. 1	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.1 Policies and processes related to the own workforce
ESRS S1-3 **Mechanisms for handling complaints/complaints, paragraph 32(c)**	Annex I, Table 3, Indicator No. 5	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.1 Policies and processes related to the own workforce
ESRS S1-14 **Number of deaths and number and rate of work-related injuries, paragraph 88 (b) and (c)**	Annex I, Table 3, Indicator No. 2	N/EL	Commission Delegated Regulation (EU) 2020/1816, Annex II	3. Company Information | 3.1 Own Workforce | 3.1.3 Metrics related to the own workforce
ESRS S1-14 **Number of days lost due to injuries, accidents, fatalities or illnesses, paragraph 88 (e)**	Annex I, Table 3, Indicator No. 3	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.3 Metrics related to the own workforce
ESRS S1-16 **Unadjusted gender pay gap, paragraph 97(a)**	Annex I, Table 1, Indicator No. 12	N/EL	Commission Delegated Regulation (EU) 2020/1816, Annex II	3. Company Information | 3.1 Own Workforce | 3.1.3 Metrics related to the own workforce
ESRS S1-16 **Excessive pay gap in favour of the CEO, paragraph 97 (b)**	Annex I, Table 3, Indicator No. 8	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.3 Metrics related to the own workforce
ESRS S1-17 **Discrimination-related incidents, paragraph 103(a)**	Annex I, Table 3, Indicator No. 7	N/EL	N/EL	3. Company Information | 3.1 Own Workforce | 3.1.3 Metrics related to the own workforce
ESR S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD paragraph 104(a)	Annex I, Table 1, Indicator No 10 and Annex I, Table 3, Indicator No 14	N/EL	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	3. Company Information | 3.1 Own Workforce | 3.1.3 Metrics related to the own workforce
ESRS 2 SBM-3 - S2 **Serious risk of child labour or forced labour in the labour chain, paragraph 11(b)**	Annex I, Table 3, Indicators 12 and 13	N/EL	N/EL	3. Company Information | 3.2 Workers in the value chain
ESRS S2-1 **Policy commitments to human rights, paragraph 17**	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11	N/EL	N/EL	3. Company Information | 3.2 Workers in the value chain| 3.2.1 Worker-related policies and processes in the value chain

ESRS S2-1 Worker-related policies in the value chain, para. 18	Annex I, Table 3, Indicators 11 and 4	N/EL	N/EL	3. Company Information | 3.2 Workers in the value chain| 3.2.1 Worker-related policies and processes in the value chain
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Annex I, Table 1, Indicator No. 10	N/EL	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	3. Company Information | 3.2 Workers in the value chain| 3.2.1 Worker-related policies and processes in the value chain
ESRS S2-1 **Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 19**	N/EL	N/EL	Commission Delegated Regulation (EU) 2020/1816, Annex II	3. Company Information | 3.2 Workers in the value chain| 3.2.1 Worker-related policies and processes in the value chain
ESRS S2-4 **Human rights issues and incidents in its upstream and downstream value chain, paragraph 36**	Annex I, Table 3, Indicator No. 14	N/EL	N/EL	3. Company Information | 3.2 Workers in the value chain| 3.2.4 Worker-related objectives, actions and resources relating to workers in the value chain
ESRS S3-1 **Policy commitments to human rights, paragraph 16**	Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11	N/EL	N/EL	3. Company Information| 3.3 Communities involved | 3.3.1 Policies and processes relating to the communities involved
ESRS S3-1 **Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines, paragraph 17**	Annex I, Table 1, Indicator No. 10	N/EL	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	3. Company Information| 3.3 Communities involved | 3.3.1 Policies and processes relating to the communities involved
ESRS S3-4 **Human Rights Issues and Incidents, paragraph 36**	Annex I, Table 3, Indicator No. 14	N/EL	N/EL	3. Company Information | 3.3 Communities involved | 3.3.2 Objectives, actions and resources related to the communities involved
ESRS S4-1 Consumer and End-User Related Policies, paragraph 16	In Annex I, Table 3, Indicator No 9 and Annex I, Table 1, Indicator No 11	N/EL	N/EL	3. Company Information | 3.4 Consumers and end-users | 3.4.1 Consumer and end-user policies and processes
ESRS S4-1 **Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17**	Annex I, Table 1, Indicator No. 10	N/EL	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	3. Company Information | 3.4 Consumers and end-users | 3.4.1 Consumer and end-user policies and processes

ESRS S4-4 **Human Rights Issues and Incidents, paragraph 35**	Annex I, Table 3, Indicator No. 14	N/EL	N/EL	3. Company Information | 3.4 Consumers and end-users | 3.4.2 Actions and objectives relating to consumers and end users
ESRS G1-1 **United Nations Convention against Corruption, paragraph 10(b)**	Annex I, Table 3, Indicator No. 15	N/EL	N/EL	4. Governance information | 4.1 Policies on Corporate Culture and Conduct
ESRS G1-1 **Protection of whistleblowers, paragraph 10(d)**	Annex I, Table 3, Indicator No. 6	N/EL	N/EL	4. Governance information | 4.1 Policies on corporate culture and conduct
ESRS G1-4 **Fines imposed for infringements of the laws against active and passive corruption, paragraph 24 (a)**	Annex I, Table 3, Indicator No. 17	N/EL	Annex II to Delegated Regulation (EU) 2020/1816	4. Governance Information | 4.3 Management of corruption
ESRS G1-4 **Rules for countering active and passive corruption, paragraph 24(b)**	Annex I, Table 3, Indicator No. 16	N/EL	N/EL	4. Governance Information | 4.3 Management of corruption

5.4 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

BARBARA MARINALI
CHAIRMAN – NON-EXECUTIVE – INDEPENDENT

Vice-Chair of UTILITALIA and Chair of the Quotate Committee of the same Federation since July 2024.
In February 2023 she was appointed Chair of the Board of Directors of Acea SpA. She has also held the position of Vice-Chair of the Steering Committee of the Fondazione Teatro dell'Opera di Roma since April 2023.
From December 2021 to April 2023, she was chair of the Board of Directors of Open Fiber S.p.A.
From April 2021 to April 2024, she served as an independent director on the Board of Directors of Webuild S.p.A (Chair of the Related Party Transactions Committee, member of the Strategy Committee and of the Remuneration and Appointments Committee).
From September 2020 to March 2022 she was Senior Advisor to the CEO of Snam, where she also served as team leader for a major water infrastructure project in South Italy.
From 2013 to 2020 she was a member of the first Transport Regulation Authority Board. From 2009 to 2013 she was the General Manager for road infrastructure for the Ministry of Infrastructure and Transport.
From 2006 to 2008 she was Director of the Interministerial Committee for Economic Planning (CIPE) and headed the Department for Economic Policy Planning and Coordination at the Prime Minister's Office.
She also has significant experience with: the Antitrust Authority, the Ministry of Economy and Finance and the Ministry of Productive Activity (now, the Ministry of Enterprises and Made in Italy - MIMIT).
She graduated with honours in Economics and Business from Sapienza University of Rome and is a chartered accountant and auditor.
She was appointed on the basis of list no. 1 presented by the aforementioned Roma Capitale.

FABRIZIO PALERMO
MANAGING DIRECTOR – EXECUTIVE

Graduated with honours in economics and business from the University of Rome “La Sapienza”.
From July 2018 to May 2021, he served as Chief Executive Officer and General Manager of Cassa Depositi e Prestiti, where, since 2014, he had already held the position of Chief Financial Officer.
From 2005 to 2014 he worked for the Fincantieri Group, where he held senior positions of increasing responsibility, initially as Director of Business Development and Corporate Finance, then as Chief Financial Officer (2006-2014), and lastly as Deputy General Manager (2011-2014).
Fabrizio Palermo began his career in the London offices of Morgan Stanley, in the Investment Banking Division.
In 1998, he continued at McKinsey & Company, specialising in the restructuring, transformation and turnaround of large industrial and financial groups.
Over the course of his career, he was Chairperson of CDP Equity S.p.A., Chief Executive Officer of CDP Reti S.p.A., and Director on the Boards of Open Fiber S.p.A., Fincantieri S.p.A. and Fincantieri USA Inc., Vard Group AS and Vard Holdings Limited. Fabrizio Palermo has been a Board member of both Assonime and the Centre for American Studies, co-chair of the Italy-China Business Forum, a member of the Investors' Committee of the Italian Recovery Fund and of the Atlante Fund, and a member of the Advisory Board of the Italian B20 Presidency.
From 2007 to 2010 he was Assistant Professor for the “Planning and Control” course at Libera Università Internazionale degli Studi Sociali Guido Carli (from 2007 to 2010) and subsequently was MBA Adjunct Professor for the “Corporate Finance” course in 2018 and 2022.
Appointed on the basis of list no. 1 presented by the aforementioned Roma Capitale.

ELISABETTA MAGGINI
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

She has a degree in Law from LUMSA (Libera Università Maria Santissima Assunta) in Rome, as well as a Master in Finance Real Estate from LUISS Business School.
Since July 2021 she has been the Chairperson of ANCE Roma Giovani, the young builders group with the Rome Association of Building Contractors (ACER). Additionally, since 2016 she has been Chairperson of the Consultation Group for Young Entrepreneurs and Professionals in Rome and the Region of Lazio.
Since July 2020 she has been a director of the Lazio Region’s ASP Asilo Savoia - Regional Personal Care Services Company.
She was a member of the Acea S.p.A. Board of Directors from 2014 to 2017.
Among her other significant experience, she served as a member of the Board of Directors of Istituto Poligrafico Zecca dello Stato S.p.A from 2017 to 2020.
From December 2020 to June 2023 she served as a Director on the Consap S.p.A. Board of Directors (the Public Insurance Services Concessionaire, an investee of the Ministry of Economy and Finance, established after the demerger from the National Insurance Institute - INA).
She also served as a Director on the Sorgente Group Srl Board of Directors from 2014-2023, a holding company in the finance, real estate, construction and infrastructure sectors and, from January 2022 to July 2023 was a member of the Sorgente SGR S.p.A. Board of Directors, an asset management company in the Sorgente Group.
In addition, she was a board member of Quorum SGR S.p.A. (2021-2022) and Nova RE SIIQ S.p.A (2017-2021) a listed real estate investment company (2017-2021).

From 2013-2014 she a secretariat staff member for the President of the Region of Lazio. From 2009-2012 she a secretariat staff member for the President of the Province of Rome.
During the period 2014-2017, she was a member of the Rome Chamber of Commerce Women's Entrepreneurship Committee and from 2010 to 2016 was Chairperson of "Vocazione Roma", the association of Roman professionals, entrepreneurs and creators under 40.
She was appointed from list no.1, presented by Roma Capitale.

LUISA MELARA
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

She holds a law degree from LUISS with specialisation in the legal administrative field.
A lawyer, registered with the special list of attorneys admitted to practice before the Italian Supreme Court, she is a freelance professional, specialised in company law, business crisis law, commercial and banking law and goods and services procurement contracts. She heads the Luisa Melara & Partners Law Firm in Rome.
She provides managerial activities, as well as judicial and extrajudicial consultancy and assistance for public companies, corporations and investment funds.
In 2019 she served as the Chairperson of the AMA S.p.A. Board of Directors.
Among her current engagements, she is business crisis legal consultant for ANCE (National Association of Private Construction Contractors), a member of the Advisory Committee for the FOF Private Equity Italia fund and a partner of the "Pinelli Avvocati" Law Firm in Padua.
She has been "Of Counsel" in the "Business Crisis" Department at Carnelutti, Associated Law Firm in Milan.
She carries out teaching activities, specifically for the Advanced Training course for Business Law Consultants organised by the LUISS Business School, and regularly participates as speaker at conferences on corporate and business crisis issues.
She is a member of the Institute for Corporate Governance (IGS) Scientific Committee and since 2019 is a member of the Company Law Committee and the Business Crisis, Company and Market Law Committee set up by the Rome Bar Association.
She is a member of the Guarantees and Legality Olympics Committee created to oversee the 2026 Winter Olympic and Paralympic Games.
Since 2021, she has been Acting Vice President of ANPIB - National Association of Private & Investment Bankers.
She was appointed from list no.1, presented by Roma Capitale.

ANGELO PIAZZA
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

He holds a degree in law from the University of Bologna and has written a number of scientific publications and essays on civil and administrative law.
A professor at the "Foro Italico" University of Rome 4, he is also a practising lawyer, and was previously a state attorney and administrative magistrate.
In the academic and professional field, he has gained experience and expertise in matters concerning public companies, local public services, public contracts and concessions, and with regard to urban planning, construction and energy and environmental law.
He has served as member and Chair of the Board of Directors and Board of Statutory Auditors of several companies.
As part of his academic experience, from 2002 to 2012 he was a tenured professor at the University of Bologna.
He was appointed from list no.1, presented by Roma Capitale.

ALESSANDRO PICARDI
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

He is currently Executive Chair of VL Capital and Nexting, Vice Chair of Confindustria Assolombarda, and a board member of the Centro Studi Americani.
More recently he served four years within the TIM Group, where he was Executive Vice President and Chief Public Affairs Officer, as well as a member of the Sparkle S.p.A. Board of Directors and subsequently Executive Chairman with operational powers at Olivetti S.p.A. He was also the Chairman of Finlombarda Gestioni SGR and has many years of experience in the telecommunication, radio and television sectors.
From 2013 to 2019 he was employed by Rai, firstly as Manager of Institutional, International and Regulatory Relations and then as Director of Strategic Platform Development. At the same time, from 2014 to 2019 he was Executive Chairman of Tivù Srl - Tivusat, a company operating in free-to-air satellite television owned by Rai, Mediaset and Telecom Italia.
During the period 2012-2013 he was Deputy Chairman Corporate Affairs of Alitalia, and from 2006 to 2012 was Head of Institutional Affairs at Wind. From 2004 to 2006 he was employed by Sky Italy (satellite television) as advisor for Institutional Affairs and Relations with the Vatican.
He has served on the Boards of Directors of several companies and foundations, in particular Fondazione TIM (2019-2022) and Tivu' S.r.l. - Tivusat (2019-2022). During the same period, he was a director of ISPI, the Italian Institute for International Political Studies, and the COTEC Foundation for technological innovation. From 2015 to 2018 he was a Director at Auditel.
He has previously served as Deputy Chairman of Confindustria Digitale, Deputy Chairman of Asstel (Confindustria association of telecommunications operators) from 2020 to 2022, member of the Presidency Council and General Council of Confindustria Radio Televisioni, member of the Eurovisioni Governing Council.
He was appointed from list no.1, presented by Roma Capitale.

NATHALIE TOCCI
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

She has been Director of the Istituto Affari Internazionali (IAI) since 2017, honorary professor at the University of Tübingen since 2015 and is Europe's Futures Fellow at the Institut für die Wissenschaften vom Menschen (Iwm) in Vienna. Since 2023 she has been Professor at the Transnational School of Government of the European University Institute in Florence and from 2021 to 2022 was Pierre Keller Visiting Professor at the Harvard Kennedy School.
From 2020 to 2023 she was an independent board member for Eni and from 2013 to 2020 served on the Edison Board of Directors.
She has been Special Advisor to the European Union High Representative for Foreign Affairs and Security Policy and Vice President of the European Commission, first with Federica Mogherini (2015-2019) and then with Josep Borrell (2020-2021). In that capacity she worked on the drafting and implementation of the EU global strategy. In 2014, she was director of international strategies for Italy's Minister for Foreign Affairs, Federica Mogherini.
In 2006 she joined the IAI, where she is now Director, as Research Manager, in 2010 becoming Programme Manager for European foreign policy and, in 2011, Deputy Director and Editor of The International Spectator.
She has also been Senior Fellow at Washington's Transatlantic Academy (2009-2010), Associate Fellow for European foreign policy at the Centre for European Policy Studies in Brussels (2007-2009), Marie Curie Fellow at the Robert Schuman Centre for Advanced Studies – European University Institute (2005-2007), Jean Monnet Fellow for the Mediterranean Programme of the Robert Schuman Centre for Advanced Studies (2003-2004), Research Fellow at the Centre for European Policy Studies in Brussels (1999-2003).
She has written a number of scientific publications. Her current scientific interests concern European integration and European foreign policy, the Middle East, Eastern Europe, transatlantic relations, multilateralism, conflict resolution, energy, climate and defence.
Her present engagements include participation on the Boards of various institutions, such as the Centre for European Reform, the Jacques Delors Centre, the European Leadership Network. She is on the Europe for Middle East Peace Advisory Board and council member of the European Council for Foreign Relations.
She holds a PhD in International Relations from the London School of Economics.
She was appointed from list no.1, presented by Roma Capitale.

PATRIZIA RUTIGLIANO
DIRECTOR – NON-EXECUTIVE

She holds a degree in Languages and contemporary history from the Università Cattolica of Milan, with a specialisation diploma in Social Sciences and Journalism. She has gained significant managerial experience working with public and private companies in strategic sectors such as energy, telecommunications, service concessions, as well as the Public Administration. She has in-depth knowledge of ESG issues and has developed engagement models and environmental and social policies that are often innovative for the reference businesses.
She has been Country Manager of the Italian Branch of SUEZ International since October 2024.
At Snam from 2009 to October 2022, in positions of increasing responsibility, she held the role of Executive Vice President Institutional Affairs, ESG, Communication & Marketing and was the first woman to become a member of the leadership team. She managed major profiles in the processes concerning functional and proprietary separation from Eni, integration of the gas markets, supply diversification and security, development of energy transition activities, gas and hydrogen market and taxonomy reform. She was responsible for the ESG policies on which the business plan was based, defining the environmental objectives (Scopes 1, 2 and 3) and the carbon offsetting mechanisms.
From 2004 to 2009 she was Head of External Relations for Autogrill, during the period in which the main motorway and airport concessions were renewed.
From 2001 to 2004, she was initially e.Biscom press office manager and was then also appointed as Head of Fastweb External Relations.
From 1997 to 2001 she was Spokesperson for the Municipality of Milan, during the privatisation phase of the main municipalised companies.
She began her career in 1992 as a professional journalist, covering politics and economics for Mondo Economico, Fininvest and Euronews.
She served on the Boards of companies and non-profits, including Tiscali and Fiera Milano, Terega Holding, a regulated French gas utility, Toscana Energia, the SNAM Foundation, World Wellbeing Movement, the MIP-Politecnico di Milano School of Management and the publishing company Il Cittadino.
She was Deputy Chairperson of Anigas (National Association of Gas Industrialists) and member of the Assolombarda governing council and the Valore D Board of Directors. She was also Chairperson of the Italian Federation for Public Relations (FERPI) from 2011 to 2016.
She was appointed from list no.2, presented by Suez International SAS.

YVES RANNOU
DIRECTOR – NON-EXECUTIVE
A business manager, he has a proven track record in managing global businesses (between 800 million and 2 billion in revenues), leading the growth, turnaround and restructuring of international private listed companies in the renewable energy sector. A specialist in EPC and infrastructure projects, he also has expertise in refinancing and M&A.
Since 2023, he has been Chief Operating Officer of the Suez Group and a member of the Group Executive Committee.
From 2020 to 2023, he was Senior Advisor and a member of the Board of Directors of Kentel Associates, a consulting company in Paris.
In 2019-2020, he was CEO and board member of Senvion, a German wind power O&M company.
He was also a board member of IHA (International Hydropower Association) from 2017 to 2019.

He spent the first part of his career (1997-2018) with the Alstom Group, assuming the role of CEO of the Global Business in Renewable Energies, with operations in Europe and China.
He is a board member of several companies, a Senior Advisor, as well as an investor in the Green Economy.
He graduated in Electromechanics from Pierre and Marie Curie University in Paris, before earning an Engineering Degree, also in Electromechanics, from the National Superior School of Public Works (ESTP). He then followed an Executive Programme at INSEAD in Fontainebleau.

ALESSANDRO CALTAGIRONE
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

He holds a degree in Economics and Business from Sapienza University of Rome (1994) and has held prestigious positions in several companies, including listed ones. He was also a lecturer in Business Economics and Administration at Sapienza University of Rome and at the Faculty of Economics and Business at Luiss University of Rome (Technical/Professional programme).
He was appointed on the basis of list no. 3 presented by Fincal S.p.A.

MASSIMILIANO CAPECE MINUTOLO DEL SASSO
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

Member of the Order of Engineers of Rome since 1992. Vast experience in the real estate and infrastructure sector with competencies in design, development and management of large urban and construction projects. In the course of his professional career he has developed experience in the cement, banking, renewable energy and publishing sectors. He is currently Chairman of the Board of Directors of "IL MATTINO S.p.A.".
He is also a director of Vianini Lavori S.p.A. and a director/member of the Board of Directors of various companies operating in the real estate development and management sector.
He was appointed on the basis of list no. 3 presented by Fincal S.p.A.

ANTONELLA ROSA BIANCHESSI
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

She holds a degree in Business Administration from Bocconi University. Currently an independent consultant, she has proven experience in the fields of financial analysis, corporate finance and business valuation, with in-depth knowledge of the utilities sector.
From 2011 to 2022 she was in charge of the Global Utilities Team and Managing Director at Citigroup, responsible for leading the global team in the production of comprehensive sector studies, focused on the energy transition. She headed European Utilities research and was charged with developing investment strategies in the sector and thematic analyses, for example with regard to European Taxonomy, European energy policies and investments in renewables. In this role she published a number of sector and ESG studies and analyses of corporate securities, developing dialogue with the international financial community and taking part in several financial transactions on capital markets.
From 2002 to 2011, she worked for Morgan Stanley in the capacity of Southern European Utilities analyst, Executive Director. From 2000 to 2002 she was Italian utilities analyst for Goldman Sachs in London. From 1995 to 2000, she was a utilities analyst firstly at Banca IMI and then at Caboto.
She was appointed on the basis of list no. 4, presented by a group of asset management companies and institutional investors.

ANTONINO CUSIMANO
DIRECTOR – NON-EXECUTIVE – INDEPENDENT

He has a degree in Law from Università degli Studi in Palermo and has worked with a number of law firms in the United States. As an attorney, he has experience serving as General Counsel for multinational groups, handling legal affairs, international law, corporate governance, resolving global disputes, compliance and anti-bribery and risk management. He has worked and lived in London, Paris and Pittsburgh.
Since 2018 he has served as Corporate Vice President, General Counsel and Secretary of the Board of Directors of Nexans SA, the second largest producer of cables in the world. The Group, listed on the Paris Euronext stock market, works in various sectors and supplies a vast array of cables and solutions for energy transmission and distribution, including undersea cables for interconnections, for offshore wind parks, high voltage cables for power grids and cables for renewable energy sources such as solar and wind.
From 2016-2017, Antonino Cusimano served as Vice President and Group General Counsel for CMA-CGM SA, the third largest freight group in the world, headquartered in France.
From 2008 to 2016 he worked for Telecom Italia as Group General Counsel, Executive Vice President Legal Affairs and Secretary of the Board of Directors.
From 2006 to 2008 he worked for General Electric Oil & Gas in Florence, as Senior Counsel Global Services and Transactions / Senior Counsel M&A.
From 1994 to 2006 he worked for the PPG Industries International Group in Paris, where he held various positions, rising to become the General Legal Counsel for Europe, Middle East and Africa in 2000.
He was appointed on the basis of list no. 4, presented by a group of asset management companies and institutional investors.

Business outlook

In an uncertain global context, due to geopolitical tensions in Eastern Europe and the Middle East and US trade policies, Acea Group's results for 2024 show an acceleration in growth compared to previous years, with improved economic results in terms of both EBITDA and net profit, and a lower NFP/EBITDA ratio compared to 2023.
With regard to interest rates, the Acea Group optimised its financing mix by capitalising on the broad range of instruments offered on the market, which can be utilised at both fixed and floating rates. Through continuous monitoring of rate and market trends, the most cost- and risk-efficient solutions are identified.
Increasing attention continues to be paid to expenditure management, by continuously improving procurement procedures and business processes, and containing credit risk based on prevention and customer portfolio management.
The Group will continue to implement its strategy focussing on the development of sustainable infrastructure in regulated contexts, with the aim of maintaining a solid financial structure and continuing to generate positive impacts on operating and economic performance.

Resolutions regarding the result for the year and the distribution to shareholders

Dear Shareholders,

In inviting you to approve the financial statements we are submitting to you, we propose to allocate the profit for the year ended December 31, equal to € 208,492,190.09, as follows:

- € 10,424,609.50, equal to 5% of profit, to the legal reserve;
- distribution of a total dividend of € 201,920,511.65 to shareholders, corresponding to a dividend of € 0.95 per share, drawing partially from the distribution of available reserves for € 3,852,931.06.

The total dividend (coupon no. 26) of €`201,920,511.65, equal to € 0.95 per share, will be paid starting from 25 June 2025 with coupon detachment on 23 June 2025 and record date 24 June 2025
On the date of approval of the financial statements, treasury shares amounted to no. 416,993.

Acea SpA

The Board of Directors

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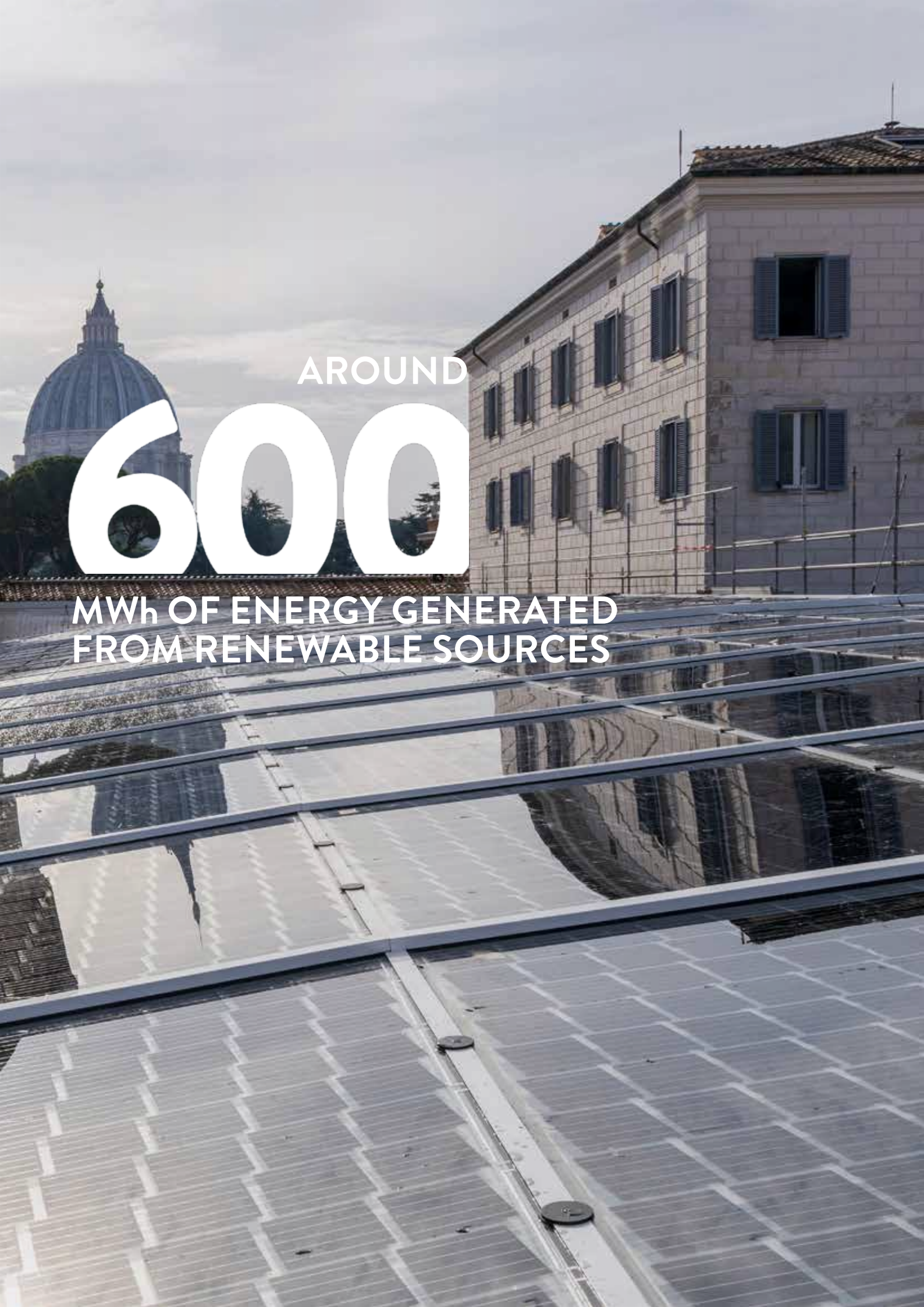
SEPARATE FINANCIAL STATEMENTS


AROUND
600
MWh OF ENERGY GENERATED
FROM RENEWABLE SOURCES

Form and structure

GENERAL INFORMATION

The financial statements of Acea SpA for the year ended 31 December 2024 were approved by resolution of the Board of Directors on 13 March 2025, which also authorised their publication. Acea is an Italian public limited company, with a registered office in Italy, Rome, Piazzale Ostiense 2, whose shares are traded on the Milan stock exchange.

COMPLIANCE WITH IAS/IFRS

The financial statements have been prepared in compliance with the international accounting standards in effect on the date of preparation of the financial statements, approved by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to art. 9 of Italian Legislative Decree 38/2005.
The international accounting standards include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC), collectively the "IFRS".
Acea SpA adopts the IFRS standards with effect from the financial year 2006, with transition date to the IFRS at 1 January 2005. The latest financial statements drafted according to the Italian accounting standards refer to the financial year ended on 31 December 2005.

BASIS OF PRESENTATION

The Financial Statements for the year ended on 31 December 2024 consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity all drafted according to the provisions of IAS 1 as well as the Explanatory and Supplementary Notes, drafted in accordance with applicable IAS / IFRS provisions.
It is specified that the Income Statement is classified based on the nature of the costs, the Balance Sheet and Financial Position based on the liquidity criterion with the subdivision of items between current and non-current, while the Cash Flow Statement is presented using the indirect method.
The financial statements for the year ended on 31 December 2024 have been drafted in Euro and all amounts are rounded to thousands of Euro unless otherwise indicated.

ALTERNATIVE PERFORMANCE MEASURES

On 5 October 2015, ESMA (European Securities and Markets Authority) published its guidelines (ESMA/2015/1415) on criteria for the presentation of alternative performance measures which replace, as of 3 July 2016, the CESR/05-178b recommendations. These guidelines were transposed into our system with CONSOB Communication no. 0092543 dated 3 December 2015. In addition, on 4 March 2021 ESMA published the guidelines on the disclosure requirements deriving from the new Prospectus Regulation (Regulation EU 2017/1129 and Delegated Regulations EU 2019/980 and 2019/979), which update the previous CESR Recommendations (ESMA/2013/319, in the revised version of 20 March 2013). Starting from 5 May 2021, on the basis of CONSOB Call for Attention no. 5/21, the aforementioned ESMA Guidelines also replace the CESR Recommendation on debt. Therefore, under the new provisions, listed issuers will have to present, in the explanatory notes to their annual and semi-annual financial statements published from 5 May 2021 onwards, a new statement on debt to be drafted in accordance with the instructions in paragraphs 175 and following of the above ESMA Guidelines.
Net financial debt is represented and determined in accordance with what is indicated in the aforementioned ESMA guidelines and in particular in paragraph 127 of the recommendations contained in document no. 319 of 2013, implementing Regulation (EC) 809/2004. This indicator is determined as the sum of short-term borrowings ("Short-term loans", "Current part of long-term loans" and "Current financial liabilities") and long-term borrowings ("Long-term loans") and the related derivative instruments ("Non-current financial liabilities"), net of "Cash and cash equivalents" and "Current financial assets".

USE OF ESTIMATES AND ASSUMPTIONS

Drafting of the Financial Statements, in application of the IFRS, requires the making of estimates and assumptions that affect the values of revenues, costs, assets and liabilities in the financial statements and information on potential assets and liabilities reference date. The main sources of uncertainty that could have an impact on the evaluation processes are also considered in making these estimates. The actual amounts may differ from such estimates.
The estimates were used in the assessment of the impairment test, to determine some sales revenues, for provisions for risks and charges, the allowance for doubtful accounts and other provisions for depreciation, amortisation, valuations of derivative instruments, employee benefits. and taxes. The estimates and assumptions are reviewed periodically, and the effects of each change are immediately recorded in the Income Statement.
The estimates also took into account assumptions based on the parameters and market and regulatory information available at the time the financial statements were drafted. Current facts and circumstances influencing the assumptions on future development and events may change due to the effect, for example, of changes in market trends or the applicable regulations that are beyond the control of the Company. These changes in assumptions are also reflected in the financial statements when they occur.

In addition, it should be noted that certain estimation processes, particularly the more complex such as the calculation of any impairment of non-current assets, are generally performed in full only when drafting the annual financial statements, unless there are signs of impairment that call for immediate impairment testing.
For more information on the methods in question, please refer to the following paragraphs.

EFFECTS OF THE SEASONALITY OF TRANSACTIONS

For the type of business in which it operates, the Acea Group is not subject to significant seasonality. Some specific operating segments, however, can be affected by uneven trends that span an entire year.

Accounting standards and measurement criteria

The "relevant" standards and measurement criteria for the purposes of the Acea SpA financial statements – as defined by the IASB following the amendment to IAS 1 and in the IFRS Practice Statement 2 – are illustrated below.

EXCHANGE DIFFERENCES

The functional and presentation currency adopted by Acea SpA and by subsidiaries in Europe is the Euro (€). Transactions in foreign currencies are initially recognised at the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies were reconverted into the functional currency at the exchange rate prevailing at the balance sheet date. All exchange differences are recorded in the Income Statement of the financial statements, with the exception of differences deriving from loans in foreign currency that have been entered into to hedge a net investment in a foreign company. These differences are recognised directly in equity until the net investment is disposed of and at that time any subsequent exchange rate difference is recognised in the Income Statement.

REVENUE RECOGNITION

In accordance with the provisions of IFRS15 "Revenue from contracts with customers", revenues are recognised for an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer. The fundamental steps in accounting for revenues are:

a. identify the commercial contract, defined as a (written or verbal) agreement between two or more parties which results in rights and obligations with the customer having the right to legal protection;
b. identify the separately identifiable obligations to do something (also "performance obligations") contained in the contract;
c. determine the price of the transaction, as the fee the enterprise expects to receive for the transfer of assets or the performance of services to the customer, in accordance with the techniques in the Standard and depending on the possible presence of financial and variable components;
d. allocate a price to each performance obligation;
e. to recognize the revenue when the revenue obligation is fulfilled by the entity, allowing for the fact that the services may not be provided at a specific time, but over a period of time.

Revenues are measured by Acea SpA at the fair value of the consideration received or receivable, based on the type of operation, taking into account the value of any commercial discounts, returns and rebates granted.

FINANCIAL INCOME

Income is recognised on the basis of interest accrued on the net value of the relevant financial assets using the effective interest rate (rate that exactly discounts estimated future cash flows at the net carrying amount of the asset).

DIVIDENDS

These are recognised when the unconditional right of shareholders is established to receive payment. They are classified in the income statement under the item Investment income.

CONTRIBUTIONS

Contributions obtained for investments in plants, both by public bodies and by private third parties, are recognised at fair value when there is a reasonable certainty that they will be received and that expected conditions will be met. Contributions received for specific plants whose value is recorded under fixed assets are recorded (using the indirect method) among other non-current liabilities and progressively released to the Income Statement in constant instalments over a period equal to the useful life of the reference asset.

CONSTRUCTION CONTRACTS IN PROGRESS

Construction contracts in progress are assessed on the basis of the contractual fees accrued with reasonable certainty, according to the percentage of completion criterion (the so-called cost to cost), so as to attribute the revenues and the economic result of the contract to the individual financial years in proportion to the progress of the works. The positive or negative difference between the value of the contracts and the advances received is recorded respectively in the assets or in the liabilities side of the balance sheet.
Contract revenues, in addition to contractual fees, include variants, price revisions and recognition of incentives to the extent that they are likely to represent actual revenues and if these can be determined reliably. Ascertained losses are recognised regardless of the progress of orders.

EMPLOYEE BENEFITS

Benefits guaranteed to employees disbursed at the time of or after termination of the employment relationship through defined benefit and defined contribution programmes (including: severance indemnity -TFR, extra months, tariff subsidies, as described in the notes) or other long-term benefits are recognised in the period during which the rights to these accrue. The valuation of the liability is carried out by independent actuaries. These funds and benefits are not funded. The cost of benefits envisaged by the various plans is determined separately for each plan using the actuarial valuation method of the unit credit projection, making the actuarial valuations at the end of each year.
Expenses deriving from retirement incentives for employees who took part in the "Isopensione" Plan and which meet the criteria defined in the Group's Plan were recognised in a specific Provision. The Group takes the place of the reference national insurance institutions. In particular, the Provision was created to pay pension instalments due to early pensioners, as well as to pay presumed contributions during the period needed to achieve the right to the relative social security payments through the national insurance institutions.

TAXES

Income taxes for the year represent the sum of current taxes (as per tax consolidation) and deferred taxes.
Current taxes are based on the taxable results for the year. Taxable income differs from the results reported in the Income Statement because it excludes positive and negative components that will be taxable or deductible in other financial years and also excludes items that will never be taxable or deductible. The liability for current taxes is calculated using the rates in force or in fact in force at the balance sheet date as well as taxation instruments allowed by tax legislation (national tax consolidation, taxation for transparency).
Deferred taxes are the taxes that are expected to be paid or recovered on temporary differences between the book value of assets and liabilities in the financial statements and the corresponding tax value used in the calculation of the taxable income, recorded according to the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent where it is probable that there will be future taxable results that allow the use of deductible temporary differences.
The carrying amount of deferred tax assets is revised at each balance sheet date and reduced to the extent that, based on the plans approved by the Board of Directors, the existence of sufficient taxable income is not considered likely to allow all or partly the recovery of these assets.

TANGIBLE ASSETS

Tangible assets are recognised at cost, including ancillary costs directly attributable and necessary for putting the asset into service for the use for which it was purchased, net of the relevant accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset by applying the following percentage rates:

	Economic-technical depreciation rate	
Description	**Min.**	**Max**
Instrumental systems and equipment	1.25%	6.67%
Non-instrumental systems and equipment	4%	
Instrumental industrial and commercial equipment	2.5%	6.67%
Non-instrumental industrial and commercial equipment	6.67%	
Other capital goods	12.50%	
Other non-capital goods	6.67%	19%
Instrumental vehicles	8.33%	
Non-instrumental vehicles	16.67%	

Systems and equipment under construction for production purposes are recorded at cost, net of write-downs for losses in value. The cost includes any professional fees and, for some assets, financial charges capitalised in accordance with the Company's accounting policies. The depreciation of these assets, as for all other assets, begins when the assets are ready for use. For some types of complex goods for which long-lasting functional tests are required, the suitability for use is attested by the positive passing of these tests.

REAL ESTATE INVESTMENTS

Real estate investments, represented by properties held for rental and / or capital appreciation, are recorded at purchase cost including negotiation costs net of the relevant accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The percentages applied are between a minimum of 1.67% and a maximum of 11.11%.

INTANGIBLE ASSETS

Intangible assets refer to assets without physical substance, that can be identified, are controlled by the company and are able to produce future economic benefits. Intangible assets acquired separately are capitalised at cost, while those acquired through business combinations are capitalised at the fair value defined on the purchase date. After the first entry into the category of intangible assets, the cost criterion applies.

RIGHTS OF USE OF INTELLECTUAL PROPERTY

Costs relative to this item refer to the purchase and implementation of software to support the development of IT platform management systems, corporate security and administrative management. They

are included under intangible assets and are amortized on the basis of a period of presumed usefulness of three / five years.

RIGHT OF USE

This item contains assets relative to rights of use, representing the right to utilise the asset underlying the contract, in application of international accounting standard IFRS16, issued in January 2016 and in effect as of 1 January 2019, which replaced the previous standard on leasing, IAS17 and its interpretations, identifying criteria for recognition, measurement and presentation, as well as the information to be provided with reference to leasing contracts. IFRS16 marks the end of the distinction in terms of classification and accounting treatment of operating leases (with off-balance sheet disclosures) and finance leases (recognised in the financial statements). Rights of use for leased assets and the commitment made result from financial data in the financial statements (IFRS16 applies to all transactions involving a right of use, regardless of the contractual form, i.e. lease, rental or hire purchase). The standard introduces the concept of control to the definition used, in particular, to determine whether a contract is a lease. IFRS16 requires a lessee to verify whether it has the right to control the use of a given asset for a specified period of time. There is no accounting symmetry with the lessor, which continues to apply a separate accounting treatment depending on whether the contract is an operating lease or a finance lease (on the basis of current guidelines). On the basis of this new model, the lessee shall recognise:

- in the balance sheet, the assets and liabilities for all leases that have a term exceeding 12 months, unless the underlying asset has a modest value; and
- in profit or loss, depreciation of the leased assets separately from interest on the related liabilities.

For the first-time adoption of the principle, the transition approach used by Acea was the modified retrospective approach, and therefore the contracts whose leases – including renewals – will end within 12 months from the date of first application will not be included. The Company has also used the possibility envisaged by the principle of not accounting separately for the "non-lease" component of mixed contracts, therefore choosing to treat these contracts as a "lease". For payable discounting purposes, the Group has used an IBR calculated based on a risk-free rate with a maturity equal to the residual duration for each contract plus the credit spread assigned to Acea SpA by Moody's. Finally, it should be noted that there are no significant differences between the commitments arising from lease contracts discounted at the same rate and the value recognised in accordance with IFRS16.

EQUITY INVESTMENTS

In subsidiaries and associates are recorded in the balance sheet at the adjusted cost of any impairment losses on the individual equity investments following the impairment procedure conducted on the basis of the Group's impairment procedure. Where an impairment charge is recognised in the income statement, it is included among amortisation, depreciation and impairment charges. The cost of acquisition or subscription, for those relating to contributions, corresponds to the value determined by the experts in the estimate pursuant to art. 2343 of the Italian Civil Code. The excess of the acquisition cost compared to the share of the investee's shareholders' equity expressed at current values is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is subject to impairment tests and possibly written down. Losses in value are not subsequently restored if the reasons for such devaluation cease to exist. Losses on equity investments relating to the amount exceeding the amount of shareholders' equity are classified in the provision for risks and charges even if there is a credit exposure and until the eventual formal waiver of the receivable. Charges for settlement of equity investments are recognised through the valuation of the investments themselves regardless of the allocation of charges in the financial statements of investee companies. Investments in other companies, constituting non-current financial assets and not destined for trading activities, are measured at fair value if they can be determined: in this case, gains and losses deriving from the fair value measurement are booked directly to equity until the moment of the sale, when all the accumulated profits and losses are charged to the profit and loss account for the period. Investments in other companies for which fair value is not available are recorded at cost, written down for any permanent losses in value. Dividends are recognised in the Income Statement when the right to receive payment is established only if they derive from the distribution of profits subsequent to the acquisition of the investee company. If, however, they derive from the distribution of reserves of the investee prior to the acquisition, these dividends are recorded as a reduction in the cost of the investment itself.

TREASURY SHARES

The purchase cost of treasury shares is recognised as a decrease in equity. The effects of any subsequent transactions on these shares are also recognised directly in equity.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when Acea SpA becomes part of the instrument's contractual clauses.

FINANCIAL ASSETS – DEBT INSTRUMENTS

As a function of the features of the instrument and the business model used for its management, financial assets, which represent debt instruments, are classified in the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income (hereafter, also OCI), (iii) financial assets measured at fair value through profit and loss. Initial recognition is at fair value. For trade receivables without a significant financial component, the initial recognition value is represented by the transaction price. Subsequent to initial recognition, financial assets that generate contractual cash flows exclusively representing capital and interest payments are valued at amortised cost if held for the purpose of collecting contractual cash flows (so-called "hold to collect" model). According to the amortised cost method, the initial recognition value is

subsequently adjusted to take into account capital repayments, any write-downs and the amortisation of the difference between the repayment amount and the initial recognition value. Amortisation is based on the effective internal interest rate, which represents the rate that makes the present value of expected cash flows and the initial book value equal at the time of initial recognition. Receivables and other financial assets measured at amortised cost are presented in the Balance sheet net of the related provision for bad debts. The financial assets representing debt instruments whose business model envisages both the possibility of collecting contractual cash flows and the possibility of realising capital gains on disposal (so-called "hold to collect and sell" business model) are valued at fair value with allocation of the effects to OCI (hereinafter also FVTOCI). In this case, changes in the fair value of the instrument are recognised under shareholders' equity among other components of comprehensive income. The cumulative amount of changes in fair value recognised in the shareholders' equity reserve that includes the other components of the overall profit is reversed in the income statement when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange rate differences and write-downs is recognised in the income statement. A financial asset representing a debt instrument that is not valued at amortised cost or at the FVTOCI is valued at fair value with the effects being charged to the income statement (hereinafter FVTPL). This category includes financial assets held for trading purposes. When the purchase or sale of financial assets takes place according to a contract that envisages the settlement of the transaction and the delivery of the asset within a specified number of days, established by the market control bodies or by market conventions (e.g. purchase of securities on regulated markets), the transaction is recognised on the date of settlement. The financial assets sold are derecognised when the contractual rights associated with obtaining the cash flows associated with the financial instrument expire or are transferred to third parties.

WRITE-DOWNS OF FINANCIAL ASSETS

The assessment of the recoverability of the financial assets representing debt instruments not valued at fair value with effects on the income statement is made on the basis of the so-called "Expected credit loss model". In particular, expected losses are generally determined based on the product of: (i) the exposure owed to the counterparty net of the relative mitigating factors (so-called "Exposure at Default"); (ii) the probability that the counterparty does not comply with its payment obligation ("Probability of Default"); (iii) the estimate in percentage terms of the amount of credit that will not be able to be recovered in the event of a default ("Loss Given Default"), based on past experience and possible recovery actions that can be taken (e.g. out-of-court actions, legal disputes, etc.). In this regard, the internal ratings already used for the assignment have been adopted to determine the probability of default of the counterparties. For counterparties represented by State Entities and in particular for the National Oil Companies, the probability of default – essentially represented by the probability of late payment – is determined using as input the country risk premiums implemented for the purposes of determining the WACC for the impairment of non-financial assets. For retail customers not having internal ratings, the assessment of expected losses is based on a *provision matrix*, constructed where appropriate by grouping the clustered receivables to which write-down percentages apply based on the experience of previous losses, adjusted where necessary to take account of forecast information regarding the credit risk of the counterparty or of clusters of counterparties.

FINANCIAL ASSETS RELATED TO AGREEMENTS FOR SERVICES UNDER CONCESSION

With reference to the application of IFRIC12 to the public lighting service concession, Acea has adopted the Financial Asset Model, recognising a financial asset to the extent that it has an unconditional contractual right to receive future cash flows.

CASH AND CASH EQUIVALENTS

This item includes cash and bank current accounts and deposits repayable on demand or very short term and other highly liquid short-term financial investments, which are readily convertible into cash and are subject to a non-significant risk of changes in value.

FINANCIAL LIABILITIES

Financial liabilities other than derivative instruments – including financial payables, trade payables, other payables and other liabilities – are initially recognised at the fair value less any costs associated with the transaction. Subsequently they are recognised at amortised cost using the effective interest rate for discounting purposes. Financial liabilities are eliminated when they are extinguished or when the obligation specified in the contract is fulfilled, cancelled or expired.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset in the balance sheet when there is a currently exercisable legal right to offset, and the intention is to settle the relationship on a net basis (i.e. to sell the asset and simultaneously settle the liability).

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivative financial instruments, including implicit ones (Embedded derivatives) are assets and liabilities recognised at fair value according to the criteria specified in the point below, "Valuation at fair value". As part of the risk management strategy and objectives, qualification of transactions as hedges requires: (i) verification of the existence of an economic relationship between the hedged item and the hedging instrument that can offset the related changes in value, and that this capacity to offset is not affected by the level of counterparty credit risk; (ii) the definition of a hedge ratio consistent with risk management objectives, within the defined risk

management strategy, where necessary making the appropriate rebalancing actions. Changes in risk management objectives, the absence of the conditions specified above for the classification of transactions as hedges or the implementation of rebalancing operations results in the total or partial prospective discontinuation of the hedge. When hedging derivatives cover the risk of changes in the fair value of the hedged instruments (fair value hedge; for example, hedging of the fair value variability of fixed rate assets/liabilities), derivatives are recognised at fair value with the effects allocated in the income statement. Similarly, the hedged instruments in the income statement reflect the changes in fair value associated with the hedged risk, regardless of the provision of a different valuation criterion generally applicable to the type of instrument. When derivatives hedge the risk of changes in the cash flows of the hedged instruments (cash flow hedge; e.g. hedging of the variability of the cash flows of assets/liabilities due to fluctuations in interest rates or exchange rates), the changes in the fair value of derivatives considered to be effective are initially recognised in the shareholders' equity reserve relating to the other components of comprehensive income, and subsequently recognised in the income statement consistent with the economic effects produced by the hedged transaction. In the case of hedging of future transactions that involve the recognition of a non-financial asset or liability, the accumulated changes in the fair value of hedging derivatives, recognised in equity, are recognised as an adjustment to the carrying amount of the asset./non-financial liability subject to hedging (so-called basis adjustment). The ineffective portion of the hedge is recorded in the income statement item "Financial (costs)/income". Changes in the fair value of derivatives that do not meet the conditions to be qualified as hedges, including any ineffective components of hedging derivatives, are recognised in the income statement. In particular, changes in the fair value of non-hedging derivatives on interest rates and currencies are recognised in the income statement item "Financial (costs)/income". Embedded derivatives — embedded in financial assets — are not subject to separate accounting. In these cases, the entire hybrid instrument is classified according to the general criteria for the classification of financial assets. Embedded derivatives incorporate within financial liabilities and/or non-financial assets are separated from the main contract and recognised separately if the embedded instrument: (i) meets the definition of a derivative; (ii) as a whole it is not valued at fair value with the effects being charged to the income statement (FVTPL); (iii) if the characteristics and risks of the derivative are not strictly linked to those of the main contract. Verification of the existence of embedded derivatives to be separated and valued separately is carried out when the company enters into the contract, and subsequently if there are changes in the terms of the contract that lead to significant changes in the cash flows generated by that contract.

VALUATION AT FAIR VALUE

The fair value is the consideration that can be received for the sale of an asset or that can be paid for the transfer of a liability in a regular transaction between market operators at the valuation date (e.g. exit price). The fair value of an asset or liability is determined by adopting the valuations that market operators would use in determining the price of the asset or liability. The fair value measurement also assumes that the asset or liability is exchanged in the main market or, in the absence thereof, in the most advantageous market the company has access to. The determination of the fair value of a non-financial asset is made considering the ability of market operators to generate economic benefits by using this asset in its highest and best use or by selling it to another participant in the market able to use it, maximising its value. The determination of the highest and best use of the asset is made from the point of view of market operators even in the case where the company intends to use it differently. It is assumed that the company's current use of a non-financial asset is its highest and best use unless the market or other factors suggest that a different use by market operators is able to maximise its value. The valuation of the fair value of a liability, both financial and non-financial or of a capital instrument, takes into account the quoted price for the transfer of an identical or similar liability or equity instrument. If this quoted price is not available, the valuation of the corresponding asset held by a market operator at the valuation date is considered. The fair value of financial instruments is determined considering the credit risk of the counterparty of a financial asset (so-called "Credit Valuation Adjustment" - CVA) and the risk of default by the entity itself, with reference to a financial liability (so-called "Debit Valuation Adjustment" - DVA). In determining fair value, a hierarchy of criteria is defined based on the origin, type and quality of the information used in the calculation. This classification aims to establish a hierarchy in terms of reliability of the fair value, giving precedence to the use of observable market parameters that reflect the assumptions that market participants would use in the valuation of the asset/liability.
The fair value hierarchy has the following levels:

- level 1: inputs represented by quoted prices (unmodified) in active markets for identical assets or liabilities that can be accessed on the valuation date;
- level 2: inputs other than the prices included in level 1 that are directly or indirectly observable for the assets or liabilities to be valued;
- level 3: unobservable inputs for the asset or liability. In the absence of available market quotations, the fair value is determined using valuation techniques appropriate to the individual cases that maximise the use of relevant observable inputs, minimising the use of unobservable inputs.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are made when Acea has to meet a current obligation (legal or implicit) deriving from a past event, where it is probable that an outlay of resources will be required to satisfy the obligation and a reliable estimate can be made on the amount of the obligation. The provisions are allocated based on the Management's best estimate for the costs required to fulfil the obligation at the balance sheet date and if the effect is significant. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the expected future cash flows at the average rate of the company's debt taking into account the risks associated with the obligation. The increase in the provision associated with the passage of time is recognised in the income statement under the item "Financial income/(charges)". If the debt is related to the dismantling and/or renovation of material assets, the initial fund is reported as an offset to the asset it refers to; its incidence on the Income Statement takes place through the process of amortisation of the material fixed asset to which the obligation refers.

Accounting standards, amendments, interpretations and improvements applied as of 1 January 2024

AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by the right to defer settlement;
- that the right to defer settlement must exist at the end of the reporting year;
- that classification is not affected by the likelihood of the entity exercising its right to defer settlement.

Only if an implicit derivative in a convertible liability is itself an equity instrument does the maturity date of the liability not impact its classification. Additionally, a requirement was introduced to disclose when a liability deriving from a loan contract is classified as non-current and the right to defer settlement is subordinate to respecting covenants within 12 months.

The amendments are effective for years beginning on or after 1 January 2024 and must be applied retrospectively. However, these changes did not have a material impact on the financial statements.

AMENDMENTS TO IFRS 16 LEASES: LEASE LIABILITY IN A SALE AND LEASEBACK

Issued on 22 September 2022, its purpose is to clarify the impact that a sale and leaseback transaction could have on a financial liability that involves variable payments not linked to indices or rates. The main change in the subsequent measurement of the financial liability regards the determination of the "lease payments" and of the "revised lease payments" so that, following a leaseback transaction the seller-lessee does not recognise any profit or loss related to the right of use that it holds. The purpose of the amendment is to avoid the accounting of profits and losses, related to the right of use recognised, following events that entail a remeasurement of the payable (for example a change in the leasing contract or in its duration). Any profits and losses deriving from the partial or total termination of a leasing contract continue to be recognised for the part of right of use terminated. The amendments are applicable from 1 January 2024 with possibility of early application. However, these changes did not have a material impact on the financial statements.

SUPPLIER FINANCE ARRANGEMENTS - AMENDMENTS TO IAS 7 AND IFRS 7

Based on the assessment performed, the Company supplemented the information required by the amendment in the note on payables to suppliers, to which reference should be made for more details.

Accounting standards, amendments and interpretations applicable after the end of the financial year and not adopted earlier

AMENDMENTS TO IAS 21: THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES: LACK OF EXCHANGEABILITY

On 15 August 2023, the IASB published "Lack of Exchangeability" (Amendments to IAS 21) to provide guidance on how to determine the exchange rate to be used when there is no directly observable market exchange rate, alongside the related information to be provided in the explanatory notes. The amendments are effective for years beginning on or after 1 January 2025. The Company does not expect a material impact to arise from the application of these amendments.

IFRS 18 - PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which introduced new concepts relating to: (i) the structure of the income statement; (ii) the information required in the financial statements for several income performance measures reported off-balance sheet (as defined by management), and (iii) reinforced principles of aggregation and disaggregation which apply to both the financial statements and the explanatory notes as a whole. The standard will come into force on 1 January 2027. The Company is assessing the potential impact deriving from the adoption of this standard.

IFRS 19 - SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

In May 2024, the IASB issued IFRS 19 – Subsidiaries without Public Accountability: Disclosures, which allows certain subsidiaries to use IFRS accounting standards with reduced disclosure requirements, more suited to the needs of their stakeholders, and to have just one set of accounting records that meets the needs of the parent company and the subsidiary. The standard will come into force on 1 January 2027 and early application is permitted. The Company does not expect a material impact to arise from the application of this standard.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO IFRS 9 AND IFRS 7)

In May 2024, the IASB published Amendments to the Classification and Measurement of Financial Instruments, clarifying that a financial liability is eliminated at the settlement date, and introducing the choice of an accounting policy for the elimination of financial liabilities, through the use of an electronic payment system before the settlement date. Other clarifications concerned the classification of financial assets with ESG characteristics, through an additional guide on the assessment of contingent characteristics. Clarifications were also made to non-recourse loans and contractually linked instruments. Lastly, additional information was introduced for financial instruments with contingent characteristics and capital instruments classified at "fair value through OCI". The standard will come into force on 1 January 2026 and early application is permitted. The Company is assessing the potential impact deriving from the application of these amendments.

ANNUAL IMPROVEMENTS TO IFRS ACCOUNTING STANDARDS – VOLUME 11

In July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards – Volume 11, which contains amendments to five standards as a result of the IASB annual improvement project. The IASB uses the annual improvement process to make necessary, but not urgent, amendments to the IFRS accounting standards that will not be included in another main project. The amended standards are: IFRS 1 – First-time Adoption of International Financial Reporting Standards, IFRS 7 – Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 – Financial Instruments; IFRS 10 – Consolidated Financial Statements; and IAS 7 – Statement of Cash Flows. The amendments will come into force on 1 January 2026 and early application is permitted. The Company is assessing the potential impact deriving from the adoption of these amendments.

AMENDMENTS FOR NATURE-DEPENDENT ELECTRICITY CONTRACTS (AMENDMENTS TO IFRS 9 AND IFRS 7)

In December 2024 the IASB published the Amendments for nature-dependent electricity contracts, which amended IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures in order to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), in light of the increased use of these contracts. The amendments will come into force on 1 January 2026 and early application is permitted. The Company is assessing the potential impact deriving from the adoption of these amendments.

Income statement

Ref. note	€	2024	Of which related party transactions	2023	Of which related party transactions	Change
1	Revenue from sales and services	189,722,992	189,722,992	189,815,095	189,815,095	(92,103)
2	Other revenue and income	14,326,743	10,037,222	15,223,430	9,629,630	(896,687)
	Net revenues	**204,049,735**	**199,760,213**	**205,038,525**	**199,444,725**	**(988,790)**
3	Staff costs	73,234,457	0	70,478,394	0	2,756,064
4	Costs of materials and overhead	165,099,257	53,236,342	161,797,356	59,104,874	3,301,901
	Operating costs	**238,333,714**	**53,236,342**	**232,275,749**	**59,104,874**	**6,057,964**
	EBITDA	**(34,283,979)**	**146,523,871**	**(27,237,224)**	**140,339,851**	**(7,046,754)**
5	Net write-downs (write-backs) of trade receivables	130,930	130,930	425,590	147,265	(294,660)
6	Depreciation, amortisation and provisions	60,661,570	0	52,022,727	0	8,638,843
	Operating profit/(loss)	**(95,076,479)**	**146,392,941**	**(79,685,542)**	**140,192,586**	**(15,390,937)**
7	Financial income	134,559,191	126,933,383	114,152,586	100,121,208	20,406,604
8	Financial charges	(119,326,282)	(4,461,493)	(111,455,366)	(6,785,414)	(7,870,915)
9	Profit/(Loss) on equity investments	274,098,077	274,098,077	265,470,928	265,470,928	8,627,148
	Profit/(Loss) before tax	**194,254,506**	**549,904,277**	**188,482,606**	**498,999,309**	**5,771,900**
10	Income tax	(14,237,684)	(124,165,466)	(14,478,434)	(107,529,022)	240,750
	Net profit/(loss)	**208,492,190**	**674,069,743**	**202,961,039**	**498,999,309**	**5,531,151**

Statement of comprehensive income

€ thousand	2024	2023	Change
Net profit/(loss) for the period	**208,492**	**202,961**	**5,531**
Provision for exchange rate difference	5,570	14,004	(8,434)
Tax on exchange rate difference	(1,337)	(3,361)	2,024
Gains/Losses from exchange rate difference	**4,234**	**10,643**	**(6,410)**
Effective portion of gains/(losses) on hedging instruments (“cash flow hedges”)	(6,141)	(14,895)	8,754
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	1,474	3,575	(2,101)
Profit/(Loss) from the effective portion on hedging instruments, net of tax	**(4,667)**	**(11,320)**	**6,653**
Actuarial profit/(loss) on staff benefits included in the Shareholders' Equity	69	(660)	729
Tax effect on the other actuarial profit/(loss) on staff benefits	(20)	195	(215)
Actuarial profit/(loss) on defined benefit pension plans, net of tax	**48**	**(465)**	**513**
Total of the comprehensive income components, net of tax	**(385)**	**(1,142)**	**756**
TOTAL COMPREHENSIVE PROFIT/(LOSS)	**208,107**	**201,820**	**6,287**

Statement of financial position

Ref. note	ASSETS €	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
11	Tangible fixed assets	100,794,988	0	112,297,703	0	(11,502,715)
12	Real estate investments	9,710,505	0	1,989,600	0	7,720,905
13	Intangible fixed assets	106,772,333	0	98,267,856	0	8,504,477
14	Rights of use	20,707,202	0	13,579,828	0	7,127,374
15	Equity Investments in subsidiaries and associates	2,098,631,916	0	2,089,858,946	0	8,772,970
16	Other equity investments	7,350,701	0	7,350,701	0	0
17	Deferred tax assets	9,797,728	0	12,894,926	0	(3,097,197)
18	Financial assets	4,014,159,684	4,009,751,492	3,871,050,036	3,864,547,783	143,109,648
19	Other non-current assets	8,219,783	7,405,634	290,034	0	7,929,749
	Non-current assets	**6,376,144,839**	**4,017,157,126**	**6,207,579,629**	**3,864,547,783**	**168,565,211**
20.a	Trade receivables	136,788,352	136,399,340	169,178,186	168,583,828	(32,389,834)
20.b	Other current assets	94,088,743	49,164,424	68,029,588	35,315,916	26,059,155
20.c	Current tax assets	1,710,922	0	2,209,677	0	(498,755)
20.d	Current financial assets	720,890,267	667,504,885	897,531,153	559,940,494	(176,640,887)
20.e	Cash and cash equivalents	293,379,023	0	140,469,651	0	152,909,372
20	**Current assets**	**1,246,857,307**	**853,068,648**	**1,277,418,255**	**763,840,239**	**(30,560,948)**
	TOTAL ASSETS	**7,623,002,147**	**4,870,225,774**	**7,484,997,884**	**4,628,388,022**	**138,004,263**

Ref. note	LIABILITIES AND SHAREHOLDERS' EQUITY €	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
21.a	Share capital	1,098,898,884	0	1,098,898,884	0	
21.b	Legal reserve	167,985,690	0	157,837,638	0	
21.c	Other reserves	102,220,483	0	90,812,214	0	
	Retained earnings/(losses)	155,273,698	0	161,296,541	0	
	Profit (loss) for the year	208,492,190	0	202,961,039	0	
21	**Shareholders' Equity**	**1,732,870,945**	**0**	**1,711,806,317**	**0**	**21,064,629**
22	Staff termination benefits and other defined benefit plans	11,492,721	0	22,600,176	0	
23	Provisions for risks and charges	17,056,004	0	14,952,442	0	
24	Borrowings and financial liabilities	4,731,746,846	77,820,000	4,470,501,883	90,790,000	
25	Other liabilities	51,823,369	51,258,415	36,723,950	36,147,973	
	Non-current liabilities	**4,812,118,940**	**129,078,415**	**4,544,778,452**	**126,937,973**	**267,340,488**
26.a	Borrowings	790,925,242	251,774,896	974,896,240	297,024,215	
26.b	Payables to suppliers	209,897,329	111,773,565	195,219,580	104,412,553	
26.c	Tax payables	15,312,956	0	0	0	15,312,956
26.d	Other current liabilities	61,876,735	32,297,609	58,297,295	30,680,724	
26	**Current liabilities**	**1,078,012,262**	**395,846,069**	**1,228,413,116**	**432,117,492**	
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,623,002,147**	**524,924,484**	**7,484,997,884**	**559,055,465**	**138,004,263**

Statement of changes in shareholders' equity

€ thousand	Share capital	Legal reserve	Demerged capital gains reserve	Reserve for exchange differences	Valuation reserve for financial instruments	Reserve for actuarial gains or losses	Other miscella-neous reserves	Profit (loss) accu-mulated	Profit (loss) for the year	Total Share-holders' Equity
Balance as at 31 December 2023	**1,098,899**	**157,838**	**102,567**	**27,905**	**(27,545)**	**(12,494)**	**379**	**161,297**	**202,961**	**1,711,806**
Balance at 1 January 2024	**1,098,899**	**157,838**	**102,567**	**27,905**	**(27,545)**	**(12,494)**	**379**	**161,297**	**202,961**	**1,711,806**
Income statement profit	0	0	0	0	0	0	0	0	208,492	208,492
Other comprehensive income (loss)	0	0	0	4,234	(4,667)	48	0	0	0	(385)
Total comprehensive income (loss)	**0**	**0**	**0**	**4,234**	**(4,667)**	**48**	**0**	**0**	**208,492**	**208,107**
Allocation of result for 2023	0	10,148	0	0	0	0	0	192,813	(202,961)	0
Distribution of dividends	0	0	0	0	0	0	0	(187,042)	0	(187,042)
Other changes	0	0	0	0	0	11,794	0	(11,794)	0	0
Balance as at 31 December 2024	**1,098,899**	**167,986**	**102,567**	**32,139**	**(32,212)**	**(652)**	**379**	**155,274**	**208,492**	**1,732,871**

€ thousand	Share capital	Legal reserve	Demerged capital gains reserve	Reserve for exchange differences	Valuation reserve for financial instruments	Reserve for actuarial gains or losses	Other miscella-neous reserves	Profit (loss) accu-mulated	Profit (loss) for the year	Total Share-holders' Equity
Balance as at 31 December 2022	**1,098,899**	**147,501**	**102,567**	**17,262**	**(16,225)**	**(12,029)**	**379**	**145,564**	**206,735**	**1,690,653**
Balance at 1 January 2023	**1,098,899**	**147,501**	**102,567**	**17,262**	**(16,225)**	**(12,029)**	**379**	**145,564**	**206,735**	**1,690,653**
Income statement profit	0	0	0	0	0	0	0	0	202,961	202,961
Other comprehensive income (loss)	0	0	0	10,643	(11,320)	(465)	0	0	0	
Total comprehensive income (loss)	**0**	**0**	**0**	**10,643**	**(11,320)**	**(465)**	**0**	**0**	**202,961**	**201,820**
Allocation of result for 2022	0	10,337	0	0	0	0	0	196,399	(206,735)	0
Distribution of dividends	0	0	0	0	0	0	0	(180,666)	0	(180,666)
Balance as at 31 December 2023	**1,098,899**	**157,838**	**102,567**	**27,905**	**(27,545)**	**(12,494)**	**379**	**161,297**	**202,961**	**1,711,806**

Cash flow statement

Ref. note	€ thousand	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
	Profit before tax	**194,255**		**188,483**		**5,772**
6	Depreciation/amortisation and impairment losses	52,191		46,583		5,608
9	Profit/(Loss) on equity investments	(274,098)	(274,098)	(265,471)	(265,471)	(8,627)
6	Changes in provisions for risks and charges	2,104		(1,869)		3,973
8-22	Net change in the provision for employee benefits	(10,486)		699		(11,185)
7-8	Net financial income/(charges)	(15,786)		(3,592)		(12,194)
	Cash flow from operating activities before changes in net working capital	**(51,821)**	**(274,098)**	**(35,167)**	**(265,471)**	**(16,654)**
5	Provision for doubtful accounts	131		426		(295)
20	Increase/Decrease in receivables included in current assets	6,707	18,336	(28,832)	(37,974)	35,539
26	Increase/Decrease in payables included in the working capital	67,576	8,978	73,084	8,689	(5,508)
	Increase/Decrease in inventories	0		0		0
10	Income taxes paid	(34,015)		(85,053)		51,038
	Change in working capital	**40,400**	**27,314**	**(40,374)**	**(29,285)**	**80,774**
24-40	Change in other assets/liabilities during the period	7,099		4,033		3,067
	Cash flow from operations of Disposal Groups/Assets held for sale	0		*0*		*0*
	Cash flow from operating activities	**(4,322)**	**(246,784)**	**(71,509)**	**(294,756)**	**67,186**
11-12-13	Investments in tangible and intangible assets	(53,095)		(47,436)		(5,659)
15-16	Investments in investees, subsidiaries and business units	(1,500)		(20,171)		18,671
18-20-24-26	Collections/payments deriving from other financial investments	31,532	(252,853)	(565,270)	(414,303)	596,803
	Dividends received	281,036	281,036	265,576	265,576	15,460
	Interest income received	134,437		113,974		20,463
	Cash flow from investments of Disposal Groups/Assets held for sale	0		*0*		*0*
	TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	**392,411**	**28,183**	**(253,327)**	**(148,727)**	**645,738**
24	New issues of long-term financial debt	755,000		700,000		55,000
24	Repayment of financial payables	(644,081)	(12,970)	(351,581)	(12,970)	(292,500)
24-26	Decrease/Increase in other financial debts	(64,137)	(58,219)	60,650	72,700	(124,788)
	Interest expense paid	(117,978)		(108,559)		(9,419)
	Dividends paid	(163,983)	(163,983)	(135,123)	(135,123)	(28,860)
	Cash flow from loans of Disposal Groups/ Assets held for sale	0		*0*		*0*
	TOTAL CASH FLOW FROM FINANCING ACTIVITIES	**(235,179)**	**(235,172)**	**165,387**	**(75,393)**	**(400,566)**
	CASH FLOW FOR THE PERIOD	**152,909**	**(453,773)**	**(159,448)**	**(518,876)**	**312,358**
	Net opening balance of cash and cash equivalents	**140,470**		**299,918**		**(159,448)**
	Cash availability from acquisition	**0**		**0**		**0**
	Net closing balance of cash and cash equivalents	**293,379**		**140,470**		**152,909**
	Cash and cash equivalents at the end of the year *Disposal Groups/Assets held for sale*	**0**		**0**		**0**
	Cash and cash equivalents at the end of the year *Continuing Operations*	**293,379**		**140,470**		**152,909**

Notes to the income statement

REVENUES

1. REVENUE FROM SALES AND SERVICES – €189,723 THOUSAND

Revenues from sales and services are as follows:

€ thousand	2024	2023	Change
Revenue from customer services	**35,296**	**43,415**	**(8,119)**
Public Lighting - Rome	35,296	43,415	(8,119)
Revenues from intragroup services	**154,427**	**146,401**	**8,026**
Infragroup service contracts	106,389	102,334	4,054
Other infragroup services	48,038	44,066	3,972
Revenue from sales and services	**189,723**	**189,815**	**(92)**

The reduction in revenues from customer services of €8,119 thousand is attributable to the reduction in the consideration for the public lighting service performed in the Municipality of Rome. The changes can be traced to the decrease in the fee for the electricity component, due to market trends, and the decrease in extraordinary maintenance and modernisation and safety activities. The extraordinary maintenance, modernisation and safety activities and new projects were carried out according to what was agreed with Roma Capitale.
Revenues from infragroup services recorded an overall increase of €8,026 thousand. This change is due to the income relative to multi-year rights of use for licenses acquired or developed by Acea (+€4,738 thousand) and higher fees for the service contract in the interest of Group companies (+€4,054 thousand), partially counterbalanced by lower fees for other services.
Please see the subsequent section on "Relations with Roma Capitale" for more information on the Public Lighting contract.

2. OTHER REVENUE AND INCOME – €14,327 THOUSAND

Other revenue and income shows a reduction of €897 thousand with respect to 31 December 2023. The reduction originated from the phenomena outlined in the table below, notably the decrease in other revenue due to the absence in 2024 of tax credit revenues calculated on energy purchases (equal to €989 thousand in 2023).

€ thousand	2024	2023	Change
Contributions from Entities for Energy Efficiency Certificates	4	0	4
Non-recurring gains	2,554	2,581	(28)
Other revenue	1,627	2,957	(1,330)
Refunds for damages, penalties, collateral	16	81	(65)
Regional grants	120	0	120
Seconded personnel	5,886	5,532	353
Real estate income	1,118	1,237	(120)
Recharged cost for company officers	3,003	2,835	169
Other revenue and income	**14,327**	**15,223**	**(897)**

COSTS

3. PERSONNEL COSTS – €73,234 THOUSAND

€ thousand	2024	2023	Change
Personnel costs including capitalised costs	79,042	77,117	1,925
Staff employed in projects	(597)	(480)	(117)
Costs capitalised for personnel	(5,210)	(6,159)	949
Staff costs	**73,234**	**70,478**	**2,756**

The increase in staff costs, including capitalised costs of €1,925 thousand, derives from the average outstanding amounts, as also highlighted in the table below, offset by the elimination of the obligation accrued for the tariff subsidy for retired staff recognised in the financial statements (€9,388 thousand).
The cost of personnel is netted, not only of capitalised costs of €5,210 thousand (-€949 thousand compared to 2023) but also of €597 thousand (-€117 thousand compared to 31 December 2023) representing the total amount of personnel costs used in the IT projects for all group companies participating in the "communion" of the residual portion of the Template contract still in effect.
The following table shows the average and final number of employees by category, compared to the previous year.

	Average number of employees			End-of-period composition		
	2024	2023	Change	2024	2023	Change
Senior executives	71	61	10	62	68	(6)
Middle managers	204	189	14	211	194	17
Clerical staff	504	463	41	516	483	33
Blue-collar workers	16	20	(4)	15	17	(2)
Total	**795**	**733**	**62**	**804**	**762**	**42**

4. COSTS OF MATERIALS AND OVERHEADS – €165,099 THOUSAND

Compared to 31 December 2023, total external costs increased by €3,302 thousand. The following is the composition and changes in external costs by nature.

€ thousand	2024	2023	Change
Materials	3,231	2,815	416
Services and contract work	134,448	135,648	(1,200)
Cost of leased assets	20,175	17,166	3,010
Other operating costs	7,245	6,168	1,077
Costs of materials and overhead	**165,099**	**161,797**	**3,302**

€ thousand	2024	2023	Change
Technical and administrative Services (including consulting and collaborations)	40,900	34,232	6,669
Contract work	7,039	7,842	(803)
Disposal and transport of sludge, slag, ash and waste	56	57	(0)
Other services	7,249	10,225	(2,976)
Personnel services	5,130	5,897	(766)
Insurance costs	1,112	1,174	(62)
Electricity, water and gas consumption	22,909	25,798	(2,889)
Intragroup services and otherwise	18,731	23,367	(4,636)
Telephone and data transmission costs	2,838	1,280	1,558
Postal expenses	173	390	(217)
Maintenance fees	5,809	5,872	(63)
Cleaning, transport and porterage costs	3,942	3,847	95
Advertising and sponsorship costs	6,913	5,457	1,456
Corporate bodies	1,427	1,266	161
Bank charges	2,102	1,538	564
Travel and accommodation expenses	729	332	397
Seconded personnel	7,343	7,045	298
Printing expenses	45	31	14
Services and contract work	**134,448**	**135,648**	**(1,200)**

€ thousand	2024	2023	Change
Rent charges	191	548	(357)
Other rentals and fees (use of third party assets)	19,984	16,617	3,367
Cost of leased assets	**20,175**	**17,166**	**3,010**

€ thousand	2024	2023	Change
Taxes and duties	1,925	1,838	87
Damages and outlays for legal disputes	114	147	(33)
Contributions paid and membership fees	2,063	2,068	(5)
General expenses	1,569	1,490	80
Contingent liabilities	1,574	626	948
Other operating costs	**7,245**	**6,168**	**1,077**

Relative to the €3,302 thousand increase in external costs, the following contributed to the result:

- greater costs for consulting and technical and administrative services (including consulting and collaborations) for €6,669 thousand, including strategic projects;
- lower costs for electricity consumption of €4,010 thousand of which €3,846 thousand related to the Roma Capitale Public Lighting Service, attributable to the trends in energy market prices;
- lower costs to areti equal to €4,620 thousand for technical services related to the Roma Capitale Public Lighting Service, due to the reduction in extraordinary maintenance and modernisation and safety activities;
- lower costs of €1,988 thousand for surveillance services, due to increased efficiency of armed surveillance and concierge services resulting from the implementation of security systems and the insourcing of certain reception services;
- lower costs for €1,018 thousand for costs for temporary work mainly deriving from the insourcing of resources;
- greater advertising and sponsorship costs for €1,456 thousand;
- greater costs for water consumption equal to €1,145 thousand;
- greater costs for user licenses for software applications for €3,043 thousand.

Please note that, pursuant to article 149-duodecies of the CONSOB Issuer Regulations, the fees accrued by the PwC Auditing Company are shown in the table below.

€ thousand	Parent company auditing company	Parent company auditing company network	Total
Type of service			
Independent auditing of the accounts	257	0	**257**
Certification services	267	0	**267**
Other services	231	138	**369**
Total fees	**755**	**138**	**892**

Please note that the above fees refer to assignments for the year 2024 entrusted up to 31 December 2024.

5. NET WRITE-DOWNS (WRITE-BACKS) OF TRADE RECEIVABLES – €131 THOUSAND

The balance of the account consists of the provisions set aside for the impairment of financial receivables from Sienergia.

6. DEPRECIATION, AMORTISATION AND PROVISIONS – €60,662 THOUSAND

€ thousand	2024	2023	Change
Depreciation/amortisation and impairment losses	52,191	46,583	5,608
Provisions	8,471	5,440	3,031
Depreciation, amortisation and provisions	**60,662**	**52,023**	**8,639**

Amortisation, depreciation and impairment losses totalled €52,191 thousand and refer for €38,660 thousand to intangible assets, for €7,333 thousand to property, plant and equipment and for €4,554 thousand to the application of IFRS 16. The increase in the item amortisation, depreciation and impairment losses (+€5,608 thousand) was mainly due to higher amortisation relative to licences and IT developments granted for use to subsidiaries and associated companies based on the contract that replaced the previous Template, for all entries into service between the end of last year and the start of the current one, in addition to new developments (+€4.272 thousand). Also contributing to the change were higher writedowns (+€1,540 thousand) mainly as a result of the writedown made on the investments under way for the company's sports club, and lower depreciation recorded on property, plant and equipment (-€245 thousand).

Allocations to the provision for risks amount to €8,471 thousand, net of releases. The following are their composition by nature and their effects.

	2024	2023	Change
Legal risks provision	2,156	1,641	516
Tax provision	328	0	328
Provision for investees	9	775	(766)
Fee risks provision	2	16	(14)
Tenders and supplies provision	57	19	38
Provisions for risks	**2,553**	**2,451**	**102**
Early retirements and redundancies provision	2,447	3,246	(799)
Provision for expenses payable to others	3,503	0	3,503
Expenses provision	**5,950**	**3,246**	**2,704**
Total provisions	**8,503**	**5,697**	**2,806**
Release of risks provisions, release of fees provisions	**(32)**	**(258)**	**225**
Total	**8,471**	**5,440**	**3,031**

Compared to the previous year, an overall increase was seen in the provisioning, mainly due to the estimation of the one-off benefit to be paid to retired staff as definitive write-off of the tariff subsidy for retired staff equal to €3,503 thousand.
For further details on the above changes, please see the information provided in the paragraph "*Update on major disputes and litigation*" in this document.

7. FINANCIAL INCOME – €134,559 THOUSAND

€ thousand	2024	2023	Change
Interest on financial receivables	122,797	96,431	26,366
Bank interest income	1,090	1,736	(646)
Interest on other receivables	7,487	13,006	(5,519)
Financial income from discounting to present value	122	179	(57)
Other Income	3,062	2,800	262
Financial income	**134,559**	**114,153**	**20,407**

The increase in financial income for €20,407 thousand is due to higher interest income, essentially from revolving credit lines provided to Group companies for €26,366 thousand, partly offset by the reduction in interest accrued on short-term deposits. The latter derives from the decrease in their numbers in the second half of 2024 as a result of the repayment of the bond loan in July.

8. FINANCIAL COSTS – €119,326 THOUSAND

€ thousand	2024	2023	Change
Costs (Income) on Interest Rate Swaps	5,230	5,053	177
Interest on bonds	73,571	79,838	(6,267)
Interest on medium/long-term borrowings	31,039	20,399	10,639
Interest on short-term debt	6,828	2,984	3,844
Default interest and interest on deferred payments	1,261	196	1,065
Interest cost net of actuarial gains and losses	553	895	(341)
IFRS 16 financial charges	645	935	(290)
Other financial charges	49	89	(39)
Foreign exchange gains (losses)	151	1,067	(916)
Financial charges	**119,326**	**111,455**	**7,871**

The increase in financial charges for €7,871 thousand mainly derives from greater interest on medium/long-term borrowings (+€10,639 thousand) and on short-term loans (+€3,844 thousand), partly offset by lower interest on bond loans (-€6,267 thousand).
The increase in interest on medium/long-term borrowings totalling €10,639 thousand is essentially due to interest accrued on new loans.
The increase in interest on short-term borrowings totalling €3,844 thousand is due to an increase in bank and postal interest expense due to current account overdrafts as well as interest accrued on short-term loans taken out and settled in 2024 (+€5,952 thousand), partly offset by interest payable for centralised treasury transactions (-€2,107 thousand).

The decrease in interest on bond loans is due to the settlement of the bond loan repaid in July for €7,296 thousand, partly offset by the interest on the bond loan issued in early 2023 for €2,075 thousand.
With reference to the average cost of Acea's debt, there was an increase compared to the previous year, having risen from 1.88 in 2023 to 1.98 in 2024.

9. INCOME/EXPENSES FROM EQUITY INVESTMENTS – €274,098 THOUSAND

Income net of equity investment expense comes to €274,098 thousand, an increase of €8,627 thousand (previously €265,471 thousand at 31 December 2023). It is composed as summarised in the following table.

€ thousand	2024	2023	Change
Acea Ato2	80,675	64,680	15,995
Acque Blue Arno Basso	1,664	0	1,664
Acque Blu Fiorentine	2,216	2,239	(23)
Acea International	2,488	2,642	(154)
areti	124,517	113,479	11,038
Acea Energia	27,123	3,792	23,331
Acea Produzione	30,427	44,626	(14,199)
Aquaser	35	46	(10)
Intesa Aretina	0	646	(646)
Acea Ambiente	6,505	22,062	(15,557)
Geal	693	278	414
Ingegnerie Toscane	24	21	3
Acea Infrastructure	3,248	5,645	(2,397)
Ombrone	1,370	1,367	3
Technologies for Water Service (TWS)	0	4,000	(4,000)
Non-controlling interests	55	0	55
Dividends	**281,039**	**265,523**	**15,517**
Other income from equity investments	0	31	(31)
(Costs) of equity investments in subsidiaries and associated companies	(6,941)	(82)	(6,859)
Profit/(Loss) on equity investments	**274,098**	**265,471**	**8,627**

The change is due to higher dividends from equity investments (+ 15,517 thousand) offset by higher costs of equity investments (+€6,859 thousand), mainly attributable to DropMi as a result of unrealised smart metering projects and the consequent liquidation during 2024 and Acea Liquidation and Litigation following the impairment test.
Please see that found in the item *Equity investments in subsidiary companies and associates*.

10. INCOME TAXES – -€14,238 THOUSAND

Total taxes amount to -€14,238 thousand (€14,478 thousand at 31 December 2023). In particular, the tax calculation is affected by the tax law applicable to the tax treatment of the collected dividends, the provisions for the provision for risks, as well as the deductibility of the interest expense of Acea for the Group tax consolidation. Income taxes for the year have an impact on the pre-tax result of 7.3%.
The balance consists of the algebraic sum of the following items:

Current taxes

Current taxes amounted to €106,714 thousand (€92,086 thousand as at 31 December 2023) and refer to consolidated IRES calculated on the sum of taxable income and tax losses of the companies consolidated on a tax basis and IRAP.

It should be noted that this effect is cancelled by the recognition of income deriving from the attribution of the taxable income of the companies participating in the tax consolidation.
This effect is summarised in the table below what shows the reconciliation between the theoretical and actual rates.

Deferred taxes

Net deferred tax assets decreased taxes by €437 thousand (€1,240 thousand at 31 December 2023) and consisted of the algebraic sum of provisions (€5,818 thousand) mainly on the provision for risks, the allowance for doubtful receivables, depreciation and amortisation, as well as provisions for defined benefit plans and utilisations (€6,255 thousand). Deferred tax liabilities increased by €2,277 thousand and relate only to provisions, net of use. For more details please see the paragraph on "Deferred tax assets".

Charges and income from tax consolidation

These amount to €124,165 thousand (€107,529 thousand as at 31 December 2023) and represent the positive balance between the tax charges that the Parent Company has towards tax consolidation companies against the transfer of tax losses (€3,651 thousand) and the tax income recorded as a counterpart of the taxable income transferred to the consolidated company (€127,817 thousand).
The compensation for the loss, as per the general consolidation regulation, is determined by applying the current IRES rate to the

amount of the tax loss transferred.
The table below shows the reconciliation between the theoretical and actual tax rates.

€ thousand	2024	%	2023	%
Profit/(loss) before tax	**194,255**		**188,483**	
Expected tax charge at 24% on profit before tax	46,621	24.0%	45,236	24.0%
Fiscal effect of permanent differences, increase	4,169	2.1%	2,464	1.3%
Fiscal effect of permanent differences, decrease	(65,369)	(33.7%)	(62,015)	(32.9%)
Fiscal effect of temporary differences, increase	5,245	2.7%	3,853	2.0%
Fiscal effect of temporary differences, decrease	(7,265)	(3.7%)	(4,688)	(2.5%)
Income from tax consolidation	(854)	(0.4%)	(327)	(0.2%)
IRES for the period	(17,453)	(9.0%)	(15,477)	(8.2%)
IRAP for the period	0	0.0%	0	0.0%
Tax contingencies, previous years	2	0.0%	32	0.0%
Net deferred tax assets	3,214	1.7%	967	0.5%
Total income tax for the year	**(14,238)**	**(7.3%)**	**(14,478)**	**(7.7%)**

Legislative Decree 209 of 27 December 2023, "Implementation of tax reform relative to international taxation", published in Official Journal 301 of 28 December 2023, implemented in Italian legislation Directive EU 2022/2523 of the Council of 15 December 2022, to guarantee a global minimum taxation level (Global Minimum Tax) for multinational and large scale national groups in the Union, based on the Global anti-base erosion rules (GloBE rules), developed within the OECD (Pillar II).
The new regulations for Pillar II apply to financial years beginning on or after 31 December 2023 (see article 60 of Legislative Decree 209/2023). Therefore, the regulations in question apply to the Group as from 1 January 2024.
As is known, with reference to multinational groups, Pillar 2 establishes, for companies within the group with an effective taxation level of less than 15%, a system of compensatory taxation which applies to the parent company (Income Inclusion Rule - IIR). This applies to the extent needed to reach the aforementioned 15% threshold.

For all the jurisdictions in which the Group is present, the possibility of making use of the simplified regimes pursuant to article 39 of Legislative Decree 209/2023 was positively evaluated ("transitional safe harbours" in the definition contained in Directive EU 2022/2523). Recall that, when applicable, the simplified regimes establish that no additional tax is due from a group in a given country if at least one of the three tests is passed (de minimis test, effective simplified tax rate test, and ordinary profit text) as established in Directive EU 2022/2523.
In particular, the simplified regimes are applied to a group's overall figures, identified for each individual country in which the group operates, using the data presentation methods established, also in a Country-by-Country Report. Use of aggregate data reflects the top-down approach based on Pillar 2 rules, which focuses on calculating the effective taxation level incurred by the highest level parent company in the group (Ultimate Parent Entity).

Notes to the balance sheet – Assets

11. TANGIBLE FIXED ASSETS – €100,795 THOUSAND

This item shows a decrease of €11,503 thousand compared to the value of 31 December 2023. The change mainly refers to the net effect caused by investments, totalling €5,161 thousand, and depreciation which amounted to €7,281 thousand.
Investments during the period include the remote control devices of the public lighting network in Rome, created by Acea at the request of Roma Capitale in fulfilment of the service contract.
The other investments mainly relate to extraordinary maintenance on the company's offices, in addition to the investments relating to the hardware required for technological development projects for the improvement and evolution of the IT network, furnishings and office machines. In late 2024, assets under construction and the land of the company's property that will be directed to the Sport Club were reclassified among the real estate investments.
The table below summarises the changes occurred in the year.

€ thousand	Land and buildings	Plant and machinery	Industrial equipment	Other assets	Investments in progress	Total property, plant and equipment
Initial historic cost	**111,104**	**44,693**	**13,865**	**65,627**	**8,020**	**243,310**
Investments/Acquisitions	460	3,161	18	510	1,012	5,161
Divestments/Disposals	(1)	0	0	(28)	0	(29)
Other changes	(1,799)	0	0	107	(7,672)	(9,363)
Final historic cost	**109,764**	**47,854**	**13,883**	**66,217**	**1,361**	**239,079**
Initial provision for amortisation/ depreciation	**(30,678)**	**(27,901)**	**(13,751)**	**(58,683)**	**0**	**(131,013)**
Depreciation/amortisation and impairment losses	(1,642)	(3,749)	(25)	(1,865)	0	(7,281)
Divestments/Disposals	0	0	0	9	0	9
Final provision for amortisation/ depreciation	**(32,320)**	**(31,649)**	**(13,776)**	**(60,539)**	**0**	**(138,284)**
Net closing balance	**77,444**	**16,205**	**108**	**5,677**	**1,361**	**100,795**

12. REAL ESTATE INVESTMENTS – €9,711 THOUSAND

Real estate investments amounted to €9,711 thousand, increased by a total of €7,721 thousand, and consisted mainly of land and buildings not used in operations and held for rental. The change derives from the reclassification of the assets under construction and of the land of the company's property, which will be directed to the Sport Club (located on Via Angelo Battelli), and written down for a total amount of €1,643 thousand; commissioning is envisaged in 2025.

13. INTANGIBLE FIXED ASSETS – € 106,772 THOUSAND

The change, a total of €8,504 thousand, mainly refers to the net effect between investments, €47,934 thousand, and amortisation which amounted to €38,660 thousand.
Investments mainly concerned the purchase and development of software to support the development of systems for managing IT platforms, corporate security and administrative management. Note that €36,243 thousand refers to IT licenses and development granted for use to subsidiaries and associates based on the contract that replaced the previous Template.

Below is a summary of the changes occurred during the period:

€ thousand	Patent rights	Investments in progress	Total intangible fixed assets
Net opening balance	85,110	13,158	98,268
Investments/Acquisitions	27,378	20,556	47,934
Divestments/Disposals	(28)	(741)	(769)
Other changes	9,319	(9,319)	0
Depreciation and amortisation	(38,660)	0	(38,660)
Net closing balance	**83,119**	**23,654**	**106,772**

14. RIGHT OF USE -€20,707 THOUSAND

This item includes rights to use the assets of others which, as of 1 January 2019, are recognised as leased assets and amortised over the duration of the contracts, after application of the new international standard IFRS 16. At 31 December 2024 the net book value of these assets was €20,707 thousand (€13,580 thousand at 31 December 2023). The increase derives from the offsetting effects of the signing of new contracts (+€3,362 thousand), the effects of renewals or early terminations of existing contracts (+€8,049 thousand) – in this financial year in particular in relation to the renewal of a contract related to a company office – partly offset by amortisation and depreciation for the year (€4,554 thousand).

€ thousand	31/12/2024	31/12/2023	Change
Land and buildings	18,322	12,359	5,963
Cars and motor vehicles	1,588	1,220	368
IT equipment	797	0	797
Total	**20,707**	**13,580**	**7,127**

The table below shows the changes during the year:

€ thousand	Land and buildings	Cars and motor vehicles	IT equipment	Total
Opening balance	12,359	1,220	0	13,580
New contracts	1,659	1,163	810	3,632
Remeasurement	8,049	0	0	8,049
Depreciation	(3,745)	(796)	(13)	(4,554)
Total	**18,322**	**1,588**	**797**	**20,707**

There are also no guarantees on residual value, variable payments and leases not yet signed to which Acea has committed itself for a significant amount. Finally, it should be noted that costs relating to short-term leases and assets of modest value are recognised in the income statement item "leases and rentals" in line with the requirements of IFRS 16 and in continuity with previous years.

15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES – €2,098,632 THOUSAND

An increase of €8,773 thousand was seen with respect to 31 December 2023, as follows:

€ thousand	31/12/2024	31/12/2023	Change
Shares held in subsidiaries	2,097,909	2,061,685	36,225
Shares held in associates	723	28,174	(27,452)
Equity Investments in subsidiaries and associates	**2,098,632**	**2,089,859**	**8,773**

Investments in subsidiaries

Changes for 2024 are summarised below (for more details, please refer to Annex 2).

	Values at 31/12/2023	Acquisitions/ formations	Demerger effects	Writedowns/ Losses/ Revaluations	Reclassifications and other changes	Values at 31/12/2024
Shares held in subsidiaries	2,061,685	1,500	19,722	-1,518	16,520	**2,097,909**

The changes during the period derive from offsetting effects as described below:

- the item "Acquisitions/formations" includes €1,500 thousand related to the formation of a.Quantum, an innovation business development company;
- the item "Demerger effects" (amounting to €19,722 thousand) relates to the formation on 14 November 2024 of Acea Acqua, a company formed to manage and coordinate the companies operating in the water sector. On 14 November 2024, the equity investments held in the subsidiaries Acea Ato 2, Acea Molise, Acque Blu Arno Basso (ABAB), Ombrone, Acea International and Aquantia (companies liquidated at the end of 2024), in the associates Aqua.Iot (company liquidated at the end of 2024), DropMi in liquidation, Gestione Esercizio Acquedotti Lucchesi (GEAL), Intesa Aretina, Sarnese Vesuviano and Umbra Acque, together with staff (-€1,033 thousand) and the payable allocated as an earn-out estimate to be paid to Vianini Lavori as a price adjustment related to the equity investment in ABAB (-€1,500 thousand) were granted to Acea Acqua by Acea with a partial demerger via spin-off;
- The item "Writedowns" includes: **i)** €1,193 thousand for the writedown of the equity investment in Acea Liquidation and Litigation in relation to the impairment test performed; **ii)** €325 thousand for the writedown of the equity investment in Aquantia in liquidation before the transfer to Acea Acqua;
- the item "reclassifications and other changes" mainly comprises the discounting of non-interest-bearing shareholder loans granted by Acea Molise (€16,246 thousand), a subsidiary of Acea Acqua, used to finance the acquisition of Rivieracqua and with the aim of strengthening the company's capital (in particular, this financing transaction was structured into two different tranches of €30,000 thousand and €10,000 thousand, due in 2042 and 2040 respectively).

For purposes of verifying the recoverable value of investments, the impairment test was carried out, pursuant to IAS 36, on Acea's direct and indirect subsidiaries.

Below is the methodology used, as well as comments on the results of the sensitivity and impairment tests carried out. The impairment procedure for equity investments compares the carrying amount of the investment with its recoverable value, identified as the higher of value in use and fair value, net of selling costs.

The value in use represents the present value of expected cash flows that are expected to derive from the continuous use of all assets relating to the investment. The fair value, net of sales costs, represents the amount obtainable from the sale in a free transaction between knowledgeable and willing parties.

The 2024 impairment process provides the estimate of an interval relative to the recoverable value of individual investments in terms of value in use in methodological continuity with respect to the previous year, or through the financial method that recognises the ability to generate cash flows the essential element for assessing the reference entity. For the purpose of discounting operating cash flows, the weighted average cost of post-tax capital (WACC) is used. The estimate of the recoverable value of the equity investments is hence expressed in terms of value in use.

The application of the financial method for determining the recoverable value and the subsequent comparison with the respective accounting values, therefore entailed, for each equity investment subject to impairment testing, estimating the post-tax WACC, the value of operating cash flows taken from the 2025 Budget approved by the Board of Directors on 13 February 2025 and from the Business Plan approved by the Board of Directors of Acea on 5 March 2024, updated when necessary, to take into account tariff approvals, regulatory and/or operational developments, including the reorganisation of several activities pertaining to the Environment segment, and events occurring between the date of approval for the Business Plan and that of this financial statements by the Acea SpA Board of Directors, and the value of the terminal value (TV) and, in particular, the growth rate used to project flows beyond the plan horizon, the value of the net financial position (NFP) and any surplus assets/liabilities (SA).

The main assumptions which determined cash flows and test results were the following:

- the development of revenues for regulated businesses was drawn up on the basis of tariff trends resulting from the updated national regulation and/or agreements with the regulatory authorities;
- the dynamics of the prices of electricity and gas sold and purchased on the free market were developed on the basis of business considerations in line with the current market situation;
- the plans were extended in an inertial manner beyond the duration of the plan for all CGUs, when the perpetuity hypothesis was not consistent with the characteristics of the CGU involved in the impairment test and required the use of a whole life plan.

Terminal value is calculated:

- for Acea Produzione (Production Segment) using the residual value corresponding to the net invested capital at the end of the plants' useful life;
- for the Environment and Water (Overseas) Segments, respectively, considering the residual value corresponding to the net invested capital at the end of the plants' useful life and of the concession;
- for areti (Networks & Public Lighting Segment): considering the current value of the RAB at the expiry of the concession calculated according to the regulations for the regulatory period and net working capital at the expiration of the concession;
- for the Water Segment, considering the current value of the RAB and Net Working Capital at the end of the concession;
- for the Commercial and Trading Segment, using estimated normalised cash flows with a steady state hypothesis without real growth; finally
- for the Engineering & Services Segment, using the residual value of the plans, considering net invested capital.

Finally, the flows determined as above were discounted using the post-tax WACC determined using an unconditional approach or using the regulatory WACC for regulated business.

Below the assumptions used in the tests and estimates for Terminal Value are summarised:

Main activity	Recoverable value	WACC	Terminal value	Cash flow period
Integrated water service management	Value in use	4.40%	NIC at the end of the concession, including the Regulatory Asset Base (RAB)	End of the concession
Network Management	Value in use	5.40%	Regulatory Asset Base (RAB)	End of the concession
Sale of Electricity and Gas	Value in use	6.50%	Perpetuity	Until 2028
Renewable energy plants	Value in use	6.30%	NIC/perpetuity at the end of the plants' useful life	Useful life of plants/end of concession
Waste-to-energy and Composting plants	Value in use	6.40%	NIC at the end of the plants' useful life	Plants' useful life
Liquid Waste Treatment and Sludge Disposal	Value in use	6.40%	NIC at the end of the plants' useful life	Plants' useful life
Engineering and Services	Value in use	6.40%	NIC at the end of the plants' useful life	End of Water Segment Facilities concession
Overseas	Value in use	7.1%/12.2%	NIC at the end of the concession	End of the concession
Plastic recycling services	Value in use	7.40%	NIC at the end of the plants' useful life	Plants' useful life

Additionally, with reference to that issued by ESMA, with reference to monitoring climate change effects and the relative impacts on impairment tests for non-financial assets, Acea has developed risk analysis using quantitative instruments, including the application of an econometric model to estimate the relationship existing between macroeconomic and climate-related variables and the main economic/financial amounts of interest to Acea's various companies and plants. In particular, analysis was carried out on how margins are affected by the main macroeconomic and environmental variables (e.g. electricity and gas prices, CO_2 emissions, average temperature, average rainfall, etc.). In addition to that described, Acea developed Montecarlo analysis to better understand the relationships between individual key variables and help with defining possible alternative scenarios and, more generally, the level of volatility of predictions.

It should be noted that with regard to the photovoltaic companies held indirectly through the equity investment in Acea Produzione, in relation to the impact on the Regional Law no. 20 of the Sardinia Region of 5 December 2024, based on the information available at the reporting date and supported by well-regarded legal opinions, no factors emerged that could lead to impairment losses on the assets (please refer to the section "Update on major disputes and litigation" for further details).

The impairment tests did not lead to any writedowns in the Acea individual financial statements, with the exception of Acea Liquidation and Litigation (for €1,193 thousand).

Shares held in affiliate companies

Changes for 2024 are summarised below:

Shares held in associate companies	Historical cost	Reclassifications and other changes	Write-ups/ Write-downs	Disposals	Net value
Values at 31 December 2023	**101,417**	**13,549**	**(80,931)**	**(5,861)**	**28,174**
2024 changes:					
– changes in share capital	0	0	0	0	0
– acquisitions/formations	0	0	0	0	0
– disposals/distributions	0	0	0	0	0
– reclassifications and other changes	0	(22,256)	0	0	(22,256)
– write-downs/write-ups	0	0	(5,196)	0	(5,196)
Total changes in 2024	**0**	**(22,256)**	**(5,196)**	**0**	**(27,452)**
Values at 31 December 2024	**101,417**	**(8,707)**	**(86,127)**	**(5,861)**	**723**

The changes occurred involve:

- €22,256 thousand for the formation of Acea Acqua with the partial demerger via spin-off of the equity investments held by Acea such as Aqua.lot in liquidation, DropMi in liquidation, Gestione Esercizio Acquedotti Lucchesi and Intesa Aretina, Ombrone classified as associates;
- €5,196 thousand mainly referring to €4,915 thousand for the writedown of the equity investment in DropMI in liquidation and €257 thousand for the writedown of the equity investment in Aqua.lot in liquidation — before the transfer to Acea Acqua — as a result of unrealised smart metering projects.

16. OTHER EQUITY INVESTMENTS – €7,351 THOUSAND

Other equity investments refer to investments in equity securities that do not constitute control, association or joint control. There were no changes during the year.

17. DEFERRED TAX ASSETS – €9,798 THOUSAND

These decreased by €3,097 thousand compared to 31 December 2023. The following table shows the changes and the balance as at 31 December 2024, distinguishing the Assets for Prepaid Taxes from the Provision for Deferred Taxes.
With regard to the recoverability of deferred tax assets, it must be noted that the valuation of deferred tax assets was carried out on the basis of Acea's business plans and, with regard to the time scale, considering a reasonable estimate of the reversal period. It should be noted that the item "Other" prepaid taxes includes deferred tax effects related to exchange profit and loss and the AFLAC swaps, while the corresponding item for deferred taxes includes deferred tax effects related to interest on arrears and the adjustment of the exchange rate tax reserve.

€ thousand	31/12/2023	IRES/IRAP uses	Other changes	Rate adjustment	Changes in SE	IRES/IRAP provisions	31/12/2024
Prepaid taxes							
Remuneration of BoD members	33	(3)	0	0	0	10	40
Provision for liabilities and charges	3,724	(2,333)	0	0	0	2,417	3,807
Write-down of investments	0	0	0	0	0	0	0
Provision for doubtful accounts	15,993	0	0	0	0	2,067	18,060
Depreciation and amortisation of tangible and intangible assets	856	(140)	0	0	0	669	1,385
Defined benefit plans/ defined contribution	5,161	(2,963)	0	0	(20)	656	2,834
Others	9,550	(38)	(778)	0	1,474	0	10,208
Total	**35,316**	**(5,477)**	**(778)**	**0**	**1,454**	**5,818**	**36,333**
Deferred taxes							
Deferred taxes on dividends	34	(16)	0	0	0	16	34
Depreciation and amortisation of tangible and intangible assets	224	0	0	0	0	39	263
Defined benefit plans/ defined contribution	218	0	0	0	0	0	218
Others	21,945	0	0	0	1,337	2,737	26,019
Total	**22,421**	**(16)**	**0**	**0**	**1,337**	**2,793**	**26,535**
NET TOTAL	**12,895**	**(5,461)**	**(778)**	**0**	**117**	**3,025**	**9,798**

18. NON-CURRENT FINANCIAL ASSETS – €4,014,160 THOUSAND

These saw an increase of €143,110 thousand compared to 31 December 2023 (then €3,871,050 thousand).
Below is the detailed table:

€ thousand	31/12/2024	31/12/2023	Change
Financial receivables from Roma Capitale	428	1,587	(1,160)
Receivables from subsidiaries and associates for loans	4,009,324	3,862,960	146,363
Other receivables due from others	4,408	6,502	(2,094)
Financial assets	**4,014,160**	**3,871,050**	**143,110**

The item **Financial receivables from Roma Capitale** shows a decrease of €1,160 thousand and refers to investments in the public lighting service, such as plant redevelopment, energy saving, regulatory compliance and technological innovation, which will be paid to Acea, equal to the tax depreciation, beyond the year 2025, in accordance with what was agreed in the Supplementary Agreement to the service contract signed on 15 March 2011.

Financial receivables from subsidiaries and associates increased by €146,363 thousand compared to 31 December 2023, of which €132,943 thousand due to the increase in the long-term portion of the receivable from centralised treasury relationships.

During 2024, also note:

- the reduction in the long-term portion of the loan to Acea Ato5 equal to €7,932 is due for €10,000 thousand to the reduction of the long-term portion as a result of the amortisation plan expiring;
- the payment to Acea Molise of the non-interest-bearing shareholder loans for an amount of €30,000 thousand (bullet maturity in 2042) and €10,000 thousand (maturity in 2040) respectively, used to finance the acquisition of Rivieracqua and to strengthen the subsidiary's capital, subject to measurement according to amortised cost;
- an additional €3,000 thousand was paid to Acea Molise on the non-interest-bearing shareholder loan stipulated in 2023;
- the shareholder loan to Acea Molise for €4,870 thousand was reclassified to the short term, given the expiration of the amortisation plan.

These receivables are considered entirely recoverable.

€ thousand	31/12/2024	31/12/2023	Change
Receivables for centralised treasury relationships, non-current portion	3,830,485	3,697,542	132,943
Receivables for medium/long-term loans	178,839	165,418	13,421
Acea Ato5	125,980	133,912	(7,932)
Adistribuzionegas	5,370	5,370	0
Aguazul Bogotà SA	127	0	127
Acea Molise	28,781	6,870	21,911
Ecomed	33	33	0
Umbriadue Servizi Idrici	18,547	19,233	(686)
Receivables from subsidiaries and associates for loans	**4,009,324**	**3,862,960**	**146,363**

The item **Receivables from others**, amounting to €4,408 thousand, is composed of €3,953 thousand from the application of the financial asset model envisaged by IFRIC 12 regarding services under concession. This receivable represents all the investments made up to 31 December 2010 related to the service itself. The item includes €329 thousand relative to non-current prepaid expenses for up-front fees relative to committed lines.

19. OTHER NON-CURRENT ASSETS -€8,220 THOUSAND

This item includes prepaid expenses relative to the long-term portion of user licenses and maintenance fees for IT infrastructure, pertaining to years after 2025 and the long-term portion of trade receivables from Acea Molise for which Acea granted an extension on the payment for the portion which will be collected by 2026.

20. CURRENT ASSETS – €1,246,857 THOUSAND

These recorded an overall decrease of €30,561 thousand (€1,277,418 thousand as at 31 December 2023) and are broken down as follows.

20.a – Trade Receivables – €136,788 thousand

These saw a decrease of €32,390 thousand compared to 31 December 2023 (then €169,178 thousand). Below is their composition:

€ thousand	31/12/2024	31/12/2023	Change
Trade receivables	772	690	82
Receivables due from the Parent Company Roma Capitale	10	21	(12)
Receivables from subsidiaries and associates	136,006	168,467	(32,461)
Trade receivables	**136,788**	**169,178**	**(32,390)**

Trade receivables

These amounted to €772 thousand net of the allowance for doubtful receivables amounting to €2,297 thousand and increased by €82 thousand.

Receivables included under this item refer to positions accrued in respect of private and public entities for services rendered.

Provision for doubtful debts

These total €2,297 thousand and did not change compared to 31 December 2023. The estimate of the amounts considered non-collectable is determined based on the provisions of IFRS 9, or, through the application of the expected credit loss model for the evaluation of the recoverability of the financial assets based on a predictive approach, based on the prediction of the counterparty's default (so-called probability of default) and of the ability to recover if the default event occurs (so-called loss given default).

Receivables due from the parent company – Roma Capitale

The following table shows together the amounts resulting from the relations with Roma Capitale, both with regard to the borrowing and

lending due within and beyond the following year, including items of a financial nature.

€ thousand	31/12/2024	31/12/2023	Change
Receivables for services invoiced	5	5	0
Receivables for services to be invoiced	4	16	(12)
Total trade receivables	**10**	**21**	**(12)**
Financial receivables for Public Lighting services billed	155,794	139,132	16,662
Provision for doubtful debts	(57,994)	(57,994)	0
Financial receivables for Public Lighting services to be billed	46,164	46,873	(709)
Provision for doubtful debts	(24,181)	(13,706)	(10,474)
M/L term financial receivables for Public Lighting services	428	1,587	(1,160)
Total financial receivables for Public Lighting	**120,211**	**115,892**	**4,319**
Total receivables	**120,221**	**115,914**	**4,307**
Dividend payables	(96,333)	(107,867)	11,534
Other payables	(4,434)	(3,621)	(813)
Total payables	**(100,767)**	**(111,488)**	**10,722**
TOTAL NET BALANCE RECEIVABLES PAYABLES	**19,454**	**4,425**	**15,029**

As regards **relations with Roma Capitale**, the net balance at 31 December 2024 was €19,454 thousand receivable by the Group (at 31 December 2023 the amount was a payable of €4,225 thousand).
Financial receivables recorded an overall increase of €4,319 thousand compared to the previous year, due to the changes specified below.

- accrual of receivables for the Public Lighting service for €38,775 thousand;
- collection of €34,456 thousand through offsetting of receivables related to the Public Lighting Service, mostly referring to fees due in the second half of 2023 and the third quarter of 2024.

Payables decreased by €10,722 thousand compared to the previous year due to dividends and energy efficiency certificates. The main changes to dividends are shown below:

- higher payables due to the recognition of stock dividends for 2023 for €95,578 thousand; payment of stock dividends for a total of €107,112 thousand, of which 82,317 thousand due in 2023.

Recall that as part of the activities required for the first consolidation of the Acea Group in the 2018 Financial Statements of Roma Capitale, a round table was launched to reconcile the Roma Capitale receivables and payables. After several meetings and communications, on 22 February 2019 the Technical Department of the Municipality (SIMU) in charge of the management of the contracts with the Acea Group communicated several objections relating to the supply of both works and services for the period 2008-2018. These objections were completely rejected by the Group. In order to arrive at a complete resolution of the differences, during 2019 a specific Joint Technical Committee was set up with the Acea Group. Following several meetings, on 18 October 2019, the Joint Technical Committee drew up a report on the closure of the work, highlighting the results that emerged and proposing a favourable restart of the ordinary execution of the mutual obligations between the Acea Group and Roma Capitale. As a first step after the completion of the work, the parties took steps to implement the results that emerged from the discussions, restarting the payment of their respective receivables and payables.

For the Public Lighting contract at the end of 2020 the AGCM made its position clear regarding the legitimacy of the existing contract, to this day a source of audits, works and joint investigation. Among other things, the measure also gave rise to audits on the congruity of the prices applied. In February 2021, following the aforesaid feedback and works, Roma Capitale confirmed the absolute congruity and convenience of the current economic terms with respect to the CONSIP parameters. Hence, again in 2021, while awaiting the conclusion and finalisation of these aspects, Acea continued to provide the Public Lighting service. The service has therefore been invoiced and has partly already been paid by Roma Capitale in previous years, as seen in the data below:

- in 2020 at total of €33,226 thousand of receivables referred to the aforementioned report were settled in the Group;
- During 2021 a new Public Lighting Technical Panel comprising Acea and Roma Capitale was set up with the intention of continuing the resolution of issues preventing the liquidation of receivables. As a result this work, Roma Capitale paid Acea the Public Lighting receivables for €75,206 thousand through offsets;
- during 2022, settlement activities with Roma Capitale continued, which allowed continuation of the liquidation of Acea receivables, through offsetting of a total of €56,516 thousand, of which €27,631 thousand relative to receivables already recognised in previous years.

Note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled "Public and artistic-monumental public lighting service on the entire municipal territory – Concessionaire: Acea SpA – Recognition of the perimeter of the payable situation and launch of the consequent procedures" recognised the perimeter of the Administration's payables to Acea/Areti in relation to the Public Lighting service as of 31 December 2021.
This resolution was published on the institutional website of Roma Capitale on 30 August 2022.
During 2023, specifically in September, the Acea Board of Directors, after receiving the opinion of the Related Party Transactions Committee, approved the proposal for a Settlement Agreement with Roma Capitale, to govern their reciprocal positions and the methods for the early consensual termination of the contractual

relationships between the parties for the public lighting service provided by the company and for it by the subsidiary areti.
At the same time, Roma Capitale also approve the possible Agreement in the City's Assembly in December 2023.
With reference to the economic terms of this possible Settlement Agreement, substantially in line with the City Executive Committee resolution 312 of 11 August 2022, following the reciprocal renunciation by the parties, the agreement calls for the recognition of receivables due to Acea/areti from Roma Capitale for a total of around €100,685 thousand. The economic and financial effects of the settlement, following the signing which had not yet occurred as of the reporting date, will not have significant effects as the company had already updated its estimates in previous financial statements utilising the criteria established in the relevant regulations.

All administrative activities required to finalise the transaction are still under way. It is noted that the transaction covers multiple activities performed, referring to the operation under concession of the public lighting service in the capital and developed over several years, which are definitively formalised in the settlement agreement, with detailed administrative reconstruction and with a "tombstone" effect on the previous relations covered in said agreement, capable of preventing such disputes and controversies.

Receivables from subsidiaries and associates

Receivables from subsidiaries and associates total €135,971 thousand and fell by €32,496 thousand compared to the previous year. These mainly refer to services rendered in the context of various services contracts. The difference is due to invoicing and collection trends. Below is their composition:

€ thousand	31/12/2024	31/12/2023	Change
Acea Ato2	27,653	34,222	(6,570)
Acea Ato5	17,234	10,355	6,879
areti	28,076	30,234	(2,158)
Acea Energia	9,615	18,023	(8,409)
Acea Produzione	1,010	3,170	(2,160)
Gesesa	11,513	10,467	1,046
GORI	4,659	3,492	1,167
Acea Molise	2,388	8,679	(6,291)
Acea Infrastructure	1,959	4,922	(2,963)
Sarnese Vesuviano	758	910	(152)
Acea Ambiente	2,906	8,849	(5,942)
Aquaser	194	1,342	(1,148)
Acque Industriali	6	849	(843)
Umbriadue Servizi Idrici	310	664	(353)
Ecogena	50	624	(574)
Acea International	18	18	0
Acea Innovation	264	312	(48)
Acquedotto del Fiora	9,194	8,805	389
Acea Perù	135	135	0
Acea Liquidation and Litigation	39	81	(42)
Publiacqua	5,118	7,872	(2,754)
Umbra Acque	4,699	6,480	(1,781)
Acque	2,476	1,909	567
Ingegnerie Toscane	154	337	(182)
Geal	18	37	(18)
Coema	86	86	0
Servizi Idrici Integrati	558	631	(73)
Orvieto Ambiente	206	692	(486)
ASM Terni	895	402	494
Acea Acqua	200	0	200
DropMI in liquidazione	804	563	241
Simam	104	48	56
Acea Solar	103	370	(267)
Acea Sun Capital	154	126	28
Technologies for Water Service (TWS)	403	377	26
Other	2,010	2,385	(374)
Total	**135,971**	**168,467**	**(32,496)**

20.b – Other current assets -€94,089 thousand

These recorded an increase of €26,059 thousand and are made up as follows.

€ thousand	31/12/2024	31/12/2023	Change
Other receivables	262	406	(144)
Receivables from national insurance institutions	445	427	18
Receivables due to severance pay for individual transfers	2,047	1,982	65
Advances to suppliers and deposits with third parties	148	158	(10)
Other tax receivables	36,162	23,964	12,197
Accrued income and prepaid expenses	7,880	6,148	1,732
Tax consolidation receivables due from subsidiaries	47,146	34,945	12,201
Other current assets	**94,089**	**68,030**	**26,059**

This change mainly derived from receivables for tax consolidation (+€12,201 thousand), from Group VAT credits (+€9,169 thousand) and a receivables from the tax authorities for interest on withholding tax (+€2,970 thousand).
Receivables from national insurance institutions and for severance indemnities (TFR) for individual terminations include receivables generated by the return of Marco Polo to the facility management sector for amounts due to employees. Accrued income and prepaid expenses mainly include the portion of user licences accruing within and beyond the following year, fees for IT infrastructure maintenance and IT services, insurance contracts and insurance premiums.

20.c – Current tax assets – €1,711 thousand

The item fell by €499 thousand, mainly due to lower IRES receivables for advances paid.

€ thousand	31/12/2024	31/12/2023	Change
IRAP receivables	31	31	0
IRES receivables	1,680	2,179	(499)
Current tax assets	**1,711**	**2,210**	**(499)**

20.d – Current financial assets – €720,890 thousand

These recorded a decrease of €176,641 thousand and can be broken down as follows. Non-current financial assets include the portion of current accounts related to revolving loan lines destined by the subsidiaries to non-current assets.

€ thousand	31/12/2024	31/12/2023	Change
Financial receivables from the Parent Company Roma Capitale	119,783	114,305	5,478
Financial receivables from subsidiaries and associates	547,721	445,550	102,171
Financial receivables from third parties	53,386	337,676	(284,290)
Total current financial assets	**720,890**	**897,531**	**(176,641)**

Receivables from parent companies – Roma Capitale

These amount to a total of €119,783 thousand and refer to receivables due from Roma Capitale relating to the Public Lighting Service Contract as anticipated in the section of this document "Trade receivables from Roma Capitale".

Receivables from subsidiaries and associates

These amount to €547,721 thousand (€445,550 thousand at 31 December 2023) and are composed as follows:

€ thousand	31/12/2024	31/12/2023	Change
Receivables from cash pooling relationships	358,318	307,947	50,371
Accrued current financial assets on loans and cash pooling relationships	129,314	97,901	31,414
Receivables from subsidiaries for loans	54,309	34,138	20,171
Other receivables from subsidiaries	2,840	2,837	3
Receivables for commissions on guarantees given	2,940	2,728	212
Financial receivables from subsidiaries and associates	**547,721**	**445,550**	**102,171**

The change with respect to the end of the previous year is mainly due to the increase in the current portion of balances in the current accounts with group companies that adhered to a revolving credit facility, covering working capital and investment requirements and the associated accrued income.
Furthermore, there was an increase in receivables from subsidiaries for loans equal to €20,171 thousand due to the increase in the short-term portion of the shareholder loan to Acea Ato5 for €10,000 thousand and to shareholder loans granted in favour of Acea Molise for €8,864 thousand.

Receivables from others
These amounted to a total of €53,386 thousand and decreased compared to 31 December 2023 by €284,290 thousand essentially owing to the decrease in short-term deposits which fell from €330,000 thousand to €50,000 thousand.

€ thousand	31/12/2024	31/12/2023	Change
Receivables for managing the Public Lighting service	2,148	2,681	(533)
Receivables on short-term deposits	50,000	330,000	(280,000)
Financial accrued income	802	4,478	(3,677)
Other receivables	436	517	(81)
Financial receivables from third parties	**53,386**	**337,676**	**(284,290)**

20.e – Cash and cash equivalents – €293,379 thousand

These recorded a decrease of €152,909 thousand (€140,470 as at 31 December 2023) and represent the balance of bank and postal current accounts opened at the various credit institutions as well as at Ente Poste.

Notes to the balance sheet – Liabilities

21. SHAREHOLDERS' EQUITY – €1,732,871 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change
Share capital	1,098,899	1,098,899	0
Legal reserve	167,986	157,838	10,148
Reserve for own shares	0	0	0
Other reserves	102,220	90,812	11,408
Retained earnings/(losses)	155,274	161,297	(6,023)
Profit (loss) for the year	208,492	202,961	5,531
Shareholders' Equity	**1,732,871**	**1,711,806**	**21,065**

Shareholders' equity increased by €21,065 thousand compared to 31 December 2023. This change is mainly due to the profit reported in the year and to the effects generated by the allocation of the result achieved in 2023 equal to €0.88 per share, as well as the changes in other reserves.

The composition and changes per item are shown below:

21.a – Share capital – €1,098,899 thousand

This amounts to €1,098,899 thousand and is represented by 212,964,900 ordinary shares with a par value of €5.16 each, as shown in the Shareholders' Register. The share capital is subscribed and paid-up in the following manner:

- Roma Capitale: 108,611,150 for a total nominal value of €560,434 thousand,
- Suez SA: 49,691,095 for a total nominal value of €257,799 thousand,
- Caltagirone: 10,500,000 shares for a total par value of €54,180 thousand,
- Market: 44,162,655 shares for a total par value of €536,314 thousand,
- Treasury Shares: 416,993 ordinary shares with a total nominal value of €2,151 thousand.

21.b – Legal reserve €167,986 thousand

It includes 5% of the profits of the previous financial years as required by article 2430 of the Italian Civil Code.
At 31 December 2024 there was an increase of €10,148 thousand compared to the previous year, due to the allocation of profit achieved in 2023.

21.c – Other reserves – €102,220 thousand

The composition of the Item and the changes for the period are provided below:

€ thousand	31/12/2024	31/12/2023	Change
Extraordinary reserve	180	180	0
Demerged capital gains reserve	102,567	102,567	0
Reserve for exchange differences	32,139	27,905	4,234
Valuation reserve for financial instruments	(32,212)	(27,545)	(4,667)
Reserve for actuarial gains and losses	(652)	(12,494)	11,842
Other miscellaneous reserves	198	198	0
Other reserves	**102,220**	**90,812**	**11,408**

The reserve for differences in exchange records an increase of €4,234 thousand and represents the effect of the valuation at the exchange rate on 31 December 2024 of the private placement in YEN stipulated in 2010.
The cash flow hedge reserve is negative and stands at €32,212 thousand. This reserve includes €3,333 thousand for the negative difference deriving from the delta of conversion rates between that provided for in the hedging contract and that recorded on the adjustment date of the bond (3 March 2010).

The changes in the reserve for actuarial gains and losses is influenced by the reversal to profits carried forward of the balance accrued until 30 June 2024, when, due to the cancellation of the tariff subsidies for retired staff, the asset underlying the recognition of such reserves ceased. For more information, please refer to the section "*Employee severance indemnity and other defined benefit plans*".

The table below shows available and unavailable reserves.

	31/12/2024				
				Summary of use made in the previous three years	
€ thousand	Amount	Possibility of use	Distributable portion	Loss coverage	Other reasons
Capital reserves					
Reserve deriving from the ARSE spin-off	6,569	A, B, C	6,569		
Profit reserves from the Income Statement					
Legal reserve	167,986	A, B	167,986		
Extraordinary reserve	180	A, B, C	180		
Demerged capital gains reserve	102,567	A, B, C	102,567		
Retained earnings/(losses)	155,274	A, B, C	155,274		12,478
Profit reserves from OCI					
Valuation reserve for financial instruments	(32,212)		(32,212)		
Reserve for exchange differences	32,139		32,139		
Reserve for actuarial gains and losses	(652)		(652)		
Other reserves					
Greater cost paid, infragroup acquisitions	(5,652)		(5,652)		
IAS reserve	(719)		(719)		
Reserve for own shares	3,853	Guarantee of treasury shares	3,853		
Total	**429,333**		**429,333**		
Non-distributable share			164,742		
Residual distributable portion			264,591		

Key: A = *capital increase* – B = *to cover losses* – C = *distribution to shareholders*

Reserve for own shares

Pursuant to art. 2428 of the Italian Civil Code, there are 416,993 treasury shares in the portfolio, with a nominal value of €5.16 each (€2,152 thousand in total) and correspond to 0.196% of the share capital.

The reserve for treasury shares in portfolio amounted to €3,853 thousand at 31 December 2024. The amount of the reserve coincides with the value of shares in the portfolio accounted for as a reduction of the Shareholders' Equity in accordance with IAS32.

22. EMPLOYEE SEVERANCE INDEMNITY AND OTHER DEFINED BENEFIT PLANS -€11,493 THOUSAND

It decreased by €11,107 thousand and reflects severance indemnities and other benefits to be paid subsequently to the performance of the work activity to employees. Within the obligations that make up this item, we need to highlight the defined contribution plans and defined benefit plans. The following table shows the composition:

€ thousand	31/12/2024	31/12/2023	Change
– Employee severance indemnities (TFR)	3,811	4,351	(540)
– Pegaso Fund	0	0	0
Employee severance indemnity	**3,811**	**4,351**	**(540)**
– Extra months	959	1,034	(76)
Extra months	**959**	**1,034**	**(76)**
– LTIP plans	3,904	3,118	786
Long-Term Incentive Plans (LTIP)	**3,904**	**3,118**	**786**
Benefits due at the time of termination of employment	**8,673**	**8,504**	**170**
– Employees tariff subsidy	802	860	(59)
– Managers tariff subsidy	42	75	(33)
– Pensioners tariff subsidy	0	9,635	(9,635)
Tariff subsidies	**844**	**10,571**	**(9,727)**
Post-employment benefits	**844**	**10,571**	**(9,727)**
– Isopensione fund	1,976	3,526	(1,550)
Isopensione (early retirement)	**1,976**	**3,526**	**(1,550)**
Staff termination benefits and other defined benefit plans	**11,493**	**22,600**	**(11,107)**

It should be noted that in June 2024, the obligation accrued for the tariff subsidy for retired staff (€9,388 thousand) ceased following the signing of an agreement between the Acea Group and the trade unions. By virtue of this agreement, the tariff subsidies towards former employees of the Group were extinguished from 1 July 2024 and, to replace said institution, a one-off payment was envisaged, quantified on the basis of the age of those eligible at the date of 30 June 2024.

With regard to the calculation method, it must be noted that the benefits due at the time of termination of the employment relationship are determined according to actuarial criteria; with reference to post-employment benefits, the calculation is based on the "projected unit credit method" which is based on assessments that express corporate liability as the current average value of future benefits, pro rated based on the service provided by the employee at the time calculation with respect to that corresponding at the time of payment of the service.

The change is affected (i) by the provisions for the period, (ii) by the outflows that occurred during the period and (iii) by the decrease in the rate used for the valuation of the liabilities.
In particular, with regard to the economic-financial scenario, the discounting rate used for the valuation was of 3.38% against a rate used last year of 3.17%.
As required by paragraph 78 of IAS 19, the interest rate used to determine the current value of the obligation was determined with reference to the yield on the valuation date of securities of primary companies in the financial market to which Acea belongs and to the return on outstanding government bonds on the same date with a duration comparable to the residual duration of the collective of workers analysed; it must be noted that, due to internal consistency of assessment and alignment with the requirements of IAS 19, the same technical bases have been maintained for the various types of plans.
Furthermore, the parameters used for the evaluation are shown below:

	31/12/2024	31/12/2023
Discount rate	3.38%	3.17%
Revenue growth rate (average)	2.67%	2.67%
Long-term inflation	1.97%	2.09%

With regard to the measurement of the Group Employee Benefits (Employee severance indemnity (TFR), Monthly bonuses, tariff subsidies for current staff) a sensitivity analysis was performed to assess the changes in the liability resulting from both positive and negative shifts of the rate curve (+0.5% shift /-0.5% shift). The results of this analysis are summarised below.

	Discount Rate	
Plan type - € thousand	**-0.5%**	**+0.5%**
Employee severance indemnities (TFR)	(131)	138
Tariff subsidies	(22)	23
Extra months	(33)	35
LTIP	(29)	29

Furthermore, a sensitivity analysis was performed related to the age of the group, hypothesizing a group one year younger than the actual one.

Plan type - € thousand	**-1 year of age**
Employee severance indemnities (TFR)	30
Tariff subsidies	43
Extra months	69

Sensitivity analyses were not performed for other variables such as, for example, inflation rate.

23. PROVISION FOR RISKS AND CHARGES - €17,056 THOUSAND

The table below details the composition by nature and the changes compared to the end of the previous year:

€ thousand	31/12/2023	Uses	Provisions	Release for Excess Provisions	Reclassifications/Other changes	31/12/2024
Legal	3,885	(2,419)	2,156	(25)	0	3,597
Taxes	0	0	328	0	0	328
Investees	6,100	0	9	0	0	6,109
Contributory risks	747	0	2	(5)	0	744
Other risks and charges	975	(56)	57	(2)	0	974
Total provision for risks	**11,706**	**(2,475)**	**2,553**	**(32)**	**0**	**11,752**
Early retirements and redundancies	3,246	(2,619)	2,447	0	0	3,074
To others	0	(1,273)	3,503	0	0	2,230
Total provisions for expenses	**3,246**	**(3,892)**	**5,950**	**0**	**0**	**5,304**
Total provisions for risks and charges	**14,952**	**(6,367)**	**8,503**	**(32)**	**0**	**17,056**

The main changes concerned:

- the provisions for risks associated with legal disputes utilised for €2,419 thousand owing to unfavourable judgements. Additionally, other provisioning was carried out during the year for €2,156 thousand, with amounts released for excess provisions of €25 thousand;
- the provision set aside for redundancy and mobility plans used for €2,619 thousand as the relevant procedures have been completed. Additionally, allocations of €2,447 thousand were made.
- the provision for expenses payable to others include the estimate of the one-off benefit to be paid to retired staff as definitive write-off of the tariff subsidy for retired staff (€3,503 thousand) reclassified for €1,273 thousand among the payables for the portion of subscriptions received during the financial year.

For further details, see the information provided in the section "*Update on major disputes and litigation*".

24. BORROWINGS AND FINANCIAL LIABILITIES -€4,731,747 THOUSAND

The breakdown is as follows:

€ thousand	31/12/2024	31/12/2023	Change
Bonds	3,483,983	3,939,174	(455,192)
Medium/long-term borrowings	1,154,353	431,095	723,258
Medium/long-term borrowings from subsidiaries	77,820	90,790	(12,970)
IFRS 16 financial payables	15,591	9,442	6,149
Borrowings and financial liabilities	**4,731,747**	**4,470,502**	**261,245**

Medium and long-term bonds

Bonds amounted to €3,483,983 thousand at 31 December 2024 (€3,939,174 thousand at 31 December 2023) and refer to the following:

- **€499,110 thousand** (including the long-term portion of the costs associated with the stipulation) relating to the bond loan issued by Acea on 24 October 2016, maturing on 24 October 2026, with a fixed rate of 1% under the EMTN programme. Interest accrued during the period amounted to €5,003 thousand;
- **€697,420 thousand** (including the long-term portion of the costs associated with the stipulation) relating to the bond loan issued by Acea on 8 February 2018, maturing on 8 June 2027, with a fixed rate of 1.5% under the EMTN programme. Interest accrued during the period amounted to €10,516 thousand;
- **€497,722 thousand** (including the long-term portion of the costs associated with the stipulation) relating to the bond loan issued by Acea on 23 May 2019, maturing on 23 May 2028, with a fixed rate of 1.75% under the EMTN programme. Interest accrued during the period amounted to €8,765 thousand;
- **€497,865 thousand** (including the long-term portion of costs associated with the conclusion) relating to the bond loan issued by Acea on 6 February 2020, maturing on 6 April 2029, with a fixed rate of 0.50% under the EMTN programme. Interest accrued during the period amounted to €2,505 thousand;
- **€593,948 thousand** (including the long-term portion of costs associated with the conclusion) related to the Green Bond issued on 28 January 2021, maturing on 28 July 2030, with a fixed rate of 0.25%. Interest accrued during the period amounted to €1,502 thousand;
- **€697,917 thousand** (including the long-term portion of costs associated with the conclusion) related to the Green Bond issued on 24 January 2023, maturing on 24 January 2031, with a fixed rate of 3.875%. Interest accrued during the period amounted to €27,130 thousand.

The decrease compared to 31 December 2023 is attributable to the reclassification into the short-term position of the two bond loans maturing in 2025. The amount of €161,341 thousand (including the long-term portion of the costs associated with the conclusion and associated negative fair value of the hedge equal to €39,050 thousand) relates to the Private Placement (AFLAC) maturing in March 2025. The fair value of the hedging instrument is allocated to a specific equity reserve. The exchange rate difference of the hedged instrument calculated as at 31 December 2024 is allocated to a dedicated exchange reserve (the exchange reserve is negative and amounts to €32,139 thousand as at 31 December 2024). The exchange rate at the end of 2024 stood at €162.78 against €155.72 as at 31 December 2023. Interest accrued during the period amounted to €3,040 thousand;
The second bond loan maturing in September 2025 is the Green Bond issued on 28 January 2021 equal to €299,902 thousand (including the long-term portion of costs associated with its conclusion).

The following is a summary including the short-term portion:

€ thousand	Gross payables (*)	FV hedging instrument	Interest accrued (**)	Total
Bonds:				
Private Placement issued in 2014	122,862	39,050	655	162,567
Issued in 2016	498,028	0	945	498,973
Issued in 2018	695,655	0	5,955	701,610
Issued in 2019	496,811	0	5,346	502,157
Issued in 2020	497,232	0	1,849	499,081
Issued in 2021	892,546	0	645	893,191
Issued in 2023	697,561	0	25,420	722,982
Total	**3,900,695**	**39,050**	**40,816**	**3,980,561**

(*) Including amortised cost.
(**) Including deferrals on hedging instruments.

Medium/long-term borrowings

These amount to €1,154,353 thousand and show an increase of €723,258 thousand and represent the payable for the portion of the instalments not yet repaid at 31 December 2024, expiring beyond twelve months. The reduction refers solely to the portions which have come due for repayment in line with the amortisation plan.

The main mortgages, whose values as at 31 December 2024 are shown below, include the short-term portions and amount to a total of €1,188,749 thousand:

- medium/long-term loan of €200,000 thousand, signed by Acea SpA and the EIB in July 2014, to cover a portion of the requirements for the multi-year investment plan of Acea Ato2 SpA ("Acea Rome II Water Sector") and fully disbursed in December 2014. The interest rate is variable with maturity set for June 2030 in the amortisation plan. The residual amount of the loan at 31 December 2024 amounts to €61,195 thousand;
- medium/long-term loan of €200,000 thousand, signed by Acea SpA and the EIB in August 2015, to cover a portion of the requirements for the multi-year investment plan of areti SpA ("Acea Network Efficiency III") and fully disbursed in May 2017. The interest rate is variable with maturity set for December 2030 in the amortisation plan. The residual amount of the loan at 31 December 2024 amounts to €120,150 thousand;
- medium/long-term loan of €250,000 thousand, signed by Acea SpA and the EIB in July 2020, to cover a portion of the requirements for the multi-year investment plan of Acea Ato2 SpA ("Acea Rome III Water Sector") and fully disbursed in June 2022. The disbursement was carried out in two equal tranches, one fixed and one floating rate, with identical amortisation plans in which the final maturity is June 2037. The residual amount of the loan at 31 December 2024 amounts to €250,320 thousand;
- medium/long-term borrowings of €435,000 thousand, subscribed by Acea SpA and the EIB, intended to improve the coverage and quality of the integrated water service in the area operated by Acea Ato2, reducing water loss and improving energy efficiency and resilience. The payment was split into two tranches, one for €235,000 thousand in April 2024 and another for €200,000 thousand in June 2024, both fixed rate with amortisation plans in which the final maturity is April and June 2039 respectively. The residual amount of the loans at 31 December 2024 amounts to €236,345 thousand and €200,200 thousand respectively;
- medium/long-term borrowings of €200,000 thousand, subscribed by Acea SpA and EIB in November 2024 partially guaranteed (70%) by SACE, on an investments plan intended to modernise and expand the electricity network in the Municipalities of Rome and Formello in the period between 2024 and 2027. The interest rate is fixed with maturity set for November 2039 in the amortisation plan. The residual amount of the loan at 31 December 2024 amounts to €200,174 thousand;
- medium/long-term borrowings of €120,000 thousand, subscribed by Acea SpA and Cassa Depositi e Prestiti in November 2024, on an investments plan intended to modernise and expand the electricity network as envisaged for the loan between Acea and EIB described above. The interest rate is variable with maturity set for December 2039 in the amortisation plan. The residual amount of the loan at 31 December 2024 amounts to €120,367 thousand.

The table below provides details of the loans by type of interest rate and by maturity. It must be noted that the table also shows the short-term portion by 31 December 2025 of €34,395 thousand.

€ thousand	31/12/2024	By 31/12/2025	From 31/12/2025 to 31/12/2029	After 31/12/2029
Fixed rate:				
– fixed rate	325,321	651	57,811	266,859
– floating rate	863,428	33,745	234,293	595,390
Total	**1,188,749**	**34,395**	**292,104**	**862,249**

For information on financial instruments at the reporting date please refer to the paragraph "*Supplementary information on financial instruments and risk management policies*".

Medium/long-term borrowings from subsidiaries

On 20 December 2021 a contract was concluded for a loan from Acea Energia to Acea SpA. This was disbursed in a single amount with maturity 31 December 2031 and amortising repayment in six-monthly capital portions. Below are details of the ageing, including the short-term portion, also inclusive of the interest accrued.

€ thousand	Total residual debt	By 31/12/2025	From 31/12/2025 to 31/12/2029	After 31/12/2029
Fixed rate:				
– fixed rate	90,794	12,974	51,880	25,940
Total	**90,794**	**12,974**	**51,880**	**25,940**

IFRS 16 financial payables

This item includes the financial payable deriving from the adoption of IFRS 16, the long-term portion of which amounts to €15,591 thousand. The short-term portion instead amounts to €5,193 thousand. The cash flows broken down by maturity to which Acea is potentially exposed are shown below:

€ thousand	Within 12 months	Within 24 months	Within 5 years	After 5 years	Total
IFRS 16 liabilities	**5,193**	**4,074**	**2,849**	**8,668**	**20,784**

25. OTHER LIABILITIES – €51,823 THOUSAND

The item of €51,823 thousand (€36,724 thousand at 31 December 2023) mainly includes the non-current portion of accrued expenses related to multi-annual user licences and development granted to subsidiaries and associates (€50,721 thousand).

26. CURRENT LIABILITIES – €1,078,012 THOUSAND

These amounted overall to €1,078,012 thousand and decreased overall by €150,401 thousand.

€ thousand	31/12/2024	31/12/2023	Change
Current financial payables	790,925	974,896	(183,971)
Payables to suppliers	209,897	195,220	14,678
Tax payables	15,313	0	15,313
Other current liabilities	61,877	58,297	3,579
Current liabilities	**1,078,012**	**1,228,413**	**(150,401)**

26.a – Current financial payables – €790,925 thousand

These fell by €183,971 thousand and are composed as follows:

€ thousand	31/12/2024	31/12/2023	Change
Payables to banks for short-term credit lines	2,817	74	2,743
Payables to banks for loans	34,395	31,952	2,444
Short-term bonds	496,578	641,387	(144,809)
Payables to the Parent Company Roma Capitale	100,585	111,306	(10,722)
Payables to subsidiaries and associates	151,190	185,718	(34,528)
Payables to third parties	167	45	122
IFRS 16 financial payables within one year	5,193	4,414	779
Current financial payables	**790,925**	**974,896**	**(183,971)**

The increase for €2,743 thousand in payables to banks for short-term credit lines is essentially related to the increase in accrued expenses on current accounts and on short-term loans.

The increase for €2,444 thousand in payables to banks for loans is essentially related to the interest accrued on new loans.
The short-term portion of the bonds decreased by €144,809 thousand due to the repayment of the bond loan maturing in July 2024 (-€606,829 thousand) offset by the reclassification into the short-term position of the 10-year Bond issued by Acea on the Euro Medium Term Notes (EMTN) programme in July 2014 (+€161,956 thousand) and the Green Bond issued on 28 January 2021 maturing in September 2025 (+€300,034 thousand).
Financial payables due to Roma Capitale decreased by €10,722 thousand, mainly due to the combined effects of higher payables for the recognition of 50% of the stock dividends for 2023 for €47,789 thousand (note that in June 2024 on the coupon detachment date, Roma Capitale was paid the remaining 50%), offset by the payment of additional dividends for previous financial years for €59,323 thousand.
The changes concerning payables to subsidiaries and associates, which decreased by €34,528 thousand, essentially refer to centralised treasury relationships due to the lesser financial exposure recorded during the year with reference to Acea Energia. The current portion of long-term loans include the short-term portion and the accrued expenses related to the loan disbursed by Acea Energia to Acea SpA.
Other financial payables mainly include the interest payment due for centralised relationships (-€2,107 thousand compared to 31 December 2023).
The following is a breakdown by type of debt due to investee companies:

€ thousand	31/12/2024	31/12/2023	Change
Payables for cash pooling relationships	137,404	169,562	(32,158)
Current portion of long-term loans	12,974	0	12,974
Other financial payables	813	16,156	(15,344)
Payables to subsidiaries and associates	**151,190**	**185,718**	**(34,528)**

This item includes the short-term portion of IFRS 16 financial payables, equal to €5,193 thousand (€4,414 thousand at 31 December 2023).

26.b – Trade payables – €209,897 thousand

Results are as follows.

€ thousand	31/12/2024	31/12/2023	Change
Payables to suppliers	98,839	91,127	7,711
Payables to the parent company	182	182	0
Payables to subsidiaries and associates	110,876	103,910	6,966
Payables to suppliers	**209,897**	**195,220**	**14,678**

Payables to third-party suppliers show an increase of €7,711 thousand and the balance is shown below:

€ thousand	31/12/2024	31/12/2023	Change
Payables due to invoices received	40,719	38,710	2,009
Payables due to invoices to be received	58,119	52,417	5,702
Payables to suppliers	**98,839**	**91,127**	**7,711**

With regard to payables to suppliers for invoices received for €40,719 thousand, it must be noted that the expired component amounts to €1,790 thousand, the remaining amount is due within the next twelve months.
It should be noted that, as part of contracting goods and services by the Company's procurement, the supplier awarded the contract may, at its discretion, grant an extra-extension with respect to the standard timeframe, remunerated by an indemnity, in exchange for the possibility of assigning all the invoices pertaining to the contract itself (without the possibility of distinction) by identifying a credit institution of its liking. The charges relating to the assignment transaction are borne by the supplier and the Company has no relationship with the credit institution other than, having acknowledged the assignment of the credit, paying the debt to the same in the manner defined. The supplier's adherence to this agreement allows the supplier to obtain an advance on the collection of its receivable and indirectly allows the Company to pay the invoice to the supplier or to the assignee credit institution, if any, with a term of up to 180 days from the date of issue of the same (compared to an average payment term of 60 days in the case of works in the public sector; up to 120 days in the case of services in the private sector).
As at 31 December 2024, the Company's trade payables included payables in the amount of €583 thousand.

Relative to relations with **Subsidiaries and associates**, note a €1,487 thousand increase with respect to 31 December 2023, essentially relative to areti for fees relative to the Public Lighting service, offset by Acea Energia. Details by counterparty are provided in the following table:

€ thousand	31/12/2024	31/12/2023	Change
Acea Ato2	933	680	253
Acea Ato5	347	57	290
Acea Energia	3,950	8,358	(4,408)
Acea Produzione	29	36	(7)
areti	104,548	94,170	10,378
Acea Innovation	57	0	57
Acea Infrastructure	393	186	206
Acea Ambiente	80	77	3
GORI	134	89	45
Acquedotto del Fiora	93	80	14
Simam	30	0	30
Acea Molise	9	0	9
Ecogena	30	30	0
Umbra Acque	55	0	55
Gesesa	48	48	0
Other	141	99	42
Total	**110,876**	**103,910**	**6,966**

26.c – Tax payables – €15,313 thousand

The item corresponds to the IRES payable balance related to the companies included in tax consolidation for €15,313 thousand.

26.d – Other current liabilities – €61,877 thousand

The increase of €3,579 thousand is due to the increase in the IRES payable from tax consolidation for €4,205 thousand, offset by the decrease equal to €1,418 thousand in the short-term portion of accrued expenses relative to multi-year rights of use for licenses and developments granted to subsidiaries and associates.

€ thousand	31/12/2024	31/12/2023	Change
Payables to social security institutions	4,312	3,952	360
Accrued expenses and deferred income	18,116	19,421	(1,305)
Tax consolidation payables to subsidiaries	14,138	9,933	4,205
Payables due to personnel	13,984	13,608	376
Other current liabilities	11,326	11,382	(57)
Other current liabilities	**61,877**	**58,297**	**3,579**

For greater clarity, it must be noted that payables with a due maturity of more than five years are not recorded in the financial statements, other than those already indicated with respect to the item "Loans".

Information on related parties

ACEA AND ROMA CAPITALE

The controlling entity holds an absolute majority with 51% of Acea's shares.
There are commercial relations between Acea and Roma Capitale, as the company provides services to the Municipality with regard to maintenance and upgrading of public lighting systems.
With regard to the public lighting service, we inform you that it is provided exclusively in the Rome area. As part of the thirty-year free grant issued by the Municipality of Rome in 1998, the economic terms of the services subject to the concession are currently governed by a service contract between the parties in force since May 2005 and until the concession expires (31 December 2027), pursuant to the supplementary agreement signed between Acea and Roma Capitale on 15 March 2011 modified in June 2016 with a private deed aimed at regulating commitments and obligations deriving from the implementation of the LED Plan.

The additions of the supplementary agreement of 2011 concern the following aspects:

- alignment of the duration of the service contract to the expiry of the concession (2027), given the mere accession function of the contract to the agreement;
- periodic updating of the fee components related to electricity consumption and maintenance;
- annual increase in the lump-sum payment for the new lighting points installed.

Furthermore, the investments required for the service may be (i) applied for and funded by the Municipality or (ii) financed by Acea. In the former case, such works will be paid based on a price list agreed by the parties (and subject to review every two years) and will result in a percentage decrease in the ordinary fee. In the latter case, the Municipality is not bound to pay a surcharge; however, Acea will be awarded all or part of the savings expected in both energy and economic terms according to pre-established methods.
On the due or early termination date Acea is entitled to an indemnity corresponding to the residual book value of the assets that will be paid by the Municipality or the incoming operator upon express provision of this obligation in the call for tenders for the selection of the new operator.
Finally, the contract establishes a list of events which represent just cause for early revocation of the concession and/or termination of the contract by the parties. Of these events, that relative to newly arising requirements linked to the public interest appears relevant, expressly included under that established by article 23 bis of Italian Decree Law 112/2008, abrogated after the referendum of 12 and 13 June 2011, which determines for Acea the right to an indemnity commensurate with the discounted product of a defined percentage of the annual contractual amount and the number of years remaining until the natural expiry of the concession.
The supplementary agreement, exceeding the materiality thresholds defined by the Company in relation to Transactions with Related Parties, was submitted to the analysis of the Board of Directors and obtained approval at the meeting on 1 February 2011, after obtaining the favourable opinion by the Committee for Transactions with Related Parties.

Reciprocal claims and liabilities — with reference to payment methods and terms — are governed by individual contracts:

- for the public lighting service contract the payment is expected within sixty days from the submission of the invoice and, in the event of delayed payment, the legal rate is applied for the first sixty days and then the default rate as established from year to year by a special decree of the Minister of Public Works in agreement with that of the Minister of Economy and Finance,
- for all other service contracts the payment deadline for Roma Capitale with reference to service contracts is sixty days from receipt of the invoice and in the event of late payment, the parties have agreed to apply the official discount rate in force over time.

The private agreement signed in June 2016 between Acea and Roma Capitale regulated commitments and obligations deriving from the implementation of the LED Plan modifying art. 2.1 of the Supplementary Agreement signed in 2011.
More specifically, the agreement provides for the installation of 186,879 fittings (which became 182,556 at the request of Roma Capitale), in the number of 10,000 per month starting thirty days after the signing of the agreement; the price was set at €48 million for the entire Led Plan. The amount is to be paid in the amount of 10% in advance and the remaining part on the basis of specific bimonthly progress certificates, which must be paid by Roma Capitale within thirty days following the closing of the progress certificate for 80%, and within fifteen days after verification of the same progress certificate for the remaining 15%. The agreement also provides for incentive/penalty mechanisms based on higher/lower than planned installations every two months and for a reduction of the fee paid by Roma Capitale to the extent of 50% of the economic value of Energy Efficiency bonds due to Acea for the LED Project.
As a result of the implementation of the LED Plan, the parties partially modified the price list and the composition of the fee for the management of the service.
New constructions and investments contribute to the increase in the lump-sum payment due to the annual rate calculated according to the mechanism of tax depreciation envisaged for the plants underlying the specific intervention and to the percentage reduction of the ordinary rent due from Roma Capitale whose amount is defined in the technical-economic project document.
A variable interest rate is envisaged to remunerate the invested capital.
With regards the extent of the relationship between Acea and Roma Capitale, reference must be made to what has been explained and commented on receivables and payables to the parent company in note no. 19.c of this document.
Finally, note that with reference to the conditions applied to the Public Lighting Service, following the opinion given by the AGCM (Antitrust Authority) in Bulletin no. 49 of 14 December 2020, Roma Capitale began checking the conditions of congruity and economic convenience of the performance terms under the service contract between the Administration and Acea SpA (and through it for areti) comparing it with the terms pursuant to the Consip Luce 3 Convention and, in addition, on the basis of the positions expressed by the AGCM in the said opinion, expressed queries over the

legitimacy of the award to Acea SpA. On 8 February 2021, with a note ref. DG 1585/2021, Roma Capitale communicated the results of the said checks, affirming definitively "the congruity and convenience of the economic terms currently in being with respect to the qualitative and economic parameters of the CONSIP – LUCE 3 convention" and confirming "the correctness of the prices applied for the public lighting service", overcoming definitively all reserves on the congruity of the prices charged in the context of the contractual relationship in being between Roma Capitale and Acea SpA. In the same note, the Administration therefore ordered the restart of the procedures for payment of Acea's ascertained receivables in relation to the service contract. We can note that the said communication regards the correctness of the prices charged, without affecting the Administration's intention, already manifested, to terminate the relationship with Acea to call for tenders and thus make a new award for the Public Lighting Service.
Note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled "Public and artistic-monumental public lighting service on the entire municipal territory – Concessionaire: Acea SpA – Recognition of the perimeter of the payable situation and launch of the consequent procedures" recognised the perimeter of the Administration's payables to Acea/Areti in relation to the Public Lighting service as of 31 December 2021.
This resolution was published on the institutional website of Roma Capitale on 30 August 2022.
During 2023, specifically in September, the Acea Board of Directors, after receiving the opinion of the Related Party Transactions Committee, approved the proposal for a Settlement Agreement with Roma Capitale, to govern their reciprocal positions and the methods for the early consensual termination of the contractual relationships between the parties for the public lighting service provided by the company and for it by the subsidiary areti.
At the same time, Roma Capitale also approve the possible Agreement in the City's Assembly in December 2023.
With reference to the economic terms of this possible Settlement Agreement, substantially in line with the City Executive Committee resolution 312 of 11 August 2022, following the reciprocal renunciation by the parties, the agreement calls for the recognition of receivables due to Acea/areti from Roma Capitale for a total of around €100.6 million. The economic and financial effects of the settlement, following the signing which had not yet occurred as of the reporting date, will not have significant effects as the company had already updated its estimates in previous financial statements utilising the criteria established in the relevant regulations.
All administrative activities required to finalise the transaction are still under way. It is noted that the transaction covers multiple activities performed, referring to the operation under concession of the public lighting service in the capital and developed over several years, which are definitively formalised in the settlement agreement, with detailed administrative reconstruction and with a "tombstone" effect on the previous relations covered in said agreement, capable of preventing such disputes and controversies.
From the point of view of economic relations, on the other hand, the costs and revenues for financial year 2024 compared to financial year 2023 are summarised below with reference to the most significant transactions.

	Revenues		Costs	
€ thousand	2024	2023	2024	2023
Public Lighting service contract	34,565	42,756	78	78
Revenue from realisation of plants on request	731	659	0	0
Total	**35,296**	**43,415**	**78**	**78**

ACEA AND THE ROMA CAPITALE GROUP

Even with companies, special companies or institutions controlled by Roma Capitale, Acea has commercial relations.

The following table shows information on entries with the companies of the Roma Capitale Group.

	2024			
€ thousand	Payables	Costs	Receivables	Revenues
AMA SpA	446	850	271	170
Fondazione Cinema per Roma	190	190	0	0
Fondazione Teatro dell'Opera	15	15	0	0
Total	**651**	**1,055**	**271**	**170**

ACEA AND ITS SUBSIDIARIES

FINANCIAL REPORTS

Acea SpA, in its function as an industrial holding company, defines the strategic objectives at the Group and subsidiary level and coordinates its activities.
As part of the centralised management of financial services, the parent company Acea has long since adopted a Group inter-company treasury system, including an inter-company finance relationship, making it available to many Group companies with which a special multi-year inter-company finance contract was signed.
The intercompany finance contracts were renewed on 1 January 2020. Based on this contract, Acea makes available a medium-term revolving loan, known as the "Intercompany Finance Line", up to a predetermined credit limit for financing the financial needs for (i) working capital requirements and (ii) the execution of investments.
Additionally, Acea makes available to the companies: 1) a Guarantee Line to issue bank or corporate guarantees (on its own unsecured credit lines), for an amount equal to the Guarantee Limit; 2) an Insurance Guarantee Line to issue sureties with Acea co-obligated for an amount equal to the insurance guarantee limit.
The operation of this contract provides that in a permanent and daily manner each company, holder of specific peripheral bank current accounts, daily credit or debit the Parent Bank's current account to zero the balance on its current accounts.
In the case of a daily intercompany balance due by currency, the companies pay interest expense to the Parent Company calculated, for each year, on the basis of a market interest rate, defined as the sum of: Cost of funding, the average weighted interest rate paid by the Acea Group on the market the previous year and Incremental Risk, the risk differential between the Acea Group and individual companies participating in the contracts. For 2024, the interest rate applied falls between a minimum of 2.24% and a maximum of 7.37%, while in 2023, the rate applied fell between a minimum of 2.06% and a maximum of 3.59%.
In the case of a daily intercompany credit balance by currency, Acea pays interest to the companies calculated, for each year, on the basis of a market interest rate, defined as the difference between: Cost of funding, the average weighted interest rate paid by the Acea Group on the market the previous year and Spread, the risk differential between the Acea Group and individual companies participating in the contracts.
Contractual terms applied are, with the same credit standing and type of financial instrument, in line with those resulting from the reference market, also supported by the evidence of a benchmark developed by a leading consulting firm.
The contracts have:

- a duration of 30 years or until the expiry of concessions for companies with regulated business (Acea Ato2 and areti);
- annual updating of the total rate for use of the Intercompany Finance Line, based on the calculation methodology shared with a major consulting firm;
- annual updating of the total rate for use of the Guarantee Line, based on the calculation methodology shared with a major consulting firm.

In 2024, the corporate scope of the current Treasury Contracts expanded to include Acea Acqua SpA and a.cities Srl. These contracts is set to expire on 31/12/2050, in line with those of the other companies.

REPORTS OF A COMMERCIAL NATURE

Acea also provides subsidiaries and associated companies with administrative, financial, legal, logistics, management and technical services in order to optimise the resources available within the Company and to optimally use existing know-how in a logic of affordability. These services are governed by specific service contracts.
As of 1 January 2023, and for three years, the new service contracts for 2023-2025 took effect. The methodology used to determine the unit price is the Cost Plus Method, which calls of the identification of a shared base cost, to which is applied a mark-up on internal costs (subject to market benchmarks by a major consulting company) and, subsequently, divided up between the various beneficiaries of the services through allocation keys which are compliant and consistent, in line with what third parties would do. These contracts are compliant for regulatory purposes and of the Organisation, management and control model and envisage SLAs (Service Level Agreements) with a view to improving the level of service offered, to relate to relevant KPIs (Key Performance Indicators).
As of 1 January 2022, replacing the Template project "communion" system, Acea and its subsidiaries signed a new contract for Acea to supply assets and IT services from a specific catalogue, ranging from supplying software licenses and developments relative to which Acea transfers multi-year user rights through a license, to sales of hardware infrastructure. As part of this contract, Acea manages the operating, application management and maintenance of software and hardware falling under the contract and IT security services.
In any case, a portion of the Template contract is still operational for a residual portion of the "communion" that is still undivided.
Finally, during 2022 Acea continued to develop a series of software programmes made available to certain companies through the signing of specific contracts providing for a consideration user licences and the related maintenance release and ordinary maintenance services.

The contractual terms applied are, for the same type of service rendered, in line with those resulting from the market.

ACEA AND THE MAIN COMPANIES OF THE CALTAGIRONE GROUP

As of the end of the 2024 financial year, there are no financial or equity transactions with the companies of the Caltagirone Group and Acea SpA.

ACEA AND THE MAIN COMPANIES OF THE SUEZ GROUP

As of the end of financial year 2024, there were the following financial relationships with the companies of the Suez Group and Acea SpA.

	2024			
€ thousand	Payables	Costs	Receivables	Revenues
Suez International SAS	49	32	95	0
Totale	**49**	**32**	**95**	**0**

The table below shows the impact of transactions with related parties on the statement of financial position, the income statement and the cash flow statement.

Impact on the statement of financial position

€ thousand	31/12/2024	Of which related party transactions	Impact	31/12/2023	Of which related party transactions	Impact
Non-current financial assets	4,014,160	4,009,751	100%	3,871,050	3,864,548	100%
Trade receivables	136,788	136,399	100%	169,178	168,584	100%
Other current assets	94,089	49,164	52%	68,030	35,316	52%
Current financial assets	720,890	667,505	93%	897,531	559,940	62%
Borrowings and financial liabilities	(4,731,747)	(77,820)	2%	(4,470,502)	(90,790)	2%
Other non-current liabilities	(51,823)	(51,258)	99%	(36,724)	(36,148)	98%
Current financial payables	(790,925)	(251,775)	32%	(974,896)	(297,024)	30%
Payables to suppliers	(209,897)	(111,774)	53%	(195,220)	(104,413)	53%
Other current liabilities	(61,876,735)	(32,297,609)	52%	(58,297,295)	(30,680,724)	53%

Impact on the economic results

€ thousand	2024	Of which related party transactions	Impact	2023	Of which related party transactions	Impact
Revenue from sales and services	189,723	189,723	100%	189,815	189,815	100%
Other revenue and income	14,327	10,037	70%	15,223	9,630	63%
Costs of materials and overhead	165,099	53,236	32%	161,797	59,105	37%
Financial income	134,559	126,933	94%	114,153	100,121	88%
Financial charges	(119,326)	(4,461)	4%	(111,455)	(6,785)	6%
Profit/(Loss) on equity investments	274,098	274,098	100%	265,471	265,471	100%
Income tax	(14,238)	(124,165)	872%	(14,478)	0	0%

Impact on the cash flow statement

€ thousand	2024	Of which related party transactions	Impact	2023	Of which related party transactions	Impact
Cash flow from operating activities	(4,322)	(246,784)	5710%	(71,509)	(294,756)	412%
Cash flow of asset investment/ disinvestment	392,411	28,183	7%	(253,327)	(148,727)	59%
Cash flow from financing activities	(235,179)	(235,172)	100%	165,387	(75,393)	-46%

LIST OF TRANSACTIONS WITH RELATED PARTIES

During 2024, there were no significant transactions with related parties.

Update on major disputes and litigation

ACEA SPA - MILANO '90

This issue concerns the failure to pay sums due for the balance of the sale price of the area in the Municipality of Rome with access from via Laurentina No. 555, formalised with a deed dated 28 February 2007 and with a subsequent supplementary deed of 5 November 2008. With the said supplementary deed, the parties agreed to change the fee from €18 to €23 million, while eliminating the earn out, setting 31 March 2009 as the payment deadline.
Given the purchaser's failure to act, the procedure to collect the amounts due was initiated by preparing a notice pay addressed to Milano '90 and through application for an injunction order which, on 28 June 2012, was granted in a temporarily enforceable form.
Therefore, in November 2012, Acea served a garnishment order to the company Milano '90 for the forced recovery of the amounts claimed.
Milano '90 opposed the aforementioned injunction — also requesting the condemnation of Acea for the restitution of sums paid as a price and compensation for damages - obtaining the suspension of its provisional execution. Consequently, the enforcement procedure was in turn suspended.
By judgement no. 3258, published on 13 February 2018, the Court of Rome rejected the opposition and confirmed the court order in full, sentencing Milano '90 to pay for the costs of the dispute.

APPEAL DECISION

On 26 April 2018, Milano '90 appealed, and with a decision issued 23 June 2022, the Court of Appeal of Rome fully confirmed the sentence of the first instance judge and sentenced the counterparty to pay the litigation costs.
With an appeal to the Court of Cassation notified on 21 September 2022, Milano '90 appealed the decision issued by the Rome Court of Appeal. Acea SpA filed a cross-appeal by the deadline and is waiting for the date of the hearing to be set.

EXECUTIVE PROCEDURE

Following the favourable ruling of first instance, on 27 March 2018 Acea filed the application for resumption of the executive procedure in relation to Milano '90 and the third parties attached. Following the opposition proceedings brought by the third-party garnishee, on 25 March 2022 the sums assigned to Acea were paid. An appeal to the Court of Cassation by the third-party garnishee is now pending. The date for the hearing has not yet been set.

ACEA SPA – FORMER COS RULINGS

The COS dispute concerns the ascertainment of the illegality of the contract between ALMAVIVA Contact (formerly COS) and Acea and the consequent right of its workers to be recognised as having a subordinate employment relationship with Acea.

QUANTIFICATION JUDGEMENTS

The six workers who won their cases (i.e. with whom a subordinate employment relationship with Acea was established) have over time initiated actions quantifying their claims against the company, requesting payment of the wages due as a result of the established relationship and regarding different periods of accrual of the receivables. Below, specifically.
Salary differences in relation to the period 2008/2014. In 2015, six separate quantification judgements were introduced, then combined, in relation to the wage differences accrued between 2008 and 2014. After the partially unfavourable ruling on 26 October 2022, Acea paid, reserving the right to a refund, the amounts due as remuneration and pension differences plus interest and monetary revaluation. Acea appealed to the Supreme Court against this ruling, currently awaiting a hearing, with reference to 4 workers. It should be noted that in the meantime, two of the six judgements have been settled.
Salary differences in relation to the period 2014/2019. In 2020 and 2022, 5 workers were notified as many judgements aimed at also obtaining the wages not received in relation to the 2014-2019 time frame. All the aforesaid judgements were issued unfavourable rulings and Acea paid, reserving the right to a refund, the amounts due as remuneration and pension differences plus interest and monetary revaluation. With reference to the five original positions, 3 appeals with the Court of Cassation are currently pending — a date for the hearing has not yet been set. One position has been settled and the case most recently introduced was decided in the second instance (the terms for appealing to the Supreme Court are pending).

ACEA SPA AND ARETI SPA – MP 31 SRL (FORMERLY ARMOSIA MP SRL)

This is an opposition proceeding filed against the injunction issued by the Court of Rome against areti, in the amount of €226,621.34, requested by Armosia MP by way of lease payments for the months of April-May-June of 2014 in relation to the property in Rome - Via Marco Polo 31. The injunction was declared provisionally enforceable by order of 8 July 2015.
In the hearing on 17 February 2016, the Judge adjoined this case with the other pending before the Court of Rome, taken by Acea and areti (transferee of the lease contract) in order to obtain the termination of the lease contract. In this latter case, MP 31 has also filed an unconventional remand for compensation for the damages incurred in consideration of the degrading condition of the building when it was released by areti. With a sentence dated 27 November 2017 the Court upheld the application of MP 31 against areti, condemning it to the payment of the previous rent in the amount of €2,759,818.76 plus interest from the individual deadlines, as well as the payment of the rent up to contract expiry (29 December 2022). As a result, there are no further charges to the company.
Acea filed an appeal, served on 2 January 2018, and the counterparty filed a cross appeal.
The hearing to discuss the appeal judgement was held on 19 September 2024 and, with a ruling published on the same date, the Court of Appeal of Rome rejected both appeals. The sentence has not been appealed and the judgement has become final.

ACEA SPA AND ACEA ATO2 SPA - CO.LA.RI.

With a writ of summons served on 23 June 2017, the Consortium Co.La.Ri. and E. Giovi Srl – respectively the manager of the Malagrotta landfill (prov. Rome) and the executor - summoned Acea and Acea Ato2 to obtain payment for the portion of the tariff for accessing the landfill, to be allocated to cover the thirty-year costs to manage the same, as established in Italian Legislative Decree 36/2003, alleged to be due for the depositing of waste during the contractual period from 1985-2009.
The main request stands at over €36 million for the entire period of contract validity. Subordinately, in the event that the law disposing the tariff is considered by the judge to be applicable retroactively, the plaintiffs request the recognition of the right to receivables of approximately €8 million for the period March 2003-2009, and the ascertainment, by expert appraisal, of the receivables for the previous period 1985-2003.
In December 2023, the Judge ordered a new investigation of the case and the appointment of a court-appointed expert. The judgement is therefore currently in the investigation stage and the filing of the expert appraisal is expected by June 2025.

ACEA SPA – RTI FINTECNA SPA

The dispute originates from a tender contract entered into in 2008 between the then Breda Progetti e Costruzioni (now Fintecna SpA), parent company of the consortium, and Acea Spa for the design and execution of the second section of the Ostia treatment plant.
By virtue of reserves entered in the accounting records, the appellant assumed that it was a creditor of the contracting authority Acea, which resisted by contesting the justification of the reserves and raised a claim for compensation by virtue of advances paid to the company and not recovered.
The Court of Rome, by non-definitive judgement, declared the partial and/or total inadmissibility of part of the reserves recognised then ordered an expert's report on the remaining reserves. In its definitive judgement of 3 June 2008, having set off the amount claimed against the amount due in respect of the breach, the Court dismissed the contractor's claims against Acea.
Today's Fintecna filed an appeal and with a sentence of 2017, the Court of Appeal of Rome, having performed the set-off, ordered Acea SpA to pay the contractor the sum of €367,490.28, plus legal interest and 2/3 of the legal expenses.
Acea appealed to the Court of Cassation and Fintecna cross-appealed. By order of 2 May 2024, the Supreme Court upheld the cross-appeal for lack of motivation and rejected the main appeal, referring the dispute back to the Court of Appeal of Rome.
In July 2024, Fintecna SpA requested the Court of Appeal to ascertain its residual claim, amounting to €1,347,718.42, plus legal interest. Acea, contesting the existence of that claim, insisted on the rejection of the application for reinstatement brought before the Court of Appeal and for the confirmation of the judgement issued by the Court of Appeal of Rome in 2017.
The case is currently adjourned for final arguments.

Additional information on financial instruments and risk management policies

CLASSES OF FINANCIAL INSTRUMENTS

The following table shows the breakdown of financial assets and liabilities required by IFRS 9 based on the categories defined by IAS 39.

€ thousand	FVTPL	FVTOCI	Amortised cost	Balance sheet value	Explanatory Notes
Non-current assets	**7,351**	**0**	**4,022,379**	**4,029,730**	
Other equity investments	7,351	0	0	7,351	16
Total financial assets	0	0	4,014,160	4,014,160	18
Other non-current assets	0	0	8,220	8,220	19
Current assets	**0**	**0**	**896,742**	**896,742**	
Total trade receivables	0	0	136,788	136,788	20
Total current financial assets	0	0	720,890	720,890	20
Other current assets	0	0	39,063	39,063	20
Non-current liabilities	**0**	**0**	**4,716,156**	**4,716,156**	
Bonds	0	0	3,483,983	3,483,983	24
Medium/long-term borrowings	0	0	1,232,173	1,232,173	24
Current liabilities	**0**	**161,912**	**863,340**	**1,025,252**	
Short-term bonds	0	161,912	334,666	496,578	26
Payables to banks	0	0	37,212	37,212	26
Other financial payables	0	0	251,942	251,942	26
Total trade payables	0	0	209,897	209,897	26
Other liabilities	0	0	29,622	29,622	26

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of securities not listed on an active market is determined using the valuation models and techniques prevailing on the market or using the price provided by several independent counterparties.
The fair value of medium/long-term financial assets and liabilities is calculated on the basis of the risk less and the risk less adjusted interest rate curves. It must be noted that for trade receivables and payables with contractual expiry within the financial year, the fair value has not been calculated as their book value approximates the same.
In addition, fair value is not calculated when the fair value of financial assets and liabilities cannot be objectively determined.

TYPES OF FINANCIAL RISKS AND RELATED HEDGING ACTIVITIES

FOREIGN EXCHANGE RISK

Acea is not particularly exposed to this type of risk which is concentrated on the conversion of the financial statements of foreign subsidiaries.
As regards the 20 billion Yen Private Placement (maturing in 2025), the exchange rate risk is hedged through a cross currency swap described in the section on interest rate risk.

LIQUIDITY RISK

Acea's liquidity risk management policy is based on ensuring the availability of significant bank lines of credit. Such lines exceed the average requirement necessary to fund planned expenditure and enable the Group to minimise the risk of extraordinary outflows. In order to minimise liquidity risk, the Group has adopted a centralised treasury management system, which includes the most important Group companies, and provides financial assistance to the companies (subsidiaries and associates) not covered by a centralised finance contract.
At 31 December 2024 the Parent Company has uncommitted credit lines of €585 million. In the event of the drawdown of these types of facilities, Acea would pay an interest rate equal to the Euribor at one, two, three or six months (depending on the chosen period of use), in addition to a spread that, in some cases, may vary according to the rating assigned to the parent company. Acea also

has committed revolving lines for €700 million, with an average residual maturity of around 2.5 years. No guarantees were granted in obtaining these lines.
At the end of the year the Parent Company has commitments in short-term deposit transactions for an amount of €50 million.
Please note that the EMTN Programme approved and established in 2014 for an initial amount of €1.5 billion, adjusted upwards for a total of €5 billion in 2021, was available in a residual amount of €1.2 billion at 31 December 2024. It should be noted that in July, Acea repaid a bond for €600 million at natural maturity.

INTEREST RATE RISK

The Parent Company's approach to management interest rate risk, which takes the structure of the assets and the stability of Acea's cash flows into account, has so far been prudent and intended to preserve the cost of funding, to stabilise the margins and the cash flows deriving from ordinary activities through a management method that tends to be static in nature.
In particular, for static management (to be opposed to the dynamic one) we mean a type of management of interest rate risk that does not provide for daily operations on the markets but an analysis and control of the position carried out periodically on the basis of specific needs. This type of management therefore involves daily activity in the markets, not for trading purposes but in order to hedge the identified exposure in the medium/long term.
Acea has, up to now, opted to minimise interest rate risk by choosing from time to time a mix of fixed and floating rate funding instruments.
As it is known, fixed rate funding protects a borrower from cash flow risk in that it stabilises the financial outflows in the income statement, whilst heightening exposure to fair value risk in terms of changes in the market value of the debt.
An analysis of the debt position shows that the risk Acea is exposed to is mainly in the form of fair value risk, being composed of hedged fixed rate borrowings (92%) as at 31 December 2024, and to a lesser extent to the risk of fluctuations in future cash flows.
Acea is consistent with its decisions regarding interest rate risk management that essentially aims to both control and manage this risk and optimise borrowing costs, taking account of Stakeholders' interests and the nature of the Group's activities, and based on the prudence principle and best market practices. The main objectives of these guidelines are as follows:

- identifying, from time to time, the optimal combination of fixed and variable rates,
- to pursue a potential optimisation of borrowing costs within the risk limits established by governance bodies and in accordance with the specific nature of the business,
- to manage derivatives transactions solely for hedging purposes, should Acea decide to use them, in respect of the decisions of the Board of Directors and, therefore, the approved strategies and taking into account (in advance) the impact on the income statement and Statement of Financial Position of said transactions, giving preference to instruments that qualify for hedge accounting (typically cash flow hedges and, under given conditions, fair value hedges).

A cross currency plain vanilla swap operation is in being as of 31 December 2024 on Acea. This was entered into in 2010 to transform into euro the currency of the Private Placement (yen) and the yen rate applied into a fixed rate in euro.
The derivative instrument contractualised by Acea indicated above is of the non-speculative type and the fair value, calculated according to the bilateral method, is a negative €39.0 million (a negative €32.9 million at 31 December 2023).

The fair value of medium/long-term debt is calculated on the basis of the risk-free and the risk-adjusted interest rate curves.

€ thousand	Amortised cost (A)	Risk-less FV (B)	Delta (A – B)	Risk adjusted FV (C)	Delta (A – C)
Bonds	3,980,561	3,931,837	48,724	3,838,531	142,030
Fixed-rate loans	325,321	334,932	(9,611)	311,390	13,931
Floating-rate loans	863,428	923,807	(60,380)	868,177	(4,749)
Total	**5,169,309**	**5,190,576**	**(21,267)**	**5,018,098**	**151,212**

This analysis was also carried out with the risk adjusted curve, i.e. a curve adjusted for the level of risk and the business sector of Acea. A curve populated with fixed rate bonds denominated in EUR, issued by domestic companies in the public utilities sector with a composite rating ranging from BBB+ and BBB- was used.
A sensitivity analysis has been carried out on medium/long-term financial liabilities using stress testing, thus applying a constant spread over the term structure of the «risk adjusted» interest rate curve. This makes it possible to evaluate the impact on fair value and on future Cash Flows for both the individual instruments in the portfolio and the overall portfolio.
The following table shows the overall fair value changes of the debt portfolio based on parallel shifts (positive and negative) between -1.5% and +1.5%.

Constant spread applied	Changes in Present Value (€ million)
(1.5%)	(488.5)
(1.0%)	(365.6)
(0.5%)	(247.0)
(0.3%)	(189.3)
n.s.	0.0
0.25%	(76.9)
0.50%	(22.1)
1.00%	84.6
1.50%	187.7

With regard to the type of hedging of which the fair value is determined and with reference to the hierarchies required by the IASB, it should be noted that, since these are composite instruments, the level is type 2 and that during the period there were no reclassifications from or to other levels of fair value as defined by IFRS 13.

Commitments and contingencies

These amounted to €975,619 thousand and increased by €107,938 thousand compared to 31 December 2023 (€867,680 thousand).

ENDORSEMENTS AND SURETIES ISSUED AND RECEIVED

These have a positive net balance of €118,090 thousand, as the endorsements and sureties issued amounted to €169,059 thousand while those received amounted to €50,969 thousand.

These saw an increase of €143,296 thousand compared to the end of the previous year. The change is mainly due to: i) the issue of an insurance surety for €140,000 thousand in favour of the EIB as guarantee of the loan disbursed in November for €200,000 thousand, and ii) the management of the water service and the pumping stations for the city of Lima, which involved the release of several existing guarantees for €4,584 thousand and the issue of two new bank sureties for €10,833 thousand.

LETTERS OF PATRONAGE ISSUED AND RECEIVED

The balance is positive for €601,998 thousand, consisting of letters of patronage issued for €602,201 thousand and letters of patronage received for €203 thousand.
During the year they underwent an overall decrease of €36,335 thousand.
The main changes predominantly concerned:

- the net decrease in guarantees given in favour of various traders on behalf of Acea Energia for €20,500 thousand (of which 56,500 thousand released and €36,000 thousand in new issues);
- the decrease in the guarantee in favour of Cassa Depositi e Prestiti (€27,076 thousand) on the behalf of areti;
- the overall increase in guarantees in favour of various companies in compliance with the obligations established in electricity transport contracts on the account of Acea Energia, for a total of approximately €7,545 thousand;
- the increase in the guarantee in favour of Terna on behalf of areti for €3,790 thousand related to the electricity transmission service contract.

THIRD-PARTY ASSETS UNDER CONCESSION

These amount to €86,077 thousand and have not changed since 31 December 2023 and refer to assets related to Public Lighting.

Resolutions regarding the result for the year and the distribution to shareholders

Dear Shareholders,
In inviting you to approve the financial statements we are submitting to you, we propose to allocate the profit for the year ended 31 December 2024, equal to €208,492,190.09, as follows:

- €10,424,609.50, equal to 5% of profit, to the legal reserve;
- distribution of a total dividend of €201,920,511.65 to shareholders, corresponding to a dividend of €0.95 per share, drawing partially from the distribution of available reserves for €3,852,931.06.

The total dividend (coupon no. 26) of €201,920,511.65, equal to €0.95 per share, will be paid starting from 25 June 2025 with coupon detachment on 23 June 2025 and record date 24 June 2025. On the date of approval of the financial statements, treasury shares amounted to no. 416,993.

Acea SpA

The Board of Directors

Annexes to the explanatory notes of which they form an integral part

ANNEX 1
NET FINANCIAL DEBT AT 31 DECEMBER 2024

ANNEX 2
CHANGES OF INVESTMENTS AT 31 DECEMBER 2024

ANNEX 3
SIGNIFICANT NON-RECURRING TRANSACTIONS PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

ANNEX 4
POSITIONS OR TRANSACTIONS DERIVING FROM UNUSUAL AND/OR ATYPICAL OPERATIONS

ANNEX 5
SEGMENT INFORMATION (IFRS 8)

ANNEX 1 – NET FINANCIAL DEBT AT 31 DECEMBER 2024

€ million	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
A) Cash	293,379		140,470		152,909
B) Cash equivalents	0		0		0
C) Other current financial assets	720,890	667,505	897,531	559,940	(176,641)
D) Liquidity (A + B + C)	**1,014,269**	**667,505**	**1,038,001**	**559,940**	**(23,732)**
E) Current financial debt	(246,978)	(251,775)	(301,557)	(284,050)	54,579
F) Current portion of non-current financial debt	(543,947)	(12,974)	(673,339)	(12,974)	129,392
G) Current financial debt (E + F)	**(790,925)**	**(264,749)**	**(974,896)**	**(297,024)**	**183,971**
H) Net current financial debt (G + D)	**223,344**	**402,756**	**63,105**	**262,916**	**160,239**
I) Non-current financial debt	(4,731,747)	(77,820)	(4,470,502)	(90,790)	(261,245)
J) Debt instruments	0	0	0	0	0
K) Trade payables and other non-current payables	0	0	0	0	0
L) Non-current financial debt (I + J + K)	**(4,731,747)**	**(77,820)**	**(4,470,502)**	**(90,790)**	**(261,245)**
Total net financial debt (H + L)	**(4,508,403)**	**324,936**	**(4,407,397)**	**172,126**	**(101,005)**
Long-term financial receivables	4,010,206	4,009,751	3,865,098	3,864,548	145,108
NET FINANCIAL POSITION	**(498,197)**	**4,334,687**	**(542,299)**	**4,036,674**	**44,103**

ANNEX 2 – CHANGES IN HOLDINGS AS AT 31 DECEMBER 2024

		Changes in the period					
€ thousand	31/12/2023	Acquisitions	Disposals	Demerger effects	Reclassifications and other changes	Write-downs/ Losses/ Revaluations	31/12/2024
Subsidiaries							
Acea Ambiente Srl	39,151	0	0	0	0	0	39,151
Aquaser Srl	61	0	0	0	0	0	61
Acea Energia SpA	277,164	0	0	0	0	0	277,164
Acea Energy Management Srl	100	0	0	0	0	0	100
Acea International SA	19,703	0	0	(19,977)	274	0	0
Consorcio Acea-Acea Domenicana	43	0	0	0	0	0	43
Acea Ato2 SpA	585,442	0	0	(585,442)	0	0	0
Acea Ato5 SpA	123,977	0	0	0	0	0	123,977
Acque Blu Arno Basso SpA	25,663	0	0	(25,663)	0	0	0
Ombrone SpA	19,383	0	0	(19,383)	0	0	0
Acque Blu Fiorentine SpA	43,911	0	0	0	0	0	43,911
Acea Molise Srl	2,874	0	0	(2,874)	0	0	0
Sarnese Vesuviano Srl	21,410	0	0	(21,410)	0	0	0
Acea Acqua SpA	0	0	0	694,471	16,246	0	710,717
Adistribuzionegas Srl (formerly Alto Sangro Distribuzione Gas Srl)	26,761	0	0	0	0	0	26,761
ASM Terni SpA	2,956	0	0	0	0	0	2,956
Agile Academy Srl (formerly Parco della Mistica)	30	0	0	0	0	0	30
Aquantia Srl liquidated	325	0	0	0	0	(325)	0
areti SpA	683,861	0	0	0	0	0	683,861
a.cities Srl	50	0	0	0	0	0	50
Acea Produzione SpA	173,206	0	0	0	0	0	173,206
Acea Liquidation and Litigation Srl	8,341	0	0	0	0	(1,193)	7,148
Acea Infrastructure SpA	7,209	0	0	0	0	0	7,209
TWS SpA	64	0	0	0	0	0	64
Hydreco Scarl in liquidation	0	0	0	0	0	0	0
A.Quantum SpA	0	1,500		0	0	0	1,500
Total - subsidiaries	**2,061,685**	**1,500**	**0**	**19,722**	**16,520**	**(1,518)**	**2,097,909**

		Changes in the period					
€ thousand	31/12/2023	Acquisitions	Disposals	Demerger effects	Reclassifications and other changes	Write-downs/ Losses/ Revaluations	31/12/2024
Associates							
Aguazul Bogotà SA	359	0	0	0	(24)	0	334
Umbra Acque SpA	6,851	0	0	(6,851)	0	0	0
Intesa Aretina Scarl	11,505	0	0	(11,505)	0	0	0
GEAL SpA	3,788	0	0	(3,788)	0	0	0
Umbria Distribuzione Gas SpA	318	0	0	0	0	0	318
DropMI Srl in liquidation	4,915	0	0	0	0	(4,915)	0
Aqua.Iot Srl in liquidation	368	0	0	(111)	0	(257)	0
Ecomed Srl in liquidation	0	0	0	0	0	0	0
Ingegnerie Toscane Srl	58	0	0	0	0	0	58
Marco Polo SpA in liquidazione	0	0	0	0	0	0	0
Sienergia SpA in liquidation	0	0	0	0	0	0	0
DI.T.N.E. Scarl	12	0	0	0	0	0	12
Tirana Acque Scarl in liquidation	0	0	0	0	0	0	0
Total - associates	**28,174**	**0**	**0**	**(22,256)**	**(24)**	**(5,172)**	**723**

		Changes in the period					
€ thousand	31/12/2023	Acquisitions	Disposals	Reclassifications	Reclassifications and other changes	Write-downs/ Losses/ Revaluations	31/12/2024
Other companies							
Polo Tecnologico Industriale Romano SpA	2,350	0	0	0	0	0	2,350
B.F. SpA	5,001	0	0	0	0	0	5,001
WRC PLC	0	0	0	0	0	0	0
Total - Other companies	**7,351**	**0**	**0**	**0**	**0**	**0**	**7,351**

ANNEX 3 – SIGNIFICANT NON-RECURRING TRANSACTIONS PURSUANT TO CONSOB RESOLUTION NO. 15519 OF 27 JULY 2006

It must be noted that no non-recurring significant transactions were carried out during the period.

ANNEX 4 – POSITIONS OR TRANSACTIONS DERIVING FROM UNUSUAL AND/OR ATYPICAL OPERATIONS

Pursuant to the Consob Communication of 27 July 2006, it should be noted that during 2024 Acea SpA has not performed atypical and/or unusual transactions, as defined by the Communication itself.

ANNEX 5 - SEGMENT INFORMATION (IFRS 8)

€ thousand	Public Lighting	Corporate	Total continuing operations	Discontinuing operations	Total
Revenue from sales and services	35,374	154,349	189,723	0	189,723
Other revenue and income	0	14,327	14,327	0	14,327
Net revenues	**35,374**	**168,676**	**204,050**	**0**	**204,050**
Staff costs	0	73,234	73,234	0	73,234
Costs of materials and overhead	37,068	128,031	165,099	0	165,099
Operating costs	**37,068**	**201,265**	**238,334**	**0**	**238,334**
EBITDA	**(1,695)**	**(32,589)**	**(34,284)**	**0**	**(34,284)**
Net write-downs (write-backs) of trade receivables	0	131	131	0	131
Depreciation, amortisation and provisions	2,580	58,082	60,662	0	60,662
Operating profit/(loss)	**(4,275)**	**(90,802)**	**(95,076)**	**0**	**(95,076)**
Financial income	162	134,397	134,559	0	134,559
Financial charges	(29)	(119,298)	(119,326)	0	(119,326)
Profit/(Loss) on equity investments	0	274,098	274,098	0	274,098
Profit/(loss) before tax	**(4,141)**	**198,395**	**194,255**	**0**	**194,255**
Income tax	0	(14,238)	(14,238)	0	(14,238)
Net result of continuing operations	**(4,141)**	**212,633**	**208,492**	**0**	**208,492**
Net profit/(loss) from discontinued operations				0	
Net profit/(loss)	**(4,141)**	**212,633**	**208,492**	**0**	**208,492**

€ thousand	Public Lighting	Corporate	Total continuing operations	Discontinuing operations	Total
Tangible fixed assets	7,740	104,558	112,298	0	112,298
Real estate investments	0	1,990	1,990	0	1,990
Intangible fixed assets	0	98,268	98,268	0	98,268
Rights of use	0	13,580	13,580	0	13,580
Equity Investments in subsidiaries and associates	0	2,089,859	2,089,859	0	2,089,859
Other equity investments	0	7,351	7,351	0	7,351
Deferred tax assets	0	12,895	12,895	0	12,895
Financial assets	4,381	3,866,669	3,871,050	0	3,871,050
Other non-current assets	0	290	290	0	290
Non-current assets	**12,121**	**6,195,459**	**6,207,580**	**0**	**6,207,580**
Trade receivables	4,251	164,927	169,178	0	169,178
Other current assets	0	68,030	68,030	0	68,030
Current tax assets	0	2,210	2,210	0	2,210
Current financial assets	121,931	775,600	897,531	0	897,531
Cash and cash equivalents	0	140,470	140,470	0	140,470
Current assets	**126,182**	**1,151,236**	**1,277,418**	**0**	**1,277,418**
Non-current assets destined for sale	0	0	0	0	0
TOTAL ASSETS	**138,303**	**7,346,695**	**7,484,998**	**0**	**7,484,998**

€ thousand	Public Lighting	Corporate	Total continuing operations	Discontinuing operations	Total
Share capital	0	1,098,899	1,098,899	0	1,098,899
Legal reserve	0	157,838	157,838	0	157,838
Other reserves	0	90,812	90,812	0	90,812
Retained earnings/(losses)	0	161,297	161,297	0	161,297
Profit (loss) for the year	0	202,961	202,961	0	202,961
Shareholders' equity	0	1,711,806	1,711,806	0	1,711,806
Staff termination benefits and other defined benefit plans	0	22,600	22,600	0	22,600
Provisions for risks and charges	0	14,952	14,952	0	14,952
Borrowings and financial liabilities	0	4,470,502	4,470,502	0	4,470,502
Other liabilities	0	36,724	36,724	0	36,724
Non-current liabilities	**0**	**4,544,778**	**4,544,778**	**0**	**4,544,778**
Borrowings	4,251	970,645	974,896	0	974,896
Payables to suppliers	107,298	87,922	195,220	0	195,220
Tax payables	0	0	0	0	0
Other current liabilities	0	58,297	58,297	0	58,297
Current liabilities	**111,549**	**1,116,864**	**1,228,413**	**0**	**1,228,413**
Liabilities closely associated with assets held for sale	0	0	0	0	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,549**	**7,373,449**	**7,484,998**	**0**	**7,484,998**

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ACEA S.P.A.

(in accordance with art. 153 of Italian Legislative Decree 58/1998)

Dear Shareholders,

The Board of Statutory Auditors (hereinafter also referred to as "the Board") of Acea S.p.A. (hereinafter also referred to as "Acea" or "Company") is required to report to the Shareholders' Meeting on the supervisory activities for which it is responsible carried out in the 2024 financial year, on any omissions and censurable facts detected, pursuant to Article 153 of Legislative Decree 58/199B (hereinafter also "TUF") and Article 2429 of the Civil Code.

The Board may also make comments and proposals regarding the financial statements, their approval and the matters within its remit.

The Board of Statutory Auditors has carried out its institutional duties in compliance with the Civil Code, the TUF and Legislative Decree No. 39/2010 (Consolidated Law on Independent Auditing), the statutory regulations and the regulations issued by the Authorities that exercise supervisory and control activities over the Company, also taking into consideration the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, recommended by the National Council of Accountants and Bookkeepers.

- compliance with the law and the By-Laws, compliance with the principles of correct administration and the functionality and adequacy of the organisational structure, the internal control and risk management system and the administrative-accounting system, also in light of Article 2086 of the Italian Civil Code and Italian Legislative Decree no. 14 of 12 January 2019 (Code on business crisis and insolvency);
- the adequacy of the instructions given to Subsidiaries, also pursuant to Article 114, paragraph 2 of the Consolidated Finance Act;
- the procedures for the concrete implementation of the corporate governance rules provided for in the Corporate Governance Code, issued by the Corporate Governance Committee of Borsa Italiana S.p.A., which the Company has adopted;
- the compliance of the Procedure on transactions with Related Parties, approved by the Board of Directors, with the principles pursuant to Consob Resolution no. 17221 of 12 March 2010, as amended, and observance of the said Procedure (updated following the changes introduced by Consob with Resolution no. 21624 of 10 December 2020);
- the existence of the requisites of suitability in relation to its representatives, in application of the current legislation on the subject;
- the criteria and practices used to assess the independence of members of the Board of Director;
- the observance of the legal and regulatory rules related to the process of forming the Financial Statements and preparing the non-financial declaration pursuant to Italian Legislative Decree no. 254/2016.

Furthermore, in its capacity as Internal Control and Audit Committee, the Board performed the functions envisaged by Art. 19 of Italian Legislative Decree no. 39/2010.

This report provides information on the activities carried out by the Board of Acea S.p.A. in the year ended 31 December 2024.

In the light of the foregoing, the information contained in Consob Communication no. 1025564/2001 and subsequent amendments and additions is provided below.

Appointment of the Board of Statutory Auditors

The undersigned Board was appointed at the Shareholders' Meeting held on 27 April 2022 for three financial years until the approval of the Financial Statements at 31 December 2024.

The Board in office at the date of this report is composed of Maurizio Lauri (Chairperson), Claudia Capuano and Leonardo Quagliata.

The Board of Statutory Auditors' term of office therefore expires with the Shareholders' Meeting to approve the Financial Statements as of December 31, 2024. In this regard, the Board of Statutory Auditors has prepared its Guidelines on the composition of the new Board of Statutory Auditors to be appointed by the Shareholders' Meeting convened for April 28, 2025 on first call and April 29, 2025 on second call.

Self-assessment of the Board of Statutory Auditors

Upon taking office, the Board assessed its composition, deeming it to be adequate, verifying in particular compliance with the requirements of independence, professionalism, integrity, diversity, skill and limits to the number of positions held. The members of the Board have also stated that they have the time necessary for the complexity of their duties. A similar overall assessment was also conducted in 2025 in the Board's annual self-assessment. When these activities had been completed, based on the information in its possession, the information requested and acquired, as well as the declarations made by the individual members, the Board therefore verified and confirmed that all its members continue to have:

- the independence requisites provided for both in the law (Art. 148, paragraph 3 of the TUF) and in the Corporate Governance Code for statutory auditors of listed companies;
- the requisites of professionalism, expertise and experience in accordance with the provisions of the Regulation containing rules for the establishment of the requisites of professionalism and integrity of the members of the Board of Statutory Auditors of listed companies;
- the requisites provided for in Art. 22 of the Articles of Association under the terms of which "The Board of Statutory Auditors shall consist of three effective members and two alternates, all meeting the requirements foreseen by the Law, all applicable regulations, and the Voluntary Code of Conduct for Publicly Traded Companies". On the same occasion it was also verified that each member of the Board of Statutory Auditors continues to comply with the provisions of the applicable laws and regulations (art. 148-bis of the TUF and art. 144-duodecies to 144-quinquiesdecies of the Issuers Regulations) with regard to the limits on the number of posts held.

Moreover, also in accordance with the provisions of art. 19 of Italian Legislative Decree 39/2010, it was verified that the members of the Board, as the Internal Control and Audit Committee, as a whole are competent in the sector the Company operates in.

Activities and Organisation of the Board of Statutory Auditors

During 2024, the Board carried out the activities it was responsible for, holding 19 meetings, each lasting an average of 2 hour and 10 minutes.

The Board of Statutory Auditors also attended all 19 meetings of the Board of Directors and the 20 meetings of the Control and Risks Committee, the 11 meetings of the Appointments and Remuneration Committee, the 9 meetings of the Committee for the Region, the 12 meetings of the Committee for Related Party Transactions (of which 8 in its role as Equivalent Internal Control pursuant to the current procedure for Related Party Transactions), and at 7 of 8 meetings of the Ethics, Sustainability and Inclusion Committee.
The Board also attended the Shareholders' Meetings held on April 12, 2024 in ordinary session and on December 19, 2024 in ordinary and extraordinary session, at which the Shareholders could attend exclusively through their designated representative, as per applicable regulation.

During the Board of Directors meeting, the Board obtained information pursuant to Article 150, paragraph 1 of the TUF on activities carried out and Acea's most significant economic, financial and equity transactions carried out during the year by the Company and its subsidiaries.

Based on the information acquired through its supervisory activities, the Board has not become aware of any transactions, carried out during the period covered by this report, that were not based on the principles of correct administration, resolved and carried out in breach of the law and the by-laws, not in the interest of Acea, in contrast with resolutions passed by the Shareholders' Meeting, manifestly imprudent or reckless, lacking the necessary information in case of Directors' interests or compromising the integrity of the company's assets.

During the financial year, the Board of Statutory Auditors, in addition to what has already been expressly reported in this Report, made - in the course of its periodic audits - the observations that current regulations and supervisory provisions assign to its competence.
The Board oversaw the Board of Directors' decision-making procedures and verified that the management decisions were compliant with the applicable regulations (substantive legitimacy), adopted in the interest of the Company, compatible with the Company's resources and assets and adequately supported by information, analysis and verification processes.

The most significant transactions carried out by the Acea Group during 2024 are specified in the documentation submitted to the Shareholders' Meeting, to which reference should be made.

The documents submitted for your approval, the information received during the meetings of the Board of Directors and the meetings of the internal Board Committees, that received from the Chairperson and the Chief Executive Officer, the management, the Boards of Statutory Auditors of directly controlled companies and the independent auditing firm PwC S.p.A. (hereinafter also referred to as "PwC" or "Audit firm") did not reveal the existence of atypical and/or unusual transactions, including intra-group transactions or transactions with related parties.

Significant intercompany or related-party transactions are set out in the documents submitted for your approval, to which we refer.

Supervisory activities pursuant to the Consolidated Law on Statutory Audits

The Board, identified by the Consolidated Law on Auditing as the "Committee for Internal Control and Statutory Audit", oversaw among others:

- the financial reporting process;
- the effectiveness of internal control, internal auditing and financial reporting risk management systems;
- the statutory audit of annual accounts and consolidated account;
- the independence of the external auditor (hereinafter also "auditor", "external auditor" or "audit firm"), in particular as regards the provision of non-audit services.

The Board examined the reports prepared by the independent auditing firm, whose activity supplements the general framework of the control functions established by the regulations with regard to the financial and non-financial reporting process.
The Acea Shareholders' Meeting appointed PwC to audit the accounts for the period 2017-2025, including the Independent audit of the

consolidated and separate financial statements, the limited audit of the condensed separate financial statements at 30 June and the audit of the separate annual accounts of Group companies that fall within the scope of unbundling regulations.

Furthermore, the Audit Firm was awarded the endorsement assignment pursuant to Articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of September 6, 2024, the Independent Auditors were appointed to conduct the limited review ("limited assurance engagement") of Acea Group's consolidated sustainability reporting for the year ended December 31, 2024, prepared pursuant to Article 4 of Legislative Decree 125/2024, presented in the specific section of the consolidated management report.

In the light of the current rules, the Audit Firm issued today, under the terms of Article 14 of Italian Legislative Decree no. 39/2010, the Auditing Report on the Separate and Consolidated Financial Statements for the year to 31 December 2024. The form and contents of the Auditing Report are compliant with the amendments made to Italian Legislative Decree no. 39/2010 by Italian Legislative Decree no. 135/2016.

The Audit Firm issued these Reports with no objections and with the following emphases of matter:
"We draw attention to notes "Receivables due from the Parent Company Roma Capitale" and "Related party transactions – Acea Group and Roma Capitale" to the consolidated financial statements, as well as to paragraph "Relations with Roma Capitale" of the Report on Operations, where the directors described the relations with Roma Capitale and in particular the discussions on the recognition of the Administration's payable to Acea/areti with reference to the public lighting service.

The Audit firm, in addition,
i) issued a judgement which states that the Reports on Operations that accompany the separate and consolidated Financial Statements – as well as some specific information contained in the "Report on Corporate Governance and Shareholding Structure" indicated in article 123-bis, paragraph 4, of the Consolidated Finance Act (for which the Directors are responsible) – are consistent with the Financial Statements and are consistent with the Financial Statements and are prepared in compliance with the applicable legal provisions;
ii) checked that the Directors had prepared the "Report on the Remuneration Policy and on Remuneration Paid", as provided for in article 123-ter, paragraph 8-bis of the Consolidated Finance Act;
iii) declared, as regards significant errors in the Reports on Operations, on the basis of the knowledge and understanding of the business and of the related context acquired during the auditing activity, that it had nothing to report.

The Audit Firm has also certified that it has carried out the audit procedures set forth in Auditing Standard SA (Italy) 700B for the purpose of expressing an opinion on whether the annual financial statements and consolidated financial statements comply with the provisions of European Commission Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF) to the annual financial statements and consolidated financial statements, to be included in the annual financial report (the "Delegated Regulation"). These procedures did not reveal any non-compliance with the Delegated Regulation. For details on the key aspects of the auditing please see the content of the Reports issued by PwC, published together with the separate and consolidated Financial Statements.

The auditing firm has declared that no services other than the statutory audit were provided, in compliance with Article 5, paragraph 1, of Regulation (EU) No. 537/2014, and that it has remained independent from Acea during the execution of the statutory audit.

In this regard, during the financial year and in accordance with the aforementioned legal audit provisions, the Board of Statutory Auditors granted prior approval—following appropriate assessments of potential risks to independence and any safeguarding measures adopted—to engagements other than the statutory audit assigned to PwC and companies within its network.
Furthermore, ongoing monitoring is in place to verify compliance with the quantitative cap on fees for non-audit services established by Article 4 of the referenced European Regulation. The Board of Statutory Auditors confirms that the limit has been fully respected.

It is further noted that specific internal regulations are in force, applied at the Group level, aimed at governing activities related to the aforementioned reviews concerning the awarding of engagements for non-audit services.

The financial statements include, pursuant to Article 149-duodecies of the Consob Issuers' Regulation, a table detailing the fees accrued by the audit firm PwC during 2024.

Based on the information obtained, the Board of Statutory Auditors reports that, during the 2024 financial year, the PwC network received, in relation to the Acea Group and in addition to the audit assignments approved by the shareholders' resolution, fees amounting to a total of € 932 thousand for other non-audit or audit-related services, including € 250 thousand related to the limited assurance engagement on the Group's 2024 sustainability reporting.

The Auditing firm also issued to the Board of Statutory Auditors, under the terms of article 11 of Regulation (EU) no. 537/2014, the Report to the Internal Control and Audit Committee (the so-called "Additional Report"), with which it illustrated:
i) the main aspects of the auditing;
ii) the levels of significance for the consolidated financial statements and for the separate financial statements;
iii) the audit plan;
iv) the scope and method of consolidation;

v) the audit methodology and measurement methods applied in the consolidated and separate financial statements;
vi) the areas of focus related to the consolidated and separate financial statements;
vii) the auditing activities carried out.

The Additional Report does not indicate significant deficiencies identified in the Internal Control System with respect to the financial reporting process that, in their professional judgment, are significant enough to warrant notification to the Internal Control and Audit Committee. Regarding other deficiencies in the internal control system identified during the audit procedures performed on the 2024 financial statements, the audit firm declared that, consistent with the prior year, it will issue a specific letter of recommendations, known as the "Management Letter", in the coming weeks.

It is hereby reported that, with reference to the previous financial year 2023, during 2024 the Board of Statutory Auditors submitted to the Board of Directors PwC's Additional Report, accompanied by its own comments.

In accordance with the recommendations of the joint Bank of Italy - CONSOB - ISVAP document no. 4 of 3 March 2010, the impairment test procedure governed by IAS 36 received the favourable opinion of the Control and Risks Committee and was approved by the Board of Directors.

For this test, Acea appointed an external consultant to assist in the analyses carried out to verify the recoverability of the carrying amount of goodwill and the shareholdings recorded in the Company's consolidated and separate financial statements. This independent advisor showed how, in carrying out the impairment test as of 31 December 2024, Acea used the forecasts formulated in the 2024 - 2028 Business Plan, as approved at the Board of Directors' meeting. For companies subject to concessions, the company's whole life plans for the duration of the concession were used inertially.

The results of the impairment test carried out show some overall impairments at the level of the consolidated and separate financial statements, including a number of situations that are identified as requiring monitoring, which are presented in the documents submitted for your approval, to which we refer. While the market capitalisation of Acea is higher than the value of the Group's shareholders' equity, a second-level impairment test was in any case also carried out.

The external auditor periodically met with the Board of Statutory Auditors in accordance with the provisions of art. 150, paragraph 3 of the TUF for the purpose of exchanging reciprocal information, and did not bring to the attention of the Board any acts or facts considered reprehensible or irregularities that required the formula.

Supervision of the financial disclosure process

The Board of Statutory Auditors held periodic meetings with the Financial Reporting Manager (hereinafter "Reporting Manager"), appointed under the terms of Italian Law no. 262/2005, during which it did not report significant shortcomings in the operating and control processes that could have affected the adequacy and effective application of the administrative-accounting procedures for the purpose of correct economic and financial presentation in compliance with the accounting standards.

This presentation is confirmed by what is stated in the "Report on the Financial Reporting Manager's activities for the purposes of issuing the declaration provided for in art. 154-bis of the Consolidated Finance Act on the annual financial report at 31 December 2024". The report confirms the completion of the 2024 plan, in line with the planning presented to the corporate bodies, in addition to the adequacy of the internal and external resources available to the Executive Responsible for managing the 262 Model, considering the size of the Acea Group.

At the end of the assessment process, on the basis of the activities performed, with regard also and taking into account the results of the test activities conducted in accordance with the monitoring plan of the control system on the process of formation of the financial reporting, Acea's Executive Responsible for Financial Reporting decided that she could sign - with no objections - the attestation of Acea's separate and consolidated financial statements at 31 December 2024.

In the light of the information received and the documents examined, having noted the activities under way, also considering the support provided to the Executive Responsible for Financial Reporting by the Internal Audit Function, which has specialist IT skills available to verify the design and functioning of the IT General Controls, the Board of Statutory Auditors has no observations to make to the Shareholders' Meeting on the functioning and adequacy of the administrative accounting system.

Supervision of the non-financial reporting process

In the context of the performance of the functions attributed to it, the Board supervised – among other things meeting periodically with the structure responsible and discussing with the Auditing Firm – the observance of the rules contained in Italian Legislative Decree No. 125 of 6 September 2024.

In this regard, having reviewed the report issued today by the audit firm concerning the limited assurance engagement on the Acea Group's consolidated sustainability reporting (hereinafter also the "Group") for the financial year ended 31 December 2024, prepared pursuant

to Article 4 of the Decree and included in the specific section of the consolidated management report, the Board found no instances of non-compliance or violations of the applicable regulations.

Based on the work performed, the audit firm declared that no matters have come to their attention that would lead them to believe that:
- the Acea Group's consolidated sustainability reporting for the financial year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");
- the information contained in paragraph 2.1, "Information Required by the European Taxonomy," of the consolidated sustainability reporting has not been prepared, in all material respects, in accordance with Article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

The Board of Statutory Auditors has recommended promoting all necessary initiatives to further strengthen the internal control system over non-financial reporting.

Supervision of the adequacy of the internal control system, risk management and organisational structure

Internal Control System
The Board, in noting the findings of the Corporate Governance Report on the adequacy and effective functioning of the Internal Control and Risk Management System ("ICRMS"), reviewed the Reports as at 31 December 2024 of the Internal Audit Function, the Control and Risks Committee, the 231 Supervisory Body, and the second-level control entities.

In particular, the Board of Statutory Auditors points out that during the year:
- the necessary functional and informative liaison was maintained with the Control and Risks Committee, the Oversight Committee and the Heads of the Internal Audit and Risk, Compliance and Sustainability Functions on the methods of carrying out the assessment and control tasks entrusted to them, relating to the adequacy, full operation and effective functioning of the internal control and risk management system, as well as the results of the audits performed by the Internal Audit Function in accordance with the audit plan approved by the Board of Directors, the results of the risk assessment carried out by the Risk Management Function and the results of the activities pertaining to the second-level control entities.

The analysis of the reports on second-level control measures found that:
- the activities conducted by the Anti-Corruption Function were aimed at an initial implementation of the anti-corruption framework in Acea, which was considered suitable by the external certifying body for the purposes of ISO 37001 "Anti-bribery management systems" certification;
- most of the companies of the ACEA Group have adopted and maintain an Integrated Quality, Environment, Safety and Energy Management System (hereinafter the "System"), which complies with UNI ISO 9001:2015 (Quality), UNI ISO 14001:2015 (Environment), UNI ISO 45001:2018 (Safety) and UNI ISO 50001:2018 (Energy), certified and issued by an accredited external body, as a tool for the prevention of accidents, diseases and pollution, as well as a measure to promote and support the efficiency and effectiveness of the company's processes, including energy processes, and to achieve continuous improvement in the performance of the System itself and work management;
- the activities carried out by the Head of the Prevention and Protection Service (RSPP) on topics related to health and safety at work within the Acea Group confirmed the existence of an effective management system for safety in the workplace, with no significant issues raised to be reported in this report;
- the Company updated the Organisation, Management and Control Model, pursuant to Legislative Decree 231/01 by a resolution of the Board of Directors on December 17, 2024;
- in his annual report, the Data Protection Officer expressed an overall positive opinion on the Company's privacy compliance. In his view, the control measures provided for under the privacy governance framework appear to be properly implemented and aligned with regulatory requirements, although there are areas for improvement for which corrective actions are currently being implemented.

Acea has adopted "Regulatory Compliance Governance Guidelines," a "Group Policy for Assessing the Adequacy of Administrative, Accounting, and Organizational Structures in accordance with the Corporate Crisis Code," and a "Policy for the Proper Management of Tax Variables and Risks."

The Manager of the Internal Audit Function periodically updated the Board on the activities carried out and the main results of the audits performed, communicating the corrective actions identified and discussed with the Company's management, indicating implementation deadlines and specific implementation responsibilities, subject to periodic monitoring by the Internal Audit Function, as well as areas for improvement concerning relevant processes and controls.

The Manager of the Internal Audit Function informed the Board that the functional hierarchical positioning, the constant dialogue and the exchange of information with the company's top management, the board committees and the control bodies ensured that the Function had full access to all the useful information for performance of its duties, full independence and autonomy of judgement.
The 2024 annual report of the Internal Audit Function notes how the audits are structured in order to incorporate useful evidence for formulating the opinion from different sources, in particular:

- in the context of monitoring certain relevant processes of the Internal Control and Risk Management System ("ICRMS"), the various events highlighted by each Key Risk Indicator were analysed and verified and, downstream of this activity, no irregularities have emerged;
- activities aimed at ensuring that the key automatic controls, in the context of the administrative and accounting procedures, work correctly and are effective with respect to the objective set, had positive results, despite there being areas for improvement related to IT governance (still under way);
- the discussions held during the year with the managers of the second-level audits and their reports show adequate resilience of the system, highlighting aspects for improvement already included in the planning activities in progress.

From the overall analysis of the above-mentioned findings, the Head of the Internal Audit Function highlighted that, despite certain design gaps in the Internal Control and Risk Management System, the control activities performed did not reveal any situations that could compromise the integrity of the overall Internal Control and Risk Management System adopted by Acea and its subsidiaries.

The Head of the Internal Audit Function therefore concluded that the Internal Control and Risk Management System adopted by Acea and its subsidiaries is operational, adequate, and consistent with the current Guidelines on Internal Control and Risk Management Systems (SCIGR), notwithstanding some ongoing critical issues already identified in previous reports.

In light of the activities carried out by the Internal Audit Function, the first-level control measures, and the internal Board committees convened during the period covered by this report, the Board of Statutory Auditors has no further observations to report to the Shareholders' Meeting regarding the functionality and adequacy of the internal control and risk management system.

Risk Management System

The exchange of information and the reports rendered by the risk management structure represented the results of the Group's risk assessment process for the purpose of identifying and analysing the main risk scenarios relevant for the Group, highlighting any response strategies prepared by the management to reduce the risks to a severity level considered acceptable and in keeping with the business plan objectives.

The Risk Management Function stated that it performed quarterly monitoring of the full implementation of the mitigation actions identified to limit the risk scenarios as proposed by the management in the risk assessment phase.

Activities are still in progress with the aim of developing the risk scenarios identified in an overall taxonomy of business risks to be combined with the related risk owners and the business processes assigned as their responsibility, both at the corporate level and at the level of the various corporate businesses.

Lastly the Board of Statutory Auditors reaffirms its conviction that, given that the Acea Group has a significant presence in the management of regulated infrastructures of strategic significance for the supply of essential public services to the communities of reference in which it operates, and is developing significant planning initiatives pertaining to said strategic infrastructures, it is necessary that planning and execution activities be developed with considerable attention the monitoring of legality and to the implications related to maintaining the Group's net financial position over time, compatible with the reference economic and equity situation

Organisational Structure

The Board of Statutory Auditors examined the documentation produced from time to time during Board of Directors meetings, focusing its attention on the existence of:

- an organisational chart and related company documentation detailing the roles and responsibilities of the organisational structure;
- an effective and efficient system of delegations and powers of attorney;
- corporate regulations for the exercise of governance by Acea as part of its functions of guidance, coordination and control of the Group's legal entities;
- company regulations for the performance of the activities of each managerial function.

The Board of Statutory Auditors was informed of the ongoing activities to update the Group's regulatory system and to implement the Regulation governing the management and coordination powers and duties of the Parent Company.

The Board of Statutory Auditors notes the significance of the opportunity for the administrative body to receive, at least annually, an organic document on the organisational structure of the company and its subsidiaries of strategic importance, useful for optimising internal operations, improving productivity, reducing risk and ensuring compliance with laws and the applicable regulations.

The Board of Statutory Auditors noticed that during the year there was a significant turnover of key management figures and that the organizational structure was significantly changed. In this regard, it recommends that the utmost attention be paid by top management to ensuring all possible further action to improve the effectiveness of the organizational structure and the adequacy and timeliness of related information flows, taking into account that the inherent activities are still being implemented.

Remuneration policies - sustainability information

The Board acknowledged that the Board of Directors approved, insofar as it was responsible under the terms of current legislation, the Report on the remuneration policy and on the remuneration paid to the Group's personnel including the section "Remuneration Policy" and the

section "Remuneration paid" as well as the related Illustrative Report to the Shareholders' Meeting to which the documents will be submitted.

The Board assessed as appreciable, among other things, with regard to performance objectives, that Acea Group pursues an increasing integration of sustainability in business activities, through the gradual alignment of the performance management system with the ESG Environmental, Social, Governance objectives provided for in the business plan, paying the necessary attention, in the identification of these objectives, to their objective measurability, also for the purpose of adequate transparency and disclosure of information by companies regarding the ESG impacts of their activities through a strengthening of reporting obligations in favor of stakeholders and investors.

The remuneration policy defines the criteria and guidelines for remunerating members of the Board of Directors, including Executive Directors and Directors with special, for Executives with Strategic Responsibilities and for members of the Company's Board of Statutory Auditors, over a period of time coinciding with the financial year in course.

The document was prepared in compliance with the new regulatory framework (art. 123-ter, TUF).

Corporate Information System

The Board of Statutory Auditors also paid particular attention to the various initiatives launched by the Acea Group with regard to development of the corporate information system and the protection of business continuity, with a particular focus on cybersecurity issues, highlighting that, during 2024, the Board of Directors approved a Group "Cyber Security Strategy Policy."

The Board recommended also the adoption of suitable initiatives with a view to continual improvement and strengthening of the governance model and oversight of IT risks, in order to increase further the activities aimed at ensuring the highest levels of IT system security and the necessary quality of services provided, also in light of the recently introduced regulatory framework.

Further activities of the Board of Statutory Auditors and disclosure required by Consob

As required by art. 149 of the TUF, in the performance of its duties the Board:

- over saw the processes of effective implementation of the corporate governance regulations provided under the codes of conduct drawn up by regulated market management or by category associations with which Acea declares its compliance. Pursuant to art. 123-bis of the Consolidated Finance Act and art. 144-decies of the Issuers Regulation, Acea prepared the annual "Report on Corporate Governance and Ownership Structures". The Board has verified that the Report on Corporate Governance and Ownership Structure contains all the information required by Article 123-bis of the TUF as well as other disclosures made in compliance with the regulations governing issuers listed on regulated markets;
- it monitored the adequacy of the instructions given to subsidiaries pursuant to art. 114, paragraph 2 of the TUF, highlighting and identifying areas for improvement;
- it exchanged information with the Boards of Statutory Auditors of subsidiary companies as required by art. 151, paragraph 2, of the TUF. In order to allow for this exchange of information, a questionnaire was sent to all the control bodies concerning the supervisory activities carried out by them during 2024. From the analysis of these questionnaires, as well as the meetings held with some of the subsidiaries' boards of statutory auditors, no significant critical issues or facts were raised, although there were several reports aimed at achieving better coordination of information flows between the parent company functions and the corporate bodies of the subsidiaries.

During the course of the financial year, the Board issued opinions and expressed the observations that current legislation assigns to its remit.

Furthermore, the Board points out:

- that it acknowledged that the Board of Directors has positively assessed the adequacy of its size, composition and operation, also in light of the results of the self-assessment that was performed with the support of an external consultant with the required requisites of independence;
- that it acknowledged that the Board of Directors updated its Rules of Procedure to regulate participation in board and committee meetings, and access to related documentation, in cases of direct or indirect conflict of interest of a director;
- that the Board of Directors has approved a Policy for managing discussions with institutional investors, and all shareholders and bondholders of Acea;
- to have verified that its members meet the same independence requirements as those required of Directors in accordance with the recommendations of the Borsa Italiana Corporate Governance Code;
- that it found the correct application of the criteria and practices for ascertaining the requisites used by the Board of Directors to assess the independence of its members on an annual basis.

No separate meeting of the independent directors was held during the year, as they considered it unnecessary in view of the quality of the information received from the delegated bodies and their active part. At present, the requirements of the Corporate Governance Code for Listed Companies for the establishment of the position of lead independent director are not met, given that the Chairperson of the Board of Directors does not hold the position of Chief Executive Officer and does not have a controlling interest in the company.

The Board verified full compliance with the obligations regarding regulated, privileged or required information by the Supervisory Authorities

The Board also received adequate information, with reference to the provisions of Articles 15 et seq. of the Market Regulations, regarding subsidiaries incorporated and regulated by the laws of non-EU states from the Internal Audit Department, which exercised an analysis of Entity Level Controls from which it emerged that the control environment was substantially adequate to the requirements of the aforementioned Article 15.

The Board noted that the Company has not been notified of any complaints to the Court under Article 2409, Paragraph 1 of the Italian Civil Code, nor has the Board had to make any complaints under Article 2409, Paragraph 7 of the Italian Civil Code. The Board did not have to intervene due to omissions of the Administrative Body pursuant to Article 2406 of the Italian Civil Code and did not make any reports to the Administrative Body pursuant to and in accordance with Article 25-octies of Legislative Decree 14/2019. The Board of Statutory Auditors did not receive any reports pursuant to Article 2408 of the Italian Civil Code. As a result of the supervisory activities carried out by the Board, no reprehensible facts, omissions or irregularities have emerged that should be included in this Report. The Board does not deem it necessary to exercise the right to make proposals to the Shareholders' Meeting pursuant to art. 153, paragraph 2, of the TUF.

Conclusions

In sum, to conclude the overall supervisory activity carried out, the Board of Statutory Auditors, having acknowledged the content of the reports prepared by the independent auditor and the attestations issued jointly by the Chief Executive Officer and the Manager in charge of preparing the company's financial reports, does not deem it necessary to exercise the power to make proposals to the Shareholders' Meeting pursuant to article 153, paragraph 2, of the TUF regarding the approval of Acea's Individual Financial Statements as of December 31, 2024 and the matters within its competence. The Board of Statutory Auditors, having carried out the appropriate investigations, has no comments to make on the proposal for the allocation of the result for the year, as formulated by the Board of Directors.

Rome, April 7, 2025

The Board of Statutory Auditors
Maurizio Lauri
Claudia Capuano
Leonardo Quagliata

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Acea SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Acea SpA (the Company), which comprise the statement of financial position as of 31 December 2024, the income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Emphasis of matters

We draw attention to notes "Receivables due from the Parent Company - Roma Capitale" and "Information on related parties – Acea and Roma Capitale" to the financial statements, as well as to paragraph "Relations with Roma Capitale" of the Report on Operations, where the directors described the relations with Roma Capitale and in particular the discussions on the recognition of the Administration's payable to Acea/areti with reference to the public lighting service.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of the value of investments in subsidiaries and associates *Note 15 to the financial statements "Investments in subsidiaries and associates"* The Company recognised in the financial statements as of 31 December 2024 investments in subsidiaries and associates for an amount equal to Euro 2,099 million. Annually, the Company, in accordance with a specific internal policy, verifies the presence, if any, of impairment losses of investments in subsidiaries and associates in compliance with IAS 36 "*Impairment of assets*", comparing their book value with their estimated recoverable amount measured through the Discounted Cash Flow method (impairment test). Such verification is carried out on the main investments apart from the presence of any impairment indicators emerged during the year. The impairment test was carried out on the basis of the cash flows under the Budget 2025 approved by the Board of Directors of Acea SpA on 13 February 2025 and under the lines of the 2024-2028 Business Plan of the Group approved by the Board of Directors on 5 March 2024, updated, where necessary, to take	We performed audit procedures in order to evaluate if the method to estimate the recoverable amount used by the Company was consistent with what is envisaged by IAS 36 and by the evaluation practice, verifying the appropriateness of the types of cash flows used, their consistency with the Group's Business Plan and the mathematical accuracy of the quantification of the recoverable amount. In particular, with reference to the investee companies in relation to which impairment indicators were found (so-called *Trigger events*), we: • verified the reasonableness of the main assumptions underlying the projected cash flows and the discount rates used to perform the impairment tests (also through a comparison with the budget data deriving from external information sources, if available); • compared the forecasts of the prior years with the corresponding final data;

account of the regulatory developments and the events occurred between the date of approval of the Business Plan and the date of approval of the financial statements.

With reference to the financial statements for the year ended 31 December 2024, the Company's management had recourse to an external expert to perform the impairment testing.

As part of our audit activities, we paid particular attention to the risk that there could be impairment losses in the abovesaid investments, inasmuch as the process for the estimate of their recoverable amount is particularly complex and based on valuation assumptions affected by future economic, financial and market conditions which are hard to forecast.

- verified the sensitivity analyses performed by the Company on investee companies.

As part of audit activities, we were also supported by the PwC network experts in valuations. Moreover, we assessed the independence, technical capabilities and objectivity of the external experts who were tasked by the Company management with carrying out the impairment tests.

Finally, we examined the adequacy and completeness of the disclosures provided by the directors in the notes to the financial statements in relation to the above-described matters.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 27 April 2017, the shareholders of Acea SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Acea SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Acea SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Acea SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Acea SpA as of 31 December 2024.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Rome, 7 April 2025

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative

CERTIFICATION OF SEPARATED FINANCIAL STATEMENTS (IN ACCORDANCE WITH ART. 154-BIS OF LEGISLATIVE DECREE 58/98)

(Translation from the original Italian text)

1. The undersigned, Fabrizio Palermo, as Chief Executive Officer, and Pier Francesco Ragni, as Executive Responsible for Financial Reporting of the company Acea S.p.A., taking also account of provisions envisaged by Art. 154-bis, paragraphs 3 and 4, of the Legislative Decree no. 58 of 24 February 1998, hereby certify:
   - the consistency to the business characteristics and;
   - the effective application of the administrative and accounting procedures for preparing the separate financial statements at 31 December 2024.

2. To this purpose, no significant issues were recorded.

3. It is also certified that:
   3.1 the separate financial statements:
   a) were drawn up in compliance the applicable international accounting standards recognised in European Community in accordance with EC Regulation 1606/2002 of the European Parliament and the Council, of 19 July 2002;
   b) are consistent with the underlying accounting books and records;
   c) provide a true and correct view of the operating results and financial position of the issuer;
   3.2 the Report on Operations includes a reliable analysis of the operational performance and result, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 13 March 2025

signed by: Fabrizio Palermo, the CEO
signed by: Pier Francesco Ragni, the Executive Responsible for Financial Reporting

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CONSOLIDATED FINANCIAL STATEMENTS

8

REGIONS
SERVED
IN ITALY

Acea is one of the major Italian multiutilities, and has been listed on the stock exchange since 1999. Acea has adopted an organisational structure and operating model based on strategic guidelines, founded on growth in the water market through infrastructure development, geographic expansion, strengthening technology and protecting water resources; the resilience of the electricity network and quality of service in the city of Rome; developing new renewable capacity to help face the energy transition; a push towards the circular economy with geographic expansion, also in synergy with other businesses.

Form and structure

GENERAL INFORMATION

The consolidated Financial Statements at 31 December 2024 of the Acea Group were approved by Board of Directors' resolution on 13 March 2025, which authorised their publication. The Parent Company Acea is an Italian joint-stock company, with its registered office in Rome, at Piazzale Ostiense 2 and whose shares are traded on the Milan Stock Exchange. The Acea Group's principal operating segments are described in the Report on Operations.

COMPLIANCE WITH IAS/IFRS

These Condensed Financial Statements have been prepared in compliance with the international accounting standards in effect on the date of the financial statements, approved by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in art. 6 of the regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to art. 9 of Italian Legislative Decree 38/2005.
The international accounting standards include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC), collectively the "IFRS".

BASIS OF PRESENTATION

These consolidated financial statements consist of the consolidated income statement, the comprehensive consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity. The Report also includes notes prepared under the IAS/IFRS currently in effect. The consolidated income statement is classified according to the nature of the costs, the items of the consolidated balance sheet according to the criterion of liquidity, with the items classified as current and non-current, while the consolidated cash flow statement is presented using the indirect method.
The consolidated Financial Statements are prepared using the going concern assumption and there are no significant uncertainties about the company as a going concern (as defined in paragraph 25 of IAS 1).
The consolidated Financial Statements are also presented in Euros and all amounts are rounded off to the nearest thousand Euros unless otherwise indicated.
The figures in these consolidated Financial Statements are comparable to those in the previous year.

USE OF ESTIMATES AND ASSUMPTIONS

Drafting of the Consolidated Financial Statements, in application of the IFRS, requires the making of estimates and assumptions that affect the values of revenues (including the estimate of the GRC), costs, assets and liabilities in the financial statements and information on contingent assets and liabilities at the reference date. The main sources of uncertainty that could have an impact on the evaluation processes are also considered in making these estimates.
The actual amounts may differ from such estimates. Estimates are used to determine some sales revenues, provisions for risks and charges, provisions for impairment of receivables and other provisions for depreciation, amortisation, valuation of derivatives, employee benefits and taxes. The estimates and assumptions are reviewed periodically, and the effects of each change are immediately recorded in the Income Statement.
The estimates also took into account assumptions based on the parameters and market and regulatory information available at the time the financial statements were drafted. Current facts and circumstances influencing the assumptions on future development and events may change due to the effect, for example, of changes in market trends or the applicable regulations that are beyond the control of the Company. These changes in assumptions are also reflected in the financial statements when they occur.
In addition, it should be noted that certain estimation processes, particularly the more complex such as the calculation of any impairment of non-current assets, are generally performed in full only when drafting the annual financial statements, unless there are signs of impairment that call for immediate impairment testing. For more information on the methods in question, please refer to the following paragraphs.

EFFECTS OF THE SEASONALITY OF TRANSACTIONS

For the type of business in which it operates, the Acea Group is not subject to significant seasonality. Some specific operating segments, however, can be affected by uneven trends that span an entire year.

Consolidation policies, procedures and scope

In compliance with the enforcement priorities identified by ESMA for 2024, the Group ensures transparent disclosure in accordance with IFRS 12 — Disclosure of Interests in Other Entities by providing stakeholders with a clear understanding of the corporate structure and the economic and financial impact of the investments held. In detail, it should be noted that the Group consolidates on a line-by-line basis certain companies in which it holds a stake of less than 50% (GORI, Servizio Idrico Integrato, ASM Terni and Consorcio Agua Azul), as the existing shareholder agreements grant control in accordance with the criteria defined by IFRS 10. Similarly, some companies in which the Group holds a stake of more than 50% (Powertis Group companies, Umbria Distribuzione Gas and Aguazul Bogotà) are consolidated using the equity method, as the shareholder agreements limit the power of control, resulting in significant influence rather than exclusive control.
The criteria used to determine control, joint control or significant influence are set out in the following paragraphs, while the list of equity investments in consolidated entities and non-consolidated entities (associates) with an indication of the shareholdings are included in the annexes to the financial statements.

CONSOLIDATION POLICIES

SUBSIDIARIES

The scope of consolidation includes the Parent Company Acea and the companies over which it directly or indirectly exercises control or when the Group is exposed or entitled to variable returns deriving from the relationship with the investee and has the capacity to influence its returns through the exercise of its power over the investee. Power is defined as the capacity to manage the significant activities of the subsidiary by virtue of existing substantial rights.
Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are de-consolidated from the date on which control is transferred out of the Group.
According to accounting standard IFRS 10, control is obtained when the Group is exposed or has the right to variable performance deriving from relations with the subsidiary and is able, through exercising power over the subsidiary, to influence its performance. Power is defined as the capacity to manage the significant activities of the subsidiary by virtue of existing substantial rights.
The existence of control does not depend exclusively on possession of the majority of the voting rights, but on the substantial rights of the investor over the investee. Consequently, the opinion of the management team is required to assess specific situations leading to substantial rights attributing to the Group the power to manage the significant activities of the subsidiary so as to influence its performance.
In order to assess the requirement of control, the management team analyses all facts and circumstances, including agreements with other investors, the rights deriving from other contracts and potential voting rights (call option, warrant, put option assigned to minority stakeholders, etc.). These other facts and circumstances may be particularly significant in the assessment, especially if the Group holds less than the majority of the voting rights or similar rights in the subsidiary.
The Group reviews the existence of control over a subsidiary when the facts and circumstances indicate that there has been a change in one or more elements considered in verifying its existence. Lastly, it must be noted that in assessing the existence of the control requirements, no situations of de facto control were encountered.
Changes in the possession quota of equity investments in subsidiaries that do not imply the loss of control are recorded as capital transactions adjusting the quota attributable to the stakeholders of the Parent Company and that of third parties to reflect the change in the quota owned. The eventual difference between the amount received or paid and the corresponding fraction of the shareholders' equity acquired or sold is recorded directly in the consolidated shareholders' equity. When the Group loses control, any residual equity investment in the company previously controlled is re-measured at fair value (with counterpart in the income statement) on the date on which control is lost. Also, the quota of the OCI of the subsidiary over which control is lost is dealt with in the accounts as if the Group has directly disposed of the relevant assets or liabilities. Where there is loss of control of a consolidated company, the Consolidated Financial Statements include the results for the part of the reporting period in which the Acea Group had control.

JOINT VENTURES

A joint venture is a contractual arrangement in which the Group and other parties jointly undertake a business activity, i.e. a contractually agreed sharing of control whereby the strategic, financial and operating policy decisions can only be adopted with unanimous consent of the parties sharing control. The Consolidated Financial Statements include the Group's share of the income and expenses of jointly controlled entities, accounted for using the equity method.
According to IFRS 11, a joint venture is an arrangement over which one or more parties have joint control. Joint control is held when unanimous consent or that of at least two of the parties to the arrangement is required for decisions concerning the significant activities of the joint venture. A joint agreement can either be a joint venture or a joint operation. A joint venture is a joint control arrangement in which the parties holding joint control have all the rights over the net assets of the arrangement. On the other hand, a joint operation is a joint control arrangement in which the parties holding joint control have rights to the assets and obligations for the liabilities in the arrangement.
To determine the existence of joint control and the type of joint arrangement, the opinion of the management team is required, which must assess the rights and obligations deriving from the arrangement. To this end, the management team considers the structure and legal form of the arrangements, the terms agreed between the parties in the contractual agreement and, if significant, other facts and circumstances. The Group reviews the existence of joint control when facts and circumstances indicate that there has been a change in one or more elements previously considered in verifying the existence of joint control and the type of joint control.

ASSOCIATES

An associate is a company over which the Group exercises significant influence, but not control or joint control, through its power to participate in the financial and operating policy decisions of the associate. The Consolidated Financial Statements include the Group's share of the results of associates at Net equity, unless they are classified as held for sale, from the date it begins to exert significant influence until the date it ceases to exert such influence.
In determining the existence of significant influence, the opinion of the management team is required, which must assess all facts and circumstances.
The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more elements previously considered in verifying the existence of significant influence.
When the Group's share of an associate's losses exceeds the carrying amount of the investment, the interest is reduced to zero and any additional losses must be covered by provisions to the extent that the Group has legal or implicit loss cover obligations to the associate or in any event to make payments on its behalf. Any excess of the cost of the acquisition over the Group's interest in the fair value of the associate's identifiable assets, liabilities and contingent liabilities at the date of the acquisition is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is subject to impairment test together with the value of the investment.

CONSOLIDATION PROCEDURES

GENERAL PROCEDURE

The financial statements of the Group's subsidiaries, associates and joint ventures are prepared for the same accounting period and using the same accounting standards as those adopted by the Parent Company. Consolidation adjustments are made to align any dissimilar accounting policies applied.
All intercompany balances and transactions, including any unrealised profits on intercompany transactions, are eliminated in full. Unrealised losses are eliminated unless costs cannot be subsequently recovered.
The carrying amount of investments in subsidiaries is eliminated against the corresponding share of the shareholders' equity of each subsidiary, including any adjustments to reflect fair values at the acquisition date. Any positive difference is treated as "goodwill", while any negative difference is recognized through profit or loss at the acquisition date.
The minority interest in the net assets of consolidated subsidiaries is shown separately from shareholders' equity attributable to the Group. This interest is calculated on the basis of the percentage interest held in the fair value of assets and liabilities recognised at the original date of acquisition and in any changes in shareholders' equity after that date. Losses attributable to the minority interest in excess of their portion of shareholders' equity are subsequently attributed to shareholders' equity attributable to the Group, unless the minority has a binding obligation to cover losses and is able to invest further in the company to cover the losses.

BUSINESS COMBINATIONS

Acquisitions of subsidiaries are accounted for under the acquisition method. The cost of the acquisition is determined as the sum of the fair value, at the date of exchange, of the assets acquired, the liabilities incurred or acquired, and the financial instruments issued by the Group in exchange for control of the acquired company.
The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 are accounted for at fair value on the date of acquisition, with the exception of non-current assets (or disposal groups), which are classified as held for sale under IFRS 5 and accounted for at fair value net of costs to sell.
If the business combination is achieved in stages, the fair value of the investment previously held has to be re-measured and any resulting gain or loss is recognised in profit or loss.
The purchaser has to recognise any contingent consideration at fair value, on the date of acquisition. The change in fair value of the contingent consideration classified as asset or liability is recognised according to the provisions included in IFRS9, in the income statement or among the other components of the comprehensive income statement.
The costs directly attributable to the acquisition are included in the income statement.
The purchase cost is allocated by recording the identifiable assets, liabilities and contingent liabilities of the acquisition at fair value on the date of acquisition. Any positive excess between the payment transferred, valued at fair value on the date of acquisition, and the amount of any minority interest, with respect to the net value of the amounts of the identifiable assets and liabilities of the acquisition valued at fair value is recorded as goodwill or, if negative, in the Income Statement,.
For every business combination, the purchaser must value any minority stake in the acquired entity at fair value or in proportion to the share of the minority interest in net identifiable assets of the acquired entity.
It is specified that the price allocation process is provisionally allocated to assets and liabilities and definitively accounted for within 12 months from the date of acquisition as required by IFRS 3.

BUSINESS COMBINATIONS INVOLVING SOLELY ENTITIES UNDER COMMON CONTROL

Business combinations which involve companies which are, definitively, under the control of the same company or the same companies both before and after the combination, and this control is not temporary, are classified as "Business Combinations of entities under common control". These are excluded from the scope of application of IFRS 3, nor are they governed by other IFRS. In the absence of a relevant accounting standard, the selection of the accounting standard for these transactions, relative to those for which a significant influence on future cash flows cannot be demonstrated, is guided by the principle of prudence, which leads to the application of the criteria of continuity of values for the net assets acquired. Assets are recognised at the book values found in the accounts of the companies acquired (or that of the selling company) prior to the transaction or, alternatively, the values found in the consolidated financial statements of the common parent company. Particularly with reference to the above transactions, relative to the sale of a business unit, treatment of the difference between

the contractually defined payment and the accounting value of the business transferred is differentiated as a function of the equity investment relationships between the entities involved in the transfer. Relative to transfers of business units under common control, on the other hand, regardless of the pre-existing investment relationship, the transferring entity must recognise the business transferred at its historic accounting value, increasing its shareholders' equity by the same amount. The receiving entity must symmetrically recognise the equity investment in the transferring entity for an amount equal to the increase in the shareholders' equity of the latter. This accounting treatment makes reference to that proposed by Assirevi in its Preliminary Guidelines on IFRS (OPI n. 1 Revised) — "Accounting treatment of business combinations of entities under common control in annual and consolidated financial statements", issued in October 2016.

CONSOLIDATION PROCEDURE FOR ASSETS AND LIABILITIES HELD FOR SALE (IFRS 5)

Non-current assets and liabilities are classified as held for sale, in accordance with the provisions of IFRS 5.

TREATMENT OF PUT OPTIONS FOR SHARES OF SUBSIDIARIES

Based on the provisions established under standard IAS 32, paragraph 23, a contract which contains a requirement for an entity to acquire shares for cash or against other financial assets, gives rise to a financial liability for the current value of the price to exercise the option. Therefore, if the entity does not have the unconditional right to avoid the payment of cash or other financial instruments if and when a put option is exercised on shares of subsidiaries, it must recognise this debt. All subsequent changes are recognised in the Income statement. The same accounting treatment applies when, in addition to a put option, there is also a symmetrical call option, referred to as "symmetrical put and call options related to non-controlling interest". The Group considers shares subject to put options (or to symmetrical put and call options) already acquired, in cases in which the economic benefits and risks linked to actual ownership of the shares does not remain with minority shareholders. Therefore, in these circumstances, it does not recognise the interests held by minority shareholders in the consolidated financial statements.

CONSOLIDATION OF FOREIGN COMPANIES

The financial statements of investee companies operating in currencies other than the Euro, which is the functional currency of the Parent Company Acea, are converted into Euro by applying the exchange rate at the end of the period to the assets and liabilities, and the average exchange rates for the period to income statement items and to the cash flow statement.
The exchange differences arising from the translation of the financial statements of investee companies operating in currencies other than the Euro are recognised directly in equity and are shown separately in a specific reserve of; this reserve is reversed to the income statement at the time of complete disinvestment or loss of control, joint control or significant influence over the investee company. In the case of partial disposal:

- without loss of control, the share of the exchange differences relating to the shareholding sold is attributed to the shareholders' equity pertaining to minority interests;
- without loss of joint control or significant influence, the portion of exchange differences relating to the shareholding sold is recognised in the income statement.

Accounting standards and measurement criteria

The "relevant" standards and measurement criteria for the purposes of the Acea Group consolidated financial statements – as defined by the IASB following the amendment to IAS 1 and in the IFRS Practice Statement 2 – are described below.

REVENUE RECOGNITION

In accordance with the provisions of IFRS15 "Revenue from contracts with customers", revenues are recognised for an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer. The fundamental steps in accounting for revenues are:

- identify the commercial contract, defined as a (written or verbal) agreement between two or more parties which results in rights and obligations with the customer having the right to legal protection;
- identify the separately identifiable obligations to do something (also "performance obligations") contained in the contract;
- determine the price of the transaction, as the fee the enterprise expects to receive for the transfer of assets or the performance of services to the customer, in accordance with the techniques in the Standard and depending on the possible presence of financial and variable components;
- allocate a price to each performance obligation;
- to recognize the revenue when the revenue obligation is fulfilled by the entity, allowing for the fact that the services may not be provided at a specific time, but over a period of time.

In a construction contract, revenue is recognised over time, using the input method, which measures the performance obligation based on the percentage of completion. When the amount invoiced exceeds total revenues recognised, a contract liability is recognised or, in the opposite case, a contract asset.

With reference to measuring revenues, note in particular that:

- **revenues from the sale and transport of electricity and gas** are recognised at the time the service is supplied or supplied, even if they are not invoiced, and are determined by adding estimates calculated on the basis of pre-established reading calendars. These revenues are calculated on the basis of the provisions of the law, of the resolutions of the Authority for electricity and gas and the water system in force during the period, also taking into account the pro tempore equalisation measures in force; it should be noted that with reference to the valorisation of revenues from the transport of electricity, if the admission of investments in tariffs that establishes the right to payment for the operator is virtually certain already in the year in which they are realized, the corresponding revenues they are ascertained on an accrual basis regardless of how they will be financially recognized as a result of ARERA Resolutions 616/2023/R/eel and 163/2023/R/com;
- **the revenues of the integrated water service** are determined on the basis of the Water Tariff Method (MTI-4), valid for the determination of the tariffs for the years 2024-2029, approved with Resolution no. 693/2023/R/idr (MTI-5) of 28 December 2023. Based on the interpretation of the legal nature of the tariff component, Fo.NI. (New Investments Fund) is entered among the revenues for the year the relative amount due to the Water Companies where expressly recognised by the Area Authorities which establish the intended use.

The adjustment for the so-called pass-through items is also entered among the revenues of the year (i.e. electricity, wholesale water) of which the aforementioned resolution provides specific details as well as any adjustment relating to costs pertaining to the Integrated Water System incurred for the occurrence of exceptional events (i.e. water and environmental emergencies) if the preliminary investigation for their recognition gave positive results.

DIVIDENDS

These are recognised when the unconditional right of shareholders is established to receive payment. They are classified in the income statement under the item Investment income.

CONTRIBUTIONS

Contributions obtained for investments in plants, both by public bodies and by private third parties, are recognised at fair value when there is a reasonable certainty that they will be received and that expected conditions will be met. Contributions received for specific plants whose value is recorded under fixed assets are recorded (using the indirect method) among other non-current liabilities and progressively released to the Income Statement in constant instalments over a period equal to the useful life of the reference asset.

EMPLOYEE BENEFITS

Benefits guaranteed to employees disbursed at the time of or after termination of the employment relationship through defined benefit and defined contribution programmes (including: severance indemnity -TFR, extra months, tariff subsidies, as described in the notes) or other long-term benefits are recognised in the period during which the rights to these accrue. The valuation of the liability is carried out by independent actuaries. These funds and benefits are not funded.

The cost of benefits envisaged by the various plans is determined separately for each plan using the actuarial valuation method of the

unit credit projection, making the actuarial valuations at the end of each year. Profits and losses deriving from the actuarial calculation are recorded in the statement of comprehensive income, then in a specific Shareholders' equity Reserve, and are not subsequently charged to the Income Statement.
Expenses deriving from retirement incentives for employees who took part in the "Isopensione" Plan and which meet the criteria defined in the Group's Plan were recognised in a specific Provision. The Group takes the place of the reference national insurance institutions. In particular, the Provision was created to pay pension instalments due to early pensioners, as well as to pay presumed contributions during the period needed to achieve the right to the relative social security payments through the national insurance institutions.

GOODWILL

Goodwill deriving from business combinations (including but not limited to, the acquisition of subsidiaries, jointly controlled entities or the acquisition of business units or other extraordinary transactions) represents the excess of the cost acquisition of the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly-controlled entity at the acquisition date compared to the Group's share of the fair value. Goodwill is recognised as an asset and reviewed annually to verify that it has not suffered any loss in value.
If there is joint control, or even affiliated, the goodwill of investments recognised according to the equity method remains implicit in the value of the investment.
The losses in value are recorded immediately in the income statement and are not subsequently restored.
At the acquisition date, any emerging goodwill is allocated to each of the independent cash generating units that are expected to benefit from the synergistic effects deriving from the acquisition. Any loss in value is identified through assessments that refer to the capacity of each unit to generate cash flows to recover the part of goodwill allocated to it. In the event that the recoverable amount by the cash-generating unit is lower than the assigned load value, the relative loss in value is recorded.
In the event of the sale of a subsidiary or jointly controlled entity, the amount not yet amortized of the goodwill attributable to them is included in the determination of the gain or loss on disposal.

CONCESSIONS

This item includes the value of the concession right to the assets consisting of water and purification plants that were transferred. This value refers to state property belonging to the so-called "accidental state" of water and sewage treatment and is systematically amortised based on the residual duration of the concession. It should be noted that the residual depreciation period is in line with the average duration of the operations entrusted with a public procedure.

INFRASTRUCTURE LAW

In line with the provisions of IFRIC 12 "Service Concession Arrangements", based on the intangible asset model the Group reports the total amount of the physical infrastructure supplied for the management of the water service, since the service concession contract does not give the concessionaire the right to control the use of the public service infrastructure but rather allows access to the management of the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract.
In fact, the aforementioned interpretation requires, in lieu of surveying the entire physical infrastructure for the operation of the service, the registration of a single intangible asset representing the concessionaire's right to charge users of the public service.
The amount also includes the capitalisation of the margin resulting from investments.

RIGHTS OF USE OF INTELLECTUAL PROPERTY

Costs related to this item are included under intangible assets and are amortized on the basis of a period of presumed usefulness of three / five years.

RIGHT OF USE

This item contains assets relative to rights of use, representing the right to utilise the asset underlying the contract, in application of international accounting standard IFRS16, issued in January 2016 and in effect as of 1 January 2019, which replaced the previous standard on leasing, IAS17 and its interpretations, identifying criteria for recognition, measurement and presentation, as well as the information to be provided with reference to leasing contracts. IFRS16 marks the end of the distinction in terms of classification and accounting treatment of operating leases (with off-balance sheet disclosures) and finance leases (recognised in the financial statements).
Rights of use for leased assets and the commitment made are recorded among the financial data in the financial statements (IFRS16 applies to all transactions involving a right of use, regardless of the contractual form, i.e. lease, rental or hire purchase). The standard introduces the concept of control to the definition used, in parti-

cular, to determine whether a contract is a lease. IFRS16 requires a lessee to verify whether it has the right to control the use of a given asset for a specified period of time. There is no accounting symmetry with the lessor, which continues to apply a separate accounting treatment depending on whether the contract is an operating lease or a finance lease (on the basis of current guidelines). On the basis of this new model, the lessee shall recognise:

- in the balance sheet, the assets and liabilities for all leases that have a term exceeding 12 months, unless the underlying asset has a modest value; and
- in profit or loss, depreciation of the leased assets separately from interest on the related liabilities.

For the first-time adoption of the principle, the transition approach used by the Acea Group was the modified retrospective approach, and therefore the contracts whose leases — including renewals — will end within 12 months from the date of first application will not be included. The Group has also used the possibility envisaged by the principle of not accounting separately for the "non-lease" component of mixed contracts, therefore choosing to treat these contracts as a "lease". For payable discounting purposes, the Group has used an IBR calculated based on a risk-free rate with a maturity equal to the residual duration for each contract plus the credit spread assigned to Acea SpA by Moody's. Finally, it should be noted that there are no significant differences between the commitments arising from lease contracts discounted at the same rate and the value recognised in accordance with IFRS16.

CONTRACT COSTS

IFRS 15 also regulates so-called "contract costs", i.e. the incremental costs incurred in obtaining the active contract and which are to be capitalised if they are expected to be recovered.
Incremental costs are those costs that the entity incurs to obtain the contract with the customer that it would not have incurred had it not obtained the contract. A clear example of this is the sales commission paid to an agent. On the other hand, costs to obtain a contract which would have been incurred regardless of whether the contract was stipulated must be recognised as costs during the financial year in which they were incurred, unless they can be charged to the customer even if no contract is signed.
With regard to the requirements of the standard for quantifying the amortisation period, it must be borne in mind that the objective of the standard is to amortise capitalised "contract costs" on a systematic basis; therefore, the amortisation period must be consistent with the transfer of the goods or services to be provided to the customer as stipulated in the relevant contract.
In this regard, the amortisation period must be updated when the expected timing of the transfer of goods or services to the customer is changed. Initial commissions are to be amortised over the duration of the contract. In determining the amortisation period, entities should also take into account contractual renewal periods. Therefore, the following amortisation methods must be followed:

- any subsequent incremental costs (e.g. upon renewal of the contract) must also be amortised over the contractual term;
- the customer's "average useful life" or other similar indicators (e.g. through the use of indicators such as the churn rate) may be used to estimate the contractual term if the timing of the transfer of goods or services does not change over the course of the contract.

IMPAIRMENT

Goodwill and other assets with an indefinite useful life are amortised on a straight-line basis but are tested for impairment at least once a year by the individual Cash Generating Units (CGUs) or groups of CGUs to which assets with an indefinite useful life can be reasonably allocated, in accordance with Group procedures. The Company analyses the CGUs of the Group identified using its procedure, based on the impairment procedure. The test consists of a comparison between the carrying amount of the asset and its estimated value in use (VIU). Given the nature of the activities carried out by the Acea Group, the method of determining the "VIU" is carried out by discounting the expected cash flows from use and, if significant and reasonably determinable, from disposal at the end of the useful life. However, where there is evidence of a reliable fair value (price traded in an active market, comparable transactions, etc.) the Group assesses the adoption of this value for impairment testing.
Cash flows are determined on the basis of the best information available at the time of the estimate, which can be inferred through the combined financial method and sensitivity analysis. The determination of the "VIU" is carried out using the financial method (Discounted Cash Flow — DCF) which considers the ability to produce cash flows as the fundamental element for the valuation of the entity of reference. The application of the financial method to determine the value in use of a CGU involves estimating the present value of net operating cash flows for tax purposes.
If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value. An impairment loss is immediately recognised in the Income Statement, unless the asset is represented by land or buildings other than real estate investments recorded at revalued values, in which case the loss is recognised in the respective revaluation reserve.
When an impairment no longer exists, the carrying amount of the asset (or cash-generating unit), with the exception of goodwill, is increased to its new estimated recoverable amount. The reversal must not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment charge been recognised for the asset in prior periods. The reversal of an impairment charge is recognised immediately as income in the income statement, unless the asset is carried at a revalued amount, in which case the reversal is recognised in the revaluation reserve.
Where an impairment charge is recognised in the income statement, it is included among amortisation, depreciation and impairment charges.

EMISSION ALLOWANCES, GREEN CERTIFICATES AND WHITE CERTIFICATES

Different accounting policies are applied by the Group to allowances or certificates held for own use in the "Industrial Portfolio", and those held for trading purposes in the "Trading Portfolio".
Surplus allowances or certificates held for own use, which are in excess of the company's requirement in relation to the obligations accruing at the end of the year, are accounted for at cost in other intangible assets. Allowances or certificates assigned free of charge are accounted for at a zero value.
Given that these are assets for instant use, they are not amortised but are tested for impairment. The recoverable amount is the higher of the asset's value in use and its market value.
The burden resulting from the fulfilment of the energy efficiency obligation is estimated on the basis of the average purchase price for the contracts entered into, taking into account the certificates in the portfolio at the financial statements date; a provision for liabilities is allocated for the negative difference between the said burden and the contribution estimated pursuant to AEEGSI Resolution 13/2014/R/efr, to be paid at the time the certificates are delivered in fulfilment of the obligation.
Allowances or certificates held for trading in the "Trading Portfolio" are accounted for in inventories and measured at the lower of purchase cost and estimated realisable value, based on market trends.
Allowances or certificates assigned free of charge are accounted for at a zero value. Market value is established on the basis of any spot or forward sales contracts already signed at the end of the reporting period, or otherwise on the basis of market prices.

WRITE-DOWNS OF FINANCIAL ASSETS

The assessment of the recoverability of the financial assets representing debt instruments not valued at fair value with effects on the income statement is made on the basis of the so-called "Expected credit loss model". In particular, expected losses are generally determined based on the product of: **i)** the exposure owed to the counterparty net of the relative mitigating factors (so-called "Exposure at Default"); **ii)** the probability that the counterparty does not comply with its payment obligation ("Probability of Default"); **iii)** the estimate in percentage terms of the amount of credit that will not be able to be recovered in the event of a default ("Loss Given Default"), based on past experience and possible recovery actions that can be taken (e.g. out-of-court actions, legal disputes, etc.). In this regard, the internal ratings already used for the assignment have been adopted to determine the Probability of Default of the counterparties. For counterparties represented by State Entities and in particular for the National Oil Companies, the Probability of Default – essentially represented by the probability of late payment – is determined using as input the country risk premiums implemented for the purposes of determining the WACC for the impairment of non-financial assets. For retail customers not having internal ratings, the assessment of expected losses is based on a *provision matrix*, constructed where appropriate by grouping the clustered receivables to which write-down percentages apply based on the experience of previous losses, adjusted where necessary to take account of forecast information regarding the credit risk of the counterparty or of clusters of counterparties.

FINANCIAL ASSETS RELATED TO AGREEMENTS FOR SERVICES UNDER CONCESSION

With reference to the application of IFRIC12 to the public lighting service concession, Acea has adopted the Financial Asset Model, recognising a financial asset to the extent that it has an unconditional contractual right to receive cash flows.
Furthermore, for the companies operating in the water sector for which IFRIC 12 is applicable on the basis of the respective concessions, the Group reports in the revenues the margin on the contract for construction and improvement services, both for the part carried out internally by the Group and for the part of Third Parties. The margin recorded is accounted for according to the provisions of IFRS 15 and amortised over the residual duration of the concession.

FINANCIAL LIABILITIES

Financial liabilities other than derivative instruments — including financial payables, trade payables, other payables and other liabilities — are initially recognised at the fair value less any costs associated with the transaction. Subsequently they are recognised at amortised cost using the effective interest rate for discounting purposes, as illustrated in the previous point "Financial assets". Financial liabilities are eliminated when they are extinguished or when the obligation specified in the contract is fulfilled, cancelled or expired.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivative financial instruments, including embedded derivatives, are assets and liabilities measured at fair value. As part of the risk management strategy and objectives, qualification of transactions as hedges requires: (i) verification of the existence of an economic relationship between the hedged item and the hedging instrument that can offset the related changes in value, and that this capaci-

ty to offset is not affected by the level of counterparty credit risk; (ii) the definition of a hedge ratio consistent with risk management objectives, within the defined risk management strategy, where necessary making the appropriate rebalancing actions. Changes in risk management objectives, the absence of the conditions specified above for the classification of transactions as hedges or the implementation of rebalancing operations results in the total or partial prospective discontinuation of the hedge.
When hedging derivatives cover the risk of changes in the fair value of the hedged instruments (fair value hedge; e.g. hedging of the variability of the fair value of fixed rate assets/liabilities), the derivatives are recognised at fair value with the allocation of effects in the income statement. Similarly, the hedged instruments in the income statement reflect the changes in fair value associated with the hedged risk, regardless of the provision of a different valuation criterion generally applicable to the type of instrument.
When derivatives hedge the risk of changes in the cash flows of the hedged instruments (cash flow hedge; e.g. hedging of the variability of the cash flows of assets/liabilities due to fluctuations in interest rates or exchange rates), the changes in the fair value of derivatives considered to be effective are initially recognised in the shareholders' equity reserve relating to the other components of comprehensive income, and subsequently recognised in the income statement consistent with the economic effects produced by the hedged transaction. In the case of hedging of future transactions that involve the recognition of a non-financial asset or liability, the accumulated changes in the fair value of hedging derivatives, recognised in equity, are recognised as an adjustment to the carrying amount of the asset./non-financial liability subject to hedging (so-called basis adjustment). The ineffective portion of the hedge is recorded in the income statement item "Financial (costs)/income". Changes in the fair value of derivatives that do not meet the conditions to be qualified as hedges, including any ineffective components of hedging derivatives, are recognised in the income statement. In particular, changes in the fair value of non-hedging derivatives on interest rates and currencies are recognised in the income statement item "Financial (costs)/income". Embedded derivatives – embedded in financial assets – are not subject to separate accounting. In these cases, the entire hybrid instrument is classified according to the general criteria for the classification of financial assets. Embedded derivatives incorporate within financial liabilities and/or non-financial assets are separated from the main contract and recognised separately if the embedded instrument: (i) meets the definition of a derivative; (ii) as a whole it is not valued at fair value with the effects being charged to the income statement (FVTPL); (iii) if the characteristics and risks of the derivative are not strictly linked to those of the main contract. Verification of the existence of embedded derivatives to be separated and valued separately is carried out when the company enters into the contract, and subsequently if there are changes in the terms of the contract that lead to significant changes in the cash flows generated by that contract.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are made when the Group has to meet a current obligation (legal or implicit) deriving from a past event, where it is probable that an outlay of resources will be required to satisfy the obligation and a reliable estimate can be made on the amount of the obligation. The provisions are allocated based on the Management's best estimate for the costs required to fulfil the obligation at the balance sheet date and if the effect is significant. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the expected future cash flows at the average rate of the company's debt taking into account the risks associated with the obligation. The increase in the provision associated with the passage of time is recognised in the income statement under the item "Financial income/(charges)". If the debt is related to the dismantling and/or renovation of material assets, the initial fund is reported as an offset to the asset it refers to; its incidence on the Income Statement takes place through the process of amortisation of the material fixed asset to which the obligation refers.

NON-CURRENT ASSETS DESTINED FOR SALE

Non-current assets held for sale, disposal groups and discontinued operations whose carrying amount will be recovered mainly through sale rather than through continual use, are measured at the lower of their net carrying amount and the fair value net of costs to sell.
In particular, by disposal group is meant a set of directly related assets and liabilities held for sale in the context of a single operation. Discontinued operations consist, instead, of a significant component of the group, such as an important autonomous business unit or geographical area of activity or a subsidiary acquired exclusively with a view to resale.
This condition is met only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current conditions and the Management has made a commitment to the sale, which must take place within twelve months from the date of classification in this item.
Assets and liabilities directly related to non-current assets held for sale, disposal groups and discontinued operations, in line with what is provided for in the international accounting standards, are accounted for in two specific items of the balance sheet, that is, assets held for sale and liabilities closely associated with assets held for sale. In addition, from the date on which the changed destination of the assets has been resolved, depreciation and amortisation are no longer calculated and the measurement of such assets is made at the lower between historical cost, decreased by the related accumulated depreciation or amortisation, and the estimated realisable value.

Accounting standards, amendments, interpretations and improvements applied as of 1 January 2024

AMENDMENTS TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by the right to defer settlement;
- that the right to defer settlement must exist at the end of the reporting year;
- that classification is not affected by the likelihood of the entity exercising its right to defer settlement.

Only if an implicit derivative in a convertible liability is itself an equity instrument does the maturity date of the liability not impact its classification. Additionally, a requirement was introduced to disclose when a liability deriving from a loan contract is classified as non-current and the right to defer settlement is subordinate to respecting covenants within 12 months.
The amendments are effective for years beginning on or after 1 January 2024 and must be applied retrospectively. However, these changes did not have a material impact on the Group's financial statements.

AMENDMENTS TO IFRS 16 LEASES: LEASE LIABILITY IN A SALE AND LEASEBACK

Issued on 22 September 2022, its purpose is to clarify the impact that a sale and leaseback transaction could have on a financial liability that involves variable payments not linked to indices or rates. The main change in the subsequent measurement of the financial liability regards the determination of the "lease payments" and of the "revised lease payments" so that, following a leaseback transaction the seller-lessee does not recognise any profit or loss related to the right of use that it holds. The purpose of the amendment is to avoid the accounting of profits and losses, related to the right of use recognised, following events that entail a remeasurement of the payable (for example a change in the leasing contract or in its duration). Any profits and losses deriving from the partial or total termination of a leasing contract continue to be recognised for the part of right of use terminated. The amendments are applicable from 1 January 2024 with possibility of early application. However, these changes did not have a material impact on the Group's financial statements.

SUPPLIER FINANCE ARRANGEMENTS – AMENDMENTS TO IAS 7 AND IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, to clarify the characteristics of supplier finance agreements and request additional information about these agreements. The disclosure requirements included in the amendments are intended to help users of financial statements better understand the impacts on an entity's liabilities, cash flows and exposure to liquidity risk due to supplier finance agreements. The amendments are effective for years beginning on or after 1 January 2024 with the possibility for early application.
Based on the assessment performed, the Group supplemented the information required by the amendment in the note on payables to suppliers, to which reference should be made for more details.

Accounting standards, amendments and interpretations applicable after closure of the year and not adopted in advance by the Group

AMENDMENTS TO IAS 21: THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES: LACK OF EXCHANGEABILITY

On 15 August 2023, the IASB published "Lack of Exchangeability" (Amendments to IAS 21) to provide guidance on how to determine the exchange rate to be used when there is no directly observable market exchange rate, alongside the related information to be provided in the explanatory notes. The amendments are effective for years beginning on or after 1 January 2025. The Group does not expect a material impact to arise from the application of these amendments.

IFRS 18 – PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which introduced new concepts relating to: (i) the structure of the income statement; (ii) the information required in the financial statements for several income performance measures reported off-balance sheet (as defined by management), and (iii) reinforced principles of aggregation and disaggregation which apply to both the financial statements and the explanatory notes as a whole. The standard will come into force on 1 January 2027. The Group is assessing the potential impact deriving from the adoption of this standard.

IFRS 19 – SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

In May 2024, the IASB issued IFRS 19 – Subsidiaries without Public Accountability: Disclosures, which allows certain subsidiaries to use IFRS accounting standards with reduced disclosure requirements, more suited to the needs of their stakeholders, and to have just one set of accounting records that meets the needs of the parent company and the subsidiary. The standard will come into force on 1 January 2027 and early application is permitted. The Group does not expect a material impact to arise from the application of this standard.

AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO IFRS 9 AND IFRS 7)

In May 2024, the IASB published Amendments to the Classification and Measurement of Financial Instruments, clarifying that a financial liability is eliminated at the settlement date, and introducing the choice of an accounting policy for the elimination of financial liabilities, through the use of an electronic payment system before the settlement date. Other clarifications concerned the classification of financial assets with ESG characteristics, through an additional guide on the assessment of contingent characteristics. Clarifications were also made to non-recourse loans and contractually linked instruments. Lastly, additional information was introduced for financial instruments with contingent characteristics and capital instruments classified at "fair value through OCI". The standard will come into force on 1 January 2026 and early application is permitted. The Group is assessing the potential impact deriving from the application of these amendments.

ANNUAL IMPROVEMENTS TO IFRS ACCOUNTING STANDARDS – VOLUME 11

In July 2024, the IASB published the Annual Improvements to IFRS Accounting Standards – Volume 11, which contains amendments to five standards as a result of the IASB annual improvement project. The IASB uses the annual improvement process to make necessary, but not urgent, amendments to the IFRS accounting standards that will not be included in another main project. The amended standards are: IFRS 1 – First-time Adoption of International Financial Reporting Standards, IFRS 7 – Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 – Financial Instruments; IFRS 10 – Consolidated Financial Statements; and IAS 7 – Statement of Cash Flows. The amendments will come into force on 1 January 2026 and early application is permitted. The Group is assessing the potential impact deriving from the adoption of these amendments.

AMENDMENTS FOR NATURE-DEPENDENT ELECTRICITY CONTRACTS (AMENDMENTS TO IFRS 9 AND IFRS 7)

In December 2024 the IASB published the Amendments for nature-dependent electricity contracts, which amended IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures in order to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs), in light of the increased use of these contracts. The amendments will come into force on 1 January 2026 and early application is permitted. The Group is assessing the potential impact deriving from the adoption of these amendments.

Main changes in the consolidation scope

These Acea Group's consolidated Financial Statements include the financial statements of the Parent Company, Acea, and the financial statements of the Italian and foreign subsidiaries, for which, in accordance with the provisions of IFRS 10, there is exposure to the variability of returns and of which a majority of voting rights in the ordinary meetings is held, either directly or indirectly, and consequently the ability to influence the investee returns by exerting management power. Furthermore, the associate companies over which the Parent Company exercises notable influence are consolidated using the equity method.

At 31 December 2024, the scope of consolidation, with respect to that at 31 December 2023, changed due to the following main operations:

- on 28 March 2024, the Acea Group, through its subsidiary ASM Terni, did not exercise its option to subscribe the share capital increase of Green ASM, which was reduced to zero as a result of the losses realised, thus exiting the company;
- on 19 April 2024, following no subscription by the minority shareholder Diamante by the deadline set by the shareholders' meeting of 13 March 2024, in relation to its stake in the share capital increase of SER Plast, Acea Ambiente proceeded to subscribe the 30% stake not subscribed, thus bringing its equity investment to 100%;
- on 22 May 2024, the acquisition by Acea Ambiente of 10% of AS Recycling was finalised, previously held by the minority shareholder Garc, thus bringing its equity investment to 100%;
- on 21 June 2024, Acque transferred 49% of the share capital of Acque Industriali to Acea Ambiente, which now holds 100%;
- with effect from 1 September 2024, the company Acque Industriali was merged by incorporation into the company Acea Ambiente, which held its entire share capital;
- with effect from 1 October 2024, the company Acquedotto del Fiora was deconsolidated and accounted for using the equity method pursuant to IAS 28. It should be noted that, pursuant to IFRS 10, Acea had acquired control of Acquedotto del Fiora on 7 October 2019 following the stipulation of shareholder agreements with the public shareholders. During October 2024, the public shareholders of Acquedotto del Fiora communicated their desire not to renew the shareholder agreements expiring on 7 October 2024; albeit not made in the terms envisaged by the shareholder agreements (i.e. at least twelve months before expiry), after which the agreements may be considered tacitly renewed, this communication led to an objective state of uncertainty in relation to the corporate governance and in particular on the conditions governed by IFRS 10 for the purpose of exercise of control by Acea, considering the shareholders' meeting and board meeting quorums held by the public shareholders;
- on 22 October 2024, Acea Produzione transferred 100% of the share capital of Acea Renewable and Fergas Solar 2 to Acea Sun Capital in implementation of the investment agreement signed in 2022 with Equitix;
- on 14 November 2024, Acea Acqua was formed to manage and coordinate the companies operating in the water sector. On 14 November 2024, the Parent Company transferred (partial demerger via spin-off) to Acea Acqua the equity investments held in the subsidiaries Acea International, Acea Ato2, ABAB, Ombrone, Acea Molise, Sarnese Vesuviano, Aquantia liquidated and in the associates Umbra Acque, Intesa Aretina, DropMi in liquidation, GEAL and Aqua Iot in liquidation;
- on 25 November 2024, the newco Easolar was formed, a wholly owned subsidiary of Acea Solar;
- on 30 November 2024, the company Acqua.Iot was liquidated;
- on 10 December 2024, the company Aquantia was liquidated;
- on 18 December 2024, Acea Ambiente finalised the transfer of the equity investment held in Berg;
- on 30 December 2024, the entry of Acea Molise (100% Acea Acqua) into the share capital of the public/private company Rivieracqua was completed, with a 48% stake.

Consolidated income statement

Rif. note	€ thousand	2024	Of which related party transactions	2023	Of which related party transactions	Change
1	Revenue from sales and services	4,050,221		4,410,094		(359,873)
2	Other revenue and income	219,634		219,124		510
	Consolidated net revenue	**4,269,855**	**145,613**	**4,629,218**	**163,833**	**(359,363)**
3	Staff costs	328,524		334,478		(5,954)
4	Costs of materials and overhead	2,400,175		2,918,260		(518,085)
	Consolidated operating costs	**2,728,699**	**71,144**	**3,252,738**	**59,772**	**(524,039)**
5	Net income/(expense) from commodity risk management	0		0		0
6	Profit / (loss) from non-financial equity investments	15,688		14,397		1,291
	EBITDA	**1,556,844**	**74,469**	**1,390,877**	**104,061**	**165,967**
7	Net write-downs (write-backs) of trade receivables	96,875		86,487		10,388
8	Depreciation, amortisation and provisions	757,283		692,060		65,223
	Operating profit/(loss)	**702,686**	**74,469**	**612,330**	**104,061**	**90,356**
9	Financial income	43,078	2,213	39,481	2,868	3,598
10	Financial charges	(187,592)	(576)	(176,009)	(6)	(11,583)
11	Profit/(Loss) on equity investments	(5,740)		(603)		(5,137)
	Profit/(Loss) before tax	**552,432**	**76,106**	**475,198**	**106,923**	**77,234**
12	Income tax	179,970		147,755		32,215
	Net profit/(loss)	**372,462**	**76,106**	**327,443**	**106,923**	**45,019**
	Net profit/(loss) from discontinued operations					
	Net profit/(loss)	**372,462**		**327,443**		**45,019**
	Profit/(Loss) due to third parties	**40,843**		**33,536**		**7,307**
	Net profit/(loss) attributable to the Group	**331,620**		**293,908**		**37,712**
13	**Earnings/(Loss) per share attributable to Parent Company's shareholders**					
	– *Base*	*1.55716*		*1.38008*		*0.17708*
	– *Diluted*	*1.55716*		*1.38008*		*0.17708*
	Profit/(Loss) per share attributable to the shareholders of the Parent Company net of treasury shares					
	– *Base*	*1.56021*		*1.38278*		*0.17743*
	– *Diluted*	*1.56021*		*1.38278*		*0.17743*

Consolidated statement of comprehensive income

€ thousand	2024	2023	Change
Net profit/(loss) for the period	**372,462**	**327,443**	**45,019**
Gains/Losses from the conversion of financial statements in foreign currency	**3,984**	**(2,735)**	**6,719**
Provision for exchange rate difference	5,570	14,004	(8,434)
Tax on exchange rate difference	(1,337)	(3,361)	2,024
Gains/Losses from exchange rate difference	**4,234**	**10,643**	**(6,410)**
Effective portion of gains/(losses) on hedging instruments ("cash flow hedges")	(41,790)	(86,541)	44,750
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	11,022	25,042	(14,020)
Profit/(Loss) from the effective portion on hedging instruments, net of tax	**(30,768)**	**(61,499)**	**30,730**
Actuarial profit/(loss) on staff benefits included in the Shareholders' Equity	2,650	(2,749)	5,399
Tax effect on the other actuarial profit/(loss) on staff benefits	(1,787)	801	(2,588)
Actuarial profit/(loss) on defined benefit pension plans, net of tax	**863**	**(1,948)**	**2,811**
Total of the comprehensive income components, net of tax	**(21,688)**	**(55,539)**	**33,851**
Total comprehensive profit/(loss)	**350,774**	**271,905**	**78,870**
Total comprehensive income (loss) attributable to:			
– Group	309,664	242,124	67,540
– Third parties	41,110	29,781	11,329

Consolidated statement of financial position

Rif. note	ASSETS € thousand	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
14	Tangible fixed assets	3,363,465		3,334,868		28,597
15	Real estate investments	9,711		1,990		7,721
16	Goodwill	241,041		254,626		(13,586)
17	Concessions and rights on infrastructure	3,999,275		3,787,263		212,013
18	Intangible fixed assets	417,231		413,162		4,069
19	Copyright	93,267		93,284		(17)
20	Equity investments in unconsolidated subsidiaries and associates	488,089		359,281		128,808
21	Other equity investments	7,990		8,029		(39)
22	Deferred tax assets	218,801		205,065		13,736
23	Financial assets	39,553	39,553	18,852	18,852	20,702
24	Other non-current assets	852,079		716,582		135,498
	Non-current assets	**9,730,502**	**39,553**	**9,193,002**	**18,852**	**537,500**
25	Inventories	122,556		97,843		24,713
26	Trade receivables	1,027,608	55,593	1,213,200	66,272	(185,592)
27	Other current assets	454,371		405,026		49,346
28	Current tax assets	9,436		13,075		(3,640)
29	Current financial assets	186,801	89,216	487,251	97,093	(300,450)
30	Cash and cash equivalents	513,476		359,379		154,097
	Current assets	**2,314,248**	**144,810**	**2,575,774**	**163,365**	**(261,526)**
31	Non-current assets destined for sale	181,320		18,288		163,032
	TOTAL ASSETS	**12,226,070**	**184,363**	**11,787,064**	**182,217**	**439,006**

Rif. note	LIABILITIES AND SHAREHOLDERS' EQUITY € thousand	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
	Share capital	1,098,899		1,098,899		0
	Legal reserve	167,986		157,838		10,148
	Other reserves	396,666		73,697		322,969
	Retained earnings/(losses)	509,935		752,940		(243,005)
	Profit/(Loss) for the year	331,620		293,908		37,712
	Total Shareholders' Equity for the Group	**2,505,105**		**2,377,281**		**127,824**
	Third parties Shareholders' Equity	370,462		445,803		(75,341)
32	**Total Shareholders' Equity**	**2,875,567**		**2,823,084**		**52,483**
33	Staff termination benefits and other defined benefit plans	77,609		109,895		(32,286)
34	Provisions for risks and charges	234,099		224,276		9,822
35	Borrowings and financial liabilities	4,895,268		4,770,436		124,832
36	Other non-current liabilities	774,937		510,871		264,066
	Non-current liabilities	**5,981,913**		**5,615,479**		**366,434**
37	Borrowings	758,611	100,584	922,950	111,306	(164,340)
38	Payables to suppliers	1,872,451	19,618	1,750,473	8,661	121,978
39	Tax payables	40,821		13,032		27,789
40	Other current liabilities	684,946		661,857		23,089
	Current liabilities	**3,356,829**	**120,202**	**3,348,313**	**119,967**	**8,517**
41	Liabilities closely associated with assets held for sale	11,761		188		11,573
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12,226,070**	**120,202**	**11,787,064**	**119,967**	**439,006**

Consolidated cash flow statement

Rif. note	€ thousand	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
	Profit before tax	**552,432**	**0**	**475,198**	**0**	**77,234**
8	Depreciation/amortisation and impairment losses	708,931	0	651,827	0	57,104
6-11	Profit/(Loss) on equity investments	(9,948)	0	(13,794)	0	3,846
34	Changes in provisions for risks and charges	19,063	0	8,099	0	10,964
33	Net change in the provision for employee benefits	(25,986)	0	(1,463)	0	(24,523)
9-10	Net financial income/(charges)	140,602	0	132,055	0	8,547
	Cash flow from operating activities before changes in net working capital	**1,385,093**	**0**	**1,251,922**	**0**	**133,172**
26-27	Provision for doubtful accounts	96,875	0	86,487	0	10,388
25-26-27	Increase/Decrease in receivables included in current assets	48,486	10,678	(24,004)	(4,558)	72,490
38-39	Increase/Decrease in payables included in the working capital	261,914	10,956	(84,485)	(33,324)	346,399
25	Increase/Decrease in inventories	(23,243)	0	6,665	0	(29,908)
	Income taxes paid	(145,990)	0	(148,185)	0	2,194
	Change in working capital	**238,042**	**21,635**	**(163,522)**	**(37,881)**	**401,564**
24-40	Change in other assets/liabilities during the period	108,632	0	22,520	0	86,112
	Cash flow from operations of disposal groups/Assets held for sale	*0*	*0*	*0*	*0*	*0*
	Cash flow from operating activities	**1,731,767**	**20,917**	**1,110,919**	**(37,881)**	**620,847**
	Investments in tangible and intangible assets	(1,438,866)	0	(1,142,690)	0	(296,176)
	Investments in investees, subsidiaries and business units	(12,910)	0	(67,983)	0	55,073
	Collections/payments deriving from other financial investments	282,493	(12,825)	(133,487)	6,918	415,980
	Dividends received	6,768	6,768	5,567	5,567	1,200
	Interest income received	42,154	0	39,252	0	2,902
	Cash flow from investments of disposal groups/Assets held for sale	*0*	*0*	*0*	*0*	*0*
	TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	**(1,120,361)**	**(6,057)**	**(1,299,341)**	**12,486**	**178,980**

Rif. note	€ thousand	31/12/2024	Of which related party transactions	31/12/2023	Of which related party transactions	Change
37	New issues of long-term financial debt	755,000	0	700,000	0	55,000
37	Repayment of financial payables	(671,876)	0	(377,978)	0	(293,899)
35	Decrease/Increase in other financial debts	(246,665)	(10,722)	(22,827)	2,783	(223,838)
	Interest expense paid	(179,049)	0	(166,090)	0	(12,959)
	Dividends paid	(149,360)	(149,360)	(145,213)	(145,213)	(4,147)
	Cash flow from loans of disposal groups/ Assets held for sale	*0*	*0*	*0*	*0*	*0*
	TOTAL CASH FLOW FROM FINANCING ACTIVITIES	**(491,950)**	**(160,081)**	**(12,107)**	**(142,429)**	**(479,843)**
	CASH FLOW FOR THE PERIOD	**119,456**	**(144,504)**	**(200,529)**	**(167,825)**	**319,984**
	Net opening balance of cash and cash equivalents	**359,379**		**559,908**		**(200,529)**
	Cash availability from acquisition	**34,641**		**0**		**34,641**
	NET CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**513,476**		**359,379**		**154,097**
	Cash and cash equivalents at the end of the year *Disposal groups/Assets held for sale*	**0**		**0**		**0**
	Cash and cash equivalents at the end of the year *Continuing operations*	**513,476**		**359,379**		**154,097**

Consolidated statement of changes in shareholders' equity

€ thousand	Share capital	Legal reserve	Valuation reserve for employee defined benefit plans net of tax	Financial derivative fair value reserve net of tax effect	Exchange difference reserve	Other reserves	Profit (loss) for the year	Total Share-holders' Equity for the Group	Third parties Share-holders' Equity	Total Share-holders' Equity
Balance at 1 January 2024	**1,098,899**	**157,838**	**(16,149)**	**(14,307)**	**25,374**	**831,719**	**293,908**	**2,377,281**	**445,803**	**2,823,084**
Income statement profit	0	0	0	0	0	0	331,620	331,620	40,843	372,462
Other comprehensive income (loss)	0	0	615	(29,288)	6,718	0	0	(21,955)	267	(21,688)
Total comprehensive income (loss)	**0**	**0**	**615**	**(29,288)**	**6,718**	**0**	**331,620**	**309,664**	**41,110**	**350,774**
Allocation of result for 2023	0	10,148	0	0	0	283,760	(293,908)	0	0	0
Distribution of dividends	0	0	0	0	0	(187,042)	0	(187,042)	(11,992)	(199,035)
Change in consolidation scope	0	0	(2)	(620)	147	1,081	0	605	(105,006)	(104,401)
Other changes	0	0	17,047	0	0	(12,451)	0	4,596	548	5,144
Balance as at 31 December 2024	**1,098,899**	**167,986**	**1,512**	**(44,216)**	**32,239**	**917,066**	**331,620**	**2,505,105**	**370,462**	**2,875,567**

€ thousand	Share capital	Legal reserve	Valuation reserve for employee defined benefit plans net of tax	Financial derivative fair value reserve net of tax effect	Exchange difference reserve	Other reserves	Profit (loss) for the year	Total Share-holders' Equity for the Group	Third parties Share-holders' Equity	Total Share-holders' Equity
Balance at 1 January 2023	**1,098,899**	**147,501**	**(14,329)**	**44,825**	**16,592**	**718,056**	**279,725**	**2,291,268**	**463,975**	**2,755,243**
Income statement profit	0	0	0	0	0	0	293,908	293,908	33,536	327,443
Other comprehensive income (loss)	0	0	(1,887)	(58,682)	8,784	0	0	(51,785)	(3,755)	(55,539)
Total comprehensive income (loss)	**0**	**0**	**(1,887)**	**(58,682)**	**8,784**	**0**	**293,908**	**242,123**	**29,781**	**271,905**
Allocation of result for 2022	0	10,337	0	0	0	269,388	(279,725)	0	0	0
Distribution of dividends	0	0	0	0	0	(180,666)	0	(180,666)	(10,130)	(190,796)
Change in consolidation scope	0	0	48	(432)	(2)	25,200	0	24,815	(37,219)	(12,404)
Other changes	0	0	19	(18)	0	(259)	0	(258)	(604)	(862)
Balance as at 31 December 2023	**1,098,899**	**157,838**	**(16,149)**	**(14,307)**	**25,374**	**831,719**	**293,908**	**2,377,281**	**445,803**	**2,823,084**

Notes to the consolidated income statement

CONSOLIDATED NET REVENUE

Consolidated net revenue as at 31 December 2024 amounted to €4,269,855 thousand (€4,629,218 thousand at 31 December 2023), recording a decrease of €359,363 thousand compared to the previous year.

€ thousand	2024	2023	Change	% Change
Revenue from sales and services	4,050,221	4,410,094	(359,873)	(8.2%)
Other revenue and income	219,634	219,124	510	0.2%
Consolidated net revenue	**4,269,855**	**4,629,218**	**(359,363)**	**(7.8%)**

1. REVENUE FROM SALES AND SERVICES – €4,050,221 THOUSAND

This item registered a total decrease of €359,873 thousand (-8.2%) compared to the previous financial year which closed with €4,410,094 thousand. The composition of the item is shown below.

€ thousand	2024	2023	Change	% Change
Revenue from electricity sales and services	1,950,488	2,289,290	(338,802)	(14.8%)
Revenue from gas sales	261,126	200,880	60,247	30.0%
Revenue from electricity incentives	9,756	1,227	8,529	n.s.
Revenue from the Integrated Water Service	1,324,600	1,238,797	85,803	6.9%
Revenue from overseas water services	88,812	96,678	(7,866)	(8.1%)
Revenue from waste disposal and landfill operations	226,206	239,895	(13,688)	(5.7%)
Revenue from customer services	147,645	152,140	(4,495)	(3.0%)
Connection fees	34,753	32,765	1,987	6.1%
Revenues from sustainable development	6,835	158,423	(151,588)	(95.7%)
Revenue from sales and services	**4,050,221**	**4,410,094**	**(359,873)**	**(8.2%)**

Revenue from electricity sales and services

Amounted to €1,950,488 thousand and are broken down as follows:

€ thousand	2024	2023	Change	% Change
Electricity and heat generation	8,458	10,972	(2,513)	(22.9%)
Electricity sales	1,252,971	1,674,719	(421,748)	(25.2%)
Transport and metering of energy	678,914	594,776	84,138	14.1%
Sale of energy from waste-to-energy and biogas	2,097	2,568	(471)	(18.3%)
Co-generation	8,047	6,255	1,792	28.6%
Revenue from electricity sales and services	**1,950,488**	**2,289,290**	**(338,802)**	**(14.8%)**

The main change refers to the sale of electricity (-€421,748 thousand), in which the decrease was influenced by higher unit prices in 2023 and partly by lower quantities in 2024. Electricity sales on the Free Market totalled 4,774 GWh with a 15% reduction on the previous year, while electricity sales on the Greater Protection Service totalled 622 GWh with a 40% decrease on an annual basis. This reduction was influenced by the automatic assignment of non-domestic customers and micro-businesses ("Other uses") to the Gradual Protection Service as of 1 April 2023 and in part to the "natural" loss of Greater Protection Service customers to the Free Market (-36%), not counterbalanced by application of higher tariffs.

Revenue from gas sales

These amounted to €261,126 thousand, recording an increase of €60,247 thousand compared to 31 December 2023, mainly due to higher sales volumes (+9.6%).

Revenue from electricity incentives

These revenues amounted to €9,756 thousand and showed an increase of €8,529 thousand compared to the previous year. The increase is largely attributable to Acea Produzione (+€4,052 thousand) as a result of the scheduling of GRIN incentives as well as the non-recognition in 2023 of incentives for Salisano and Orte due to the high price reported in 2022.

Revenue from the Integrated Water Service

As mentioned in the section of the Report on Operations to which reference should be made for more detailed explanations, revenue from the Integrated Water Service is almost exclusively generated by the companies managing the service in Lazio, Campania and Tuscany. Said revenue amounts in total to €1,324,600 thousand and shows an increase of €85,803 thousand (+6.9%) compared to the previous year (€1,238,797 thousand), mainly due to greater investments and the increase in tariff revenue as well as the estimate for adjustments for pass-through items (electricity, wholesale water, etc.). The composition of the item is shown below:

€ thousand	2024	2023	Change	% Change
Revenue from water sales	732,694	666,048	66,646	10.0%
Revenue from water purification sales	336,195	312,992	23,204	7.4%
Revenue from sewerage sales	132,750	127,091	5,659	4.5%
Other revenue from GRC	122,961	132,666	(9,705)	(7.3%)
Revenue from the Integrated Water Service	**1,324,600**	**1,238,797**	**85,803**	**6.9%**

The quantification of the revenues deriving from management of the integrated water service is the consequence of application of the new water tariff method for the fourth regulatory period (MTI-4), as approved by the Authority (ARERA) with Resolution 639/2023/R/idr of December 2023, taking into account the approval of the 2024-2029 tariff provisions which occurred in the meantime. Further details are provided in the section "Service concession report".

Revenue from overseas water services

These revenues amounted to €88,812 thousand and show a decrease of €7,866 thousand compared to the previous year (€96,678 thousand at 31 December 2023) as a result of the end of several contracts.

Revenue from waste disposal and landfill operations

These revenues amounted to €226,206 thousand and showed a decrease of €13,688 thousand compared to the previous year. The breakdown of the item is shown below:

€ thousand	2024	2023	Change	% Change
Revenue from waste disposal and transport	28,087	27,989	97	0.3%
Revenues from street sweeping and collection	29,195	41,995	(12,799)	(30.5%)
Revenue from selection and processing	47,964	29,392	18,573	63.2%
Revenue from landfill management and transport	16,343	35,560	(19,217)	(54.0%)
Revenue from sludge recovery	9,884	12,655	(2,771)	(21.9%)
Revenue from conferment of biomasses	94,734	92,305	2,429	2.6%
Revenue from waste disposal and landfill operations	**226,206**	**239,895**	**(13,688)**	**(5.7%)**

The change is particularly attributable to lower revenues from street sweeping and collection of ASM Terni (-€12,438 thousand), primarily a result of the transfer of end customer invoicing activities in 2024 from the Municipalities managed by CNS – Cosp Tecno Service to the latter. The remaining overall decrease was partly influenced by the effect of the energy scenario and partly by the lower volumes recorded in 2024.

Revenue from customer services

These amounted to €147,645 thousand (€152,140 thousand at 31 December 2023) and decreased by €4,495 thousand. The changes can be represented as follows:

€ thousand	2024	2023	Change	% Change
Public Lighting - Rome	35,296	43,415	(8,119)	(18.7%)
Work for third parties	67,797	101,856	(34,059)	(33.4%)
Inter-company services to associates	16,757	10,608	6,149	58.0%
Photovoltaic	720	850	(130)	(15.3%)
GIP revenue	6,257	6,302	(45)	(0.7%)
Change in inventories	20,819	(10,890)	31,709	n.s.
Revenue from customer services	**147,645**	**152,140**	**(4,495)**	**(3.0%)**

The decrease is mainly due to the change in contract work in progress for energy efficiency projects (-€34,059 thousand) and lower revenue realised in relation to the public lighting contract with the Municipality of Rome (-€8,119 thousand) as a result of lower activities, partly offset by the increase in inventories linked to multi-year contracts (€31,709 thousand). For more information, see Note 25 – Inventories.

Connection fees

These amounted to €34,753 thousand, recording an increase of €1,987 thousand compared to 31 December 2023, broken down as follows:

€ thousand	2024	2023	Change	% Change
Water connection fees	4,377	4,992	(615)	(12.3%)
Electricity market connection fees	23,024	20,219	2,806	13.9%
Ancillary revenue	7,351	7,555	(204)	(2.7%)
Connection fees	**34,753**	**32,765**	**1,987**	**6.1%**

Revenues from sustainable development

These revenues amounted to €6,835 thousand and showed a decrease of €151,588 thousand compared to the previous year. These revenues are related to the fees deriving from the management of energy efficiency measures pending completion. The significant decrease in this item is mainly linked to lower energy efficiency revenues of Acea Innovation (for €144,318 thousand) resulting from new scenarios linked to changes to the Superbonus incentives.

2. OTHER REVENUE AND INCOME – €219,634 THOUSAND

This item decreased by €510 thousand compared to 31 December 2023 (€219,124 thousand at 31 December 2023). The following table shows a breakdown of this item:

€ thousand	2024	2023	Change	% Change
Contributions from Entities for Energy Efficiency Certificates	5,107	5,234	(128)	(2.4%)
Non-recurring gains	98,487	60,538	37,949	62.7%
Other revenue	25,767	77,641	(51,874)	(66.8%)
Refunds for damages, penalties, collateral	14,182	23,073	(8,890)	(38.5%)
Feed-in tariff	2,321	2,357	(35)	(1.5%)
Regional grants	37,953	23,314	14,640	62.8%
Seconded personnel	565	837	(272)	(32.5%)
Real estate income	1,926	1,750	176	10.1%
IFRIC 12 margin	30,594	21,419	9,175	42.8%
Revenue for disconnections and connections	2,731	2,962	(231)	(7.8%)
Other revenue and income	**219,634**	**219,124**	**510**	**0.2%**

The increase is mainly attributable to the following offsetting effects:

- greater revenue from non-recurring gains (+€37,949 thousand) partly arising from overprovisions of Acea Ato2 (+€16,233 thousand) largely due to the realignment between the tariff adjustments recognised in the financial statements up to 2023 and the adjustments approved during the tariff updates for the 2024-2029 regulatory period, the recognition of inflation on the 2018-2021 adjustments and on the 2023 adjustments and partly recognised against allocations of energy items from previous years (+€18,375 thousand) at Acea Energia;
- lower other revenue (-€51,846 thousand) resulting from the recognition in 2023 of the effects associated with the application of the incentive for Technical Quality for the Integrated Water Service for the years 2020-2021 (Resolution 477/2023), which saw the companies consolidated on a line-by-line basis be granted an overall bonus of €26,090 thousand. GORI (-€10,230 thousand) contributed to the decrease, mainly due to lower energy tax credits;
- lower claims and penalties (-€8,890 thousand) predominantly due to the increase in CMOR indemnity claims on the free market (-€4,241 thousand) of Acea Energia and partly due to transactions finalised with certain suppliers by areti in financial year 2023;
- higher revenues for contributions mainly pertaining to GORI (+€12,012 million) largely involving the REACT-EU contribution from the European Union granted in 2024 for investments already made in previous years and to areti (+€1,712 thousand) for greater releases in relation to the contributions received due to Decree Law 50/2022 (referred to as "Aid Decree");
- higher IFRIC 12 margin revenues (+€9,175 thousand) mainly as a result of higher investments and the update to the water WACC.

CONSOLIDATED OPERATING COSTS

At 31 December 2024 operating costs amounted to €2,728,699 thousand (€3,252,738 thousand at 31 December 2023), recording a decrease of €524,039 thousand (-16.1% compared to the previous year). The breakdown is as follows:

€ thousand	2024	2023	Change	% Change
Staff costs	328,524	334,478	(5,954)	(1.8%)
Costs of materials and overhead	2,400,175	2,918,260	(518,085)	(17.8%)
Consolidated operating costs	**2,728,699**	**3,252,738**	**(524,039)**	**(16.1%)**

3. PERSONNEL COSTS – €328,524 THOUSAND

€ thousand	2024	2023	Change	% Change
Personnel costs including capitalised costs	530,413	532,003	(1,591)	(0.3%)
Costs capitalised	(201,888)	(197,525)	(4,363)	2.2%
Staff costs	**328,524**	**334,478**	**(5,954)**	**(1.8%)**

Personnel costs, including capitalised costs, showed an overall decrease equal to €1,591 thousand, in part influenced by the release of the payable for tariff subsidies for retired staff following the agreement reached between the Group and the trade unions on 13 June 2024; this agreement is a direct result of the current market and regulatory context and establishes that Tariff Subsidies for former employees of the Group will cease from 1 July 2024, providing, in replacement of this institution, for the payment of a *one-off* amount, established based on the age of those eligible at the date of 30 June 2024.

The change in labour costs net of the aforementioned release shows an increase for €15,737 thousand deriving partly from the increase in the remuneration components and the adjustment of the national collective labour contracts, and partly by the different composition of the workforce. Costs capitalised increased by €4,363 thousand compared to the previous year.

The following tables show the average and actual number of staff by operating segment compared to the same period of the previous year.

End-of-period composition	31/12/2024	31/12/2023	Change	% Change
Environment	808	858	(50)	(5.8%)
Commercial	411	449	(38)	(8.5%)
Water (Overseas)	1,339	2,380	(1,041)	(43.7%)
Water	3,556	3,956	(400)	(10.1%)
Network and Public Lighting	1,225	1,246	(21)	(1.7%)
Production	95	99	(4)	(4.0%)
Engineering & Infrastructure Projects	477	470	7	1.5%
Corporate	804	762	42	5.5%
Total	**8,715**	**10,220**	**(1,505)**	**(14.7%)**

Average number of employees	2024	2023	Change	% Change
Environment	825.8	874.8	(49.0)	(5.6%)
Commercial	433.0	449.8	(16.8)	(3.7%)
Water (Overseas)	1,497.9	2,477.8	(979.9)	(39.5%)
Water	3,866.2	3,968.6	(102.4)	(2.6%)
Network and Public Lighting	1,237.8	1,269.2	(31.4)	(2.5%)
Production	97.6	97.0	0.6	0.6%
Engineering & Infrastructure Projects	470.0	478.2	(8.2)	(1.7%)
Corporate	794.7	733.1	61.6	8.4%
Total	**9,222.9**	**10,348.4**	**(1,125.6)**	**(10.9%)**

4. COSTS OF MATERIALS AND OVERHEADS – €2,400,175 THOUSAND

This item shows an overall decrease of €518,085 thousand (-17.8% compared to 31 December 2023).

€ thousand	2024	2023	Change	% Change
Electricity, gas, fuel	1,541,992	1,922,807	(380,815)	(19.8%)
Materials	114,619	111,526	3,092	2.8%
Services and contract work	526,181	672,371	(146,189)	(21.7%)
Concession fees	69,248	69,091	157	0.2%
Cost of leased assets	55,519	52,845	2,674	5.1%
Other operating costs	92,615	89,620	2,995	3.3%
Costs of materials and overhead	**2,400,175**	**2,918,260**	**(518,085)**	**(17.8%)**

Electricity, gas and fuel

€ thousand	2024	2023	Change	% Change
Electricity and gas purchases and transportation	1,536,205	1,917,545	(381,340)	(19.9%)
White certificates	952	1,447	(495)	(34.2%)
Green certificates and CO_2 rights	4,836	3,815	1,020	26.7%
Electricity, gas, fuel	**1,541,992**	**1,922,807**	**(380,815)**	**(19.8%)**

The decrease in costs to purchase and transport electricity and gas (-€381,340 thousand) is in line with the decrease in revenues and is consistent with that already described in detail in relation to price trends and quantities.

Materials

The cost of materials amounted to €114,619 thousand and represents the cost of materials used net of capital expenditure, as shown in the table below.

€ thousand	2024	2023	Change	% Change
Purchase of materials	217,513	186,020	31,493	16.9%
Change in inventories	(4,444)	(451)	(3,993)	n.s.
Costs capitalised	(98,450)	(74,043)	(24,407)	33.0%
Materials	**114,619**	**111,526**	**3,092**	**2.8%**

The increase recorded by this item is influenced largely by SIMAM's higher costs of materials (+€9,458 thousand) in relation to the progress of construction sites, offset by the general increase in costs capitalised in line with the higher investments made during the year mainly by areti.

Services and contract work

These revenues amounted to €526,181 thousand and show a decrease of €146,189 thousand (€672,371 thousand at 31 December 2023). The changes can be represented as follows:

€ thousand	2024	2023	Change	% Change
Technical and administrative services (including consulting and collaborations)	79,834	65,948	13,887	21.1%
Contract work	104,344	212,922	(108,578)	(51.0%)
Disposal and transport of sludge, slag, ash and waste	110,335	132,016	(21,681)	(16.4%)
Other services	64,328	86,656	(22,329)	(25.8%)
Personnel services	21,899	23,904	(2,005)	(8.4%)
Insurance costs	15,999	15,154	845	5.6%
Electricity, water and gas consumption	47,429	60,046	(12,617)	(21.0%)
Internal use of electricity	9,851	9,849	1	0.0%
Inter-company services to associates	12,572	13,757	(1,185)	(8.6%)
Telephone and data transmission costs	8,113	6,939	1,173	16.9%
Postal expenses	3,484	3,751	(267)	(7.1%)
Maintenance fees	7,521	7,556	(36)	(0.5%)
Cleaning, transport and porterage costs	7,910	7,381	529	7.2%
Advertising and sponsorship costs	14,027	10,800	3,227	29.9%
Corporate bodies	5,149	5,091	58	1.1%
Meter readings	5,153	4,109	1,044	25.4%
Bank charges	4,929	4,036	893	22.1%
Travel and accommodation expenses	2,338	2,186	152	6.9%
Seconded personnel	874	187	687	n.s.
Printing expenses	93	82	11	13.6%
Services and contract work	**526,181**	**672,371**	**(146,189)**	**(21.7%)**

The decrease was due mainly to:

- lower costs for contract work (-€108,578 thousand) largely referring to the decrease in costs for energy efficiency works, as a result of the completion of the majority of the contracts for energy efficiency works on apartments and private residences;
- lower costs for disposal and transport of sludge, slag, ash and waste (-€21,681 thousand), in line with what is recorded in the revenues, mainly related to ASM Terni's collection and sweeping service (-€13,131 thousand);
- lower costs for electricity, water and gas consumption, partially as a result of the trend in market prices and partly due to the change in the scope of contracts in place between the photovoltaic SPVs and Acea Produzione; the lower indemnity for the CMOR component of Acea Energia (-€3,905 thousand) also contributed to the decrease in this item;
- lower costs for other services (-€22,329) influenced by a general decrease in the items of expenditure mainly attributable to Corporate due to efficiency improvements made.

These were offset in part by greater costs for consulting and technical and administrative services (including consulting and collaborations) for €13,887 thousand, including largely Corporate strategic projects.

The item "Other services" includes costs incurred by the Group that are not included in the other detailed items, such as commercial costs, temporary work, laboratory analysis, bill printing and debt collection costs.

Concession fees

Concession fees totalled €69,248 thousand, in line with the previous year and referring to companies that manage Area Authorities under concession in Lazio, Campania and Umbria. The table below shows the breakdown by Company:

€ thousand	2024	2023	Change	% Change
Adistribuzionegas	2,948	2,859	89	3.1%
Acea Ato2	53,173	52,193	980	1.9%
Acea Ato5	3,787	3,776	12	0.3%
Gesesa	350	336	14	4.1%
GORI	2,773	2,444	329	13.5%
Acquedotto del Fiora	3,619	4,844	(1,225)	(25.3%)
Integrated Water Service	2,503	2,493	10	0.4%
Other smaller companies	94	146	(52)	(35.5%)
Concession fees	**69,248**	**69,091**	**157**	**0.2%**

For other information regarding the concessions, reference should be made to the information in the specific section entitled "Service concession report".

Cost of leased assets

The item amounts to €55,519 thousand, up by €2,674 thousand with respect to the previous year (€52,845 thousand at 31 December 2023); the increase is partially attributable to greater costs for software application licenses of the Parent Company (+€3,043 thousand).
In line with IFRS 16, this item contains costs relating to short-term leases and leases of modest value, which contributed to the increase in the item for €684 thousand.

Other operating costs

These amounted to €92,615 thousand at 31 December 2024, an increase of €2,995 thousand. The table below provides details of this item by type:

€ thousand	2024	2023	Change	% Change
Taxes and duties	17,690	17,716	(26)	(0.1%)
Damages and outlays for legal disputes	10,885	11,138	(253)	(2.3%)
Contributions paid and membership fees	5,370	5,540	(170)	(3.1%)
Losses on receivables	1,059	1,002	57	5.7%
General expenses	22,877	18,728	4,149	22.2%
Contingent liabilities	34,734	35,496	(762)	(2.1%)
Other operating costs	**92,615**	**89,620**	**2,995**	**3.3%**

The increase mainly derives from higher general expenses (+€4,149 thousand) attributable to asset disposal costs referring to the areti distribution lines (+€3,411 thousand). Contingent liabilities largely relate to the non-existence of energy items from previous years.

5. NET REVENUE / (COSTS) FROM COMMODITY RISK MANAGEMENT – €0 THOUSAND

At 31 December 2024, the Group had not subscribed to derivatives to hedge trading operations.

6. INCOME/(EXPENSES) FROM EQUITY INVESTMENTS OF A NON-FINANCIAL NATURE – €15,688 THOUSAND

This item represents the consolidated result according to the equity method that is included among the EBITDA components of strategic companies. The breakdown of this item is detailed below:

€ thousand	2024	2023	Change	% Change
EBITDA	170,616	156,500	14,115	9.0%
Amortisation, depreciation, impairment and provisions	(133,226)	(128,511)	(4,716)	3.7%
Profit/(Loss) on equity investments	(8)	0	(8)	n.s.
Financial operations	(10,618)	(7,762)	(2,856)	36.8%
Taxes	(11,075)	(5,831)	(5,245)	90.0%
Income from equity investments of a non-financial nature	**15,688**	**14,397**	**1,291**	**9.0%**

EBITDA for these companies rose by €14,115 thousand, while profit from the equity investment rose by €1,291 thousand, as a combined effect of higher income arising from the companies in the photovoltaic sector (+€7,461 thousand), Umbra Acque (+€2,088 thousand) and Acque (+€971 thousand) partly offset by the write-down of the companies DropMI in liquidation and Acqua.lot in liquidation (-€5,573 thousand) for the losses made in relation to unrealised projects and the lower contribution by Publiacqua (-€5,610 thousand) as a result of lower revenues from SII (Capex and FoNI component) and higher amortisation and depreciation. The result of Acquedotto del Fiora consolidated using the equity method in the final quarter (+€890 thousand) also contributed.

€ thousand	2024	2023	Change	% Change
Powertis Group	(32)	(45)	13	(29.2%)
Acea Sun Capital Group	223	(7,491)	7,714	(103.0%)
Energy	221	488	(266)	(54.6%)
Ecomed	0	(646)	646	(100.0%)
Umbria Distribuzione Gas	(417)	113	(530)	n.s.
DropMI in liquidation and Acqua.lot in liquidation	(5,573)	(118)	(5,455)	n.s.
Acque	8,371	7,400	971	13.1%
Intesa Aretina	(53)	(235)	183	(77.6%)
Acquedotto del Fiora	890	0	890	n.s.
Geal	774	943	(168)	(17.8%)
Nuove Acque	925	777	148	19.0%
Publiacqua	3,737	9,347	(5,610)	(60.0%)
Umbra Acque	4,951	2,863	2,088	72.9%
Ingegnerie Toscane	1,670	1,002	668	66.7%
Total	**15,688**	**14,397**	**1,291**	**9.0%**

7. NET WRITE-DOWNS (WRITE-BACKS) OF TRADE RECEIVABLES – €96,875 THOUSAND

This item recorded an increase of €10,388 thousand compared to the previous year, with a substantially stable impact compared to revenues (2.39% vs 1.99%). This result is mainly attributable to an increase in the hedging of the stock of water receivables, in line with the trend of the related ageing, and to the increased hedging of certain extraordinary items on a prudential basis, which influenced the dynamics.

8. DEPRECIATION, AMORTISATION AND PROVISIONS – €757,283 THOUSAND

Compared to 31 December 2023, an increase of €65,223 thousand was registered, with the details presented below.

€ thousand	2024	2023	Change	% Change
Depreciation and amortisation	708,931	651,827	57,104	8.8%
Provisions	48,352	40,233	8,119	20.2%
Depreciation, amortisation and provisions	**757,283**	**692,060**	**65,223**	**9.4%**

Depreciation/amortisation and impairment losses

€ thousand	2024	2023	Change	% Change
Depreciation	192,308	184,131	8,177	4.4%
Amortisation	492,373	461,775	30,598	6.6%
Impairment losses	24,249	5,921	18,329	n.s.
Depreciation/amortisation and impairment losses	**708,931**	**651,827**	**57,104**	**8.8%**

The increase in the item for €57,104 thousand is mainly linked to the natural growth in amortisation from regulated activities, for the most part in the "Water" (+€24,864 thousand) and "Networks & Public Lighting" (+€9,292 thousand) segments, as a result of the higher investments and the entry into service of assets under construction. Also contributing to the increase was growth in amortisation and depreciation related to commissioning costs for the acquisition of new Acea Energia customers (+€5,621 thousand). Also contributing to the increase in this item are impairment losses (+€18,329 thousand), which include in part writedowns arising from impairment for which reference should be made to section 16 below, and for the remainder the writedown of assets under construction in relation to Acea Ambiente (+€3,040 thousand) and Acea Ato2 (+€1,483 thousand).

Provisions

Net of sums released, provisions amounted to €48,352 thousand and are divided by type as follows:

€ thousand	2024	2023	Change	% Change
Legal Risks provision	9,850	2,636	7,214	n.s.
Tax provision	1,733	561	1,172	n.s.
Regulatory risks provision	16,456	4,387	12,069	n.s.
Provision for investees	9	425	(416)	(97.8%)
Fee risks provision	720	2,261	(1,542)	(68.2%)
Tenders and supplies provision	990	11,008	(10,018)	(91.0%)
Insurance deductibles provision	1,949	2,366	(417)	(17.6%)
Other risks and charges provision	11,411	9,260	2,151	23.2%
Provisions for risks	**43,118**	**32,904**	**10,214**	**31.0%**
Early retirements and redundancies provision	4,114	10,043	(5,929)	(59.0%)
Provision for expenses payable to others	8,205	1,881	6,323	n.s.
Expenses provision	**12,318**	**11,924**	**394**	**3.3%**
Total provisions	**55,437**	**44,829**	**10,608**	**23.7%**
Release of risks provisions, release of fees provisions	**(7,085)**	**(4,596)**	**(2,489)**	**54.2%**
Total	**48,352**	**40,233**	**8,119**	**20.2%**

For more details please see note 34 "Provisions for risks and charges".

9. FINANCIAL INCOME – €43,078 THOUSAND

€ thousand	2024	2023	Change	% Change
Interest on financial receivables	117	158	(41)	(26.1%)
Bank interest income	2,416	3,015	(599)	(19.9%)
Interest on trade receivables	23,751	18,392	5,359	29.1%
Interest on other receivables	9,539	15,091	(5,552)	(36.8%)
Financial income from discounting to present value	617	179	438	n.s.
Income from fair value hedges measurement	33	48	(16)	(32.1%)
Other income	6,604	2,596	4,008	154.4%
Financial income	**43,078**	**39,481**	**3,598**	**9.1%**

Financial income amounted to €43,078 thousand, an increase of €3,598 thousand with respect to the previous year. This change derives from **i)** higher interest income from customers for €5,359 thousand mainly attributable to the increase in market rates; **ii)** the

decrease in interest on other receivables (-€5,552 thousand), largely linked to Corporate as a result of the decrease in the number of short-term deposits seen in the final quarter of 2024 coinciding with the repayment of the bond loan maturing in July 2024; **iii)** higher other income (+€4,008) predominantly arising from the recognition of financial income deriving from the recognition of energy efficiency tax credits by Acea Innovation (+€3,543 thousand).

10. FINANCIAL COSTS – €187,592 THOUSAND

€ thousand	2024	2023	Change	% Change
Costs (Income) on Interest Rate Swaps	3,986	3,635	351	9.7%
Interest on bonds	73,572	79,844	(6,272)	(7.9%)
Interest on medium/long-term borrowings	44,552	34,870	9,682	27.8%
Interest on short-term debt	16,613	11,949	4,664	39.0%
Default interest and interest on deferred payments	12,055	13,609	(1,554)	(11.4%)
Interest cost net of actuarial gains and losses	3,912	4,474	(562)	(12.6%)
Factoring fees	24,451	14,264	10,188	71.4%
Discounting charges	1,333	1,577	(243)	(15.4%)
IFRS 16 financial charges	3,514	3,778	(264)	(7.0%)
Other financial charges	3,256	3,491	(234)	(6.7%)
Interest payable to end users	564	4,429	(3,865)	(87.3%)
Foreign exchange gains (losses)	(216)	90	(306)	n.s.
Financial charges	**187,592**	**176,009**	**11,583**	**6.6%**

Financial charges for €187,592 thousand were up by €11,583 thousand due to higher interest rates and the increase in the average debt during the period. In particular, the increase in financial charges was affected by **i)** higher interest on short and medium/long-term loans (+€9,682 thousand), mainly related to the Parent Company; **ii)** higher interest on short-term debt (+€4,664 thousand), due to an increase in bank and postal interest expense due to current account overdrafts as well as interest accrued on short-term loans taken out and then settled in 2024; and **iii)** higher factoring fees (+€10,188 thousand) due to greater assignment of receivables compared to the previous year by areti. The increase in these items is partly offset by lower interest on bond loans (-€6,272 thousand) mainly linked to the settlement of the bond loan repaid in July 2024 by the Parent Company and lower interest payable to end users (-€3,865 thousand) referring almost entirely to Acea Energia as a result of customers leaving the Greater Protection Service.
The average overall all-in cost of the Acea Group's debt stood at 2.16% compared to 2.08% in the previous year.

11. INCOME AND COSTS FROM EQUITY INVESTMENTS – €(5,740) THOUSAND

€ thousand	2024	2023	Change	% Change
Income from equity investments	1,624	1,770	(146)	(12.5%)
(Expenses) from equity investments	(7,364)	(2,373)	(4,991)	n.s.
Profit/(Loss) on equity investments	**(5,740)**	**(603)**	**(5,137)**	**n.s.**

Revenue from equity investments refers to consolidation according to the net worth method of some Group companies. Loss on equity investments also includes the capital loss arising from the sale of the equity investment in Berg (€3,292 thousand) and the writedown pertaining to the prospective sale of three photovoltaic systems (€3,718 thousand) to the Equitix fund. Please see the section "Application of the IFRS 5 standard" for more details about the transaction.

12. INCOME TAX – €179,970 THOUSAND

Estimated tax expenses for the period were €179,970 thousand, compared to €147,755 thousand of the previous year. Taxes are broken down as follows:

- current taxes: €180,550 thousand (€148,984 thousand at 31 December 2023);
- net deferred tax liabilities/(assets): -€580 thousand (-€1,230 thousand at 31 December 2023).

The increase in absolute value of taxes recorded in the previous derives from the combined effect of higher pre-tax profit and circumstances that led to a slight worsening in IRES and IRAP for the period. In particular, IRES (corporate income tax) mainly increased for the following two reasons:

- article 5 of Legislative Decree no. 216 of 30 December 2023 repealed the economic growth aid (ACE) as of the 2024 tax period. This subsidy, which envisaged a reduction from the IRES taxable base for increases in equity until the 2023 tax period, involved various Group companies;
- tax exemption of energy contributions: for half of financial year 2023, the tax exemption on energy and gas contributions envisaged by Decree Law no. 21 of 21 March 2022 was still in force, which provided for an exemption from the IRES taxable base

of subsidies for businesses linked to energy and gas costs. The subsidy was not reinstated for 2024.

With reference to IRAP (regional tax on production), the increase can mainly be explained by the following two reasons:

- a gradual increase in interest rates which led to accounting for higher financial charges that were non-deductible for IRAP purposes;
- tax exemption of energy contributions: for half of financial year 2023, the tax exemption on energy and gas contributions envisaged by Decree Law no. 21 of 21 March 2022 was still in force, which provided for an exemption from the IRAP taxable base of subsidies for businesses linked to energy and gas costs. The subsidy was not reinstated for 2024.

The table below shows the breakdown of taxes and the correlated percentage weight calculated on consolidated profit before tax.

	2024		2023	
€ thousand	Tax	% impact	Tax	% impact
Consolidated profit/(loss) before tax	**552,432**		**475,198**	
Theoretical IRES calculated using the parent company rate	132,584	24.00%	114,048	24.00%
Reconciliation with the before tax result taxable for IRES purposes	66,148	11.97%	61,014	12.84%
IRES fiscal effect of permanent differences, increase	21,877	3.96%	10,852	2.28%
IRES fiscal effect of permanent differences, decrease	(76,417)	(13.83%)	(72,881)	(15.34%)
IRES fiscal effect of temporary differences, increase	38,229	6.92%	31,356	6.60%
IRES fiscal effect of temporary differences, decrease	(52,947)	(9.58%)	(35,608)	(7.49%)
IRES fiscal effect of ACE deduction	0	0.00%	(2,575)	(0.54%)
Income from tax consolidation/tax losses	(1,615)	(0.29%)	(652)	(0.14%)
IRES for the period	**127,858**	**23.14%**	**105,554**	**22.21%**
of which relative to companies included in tax consolidation	*106,712*	*19.32%*	92,052	19.37%
of which relative to companies not included in tax consolidation	*21,146*	*3.83%*	13,502	2.84%
IRAP for the period	**46,830**	**8.48%**	**38,198**	**8.04%**
Taxes, foreign companies	**9,067**	**1.64%**	**8,659**	**1.82%**
Tax contingencies, previous years and permanent tax effect of consolidation adjustments	**(3,206)**	**(0.58%)**	**(3,426)**	**(0.72%)**
Net deferred tax assets/liabilities	**(580)**	**(0.10%)**	**(1,230)**	**(0.26%)**
Total taxes accruing for the year	**179,970**	**32.58%**	**147,755**	**31.09%**

The tax rate for the financial year is 32.6% (31.1% at 31 December 2023).

Legislative Decree 209 of 27 December 2023, "Implementation of tax reform relative to international taxation", published in Official Journal 301 of 28 December 2023, implemented in Italian legislation Directive EU 2022/2523 of the Council of 15 December 2022, to guarantee a global minimum taxation level (Global Minimum Tax) for multinational and large scale national groups in the Union, based on the Global anti-base erosion rules (GloBE rules), developed within the OECD (Pillar II).

The new regulations for Pillar II apply to financial years beginning on or after 31 December 2023 (see article 60 of Legislative Decree 209/2023). Therefore, the regulations in question apply to the Group as from 1 January 2024.

As is known, with reference to multinational groups, Pillar 2 establishes, for companies within the group with an effective taxation level of less than 15%, a system of compensatory taxation which applies to the parent company (Income Inclusion Rule – IIR). This applies to the extent needed to reach the aforementioned 15% threshold.

For all the jurisdictions in which the Group is present, the possibility of making use of the simplified regimes pursuant to article 39 of Legislative Decree 209/2023 was positively evaluated ("transitional safe harbours" in the definition contained in Directive EU 2022/2523). Recall that, when applicable, the simplified regimes establish that no additional tax is due from a group in a given country if at least one of the three tests is passed (de minimis test, effective simplified tax rate test, and ordinary profit text) as established in Directive EU 2022/2523.

In particular, the simplified regimes are applied to a group's overall figures, identified for each individual country in which the group operates, using the data presentation methods established, also in a Country-by-Country Report. Use of aggregate data reflects the top-down approach based on Pillar 2 rules, which focuses on calculating the effective taxation level incurred by the highest level parent company in the group (Ultimate Parent Entity).

13. EARNINGS PER SHARE

Earnings per share are calculated by dividing profit for the year attributable to Acea by the weighted average number of Acea shares outstanding during the year, excluding treasury shares. The weighted average number of shares outstanding was €212,547,907 at 31 December 2024. Diluted profit per share is calculated dividing profit for the financial year attributable to Acea by the weighted average number of Acea shares in circulation during the year, excluding treasury shares, increased by the number of shares which could potentially be put in circulation. At 31 December 2024 there were no shares that could potentially be put into circulation and,

accordingly, the weighted average number of shares for the calculation of basic earnings per share coincides with the weighted average number of shares for the calculation of diluted earnings per share.

Earnings per share, determined in accordance with IAS 33, are shown below:

€ thousand	31/12/2024	31/12/2023	Change
Net profit attributable to the Group (€/000)	331,620	293,908	37,712
Net profit attributable to ordinary equity holders of the Group (€/000) (A)	331,620	293,908	37,712
Weighted average number of ordinary shares for the purpose of determining earnings per share			
– basic (B)	212,548	212,548	0
– basic (C)	212,548	212,548	0
Earnings per share (€)			
– basic (A/B)	1.56021	1.38278	0.17743
– diluted (A/C)	1.56021	1.38278	0.17743

Notes to the consolidated statement of financial position

ASSETS

At 31 December 2024, these amounted to €12,226,070 thousand (€11,787,064 thousand at 31 December 2023), recording an increase of €439,006 thousand or 3.7% on the previous year, broken down as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Non-current assets	9,730,502	9,193,002	537,500	5.8%
Current assets	2,314,248	2,575,774	(261,526)	(10.2%)
Non-current assets destined for sale	181,320	18,288	163,032	n.s.
Total assets	**12,226,070**	**11,787,064**	**439,006**	**3.7%**

NON-CURRENT ASSETS – €9,730,502 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Tangible fixed assets	3,363,465	3,334,868	28,597	0.9%
Real estate investments	9,711	1,990	7,721	n.s.
Goodwill	241,041	254,626	(13,586)	(5.3%)
Concessions and rights on infrastructure	3,999,275	3,787,263	212,013	5.6%
Intangible fixed assets	417,231	413,162	4,069	1.0%
Copyright	93,267	93,284	(17)	0.0%
Equity investments in unconsolidated subsidiaries and associates	488,089	359,281	128,808	35.9%
Other equity investments	7,990	8,029	(39)	(0.5%)
Deferred tax assets	218,801	205,065	13,736	6.7%
Financial assets	39,553	18,852	20,702	109.8%
Other non-current assets	852,079	716,582	135,498	18.9%
Non-current assets	**9,730,502**	**9,193,002**	**537,500**	**5.8%**

14. PROPERTY, PLANT AND EQUIPMENT – €3,363,465 THOUSAND

The incidence of the infrastructure used for the distribution and generation of electricity amounts to 78.6% of property, plant and equipment, €2,644,892 thousand.
The remaining 21.4% refers to:

- facilities belonging to the Environment Segment companies for €397,213 thousand;
- infrastructures related to the Parent Company for €93,055 thousand;
- infrastructure related to the Water Segment for €168,217 thousand;
- infrastructure related to the Water Segment (Overseas) for €35,953 thousand;
- facilities belonging to the Engineering & Infrastructure Projects Segment for €11,186 thousand.

€ thousand	Land and buildings	Plant and machinery	Industrial equipment	Other assets	Investments in progress	Assets to be relinquished	Total
Initial historic cost	673,137	4,062,995	1,205,240	211,390	135,451	16,272	6,304,486
Assets held for sale	(4,087)	(304,181)	(9,495)	0	(7,210)	0	(324,973)
Investments/Acquisitions	13,174	197,900	111,123	13,911	87,183	1,879	425,170
Disposals/Sales	(33)	(24,004)	(38,038)	(1,180)	(1,507)	0	(64,761)
Writedowns/Impairment	(2,061)	(5,016)	0	0	(978)	0	(8,055)
Changes in consolidation scope	(87)	(12,132)	(1,149)	(601)	(740)	0	(14,708)
Other changes	9,838	51,010	4,225	1,730	(67,978)	288	(886)
Final historic cost	**689,882**	**3,966,573**	**1,271,907**	**225,252**	**144,221**	**18,438**	**6,316,273**
Initial amortisation provision	(209,395)	(2,141,506)	(456,151)	(155,481)	0	(7,084)	(2,969,618)
Depreciation/ amortisation and Writedowns/impairment	(15,386)	(109,487)	(51,566)	(14,571)	0	(1,126)	(192,136)
Assets held for sale	17	141,660	1,901	0	0	0	143,578
Disposals/Sales	16	19,400	36,475	874	0	0	56,765
Changes in consolidation scope	87	9,317	909	550	0	0	10,863
Other changes	1,297	(3,880)	280	57	0	(14)	(2,260)
Final amortisation provision	**(223,364)**	**(2,084,495)**	**(468,153)**	**(168,571)**	**0**	**(8,225)**	**(2,952,808)**
Net carrying amount	**466,518**	**1,882,078**	**803,754**	**56,681**	**144,221**	**10,214**	**3,363,465**

Investments totalled €425,170 thousand and mainly refer to those incurred by:

- areti for €271,668 thousand in relation to network renewal, upgrading and digitisation measures, smartification of the network through the mass replacement of 2G metering units, work on primary stations, secondary substations, concentrators, metering units and remote control equipment.
- Acea Ambiente for €83,777 thousand for investments in the Terni smoke line for revamping and works on the 4th San Vittore line;
- Acea Produzione for €8,590 thousand mainly for the upgrading and maintenance of hydroelectric plants, the extension and restoration of the district heating grid, for maintenance work on the Tor di Valle power plant and work at the Montemartini power station;
- Acea Solar for €14,962 thousand for the construction of photovoltaic plants on both agricultural and industrial land;
- Acea for €5,161 thousand mainly for extraordinary maintenance at offices hosting company activities, as well as investments relating to the hardware required for technological development projects for the improvement and evolution of the IT network, furnishings and office machines and investments pertaining to remote control equipment on the Public Lighting network in Rome;
- ASM Terni for €8,168 thousand mainly due to maintenance and modernisation works on the electricity network;
- Aguas De San Pedro for €7,106 thousand for maintenance and new projects in relation to the management of the integrated water service of the city of San Pedro Sula in Honduras.

Other changes refer to reclassifications due to the commissioning of assets under construction and disposals. The writedowns are partly the result of impairment tests and, for the remaining portion, of the assessment of non-recoverability of certain Acea Ambiente projects (€3,399 thousand).
It should be noted that the item in question was affected by the reclassification pursuant to IFRS 5 of assets subject to the sale of the "HV Network" to Terna and the photovoltaic assets falling under the 2nd photovoltaic closing (for more details please see the paragraph on the application of the IFRS 5 standard).

15. REAL ESTATE INVESTMENTS – €9,711 THOUSAND

Real estate Investments primarily include land and buildings not used in operations and held for rental. The increase of €7,721 thousand compared to the end of the previous year derives from the reclassification of assets under construction and the land of the company's property, which will be directed to the Sport Club.

16. GOODWILL – €241,041 THOUSAND

At 31 December 2024, this item amounted to €241,041 thousand and had decreased since the reporting date of 31 December 2023 by €13,585 thousand.
The change compared to 31 December 2023 mainly refers to the change in scope in relation to the sale of the equity investment in Berg and the deconsolidation of Acquedotto del Fiora; for more details, please see the section *Main changes in the consolidation scope*.

€ thousand	31/12/2023	Exchange Delta	Scope change	Write-downs	31/12/2024
Environment	77,701	0	(4,054)	(7,054)	66,594
Commercial and Trading	47,716	0	0	0	47,716
Production	91,618	0	0	0	91,618
Water and Gas	17,097	0	(2,751)	0	14,346
Overseas	4,897	273	0	0	5,170
Engineering and services	15,597	0	0	0	15,597
Goodwill	**254,626**	**273**	**(6,805)**	**(7,054)**	**241,041**

In order to verify the book value of the CGUs, as part of the impairment procedure the Group provides an estimate of an interval relating to the recoverable value of the assets in terms of value in use ("VIU"), in continuity with the previous year, i.e. using the Discounted Cash Flow (DCF) method, which identifies the ability to generate cash flows as the fundamental element for the purposes of assessing the entity of reference. For the purpose of discounting operating cash flows, the weighted average cost of post-tax capital is calculated.
The application of the financial method for determining the recoverable value and the subsequent comparison with the respective accounting values, therefore entailed, for each CGU subject to impairment testing, estimating the post-tax WACC, the value of operating cash flows taken from the 2025 Budget approved by the Board of Directors on 13 February 2025 and from the Business Plan approved by the Board of Directors of Acea on 5 March 2024, updated when necessary, to take into account tariff approvals, regulatory and/or operational developments, including the reorganisation of several activities pertaining to the Environment segment, and events occurring between the date of approval for the Business Plan and that of this financial statements by the Acea SpA Board of Directors, and the value of the terminal value (TV) and, in particular, the growth rate used to project flows beyond the plan horizon, the value of the net financial position (NFP) and any surplus assets/liabilities (SA).

The main assumptions which determined cash flows and test results were the following:
- the development of revenues for regulated businesses was drawn up on the basis of tariff trends resulting from the updated national regulation and/or agreements with the regulatory authorities;
- the dynamics of the prices of electricity and gas sold and purchased on the free market were developed on the basis of business considerations in line with the current market situation;
- the plans were extended in an inertial manner beyond the duration of the plan for all CGUs, when the perpetuity hypothesis was not consistent with the characteristics of the CGU involved in the impairment test and required the use of a whole life plan.

Terminal value is calculated:
- for Acea Produzione (Production Segment) using the residual value corresponding to the net invested capital at the end of the plants' useful life;
- for the Environment and Water (Overseas) Segments, respectively, considering the residual value corresponding to the net invested capital at the end of the plants' useful life and of the concession;
- for areti (Networks & Public Lighting Segment): considering the current value of the RAB at the expiry of the concession calculated according to the regulations for the regulatory period and net working capital at the expiration of the concession;
- for the Water Segment, considering the current value of the RAB and Net Working Capital at the end of the concession;
- for the Commercial Segment, using estimated normalised cash flows with a steady state hypothesis without real growth; finally
- for the Engineering & Infrastructure Projects Segment, using the residual value of the plans, considering net invested capital.

Finally, the flows determined as above were discounted using the post-tax WACC determined using an unconditional approach or using the regulatory WACC for regulated business, in line with the current regulations.

Below the assumptions used in the tests and estimates for Terminal Value are summarised:

Sector	Recoverable value	WACC	Terminal value	Cash flow period
Water	Value in use	4.4%	NIC at the end of the concession, including the Regulatory Asset Base (RAB)	End of the concession
Water (Gas)	Value in use	5.7%	Terminal value equal to RAB	End of the concession
Networks & Public Lighting	Value in use	5.4%	Regulatory Asset Base (RAB)	End of the concession
Commercial	Value in use	6.5%	Perpetuity	Until 2028
Production	Value in use	6.3%	NIC/perpetuity at the end of the plants' useful life	Useful life of plants/end of concession
Engineering & Infrastructure Projects	Value in use	6.4%	NIC at the end of the plants' useful life	End of Water Segment Facilities concession
Water (Overseas)	Value in use	7.1%/12.2%	NIC at the end of the concession	End of the concession
Environment	Value in use	7.4%	NIC at the end of the plants' useful life	Plants' useful life

Additionally, with reference to that issued by ESMA and CONSOB, with reference to monitoring climate change effects and the relative impacts on impairment tests for non-financial assets, Acea has developed risk analysis using quantitative instruments, including the application of an econometric model to estimate the relationship existing between macroeconomic and climate-related variables and the main economic/financial amounts of interest to Acea's various companies and plants. In particular, analysis was carried out on how margins are affected by the main macroeconomic and environmental variables (e.g. electricity and gas prices, CO2 emissions, average temperature, average rainfall, etc.). In addition to that described, Acea developed Montecarlo analysis to better understand the relationships between individual key variables and help with defining possible alternative scenarios and, more generally, the level of volatility of predictions. In addition to the impairment indicated below, there were also possible losses identified only under certain scenarios which, from a statistical point of view are not "more likely than not" but for which it was still held appropriate to monitor developments. More specifically, the CGUs classified as such are Tecnoservizi, Acea Innovation, ASM Terni, Acea Produzione and the plants of Aprilia (Acea Produzione), Mandela (Acea Produzione) and certain plants of SF Island.
It should be noted that with regard to the photovoltaic companies, in relation to the impact on the Regional Law no. 20 of the Sardinia Region of 5 December 2024, based on the information available at the reporting date and supported by well-regarded legal opinions, no factors emerged that could lead to impairment losses on the assets (please refer to the section "Update on major disputes and litigation" for further details).

The results of the impairment test indicated total writedowns of €11,409 thousand, relative to: **i)** the Demap CGU for €6,940 thousand; **ii)** the AS Recycling CGU for €1,631 thousand; **iii)** the Acea Ato5 CGU for €1,961 thousand and, lastly, **iv)** the Monterotondo plant for €877 thousand.
The writedowns involved **i)** the goodwill allocated to Demap (€6,939.6 thousand) and AS Recycling (€114.1 thousand); **ii)** for Acea Ato5 the IFRIC 12 margin (€1,961 thousand net of the tax effect); **iii)** and corporate assets for the remainder.

17. CONCESSIONS AND RIGHTS ON INFRASTRUCTURE – €3,999,275 THOUSAND

This item mainly refers to the Water Services and essentially includes:

- the values of concessions received from the Municipalities (€71,421 thousand);
- the overall amount of all tangible infrastructures for the management of water and gas distribution services (€3,806,276 thousand), in accordance with IFRIC 12.

Concessions refer for €63,658 thousand to the thirty-year concession from Roma Capitale on the assets consisting of water and sewage treatment facilities, and to the right arising from taking over the management of the integrated water service in the Municipality of Formello. Rights are amortised on the basis, respectively, of the remaining term of the concession signed between Acea and Roma Capitale and the term of the Management Agreement signed by the Mayors in Ato2.

Capital expenditure for the period relating to Infrastructure rights amounted to €875,468 thousand and mainly refers to:

- Acea Ato2 for €614,541 thousand for the modernisation, expansion and reclamation of the water and sewerage pipes of the various municipalities; to the extraordinary maintenance of the water centres of the treatment plants and to the actions aimed at reducing water leaks;
- Acea Ato5 for €37,439 thousand for the replacement, maintenance and expansion of water supplies and sewerage pipes and of water treatment plants;
- GORI for €159,947 thousand, for the replacement of the water pipelines as well as for the extraordinary maintenance of the works for the water and sewerage service;
- SII for €20,407 thousand mainly for modernisation and expansion of the infrastructures, and for reordering and improvement of the waste collection and treatment system.

The item "**other changes**" mainly comprises reclassifications for the commissioning of assets previously in preparation. The changes in the scope of consolidation resulting from the change to the consolidation method of Acquedotto del Fiora had an impact of €294,846 thousand.
Note that the item also includes the combination of infrastructure for the gas distribution service belonging to Adistribuzionegas.

18. INTANGIBLE FIXED ASSETS -€417,231 THOUSAND

The item has a net book value as at 31 December 2024 of €417,231 thousand and can be represented as follows:

€ thousand	Patent rights	Other intangible fixed assets	Contract costs	Investments in progress and advances	Total
Net opening balance	203,027	126,687	62,533	20,916	413,162
Depreciation/amortisation and impairment losses	(72,102)	(22,488)	(33,827)	0	(128,417)
Investments/Acquisitions	53,114	4,817	51,739	28,557	138,226
Disposals/Sales	(201)	(92)	0	(115)	(408)
Changes in consolidation scope	129	(2,111)	0	(5,652)	(7,634)
Other changes	19,449	1,925	0	(19,073)	2,300
Net closing balance	**203,416**	**108,738**	**80,445**	**24,632**	**417,231**

The item saw an increase of €4,069, deriving from investments incurred during the period (€138,226 thousand), net of amortisation and reductions in value (€128,417 thousand, referring entirely to amortisation).
Investments for the period are mainly attributable to:

- areti for €42,329 thousand for charges incurred for the re-engineering of the information and commercial distribution systems and for the harmonisation of systems to support measurement activities;
- Acea Energia for €63,357 thousand, for the most part associated with the costs of acquiring new customers pursuant to IFRS 15 (€49,935 thousand) and implementation of the new CRM, as well as improvements made to the invoicing, credit and decision-making support systems for development and progressive projects linked to integrating systems on the new CRM platform;
- the Parent Company for €16,392 thousand for the purchase and implementation of software to support the development of IT platform management systems, the corporate security and the administrative management.

19. RIGHT OF USE – €93,267 THOUSAND

This item includes rights to use the assets of others which are recognised as leased assets and amortised over the duration of the contracts in line with the IFRS 16 international standard. As at 31 December 2024 the net book value of these assets is €93,267 thousand and the nature of these assets can be represented as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Land and buildings	72,311	73,460	(1,149)	(1.6%)
Cars and motor vehicles	9,061	8,102	959	11.8%
Machinery and equipment	10,014	9,493	521	5.5%
Distribution cabins	1,448	1,719	(270)	(15.7%)
Other	432	511	(79)	(15.4%)
Total	**93,267**	**93,284**	**(17)**	**n.s.**

The book value of the assets consisting of the right of use at 31 December 2024 for each class of underlying asset and the related changes in the period are shown below:

€ thousand	Land and buildings	Cars and motor vehicles	Machinery and equipment	Distribution cabins	Other	Total
Opening balances	**73,460**	**8,102**	**9,493**	**1,719**	**511**	**93,284**
New contracts	3,847	4,986	2,613	0	0	11,446
Remeasurement	5,743	796	(686)	(13)	(39)	5,801
Depreciation	(10,739)	(4,822)	(1,406)	(258)	(40)	(17,264)
Total	**72,311**	**9,061**	**10,014**	**1,448**	**432**	**93,267**

The decrease of €17 thousand derives from the offsetting effects linked to contractual renewals or to the stipulation of new contracts offset by amortisation and depreciation for the period.
With regard to extension or termination options, it should be noted that for regulated businesses, with regard to contracts relating to concession activities, the estimated term for contract renewals is the year of the end of the concession itself. There are also no guarantees on residual value, variable payments and leases not yet signed, for a significant amount, to which the Group has committed itself.
Finally, it should be noted that costs relating to short-term leases and assets of modest value are recognised in the income statement item "leases and rentals" in line with the requirements of IFRS 16 and in continuity with previous years.

20. EQUITY INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATES – €488,089 THOUSAND

€ thousand	31/12/2023	Changes in consolidation scope	Gains/losses from valuation of shareholders' equity	Increase/ Decrease for dividends	OCI	Other changes/ reclassifications	31/12/2024
Acque	127,903	0	8,371	(1,076)	172	90	135,460
GEAL	9,950	0	774	(685)	4	0	10,044
Nuove Acque e Intesa Areatina	12,903	0	873	(808)	(51)	(70)	12,847
Publiacqua	124,353	0	3,737	(2,685)	76	746	126,227
Umbra Acque	29,872	0	4,951	86	(734)	0	34,174
Ingegnerie Toscane	9,692	0	1,670	(1,060)	(7)	0	10,295
Energia	17,288	0	221	(100)	0	898	18,307
Picena Ambiente	1,805	0	15	0	0	0	1,821
Acea Sun Capital	7,660	0	1,864	0	(566)	1,451	10,409
DropMI in liquidation	4,732	0	(5,573)	0	0	841	0
Aqua.lot in liquidation	368	(368)	0	0	0	0	0
Powertis Group	9,119	0	(32)	0	0	4,116	13,203
Aguazul Bogotà	852	0	(13)	0	(43)	0	797
Rivieracqua	0	32,557	0	0	0	0	32,557
Acquedotto del Fiora	0	79,456	890	0	(207)	0	80,139
Other equity investments	2,785	(463)	(417)	0	0	(95)	1,811
Total equity investments	**359,281**	**111,183**	**17,331**	**(6,328)**	**(1,357)**	**7,978**	**488,089**

The changes compared to the values as at 31 December 2023 were affected in particular by the change in the scope as a result of the aforementioned reconsolidation of Acquedotto del Fiora (+€79,456 thousand) according to the equity method, and the acquisition of the equity investment in Rivieracqua (+€32,557 thousand). The remaining changes involved valuations for the period (+€17,331 thousand) recognised in the item "*Income/(Expenses) from equity investments of a non-financial nature*" and to a lesser extent the item "*Income/(Expenses) from equity investments*", the distribution of dividends (-€6,328 thousand) and the change in the reserves for "*other comprehensive income*" (-€1,357 thousand). The item "Other changes" mainly includes the recognition of earn-outs related to the photovoltaic equity investments in the Powertis Group (+€3,918 thousand).

	31 /12/2024						
€ thousand	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenues	Valuation of companies using the equity method	Net Financial Position
Acque	283,561	39,412	(142,120)	(46,261)	(87,960)	(8,371)	(99,709)
Acquedotto del Fiora	125,069	24,704	(48,440)	(32,534)	(14,416)	(890)	(21,501)
Intesa Aretina	14,244	287	0	(101)	0	53	171
DropMI in liquidation	0	249	(419)	(857)	0	5,573	(201)
Ecomed	37	323	(539)	(556)	0	0	162
Geal	17,275	5,430	(6,676)	(5,549)	(12,920)	(774)	209
Ingegnerie Toscane	675	9,110	(349)	(2,966)	(9,310)	(1,670)	1,207
Powertis Group	3,021	1,033	0	(169)	0	32	31
Nuove Acque	19,432	7,260	(7,474)	(4,288)	(10,452)	(925)	(1,569)
Acea Sun Capital group	109,489	21,511	(66,012)	(10,758)	(12,521)	(444)	(41,921)
Publiacqua	221,048	59,566	(61,488)	(91,364)	(115,477)	(3,737)	(25,764)
Umbria Distribuzione Gas	7,890	5,178	(3,359)	(8,208)	0	417	946
Umbra Acque	97,887	19,887	(54,906)	(29,879)	(43,972)	(4,951)	(27,072)

	31 /12/2023						
€ thousand	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenues	Valuation of companies using the equity method	Net Financial Position
Acque	258,614	44,581	(118,749)	(57,173)	(80,767)	(7,400)	(94,967)
Aqua.lot in liquidation	0	368	0	0	0	0	0
Intesa Aretina	13,892	534	0	(9)	0	235	192
DropMI in liquidation	4,990	645	0	(963)	0	179	337
Ecomed	37	323	(539)	(556)	0	646	162
Energia	10,572	959	(2)	(1,137)	(1,682)	(488)	378
Geal	18,299	4,327	(7,079)	(5,155)	(13,032)	(943)	(2,729)
Ingegnerie Toscane	702	11,829	(413)	(5,945)	(9,969)	(1,002)	(2,336)
Powertis Group	2,676	907	(20)	(293)	0	45	27
Nuove Acque	18,473	5,983	(6,343)	(3,896)	(10,110)	(777)	(2,668)
Acea Sun Capital group	91,038	14,621	(54,428)	(10,839)	(10,991)	7,491	(35,563)
Publiacqua	226,727	60,865	(56,363)	(105,283)	(120,670)	(9,347)	(42,036)
Umbria Distribuzione Gas	6,397	6,263	(2,526)	(8,215)	0	(113)	892
Umbra Acque	82,246	15,514	(43,611)	(25,631)	(40,952)	(2,863)	(24,576)

21. OTHER EQUITY INVESTMENTS – €7,990 THOUSAND

These total €7,990 thousand (they were €8,029 thousand at 31 December 2023) and are composed of investments in shareholder securities that do not represent control, association or joint control.

22. DEFERRED TAX ASSETS – €218,801 THOUSAND

At 31 December 2024, deferred tax assets, net of deferred tax liabilities, amounted to €218,801 thousand (€205,065 thousand at 31 December 2023).

Deferred tax assets are mainly made up of the following: **i)** €48,479 thousand for the provisions for tax risks (€37,458 thousand as at 31 December 2023); **ii)** €60,689 thousand to impairment of receivables (€67,881 thousand as at 31 December 2023); **iii)** €154,560 thousand for the amortisation/depreciation of intangible assets and property, plant and equipment (€144,694 thousand as at 31 December 2023); **iv)** €7,482 thousand to defined benefit and defined contribution plans (€13,386 thousand as at 31 December 2023); **v)** €14,411 thousand to the fair value measurement of commodities and other financial instruments (€29,042 thousand as at 31 December 2023); **vi)** €6,800 thousand to tax assets (€219 thousand as at 31 December 2023); **vii)** €43,197 thousand shown under the item "other" (€53,364 thousand as at 31 December 2023) mainly referring to the margin for the service contract between Acea Elabori and Acea Ato2 (€28,740 thousand) and to unpaid interest expense on arrears attributable to GORI (€2,105 thousand).

Provisions for deferred taxes include in particular the deferred taxes tied to differences existing between the economic-technical amortisation rates applied to depreciable assets and tax portions. Uses in the period totalling €14,055 thousand and allocations amounting to €15,804 thousand contributed to this item.

The item "*Other*" mainly refers to interest income on arrears not collected from Acea, Acea Ato5, Acea Ato2 and GORI (€25,952 thousand).

The following table details the changes in this item:

	31/12/2023				31/12/2024		
€ thousand	Balance	Changes in consolidation scope	Adjustments and reclassifications	Changes in Shareholders' Equity	Uses	IRES/IRAP provisions	Balance
Prepaid taxes							
Tax losses	67	0	0	0	0	0	67
Remuneration of BoD members	140	0	0	2	(19)	35	158
Provisions for risks and charges	37,458	(86)	86	9,434	(10,426)	12,013	48,479
Impairments of receivables and equity investments	67,881	0	0	3,983	(15,829)	4,654	60,689
Depreciation and amortisation	144,694	(513)	513	2,383	(13,679)	21,162	154,560
Defined benefit and defined contribution plans	13,386	(40)	40	(1,492)	(6,093)	1,681	7,482
Tax assets on consolidation adjustments	219	0	0	6,075	0	506	6,800
Fair value commodities and other financial instruments	29,042	0	0	(14,631)	0	0	14,411
Others	53,364	(3,791)	3,791	(18,492)	(7,180)	15,504	43,197
Total	**346,251**	**(4,429)**	**4,429**	**(12,738)**	**(53,226)**	**55,556**	**335,842**
Deferred taxes							
Depreciation and amortisation	55,919	(10,974)	10,974	(11,701)	(4,579)	7,167	46,806
Defined benefit and defined contribution plans	24,202	3,245	(3,245)	(809)	(580)	20	22,832
Fair value commodities and other financial instruments	31,797	0	0	(22,544)	(784)	2,246	10,715
Others	29,267	(2,620)	2,620	9,160	(8,111)	6,371	36,687
Total	**141,186**	**(10,349)**	**10,349**	**(25,894)**	**(14,055)**	**15,804**	**117,041**
NET	**205,065**	**5,920**	**(5,920)**	**13,156**	**(39,172)**	**39,752**	**218,801**

The Group recognised deferred tax assets based on earnings forecasts in the Group's business plans, which confirm the probability that sufficient future taxable profit will be available against which all of the deferred tax assets recognised in the financial statements can be recovered.

23. NON-CURRENT FINANCIAL ASSETS – €39,553 THOUSAND

These amounted to €39,553 thousand (€18,852 thousand at 31 December 2023), an increase of €20,702 thousand mainly attributable to the Parent Company (€6,556 thousand) of which a portion relating to the public lighting service, including requalification of systems, energy saving, legislative compliance and technological innovation. The remainder of the credit will be paid to Acea, for an amount equal to the fiscal amortisation, after 30 June 2025, in accordance with what is agreed in the Supplementary Agreement to the service contract signed on 15 March 2011. The balance includes fair value receivables on derivative assets (€3,699 thousand) in relation to bank loans, mainly in relation to GORI (€2,825 thousand) and Servizio Idrico Integrato (€596 thousand).

24. OTHER NON-CURRENT ASSETS – €852,079 THOUSAND

Other non-current assets at 31 December 2024 are composed as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Other receivables	136,557	15,275	121,282	n.s.
Advances and deposits	1,396	1,608	(212)	(13.2%)
Long-term receivables for tariff adjustments	581,324	499,650	81,674	16.3%
Long-term receivables for Regulatory Lag	123,059	188,540	(65,481)	(34.7%)
Accrued income and prepayments	9,743	11,507	(1,765)	(15.3%)
Other assets	**852,079**	**716,582**	**135,498**	**18.9%**

The item includes long-term receivables for tariff adjustments for €581,324 thousand (€499,650 thousand as at 31 December 2023), net of the relative impairment fund of €499,650 thousand, attributable to the water companies and the long-term portion of receivables recorded at areti due to the regulatory lag for €123,059 thousand (€188,540 thousand as at 31 December 2023), which decreased due to greater assignments of credit made compared to the previous period. It should be noted that the item "Other receivables" includes the long-term portion of tax credits accrued as a result of energy efficiency works, transferred by customers to Acea Innovation (€105,257 thousand).

CURRENT ASSETS – €2,314,248 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Inventories	122,556	97,843	24,713	25.3%
Trade receivables	1,027,608	1,213,200	(185,592)	(15.3%)
Other current assets	454,371	405,026	49,346	12.2%
Current tax assets	9,436	13,075	(3,640)	(27.8%)
Current financial assets	186,801	487,251	(300,450)	(61.7%)
Cash and cash equivalents	513,476	359,379	154,097	42.9%
Current assets	**2,314,248**	**2,575,774**	**(261,526)**	**(10.2%)**

25. INVENTORIES – €122,556 THOUSAND

The item "Inventories" amounted to €122,556 thousand (€97,843 thousand at 31 December 2023) and increased by €24,713 thousand, which mainly derives from the increase in SIMAM inventories (€18,359 thousand) in relation to contract work in progress to construct plants, areti inventories (+€5,718 thousand) in relation to work in progress on networks and Acea Innovation inventories (+€2,590 thousand) in relation to contract work in progress for the valuation of multi-year contracts awarded to the company for energy efficiency works.

26. TRADE RECEIVABLES – €1,027,608 THOUSAND

These amounted to €1,027,608 thousand, recording a decrease of €185,592 thousand compared to 31 December 2023, when the figure was €1,213,200 thousand. The breakdown for the item is provided below:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Trade receivables	975,223	1,169,967	(194,744)	(16.6%)
Receivables due from the parent company	22,195	20,993	1,202	5.7%
Receivables from jointly controlled subsidiaries and associates	30,190	22,240	7,950	35.7%
Trade receivables	**1,027,608**	**1,213,200**	**(185,592)**	**(15.3%)**

Trade receivables

These amounted to €975,223 thousand, a decrease of €194,744 thousand compared to 31 December 2023 and are represented as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Receivables due from end users for bills issued	294,025	311,554	(17,529)	(5.6%)
Receivables due from end users for bills to be issued	478,162	561,290	(83,128)	(14.8%)
Receivables due from non-user customers for bills issued	162,089	257,026	(94,936)	(36.9%)
Receivables due from non-user customers for bills to be issued	40,887	40,037	850	2.1%
Other current receivables and assets	59	59	0	0.0%
Trade receivables	**975,223**	**1,169,967**	**(194,744)**	**(16.6%)**

Receivables are shown net of the provision for doubtful receivables, which at 31 December 2024 amounted to €625,953 thousand and decreased by €2,147 thousand compared to the previous year. The change in the stock of receivables compared to 31 December 2023 is mainly due to the decrease in receivables in the Commercial & Trading segment (-€132,853 thousand), largely attributable to Acea Innovation following the interruption in activities related to energy efficiency and to regulated sectors (-€61,891 thousand).

Receivables due from the Parent Company Roma Capitale

As regards relations with Roma Capitale, the net balance at 31 December 2024 was €22,295 thousand receivable for the Group

(the receivable balance at 31 December 2023 was €17,190 thousand).
Trade and financial receivables recorded an overall increase of €3,514 thousand compared to the previous year, due to accrual in the period and collections/offsetting during the year.
The main changes in the year are as follows:

- accrual of Acea Ato2 receivables for the supply of water for €52,953 thousand;
- accrual of receivables for the Public Lighting service for €38,775 thousand;
- collection/offset of receivables of Acea Ato2 for utilities for €52,011 thousand;
- collection/offset of receivables of Acea IP for €34,456 thousand;
- collection/offset for €2,165 thousand related to the offsetting of the receivable recognised in relation to Equitalia for the tax on the occupation of public land for the year 2015 by areti as per the Court of Rome ruling which recognised and authorised this operation.

Payables decreased by €1,591 thousand compared to the previous year; the main changes are as follows:

- higher payables due to the recognition of stock dividends for 2023 for €95,578 thousand;
- higher payables due to the recognition of the Acea Ato2 concession fee for 2024 for €25,276 thousand;
- payment of Acea stock dividends for a total of €107,112 thousand, of which 82,317 thousand due in 2023;
- payment to offset the 2024 concession fee of Acea Ato2 for €12,675 thousand;
- Acea Ato2 payment related to the Tiburtina Memorandum of Understanding pertaining to road expansion work for €1.501 thousand.

It should also be noted that recurring payables recognised in 2024 were paid during the year: **i)** by areti for Cosap and road excavation licences for a total of €17,627; **ii)** by Acea Ato2 for dividends for €2,958 thousand.
Recall that as part of the activities required for the first consolidation of the Acea Group in the 2018 Financial Statements of Roma Capitale, a round table was launched to reconcile the Roma Capitale receivables and payables. The Group companies chiefly concerned are Acea and Acea Ato2. After several meetings and communications, on 22 February 2019 the Technical Department of the Municipality (SIMU) in charge of the management of the contracts with the Acea Group communicated several objections relating to the supply of both works and services for the period 2008-2018. These objections were completely rejected by the Group. In order to arrive at a complete resolution of the differences, during 2019 a specific Joint Technical Committee was set up with the Acea Group. Following several meetings, on 18 October 2019, the Joint Technical Committee drew up a report on the closure of the work, highlighting the results that emerged and proposing a favourable restart of the ordinary execution of the mutual obligations between the Acea Group and Roma Capitale. As a first step after the completion of the work, the parties took steps to implement the results that emerged from the discussions, restarting the payment of their respective receivables and payables.

For the Public Lighting contract at the end of 2020 the AGCM made its position clear regarding the legitimacy of the existing contract, to this day a source of audits, works and joint investigation. Among other things, the measure also gave rise to audits on the congruity of the prices applied. In February 2021, following the aforesaid feedback and works, Roma Capitale confirmed the absolute congruity and convenience of the current economic terms with respect to the CONSIP parameters. Therefore, also during 2021, while awaiting the conclusion and finalisation of these aspects, Acea regularly continued to provide the Public Lighting service. The service has therefore been invoiced and has partly already been paid by Roma Capitale, as seen in the data below:

- in 2020 at total of €33,226 thousand of receivables referred to the aforementioned report were settled in the Group;
- during 2021 a new Public Lighting Technical Panel comprising Acea and Roma Capitale was set up with the intention of continuing the resolution of issues preventing the liquidation of receivables. As a result this work, Roma Capitale paid Acea the Public Lighting receivables for €75,206 thousand through offsets;
- during 2022, settlement activities with Roma Capitale continued, which allowed continuation of the liquidation of Acea receivables, through offsetting of a total of €56,516 thousand, of which €27,631 thousand relative to fees for previous years.

Note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled "Public and artistic-monumental public lighting service on the entire municipal territory – Concessionaire: Acea SpA – Recognition of the perimeter of the payable situation and launch of the consequent procedures" recognised the perimeter of the Administration's payables to Acea/Areti in relation to the Public Lighting service as of 31 December 2021.
This resolution was published on the institutional website of Roma Capitale on 30 August 2022.
During 2023, specifically in September, the Acea Board of Directors, after receiving the opinion of the Related Party Transactions Committee, approved the proposal for a Settlement Agreement with Roma Capitale, to govern their reciprocal positions and the methods for the early consensual termination of the contractual relationships between the parties for the public lighting service provided by the company and for it by the subsidiary areti.
At the same time, Roma Capitale also approved the draft Agreement in the City's Assembly in December 2023. With reference to the economic terms of this possible Settlement Agreement, substantially in line with the City Executive Committee resolution 312 of 11 August 2022, following the reciprocal renunciation by the parties, the agreement calls for the recognition of receivables due to Acea/areti from Roma Capitale for a total of around €100,685 thousand.
The economic and financial effects of the settlement, following the signing which had not yet occurred as of the reporting date (2024), will not have significant effects as the company had already updated its estimates in previous financial statements utilising the criteria established in the relevant regulations.

All administrative activities required to finalise the transaction are still under way. It is noted that the transaction covers multiple activities performed, referring to the operation under concession of the public lighting service in the capital and developed over several years, which are definitively formalised in the settlement agreement, with detailed administrative reconstruction and with a "tombstone" effect on the previous relations covered in said agreement, capable of preventing such disputes and controversies.

Below is a breakdown of the situation with Roma Capitale.

Receivables due from Roma Capitale (€ thousand)	**31/12/2024**	**31/12/2023**	**Change**
Utility receivables	18,385	17,597	788
Provisions for impairment	(1,746)	(1,753)	7
Total receivables from users	**16,639**	**15,844**	**795**
Receivables for water works and services	3,804	3,804	0
Receivables for water works and services to be invoiced	1,253	931	322
Provisions for impairment	(2,449)	(2,191)	(258)
Receivables for electrical works and services	2,535	4,512	(1,977)
Receivables works and services - to be billed	739	425	314
Provisions for impairment	(326)	(326)	0
Total receivables for works	**5,556**	**7,155**	**(1,599)**
Total trade receivables	**22,195**	**22,999**	**(804)**
Financial receivables for Public Lighting services billed	155,794	139,132	16,662
Provisions for impairment	(57,994)	(57,994)	0
Financial receivables for Public Lighting services to be billed	46,164	46,873	(709)
Provisions for impairment	(24,181)	(13,706)	(10,474)
M/L term financial receivables for Public Lighting services	428	1,587	(1,160)
Total Public Lighting receivables	**120,211**	**115,892**	**4,319**
Total receivables	**142,406**	**138,891**	**3,514**

Payables due to Roma Capitale (€ thousand)	**31/12/2024**	**31/12/2023**	**Change**
Electricity surtax payable	(5,503)	(5,503)	0
Concession fees payable	(12,601)	0	(12,601)
Other payables	(5,673)	(8,331)	2,658
Dividend payables	(96,333)	(107,867)	11,534
Total payables	**(120,111)**	**(121,702)**	**1,591**
Net balance receivables payables	**22,295**	**17,190**	**5,105**

Trade receivables from associates and joint ventures

The item in question (equal to €30,190 thousand) mainly refers to receivables due from the companies consolidated using the equity method.

27. OTHER CURRENT ASSETS – €454,371 THOUSAND

Other non-current assets at 31 December 2024 are composed as follows:

€ thousand	**31/12/2024**	**31/12/2023**	**Change**	**% Change**
Receivables from others	422,094	348,482	73,612	21.1%
Accrued income and prepaid expenses	32,275	34,192	(1,918)	(5.6%)
Payables arising from commodity derivatives	3	22,352	(22,349)	(100.0%)
Other current assets	**454,371**	**405,026**	**49,346**	**12.2%**

Receivables from others

These amounted to a total of €422,094 thousand and were made up as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Receivables due from the Equalisation Fund	34,036	30,178	3,858	12.8%
Receivables from Equalisation Fund for Tariff Contribution from cancellation	3,646	3,360	285	8.5%
Other receivables from Equalisation Fund	29,987	3,579	26,408	n.s.
Regional grants receivable	571	532	40	7.5%
Security deposits	5,059	6,568	(1,509)	(23.0%)
Receivables from social security institutions	3,405	3,332	73	2.2%
Suppliers' advances	13,366	13,119	247	1.9%
Receivables due from Municipalities	10,738	9,173	1,566	17.1%
Receivables for accrued Green Certificates	2,304	365	1,939	n.s.
Receivables for advances to employees	3,232	4,020	(788)	(19.6%)
Other tax receivables	148,350	181,318	(32,968)	(18.2%)
Other receivables	167,399	92,939	74,461	80.1%
Receivables from others	**422,094**	**348,482**	**73,612**	**21.1%**

The increase for €73,612 thousand refers to: **i)** higher other receivables for (+€74,461 thousand) mainly attributable to GORI (€63,121 thousand) for receivables from Entities for the granting of plant contributions relating to works financed and realised during 2024 and Acea Ambiente (+€19,655 thousand) associated with the sale of the equity investment in the subsidiary Berg SpA and the receivables for "Technical and Economic Feasibility Studies for tenders" and "design phase" relating to the WTE plant in Rome; **ii)** higher receivables from the Equalisation Fund (+€29,987 thousand) mainly related to Acea Energia and mainly as a result of the regulation by CSEA of the amounts due for 2024 and previous years; **iii)** decrease in tax credits (-€32,968 thousand) predominantly related to Acea Innovation and Acea Energia mainly as a result of the reclassification to long term of the tax credits accrued on the tax box for the portion to be used from 2026 and onwards.

Accrued income and prepaid expenses

These amounted to €32,275 thousand (€34,192 thousand at 31 December 2023) and refer mainly to rent on public land, lease payments and insurance, as well as the portion of user licences accruing to subsequent years and IT infrastructure maintenance fees.

Active derivative instruments on commodities

Active derivative instruments on commodities represent the valuation of hedging derivatives on commodities referring entirely to Acea Energia and amounting to €3 thousand, down on the €22,349 thousand at 31 December 2023 due to the change in the fair value measurement at the end of the period in question and the change in the quantities hedged. For these transactions classified as cash flow hedges, changes in fair value were recognised, limited only to the effective portion, in a specific equity reserve called "cash flow hedge reserve" through the statement of comprehensive income. There were no changes in fair value referable to the ineffective portion to be recognised in the income statement.
We note that among the "Other current liabilities" the item "Current derivative instruments" is recognised for €10,292 thousand.

28. CURRENT TAX ASSETS – €9,436 THOUSAND

These amounted to €9,436 thousand (€13,075 thousand at 31 December 2023) and include IRAP and IRES receivables (€4,393 thousand and €5,037 thousand respectively).

29. CURRENT FINANCIAL ASSETS – €186,801 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Financial receivables from the Parent Company Roma Capitale	119,783	114,305	5,478	4.8%
Financial receivables from associates	3,755	4,738	(983)	(20.7%)
Financial receivables from third parties	62,230	365,577	(303,347)	(83.0%)
Securities	1,033	2,631	(1,598)	(60.7%)
Current financial assets	**186,801**	**487,251**	**(300,450)**	**(61.7%)**

Financial receivables from the Parent Company Roma Capitale

These totalled €119,783 thousand, up by €5,478 thousand compared to 31 December 2023. They represent the unconditional right to receive cash flows in line with the methods and timing envisaged in the service agreement for public lighting management. Further details are provided in the note "*Receivables due from the Parent Company Roma Capitale*".

Financial receivables from associates

These totalled €3,755 thousand, down by €983 thousand compared to 31 December 2023.

Financial receivables from third parties

These amounted to €62,230 thousand (€365,577 thousand at 31 December 2023) and are made up of short-term deposit lines of the Parent Company for €50,000 thousand (€330,000 thousand at 31 December 2023).

30. CASH AND CASH EQUIVALENTS – €513,476 THOUSAND

The balance at 31 December 2024 of bank current accounts and postal accounts, opened with the various banks and BancoPosta by the consolidated companies amounted to €513,476 thousand. The table below illustrates the detailed breakdown:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Bank and postal deposits	505,808	338,887	166,921	49.3%
Cash and similar items of value on hand	7,668	20,493	(12,825)	(62.6%)
Cash and cash equivalents	**513,476**	**359,379**	**154,097**	**42.9%**

31. ASSETS HELD FOR SALE – €181,320 THOUSAND

At 31 December 2024 "Non-current assets destined for sale" amounted to €181,320 thousand (€18,288 thousand as at 31 December 2023) and refer to the reclassification of assets falling within the scope of the sale of the "HV Network" to Terna and of the photovoltaic systems sold to the Equitix Fund (for more details please refer to the section on the application of IFRS 5).

LIABILITIES

At 31 December 2024 these amounted to €12,226,070 thousand (€11,787,064 thousand at 31 December 2023), recording an increase of €439,006 thousand (3.7%) over the previous year, and are broken down as follows:

	31/12/2024	31/12/2023	Change	% Change
Shareholders' Equity	2,875,567	2,823,084	52,483	1.9%
Non-current liabilities	5,981,913	5,615,479	366,434	6.5%
Current liabilities	3,356,829	3,348,313	8,517	0.3%
Liabilities closely associated with assets held for sale	11,761	188	11,573	n.s.
Total liabilities	**12,226,070**	**11,787,064**	**439,006**	**3.7%**

32. SHAREHOLDERS' EQUITY – €2,875,567 THOUSAND

At 31 December 2024, shareholders' equity amounted to €2,875,567 thousand (€2,823,084 thousand at 31 December 2023). Changes in shareholders' equity during the period are shown in the specific statement.

Share capital

This amounts to €1,098,899 thousand, represented by 212,964,900 ordinary shares with a par value of €5.16 each, as shown in the Shareholders' Register. The share capital is subscribed and paid-up in the following manner:

- **Roma Capitale: 108,611,150 shares** for a total nominal value of €560,434 thousand,
- **Suez SA: 49,691,095 shares** for a total nominal value of €257,799 thousand,
- **Caltagirone: 10,500,000 shares** for a total par value of €54,180 thousand,
- **Market: 44,162,655 shares** for a total par value of €536,314 thousand,
- **Treasury shares: 416,993** ordinary shares with a total nominal value of €2,151 thousand.

Legal reserve

The legal reserve includes 5% of the profits from previous years, in accordance with Article 2430 of the Italian Civil Code, and amounts to €167,986 thousand, an increase of €10,148 thousand, for the allocation of the previous year's result.

Other reserves and retained earnings

At 31 December 2024, other reserves amounted to €396,666 thousand, while retained earnings were equal to €509,935. At 31 December 2023, they amounted to €73,697 and €752,940 respectively. In addition to the allocation of the previous year's result, the changes in the two items and namely the increase of €322,969 thousand and the decrease of €243,005 respectively derive mainly from: **i)** the distribution of dividends of the parent company for €187,042 thousand; **ii)** the decrease in cash flow hedges of financial instruments and commodities for €29,288 thousand; **iii)** the increase of €615 thousand in actuarial gains and losses reserves; **iv)** increase in the exchange rate reserve for €6,718 thousand.

At 31 December 2024, Acea held 416,993 treasury shares to be used for future medium/long-term incentive schemes. At this time there are no medium/long-term share-based payment schemes planned.

Third parties Shareholders' Equity

This amounted to €370,462 thousand and recorded a decrease of €75,341 thousand compared to 31 December 2023. The decrease was mainly influenced by the change in scope (-€105,006 thousand), predominantly due to the deconsolidation of Acquedotto del Fiora from the line-by-line method to the equity method (-€101,510 thousand), as well as the acquisition of an additional 30% stake in SER Plast (-€1,388 thousand) and 10% stake in AS Recycling (+€257 thousand). The remainder of the change is due to the portion of profits due to third parties (-€40,034 thousand) and the distribution of dividends (-€11,992 thousand) of the associates.

NON-CURRENT LIABILITIES – €5,981,913 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Staff termination benefits and other defined benefit plans	77,609	109,895	(32,286)	(29.4%)
Provisions for risks and charges	234,099	224,276	9,822	4.4%
Borrowings and financial liabilities	4,895,268	4,770,436	124,832	2.6%
Other non-current liabilities	774,937	510,871	264,066	51.7%
Non-current liabilities	**5,981,913**	**5,615,479**	**366,434**	**6.5%**

33. EMPLOYEE SEVERANCE INDEMNITY AND OTHER DEFINED BENEFIT PLANS – €77,609 THOUSAND

At 31 December 2024, this item amounted to €77,609 thousand (€109,895 thousand as at 31 December 2023) and represents termination and other benefits payable to employees on retirement or termination of employment.

The following table shows the change in actuarial liabilities during the period.

€ thousand	31/12/2024	31/12/2023	Change	% Change
– Employee severance indemnities (TFR)	51,246	56,391	(5,145)	(9.1%)
– Pegaso Fund	51	48	4	7.5%
Employee severance indemnity	**51,297**	**56,439**	**(5,142)**	**(9.1%)**
– Extra months	6,724	6,859	(135)	(2.0%)
Extra months	**6,724**	**6,859**	**(135)**	**(2.0%)**
– LTIP plans	3,904	3,118	786	25.2%
Long-Term Incentive Plans (LTIP)	**3,904**	**3,118**	**786**	**25.2%**
Benefits due at the time of termination of employment	**61,925**	**66,416**	**(4,491)**	**(6.8%)**
– Employees tariff subsidy	5,144	5,207	(63)	(1.2%)
– Managers tariff subsidy	107	133	(26)	(19.4%)
– Pensioners tariff subsidy	0	17,660	(17,660)	(100.0%)
Tariff subsidies	**5,251**	**23,000**	**(17,748)**	**(77.2%)**
Post-employment benefits	**5,251**	**23,000**	**(17,748)**	**(77.2%)**
– Isopensione fund	10,433	20,479	(10,046)	(49.1%)
Isopensione (early retirement)	**10,433**	**20,479**	**(10,046)**	**(49.1%)**
Staff termination benefits and other defined benefit plans	**77,609**	**109,895**	**(32,286)**	**(29.4%)**

In addition to the provision which, pursuant to the revised legislation on Termination Benefits, consists of the employee termination benefits accrued until 31 December 2006, the change reflects the revised discount rate used for the valuation according to IAS 19.
As required by paragraph 78 of IAS 19, the interest rate used to calculate the present value of the obligation was based on returns, at the end of the reporting period, on securities of major companies listed on the same financial market as Acea, and on returns on government bonds in circulation at the same date that have terms to maturity similar to the residual term of the liability for the workforce in question.
As regards the economic and financial scenario, the following table shows the main parameters used for the evaluation.

	31/12/2024	31/12/2023
Discount rate	3.4%	3.2%
Revenue growth rate (average)	3.0%	3.0%
Long-term inflation	2.0%	2.1%

With regard to the measurement of the Group Employee Benefits (Employee severance indemnity (TFR), Monthly bonuses, tariff subsidies for current staff) a sensitivity analysis was performed to assess the changes in the liability resulting from both positive and negative shifts of the rate curve (+0.5% shift /-0.5% shift). The results of this analysis are summarised below.

	Discount rate	
Type of plan (€ million)	**0.50%**	**-0.50%**
Employee severance indemnities (TFR)	(2.4)	2.5
Extra months	(0.2)	0.3
Tariff subsidies	(0.1)	0.1

Furthermore, a sensitivity analysis was performed related to the age of the group, hypothesizing a group one year younger than the actual one. Sensitivity analyses were not performed for other variables such as, for example, inflation rate.

Type of plan (€ million)	**+1 year of age**
Employee severance indemnities (TFR)	1.0
Extra months	0.5
Tariff subsidies	0.2

Lastly, the payable for tariff subsidies for retired staff was reduced to zero as a result of the agreement reached between the Group and the trade unions on 13 June 2024, which replaced this institution for former employees of the Group with the payment of a one-off amount.

34. PROVISIONS FOR RISKS AND CHARGES – €234,099 THOUSAND

At 31 December 2024, the provision for risks and charges amounted to €234,099 thousand (€224,276 thousand at 31 December 2023) and is allocated to hedge among other things probable liabilities that may derive from ongoing legal disputes, on the basis of what is stated by internal and external lawyers, without considering those that could be successful and those that could be lost being assessed exclusively as possible or remote.
When calculating the size of the provisions, account is taken both of the estimated costs that may derive from litigation or other disputes arising during the year and an update of estimates of the potential liabilities deriving from the litigation involving the Company in previous years.
The following table shows a breakdown of provisions and movements in the period:

€ million	31/12/2023	Uses	Provisions	Release for excess provisions	Reclassifications/ Other changes	31/12/2024
Legal	12,999	(3,432)	9,850	(963)	(2,759)	15,695
Taxes	5,029	(58)	1,733	(1,143)	0	5,561
Regulatory risks	35,987	(1,812)	16,456	(180)	(2,010)	48,441
Investees	12,767	0	9	(1,758)	(1,071)	9,947
Contributory risks	3,654	0	720	(5)	3	4,371
Insurance deductibles	11,046	(3,410)	1,949	(16)	0	9,569
Other risks and charges	38,997	(3,743)	12,401	(1,023)	(7,722)	38,910
Total provision for risks	**120,479**	**(12,455)**	**43,118**	**(5,088)**	**(13,559)**	**132,495**
Early retirements and redundancies	11,436	(9,381)	4,114	0	(19)	6,150
Post Mortem	72,355	(415)	0	0	1,333	73,273
Provision for expenses payable to others	19,921	(7,038)	8,205	(1,996)	3,089	22,181
Provisions for reinstatement expenses	86	0	0	0	(86)	0
Total provisions for expenses	**103,798**	**(16,834)**	**12,318**	**(1,996)**	**4,318**	**101,604**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**224,276**	**(29,289)**	**55,437**	**(7,085)**	**(9,241)**	**234,099**

The increase of €9,822 with respect to the end of the previous year is the result of provisioning (+€55,437 thousand) net of releases for excess funds (-€7,085 thousand) and uses (-€29,289 thousand). The item "Other changes" includes the decrease due to the deconsolidation of Acquedotto del Fiora (€4,116 thousand).
In relation to provisions, note the following allocations:

- to the legal provision for €6,143 thousand in relation to the provision for TWS regarding the claim for damages by Irisacqua following the termination for breach of contract of the tender awarded to RTI, of which TWS was a part;
- for regulatory risks in relation to **i)** Acea Energia (€5,000 thousand) for the estimated penalty following the outcome of the proceedings by the Italian Data Protection Authority; **ii)** areti (€3,081 thousand) for regulatory charges linked to service continuity; **iii)** Acea Produzione (€8,375 thousand) mainly to the extra BIM (Bacino Imbrifero Montani) fees for the Nera river and the riparian municipalities of Salisano and the economic valorisation of free energy to be provided to the Abruzzo Region as envisaged by Regional Law 9/2022;
- to other risks and charges in relation to Acea Energia (€5,545 thousand) for the estimated supplemental bonuses and possible disputes with Agents and areti (€3,076 thousand) mainly for processing and stamp fees for public lighting licences, penalties relative to Resolution 604/2021 and Public Lighting penalties;
- to the provision for early retirements and redundancies for €4,114 thousand;
- to the provision for expenses payable to others, mainly for the estimated one-off benefit to be paid to retired staff as definitive write-off of the tariff subsidy for retired staff (€6,006 thousand) and Acea Liquidation and Litigation (€1,400 thousand) for provisioning related to the photovoltaic system at Villa Latina in relation to the problems linked to authorisation changes, with a consequent order for demolition contested in administrative proceedings.

Acea considers that the settlement of ongoing disputes and other potential disputes should not create any additional charges for Group companies, with respect to the amounts set aside, which represent the best estimate possible on the basis of elements available as of today.

For further information please refer to the section "Update on major disputes and litigation".

35. (NON-CURRENT) BORROWINGS AND FINANCIAL LIABILITIES – €4,895,268 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Bonds	3,483,983	3,939,174	(455,192)	(11.6%)
Medium/long-term borrowings	1,332,800	752,698	580,102	77.1%
IFRS 16 financial payables	78,485	78,564	(79)	(0.1%)
Borrowings and financial liabilities	**4,895,268**	**4,770,436**	**124,832**	**2.6%**

The figures in the table include the fair value, at 31 December 2024, of hedging instruments entered into and certain Group companies which are shown separately from the hedged instrument in the table below.

€ thousand	Hedged instrument	Derivative fair value	31/12/2024	Hedged instrument	Derivative fair value	31/12/2023
Bonds	3,444,932	39,050	3,483,983	3,906,265	32,909	3,939,174
Medium/long-term borrowings	1,332,800	0	1,332,800	752,698	0	752,698
Non-current borrowings and financial liabilities	**4,777,732**	**39,050**	**4,816,783**	**4,658,963**	**32,909**	**4,691,872**

Medium and long-term bonds

Bonds amounted to €3,483,983 thousand at 31 December 2024 (€3,939,174 thousand at 31 December 2023) and refer to the following:

- **€499,110 thousand** (including the long-term portion of the costs associated with the stipulation) relating to the bond loan issued by Acea on 24 October 2016, maturing on 24 October 2026, with a fixed rate of 1% under the EMTN programme. Interest accrued during the period amounted to €5,003 thousand;
- **€697,420 thousand** (including the long-term portion of the costs associated with the stipulation) relating to the bond loan issued by Acea on 8 February 2018, maturing on 8 June 2027, with a fixed rate of 1.5% under the EMTN programme. Interest accrued during the period amounted to €10,516 thousand;
- **€497,722 thousand** (including the long-term portion of the costs associated with the stipulation) relating to the bond loan issued by Acea on 23 May 2019, maturing on 23 May 2028, with a fixed rate of 1.75% under the EMTN programme. Interest accrued during the period amounted to €8,765 thousand;
- **€497,865 thousand** (including the long-term portion of costs associated with the conclusion) relating to the bond loan issued by Acea on 6 February 2020, maturing on 6 April 2029, with a rate of 0.50% under the EMTN programme. Interest accrued during the period amounted to €2,505 thousand;
- **€593,948 thousand** (including the long-term portion of costs associated with the conclusion) related to the Green Bond issued on 28 January 2021, maturing on 28 July 2030, with a rate of 0.25%. Interest accrued during the period amounted to €1,502 thousand;
- **€697,917 thousand** (including the long-term portion of costs associated with the conclusion) related to the Green Bond issued on 24 January 2023, maturing on 24 January 2031, with a rate of 3.875%. Interest accrued during the period amounted to €27,130 thousand.

The decrease compared to 31 December 2023 is attributable to the reclassification into the short-term position of the two bond loans maturing in 2025. The amount of €161,341 thousand (including the long-term portion of the costs associated with the conclusion and associated negative fair value of the hedge equal to €39,050 thousand) relates to the Private Placement (AFLAC) maturing in March 2025. This fair value is allocated to a specific equity reserve. A suitable exchange reserve includes the exchange rate difference, a negative €32,139 thousand, of the hedged instrument calculated on 31 December 2024. The exchange rate at the end of 2024 stood at €162.78 against €155.72 as at 31 December 2023. Interest accrued during the period amounted to €3,040 thousand;
The second bond loan maturing in September 2025 is the Green Bond issued on 28 January 2021 equal to €299,902 thousand (including the long-term portion of costs associated with its conclusion).
The following is a summary of the bonds, including the short-term portion:

€ thousand	Gross payables *	FV hedging instrument	Interest accrued **	Total
Bonds:				
Private Placement issued in 2014	122,862	39,050	655	162,567
Issued in 2016	498,028	0	945	498,973
Issued in 2018	695,655	0	5,955	701,610
Issued in 2019	496,811	0	5,346	502,157
Issued in 2020	497,232	0	1,849	499,081
Issued in 2021	892,546	0	645	893,191
Issued in 2023	697,561	0	25,420	722,982
Total	**3,900,695**	**39,050**	**40,816**	**3,980,561**

* Including amortised cost.
** Including deferrals on hedging instruments.

Medium/long–term borrowings (including short-term portions)
These come to a total of €1,439,163 thousand (€858,147 thousand at 31 December 2023) and consist of: **i)** the payable for the capital portions of instalments coming due within the year for €106,363 thousand (€105,450 thousand at 31 December 2023), **ii)** the portions relative to the same loans expiring after the year for €1,332,800 thousand (at 31 December 2023 these were €752,698 thousand).
The increase in the medium/long-term portion for a total of €580,102 thousand is due to Corporate for €723,258 thousand and partially offset by areti (-€28,909 thousand), GORI (-€10,675 thousand) and Servizi Idrici Integrati (-€4,202 thousand). The changes to Corporate are partly due to the disbursements of the €435,000 thousand loan granted by the European Investment Bank (EIB), which will help to improve the coverage and quality of the integrated water service in the area operated by Acea Ato2, and partly to the disbursements of the €200,000 thousand loan granted by the EIB, guaranteed in the amount of 70% by SACE, and the €120,000 thousand loan with Cassa Depositi e Prestiti (CDP), which are intended to modernise and expand the electricity network in the Municipalities of Rome and Formello in the period between 2024 and 2027.

The following table shows medium/long–term borrowings by maturity and type of interest rate:

€ thousand	31/12/2024	By 31/12/2025	From 31/12/2025 to 31/12/2029	After 31/12/2029
fixed rate				
– fixed rate	430,232	36,380	125,918	267,934
– floating rate	938,174	56,334	261,964	619,876
– floating rate cash flow hedge	70,757	13,649	57,108	0
Total	**1,439,163**	**106,363**	**444,990**	**887,810**

The **fair value** of GORI's hedging derivatives was a positive €2,824 thousand (as at 31 December 2023, it was a positive €4,193 thousand). Adistribuzionegas was a positive €239 thousand and that of SII was a positive €595 thousand (as at 31 December 2023 it was a positive €1,010 thousand). Positive fair values are found under "Non-current financial assets" and hence at 31 December 2024 are not considered in the balance of correlated loans.

The Group's main medium/long–term borrowings are subject to covenants to be complied with by the borrowing companies in accordance with normal international practices. In particular, the loan taken out by areti is subject to a financial covenant. On this point we can note that while awaiting the formalisation of the correct and updated interpretation of the method of calculating the financial parameter, Acea and Cassa Depositi e Prestiti agreed, in a Letter of Consent signed on 18 February 2022, to change, limited to the Company and not to the Consolidation, the threshold value of the same going from 0.65 to 0.75, with effect starting from the financial statements at 31 December 2021 and until expiry of the loan contract.

The loan agreements entered into by the Parent Company envisage:
- standard Negative Pledge and Acceleration Events clauses;
- clauses requiring compulsory credit rating monitoring by at least two major agencies;
- clauses requiring the company to maintain a credit rating above certain levels;
- the obligation to arrange insurance cover and maintain ownership, possession and usage of the works, plant and machinery financed by the loan through to the maturity date;
- periodic reporting requirements;
- clauses giving lenders the right to call in the loans on the occurrence of a certain event (i.e. serious errors in the documentation provided when negotiating the agreement, default on repayments, the suspension of payments, etc.), giving the bank the right to call in all or a part of the loan.

During the year there was no evidence that any of the covenants had not been complied with.

The table below shows the fair value of borrowings broken down by type of loan and interest rate as at 31 December 2024. The fair value of medium and long-term debt is calculated on the basis of the risk-free and the risk-adjusted interest rate curves. As regards the type of hedge for which the fair value is calculated and with reference to the hierarchies required by the IASB, given that they are composite instruments, they are categorised as level 2 in the fair value hierarchy.

€ thousand	Amortised cost (A)	Risk-less FV (B)	Delta (A – B)	Risk-adjusted FV (C)	Delta (A – C)
Bonds	3,980,561	3,931,837	48,724	3,838,531	142,030
Fixed-rate loans	430,232	444,743	(14,511)	420,138	10,094
Floating-rate loans	938,174	1,007,007	(68,833)	948,425	(10,252)
Floating-rate loans in cash flow hedges	70,757	71,567	(810)	70,289	469
Total	**5,419,724**	**5,455,153**	**(35,430)**	**5,277,382**	**142,341**

IFRS 16 financial payables

This item includes the long-term portion of the financial payable deriving from the impact of IFRS 16 which at 31 December 2024 amounted to €78,485 thousand, of which the short-term portion amounts to €16,298 thousand. The cash flows the Group is potentially exposed to are shown below, broken down by maturity date:

€ thousand	Within 12 months	Within 24 months	Within 5 years	After 5 years	Total
IFRS 16 financial payables	16,298	13,115	25,636	39,733	**94,783**

It should be noted that the debt is discounted using a risk-free rate with a maturity equal to the residual duration for each contract, plus the credit spread assigned to Acea by Moody's.

36. OTHER NON-CURRENT LIABILITIES – €774,937 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Advances and other Payables	158,157	157,696	460	0.3%
Water and electrical connection fees	40,071	48,322	(8,252)	(17.1%)
Capital grants	428,156	260,834	167,323	64.1%
Accrued expenses and deferred income	148,553	44,019	104,534	n.s.
Other non-current liabilities	**774,937**	**510,871**	**264,066**	**51.7%**

Advances and other payables

The item advances includes advances from end users and customers, in particular: **i)** the amount of the security deposits and consumption advances of the water companies and **ii)** the amount of the deposits concerning the liabilities for advances on electricity consumption paid by the customers of the standard market and interest-bearing under the conditions envisaged by the rules of the ARERA (resolution no. 204/99).

€ thousand	31/12/2024	31/12/2023	Change	% Change
Advances from users	2,960	8,484	(5,524)	(65.1%)
User guarantee deposits	123,391	135,073	(11,682)	(8.6%)
Advances from other customers and non-current payables	31,806	14,139	17,667	125.0%
Advances and other Payables	**158,157**	**157,696**	**460**	**0.3%**

Capital grants and water connection fees

Water connection contributions amounted to €40,071 thousand (€48,322 thousand at 31 December 2023), while plant contributions amounted to €428,156 thousand (€260,834 thousand at 31 December 2023).

These payments on behalf of plants registered in the liabilities annually are attributed by share to the profit and loss account in relation to the duration of the investment to which the issuance of the contribution is connected. The amount recognised as income is determined on the basis of the useful life of the asset to which it refers. The change with respect to the previous year (equal to €167,323) derives from the effect of the collection of grants received for NRRP projects related to GORI, Acea Ato2, and ɑreti.

Accrued expenses and deferred income

As at 31 December 2024 the item showed a balance of €148,553 thousand, an increase of €104,534 thousand compared to 31 December 2023. This increase is attributable for €83,006 thousand to the 10% advance on the public financing envisaged in the National Recovery and Resilience Plan (NRRP), deriving from Ministerial Decree 517 of 16 December 2021, issued by the Ministry of Infrastructure and Sustainable Mobility, which calls for projects on potable water and/or irrigation supply systems to optimise and complete water infrastructure for the derivation, storage and discharge of the resource, with the aim of improving climate change resilience, improving the security of existing infrastructure and reducing water waste. The remaining change is due to the reclassification to long term of the portion of the advance payment on the public financing of the National Recovery and Resilience Plan collected at 31 December 2023 (+€20,000 thousand) of Acea Ato2.

CURRENT LIABILITIES – €3,356,829 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Borrowings	758,611	922,950	(164,340)	(17.8%)
Payables to suppliers	1,872,451	1,750,473	121,978	7.0%
Tax payables	40,821	13,032	27,789	n.s.
Other current liabilities	684,946	661,857	23,089	3.5%
Current liabilities	**3,356,829**	**3,348,313**	**8,517**	**0.3%**

37. FINANCIAL PAYABLES -€758,611 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Payables to banks for short-term credit lines	20,193	10,112	10,081	99.7%
Payables to banks for loans	106,363	105,450	913	0.9%
Short-term bonds	496,578	641,387	(144,809)	(22.6%)
Payables to the controlling shareholder Municipality of Rome	100,585	111,306	(10,722)	(9.6%)
Payables to associates	12	12	0	n.s.
Payables to third parties	18,581	39,425	(20,844)	(52.9%)
IFRS 16 financial payables within one year	16,298	15,258	1,041	6.8%
Borrowings	**758,611**	**922,950**	**(164,340)**	**(17.8%)**

Payables to banks for short-term credit lines

These amounted to €20,193 thousand (€10,112 thousand at 31 December 2023), showing an increase of €10,081 thousand, mainly attributable to Umbria Energy for €4,414 thousand.

Payables to banks for loans

These amounted to €106,363 thousand (€105,450 thousand at 31 December 2023), and refer to the current portion of bank loans falling due within twelve months.

Short-term bonds

These amounted to €496,578 thousand (€641,387 thousand at 31 December 2023). The short-term portion of the bonds decreased by €144,809 thousand due to the repayment of the bond loan maturing in July 2024 (-€606,829 thousand) offset by the reclassification into the short-term position of the 10-year Bond issued by Acea on the Euro Medium Term Notes (EMTN) programme in July 2014 (+€161,956 thousand) and the Green Bond issued on 28 January 2021 maturing in September 2025 (+€300,034 thousand).

Payables to the Parent Company Roma Capitale

These amounted to €100,585 thousand (€111,306 thousand at 31 December 2023) and recorded a decrease of €10,722, resulting from the combined effect of the resolution of the Parent Company's dividends, offset by the payment/collection of dividends throughout the year.

Payables to associates

These amount to €12 thousand and show no changes compared to 31 December 2023.

Payables to third parties

These amounted to €18,581 thousand (€39,425 thousand at 31 December 2023). The item can be represented as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Dividends payable to shareholders	640	524	116	22.2%
Financial payables due to factors	13,839	32,724	(18,885)	(57.7%)
Other financial payables	4,102	6,177	(2,075)	(33.6%)
Payables to third parties	**18,581**	**39,425**	**(20,844)**	**(52.9%)**

The most significant change refers to the decrease in financial payables due to factoring, attributable to less frequent recourse to factoring arrangements determined by an improvement in company liquidity.

IFRS 16 financial payables within one year

These payables, totalling €16,298 thousand (€15,258 thousand at 31 December 2023), represent the short-term portion of the financial debt at 31 December 2024 recorded following the application of the IFRS 16 international standard. For additional information refer to note 35.

38. TRADE PAYABLES – €1,872,451 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Trade payables	1,855,540	1,741,770	113,770	6.5%
Payables to the parent company	14,023	4,892	9,131	186.6%
Payables to jointly controlled subsidiaries and associates	2,889	3,811	(923)	(24.2%)
Payables to suppliers	**1,872,451**	**1,750,473**	**121,978**	**7.0%**

Payables to suppliers

Payables to suppliers amounted to €1,872,451 thousand. The increase of €121,978 thousand is influenced by the dynamics of the context in which the companies operate, influenced by market trends and strategies taken to optimise working capital.

It should be noted that, as part of contracting goods and services by the Group's procurement, the supplier awarded the contract may, at its discretion, grant an extra-extension with respect to the standard timeframe, remunerated by an indemnity, in exchange for the possibility of assigning all the invoices pertaining to the contract itself (without the possibility of distinction) by identifying a credit institution of its liking. The charges relating to the assignment transaction are borne by the supplier and the Group has no relationship with the credit institution other than, having acknowledged the assignment of the credit, paying the debt to the same in the manner defined. The supplier's adherence to this agreement allows the supplier to obtain an advance on the collection of its receivable and indirectly allows the Group to pay the invoice to the supplier or to the assignee credit institution, if any, with a term of up to 180 days from the date of issue of the same (compared to an average payment term of 60 days in the case of works in the public sector; up to 120 days in the case of services in the private sector).

On the other hand, with regard to market-regulated electricity supplies under EFET agreements, the supplier may grant a deferment on an annual basis up to a maximum of 125 days from the date of issue (compared to an average payment period of 30 days), subject to the above in terms of the right of assignment and the related process.

As at 31 December 2024, the Group's trade payables included payables related to the above-mentioned cases for an amount of €277,233 thousand (about 15% of the total), mainly attributable to Acea Energia (€161,619 thousand) and Acea Ato2 (€76,274 thousand).

If the payment has been deferred, a qualitative and quantitative analysis is performed aimed at verifying whether the change of contractual terms is material pursuant to IFRS 9. In this context, the relationships for which the primary obligation with the supplier is maintained and the deferral of the payment deadline, if granted, does not involve a substantial change in payment terms, retain their nature and are therefore classified as trade payables.

Trade payables due to the Parent Company Roma Capitale

These amounted to €14,023 thousand (€4,892 thousand at 31 December 2023) and are commented on with the trade receivables in note 26 of this document.

Trade payables due to subsidiaries and associates

Trade payables to subsidiaries and associates amounted to €2,889 thousand (€3,811 thousand at 31 December 2023) and include payables to companies consolidated using the equity method.

39. TAX PAYABLES – €40,821 THOUSAND

These amounted to €40,821 thousand (€13,032 thousand at 31 December 2023) and include the IRAP and IRES tax payable.

40. OTHER CURRENT LIABILITIES – €684,946 THOUSAND

€ thousand	31/12/2024	31/12/2023	Change	% Change
Payables to social security institutions	32,244	31,650	594	1.9%
Current accrued expenses and deferred income	91,341	94,625	(3,284)	(3.5%)
Other current liabilities	551,069	534,221	16,848	3.2%
Payables from commodity derivatives	10,292	1,361	8,931	n.s.
Other current liabilities	**684,946**	**661,857**	**23,089**	**3.5%**

Payables to social security institutions

These amounted to €32,244 thousand and show an increase of €594 thousand compared to 31 December 2023.

Accrued expenses and deferred income

This item amounted to €91,341 thousand (€94,625 thousand at 31 December 2023) and the changes are largely attributable to the reclassification of the portion of the advance payment on the public financing of the National Recovery and Resilience Plan collected at 31 December 2023 (-€20,000 thousand) in the long-term accrued expenses, partly offset by higher accruals of Acea Innovation (+€7,687 thousand) linked to the tax credits for the energy efficiency superbonus and Servizi Idrici Integrati (+€6,795 thousand) due to higher contributions collected during the year.

Other current liabilities

These amounted to €551,069 thousand, an increase of €16,848 thousand compared to 31 December 2023 and can be broken down as follows:

€ thousand	31/12/2024	31/12/2023	Change	% Change
Payables to Equalisation Fund	175,955	134,655	41,300	30.7%
Payables to Municipalities for concession fees	52,289	64,409	(12,120)	(18.8%)
Payables for collections subject to verification	27,198	24,060	3,138	13.0%
Payables due to personnel	62,489	60,880	1,609	2.6%
Other payables to Municipalities	20,684	21,190	(507)	(2.4%)
Other tax payables	74,524	73,447	1,076	1.5%
Other payables	137,930	155,578	(17,647)	(11.3%)
Other current liabilities	**551,069**	**534,221**	**16,848**	**3.2%**

The increase mainly derives from the increase in payables to the Equalisation Fund amounting to a total of €41,300 thousand due to areti for €33,111 thousand as a result of covering imbalances in the equalisation system of acquisition and dispatching costs for electricity destined for the Greater Protection Service. This change was offset by the decrease in other payables amounting to a total of (€17,647), mainly attributable to Acea Ambiente for **i)** the payment of the payable recognised pursuant to the addendum to the Purchase and Sale Agreement of Shareholdings stipulated between Acea Ambiente Srl and REM SpA on 17 September 2021, which envisaged that Acea Ambiente Srl, if awarded all activities related to the former Cirsu Technology Hub and the Grasciano landfills, would pay REM a consideration to offset the waivers and non-compete obligations set out by the Agreement (€7,270 thousand); **ii)** the payment for the integration of the price of the equity investment in Deco SpA (€1,761 thousand); **iii)** the payment of the earn-out clause in relation to the equity investment in Meg for the occurrence of the associated event.

41. LIABILITIES CLOSELY ASSOCIATED WITH ASSETS HELD FOR SALE -€11,761 THOUSAND

At 31 December 2024, "Liabilities closely associated with assets held for sale" amounted to €11,761 thousand and refer to the reclassification of liabilities closely associated with assets held for sale in terms of IFRS 5 in relation to the sale of the HV network to Terna; reference should be made to the specific paragraph for more information.

Commitments and contingencies

ENDORSEMENTS, SURETIES AND GUARANTEES

At 31 December 2024 they totalled €1,123,246 thousand (€1,053,829 thousand at 31 December 2023).
The balance is composed of the following main transactions:

- €90,843 thousand for guarantees in the interest of Acea Energia relative to the electricity and gas dispatching and transport service;
- €20,000 thousand for the Sole Purchaser and in the interests of Acea Energia as a back-to-back guarantee relating to the electricity sale agreement signed between the parties;
- €53,666 thousand in the form of a guarantee issued by Acea to Cassa Depositi e Prestiti (the Deposit and Loans Account) in relation to refinancing of the loan issued to areti. This is a sole guarantee giving the lender first claim and covering all obligations linked to the original loan (€493 million). The sum of €53,666 thousand refers to the guaranteed portion exceeding the loan originally disbursed (€439 million);
- €13,716 thousand issued by insurance companies on behalf of Acea Ambiente in relation to waste collection plants and waste recovery plants with electricity production;
- €23,856 thousand issued by insurance institutions in favour of the Umbria Region for management of the operating and post-operating activities for the Orvieto landfill, in the interest of Orvieto Ambiente;
- €8,336 thousand released by banks on the account of Orvieto Ambiente in favour of the Umbria Region for management of the Orvieto landfill;
- the guarantee of €263,500 thousand for various traders in the interest of Acea Energia as a back-to-back guarantee on electricity and gas trading transactions;
- €21,506 thousand for the guarantees issued for areti in favour of Terna relative to the electricity transmission service contract;
- €17,427 thousand for two bank guarantees issued in the interest of areti, in favour of the Ministry of Environment and Energy Security to cover the contribution granted to the Company as an advance of 10% of the amount for projects to be carried out under the NRRP;
- €43,008 thousand in bank and insurance sureties issued in the interest of GORI, in favour of the Campania Region and the Campania Water Authority relative to financed works as required by the Agreements signed;
- €2,701 thousand for the bank guarantee issued in favour of Roma Capitale in relation to the "Progetto Tecnologico" contract for the construction of the new multiservice pipe network of Via Tiburtina and adjacent streets, in the interest of areti;
- €4,000 thousand relating to the bank guarantee issued for Roma Natura in connection with works to upgrade the network in the Marcigliana Reserve;
- €7,568 thousand relative to Acea Ato5 and in particular the obligatory surety required under article 31 of the Technical Specifications, issued by UNICREDIT to OTAA, calculated on 10% of the three-year average of the Financial-Tariff Plan of the OTAA Area Plan, which during 2023 was extended until 28 February 2026 with the amount adjusted through a new issue for the difference;
- €38,500 thousand for the issuing of a back to back guarantee in favour of a pool of banks providing financing to Acquedotto del Fiora (which will automatically cease due to the deconsolidation of Acquedotto del Fiora);
- €2,565 thousand for a surety to the Area Authority to guarantee the obligations deriving from the management of the Integrated Water Service of the subsidiary GORI SpA;
- €67,526 thousand for bank sureties issued in favour of INPS as part of the Isopensione programme;
- €19,153 thousand for five bank sureties issued in favour of SEDAPAL for the maintenance of the water and sewerage network in the North zone, and for the maintenance and management of wastewater treatment plants in Lima North-East zone;
- €27,239 thousand for various guarantees associated with the authorisation request to build and manage photovoltaic parks;
- €6,496 thousand issued by insurance companies on behalf of DECO relating to the landfill and waste treatment plant;
- €97,591 thousand issued in the interest of Acea Ambiente in favour of Roma Capitale for the presentation of project financing proposals for assignment of the systems hub concession relative to the design, authorisation, construction and management of a waste to energy plant and correlated ancillary systems;
- €13,781 thousand for bank sureties issued in favour of Acea Molise for participation in the tenders to award the management of the integrated water service in the following optimal areas: i) in the Syracuse area, an interim surety of €6,321 thousand; ii) in the Imperia area, three interim sureties for a total amount of €4,359 thousand and two definitive sureties for a total amount of €3,101 thousand, issued following the awarding of the contract in November 2024. It should be noted that the provisional guarantees were released in January 2025;
- €15,072 for the provisional guarantee issued on behalf of Acea Ambiente in favour of the Campania Region for participation in the open procedure to award the waste-to-energy plant management service for non-hazardous waste located in the municipality of Acerra;
- €4,637 for the provisional guarantees issued on behalf of Acea Produzione in favour of the Lombardy Region for participation in the tenders called to award the concession of two hydroelectric power stations ("Codera Ratti Dongo" and "Resio");
- €3,249 thousand for two bank guarantees issued in the interest of Acea Ambiente for participation in two tenders to assign the transport, discharge and treatment/recovery service of solid waste produced by AMA treatment plants in the Roma Capitale territory and of organic waste produced in the Maccarese composting plant;
- €140,000 thousand for an insurance surety in the interest of Acea in favour of the EIB as guarantee of the loan disbursed;
- €2,489 thousand related to a bank guarantee issued in the interest of Aguas de San Pedro for fulfilment of the concession contract for drinking water and sewerage services for the municipality of San Pedro Sula;
- €3,850 thousand related to a bank guarantee issued on behalf of Consorcio Agua Azul in favour of the competent Peruvian

ministry (*Ministerio de Vivienda, Construcción y Saneamiento*, Ministry of Housing, Construction and Sanitation) for execution of the concession contract for the drinking water catchment, purification and wholesale system by the Peruvian state water company in the city of Lima, Sedapal.

Business Combinations

BUSINESS COMBINATION – PROVISIONAL ACCOUNTING (*IFRS 3 – PAR.45*)

ACQUISITION OF RIVIERACQUA SPA

On 30 December 2024, through Acea Molise (100% Acea Acqua), the Group completed the entry into the share capital of the public/private company Rivieracqua was completed, with a 48% stake. The company holds the Integrated Water Service (IWS) concession in the West ATO Territorial Area, Imperia Province expiring in 2042. The transaction is currently being analysed in order to assess the current value of assets and liabilities and to conclusively define the accounting of the transaction.

Application of the IFRS 5 standard

The contribution of the transactions posted to the Acea Group's balance sheet in accordance with IFRS 5 at 31 December 2024 is presented below (values in €/million):

ASSETS	HV network "Terna"	3rd closing "Equitix"	Plants Nepi, Licodia, Bomarzo	Effect of application of IFRS5
Non-current assets	141.3	7.9	32.1	181.3
Current assets	0.0	0.0	0.0	0.0
Non-current assets destined for sale	**141.3**	**7.9**	**32.1**	**181.3**

LIABILITIES	HV network "Terna"	3rd closing "Equitix"	Plants Nepi, Licodia, Bomarzo	Effect of application of IFRS5
Non-current liabilities	(11.8)	0.0	0.0	(11.8)
Current liabilities	0.0	0.0	0.0	0.0
Liabilities closely associated with assets held for sale	**(11.8)**	**0.0**	**0.0**	**(11.8)**

These assets and liabilities are represented in the Consolidated Financial Statements in line with previous financial years and in accordance with international standards, namely:

- the measurement of such assets was made at the lower between historical cost, decreased by the related accumulated depreciation or amortisation, and the estimated realisable value;
- the assets and liabilities closely associated with the group held for sale were measured and presented in the balance sheet in two specific items of the financial situation ("assets held for sale" and "liabilities closely associated with assets held for sale"). Neither IFRS 5 nor IAS 1 provide indications on the methods of presenting transactions between Continuing and Discontinued Operations. The method chosen led to presenting the reclassification of the asset and liability financial balances with the values net of the elimination of intercompany transactions;
- the economic items were presented in continuity with the previous year; from the date on which the changed destination of the assets has been resolved, depreciation and amortisation are no longer calculated.

A disclosure of the individual transactions in place as at 31 December 2024 is given below.

"HV NETWORK" SALE TO TERNA

In order to streamline the ownership of the high voltage (HV) network elements and achieve improved operating efficiency, the Regulatory Authority for Energy, Networks and the Environment ("ARERA") launched a procedure to form a series of measures on infrastructure regulation of electricity distribution and metering services for the 2024-2027 period. This includes Resolution 616/2023 of 27 December 2023, through which ARERA introduced a one-off incentive in favour of transferor distributors that envisaged a decreasing rate (of 4% for acquisitions by 2025 and 3% for the years 2026/2027) to be applied to the value of the assets sold to Terna.

In the context of this regulatory framework, Terna expressed its desire to acquire from areti an equity investment representing 100% of the share capital of a newco, to which areti would assign and transfer all assets and relationships pertaining to the HV electric grid transmission and management activities in the municipality of Rome and Formello. In particular, the transferred assets comprise 73 HV power lines for approximately 481 km of network (overhead lines and cables), a network of extensive fibre optic on the high-voltage lines included in the agreement and HV elements of 3 primary stations. The parties also acknowledge that, as part of the aforesaid transaction, the following would also be included: i) 23 employees indicated in Annex 1 to the Term Sheet signed for acceptance by the parties on 6 November 2024; ii) the activities related to the O&M contract, iii) the activities related to the EPC contract, on the assumption that the related costs would be remunerated in full in the tariff by ARERA to Terna. The consideration envisaged for this transaction amounts to a total of €247 million, of which €224 million paid by Terna and €23 million deriving from the bonus granted by ARERA, equal to 4% of the revalued historical cost. On the other hand, the total value of the assets for regulatory purposes (Regulated Asset Base, RAB) subject to sale is estimated at approximately €203 million at the end of 2024.
It should be noted that the conclusion of this transaction – concerning regulated assets – was primarily subject to the approval of ARERA (while the subsequent adoption of the MASE decree related to the inclusion within the NTG of the assets subject to sale could be viewed merely as a formal step, forming part of a procedure that is very much under way). The ARERA approval was received on 27 December 2024, through the publication of opinion no. 589/2024/I/eel; therefore, by applying IFRS 5, the Group reclassified the assets falling under the agreement signed with Terna among the "non-current assets held for sale" for an amount of €141 million, and the non-current liabilities also related to the agreement among the "liabilities closely associated with assets held for sale" for the amount of €12 million.

"EQUITIX" AGREEMENT 3RD CLOSING AND PIPELINE

An agreement was signed on 23 December 2021 with the British investment fund Equitix for the sale of photovoltaic plants held by the Acea Group for a total of approximately 105 MW. The agreement was then finalised on 22 March 2022 with the transfer of Acea Sun Capital to the Newco AE Sun Capital, held for 40% by Acea Produzione and for 60% by Equitix; the transfer resulted in the handover of the plants already connected to the network, whereas in terms of the agreements, the transfer of the plants undergoing completion or connection is subject to obtaining the connection certificate.

The plants of the 2nd closing (17 plants) were partly connected and transferred during 2024 through the sale of two vehicles, namely Acea Renewable (Valle Galeria plant) and Fergas Solar 2 (11 total plants), whereas due to agreements reached between the parties two 2MW plants (Montefiascone2 and Gradoli) were not built due to authorisation limitations occurring after the 1st closing and were therefore excluded from the transaction. The remaining three plants, for a total of 12MW (Pucinisco and Canino already connected and Latera awaiting connection as at 31 December 2024), will be sold during 2025 and are currently recognised in the fixed assets journal of Acea Solar. These assets are represented in these Consolidated Financial Statements in accordance with the provisions of IFRS 5 and in line with the 2023 Consolidated Financial Statements.

The aforementioned investment agreement between the Acea Group and the Equitix Fund also provides for terms and conditions related to the possible proposal to sell certain projects under development for an expected capacity of 451 MW (identified in the Agreement as "Pipeline"). In particular, these projects, once completed and connected, will be proposed under pre-emption to the Equitix Fund according to the methods outlined in the investment agreement and subsequent integrations. On the basis of these provisions and the renegotiation pertaining to the aforesaid 2nd closing, during 2024 the parties reached an advanced stage of negotiations around the sale of three plants in the "Pipeline" (Licodia Eubea 28.1 MW, Nepi 9.9 MW and Bomarzo 2.4 MW) and the sale of a 30% stake in Acea Sun Capital. In line with the provisions of IFRS 5, the three plants were therefore classified as non-current assets held for sale and readjusted to the sale value (fair value) on the basis of the models for determining the price shared by the parties, recording a loss of approximately €3.7 million deriving from the transaction, recognised among the income/(loss) on equity investments.

Service Concession Arrangements

The Acea Group operates water, environmental and public lighting services under concession. It also manages the selection, treatment and disposal of urban waste produced in Municipalities in Optimal Territorial Area 4 Ternano–Orvietano through Acea Ambiente.

As for the water segment, the Acea Group provides the Integrated Water Service (IWS) under a concession arrangement in the following regions:

- Lazio, where Acea Ato2 SpA and Acea Ato5 SpA provide services in the provinces of Rome and Frosinone, respectively;
- Campania, where GORI SpA provides services in the area of the Sorrento Peninsula and Capri island, the Vesuvio area, the Monti Lattari Area, as well as in the hydrographic basin of the Sarno river;
- Tuscany, where the Acea Group operates in the province of Pisa, through Acque SpA, in the province of Florence, through Publiacqua SpA, in the provinces of Siena and Grosseto, through Acquedotto del Fiora SpA in the province of Arezzo through Nuove Acque SpA and in the province of Lucca and periphery through GEAL SpA;
- Umbria, where the Group operates in the province of Perugia through Umbra Acque SpA, and in Terni through ASM Terni and SII ScpA.

The Group is also in charge of several former CIPE services in the province of Benevento with Gesesa SpA and in the municipality of Termoli with Acea Molise SpA.
Finally, it is to be noted that since 2019, the Acea Group also distributes gas in Abruzzo, in the provinces of Pescara, Aquila and Chieti, in Campania in the province of Salerno and in Molise in the provinces of Campobasso and Isernia.
For additional information on the legislative and regulatory framework, please refer to the Report on Operations.

PUBLIC LIGHTING – ROME

The service is carried out by the Parent Company based on a deed of concession issued by Roma Capitale for a period of thirty years (from 1 January 1998). No fee was paid for this concession, which is implemented through a special service agreement, which given its ancillary nature, expires on the same date of the concession (2027).
The service agreement envisages, among other clauses, an annual update of the fee concerning consumption of electricity and maintenance and the annual increase of the lump-sum fee in relation to the new lighting installed.
Furthermore, the investments required for the service may be (i) applied for and funded by the Municipality or (ii) financed by Acea. In the former case, such works will be paid based on a price list agreed by the parties (and subject to review every two years) and will result in a percentage decrease in the ordinary fee. In the latter case, the Municipality is not bound to pay a surcharge; however, Acea will be awarded all or part of the savings expected in both energy and economic terms according to pre-established methods.
Upon natural or early expiry — also due to cases envisaged under Law Decree no. 138/2011 — Acea will be awarded an allowance corresponding to the residual carrying amount, that will be paid by the Municipality or the incoming operator if this obligation is expressly set out in the call for tenders for the selection of the new operator.
Lastly, the contract sets out a list of events that represent a reason for advance revocation of the concession and/or termination of the contract by the will of the parties. Among these events, reference is made to newly arising needs linked with public interests, according to which Acea has the right to receive an allowance according to the product, that is discounted based on the percentage of the annual contractual amount and the number of years until expiry of the concession.
On the basis of the number of public lighting plants as at 31 December 2009, the supplemental agreement – signed in 2011 – establishes the ordinary annual fee as €39.6 million, including all costs relative to the provision of electricity to supply the plants, ordinary operations and ongoing and extraordinary maintenance.
In June 2016, Acea and Roma Capitale signed a private agreement aimed at regulating commitments and obligations arising from the implementation of the LED Plan and, consequently, amending article 2.1 of the Supplementary Agreement signed in 2011.
More specifically, the agreement provides for the installation of 186,879 fittings (which became 182,556 at the request of Roma Capitale), in the number of 10,000; the price was set at €48.0 million for the entire LED Plan.
As a result of the implementation of the LED Plan, the parties partially amended article 2.1 of the 2011 Supplementary Agreement with reference to the price list and the composition of the service management fee.
As regards the Public Lighting Service, following the opinion given by the AGCM (Antitrust Authority) in Bulletin no. 49 of 14 December 2020, Roma Capitale began checking the conditions of congruity and economic convenience of the performance terms pursuant to the service contract between the Administration and Acea SpA (and through it areti) compared with the terms pursuant to the Consip Luce 3 Convention and, in addition, on the basis of the positions expressed by the AGCM in the said opinion, expressed queries over the legitimacy of the award to Acea SpA. On 8 February 2021, with a note ref. DG 1585/2021, Roma Capitale communicated the results of the said checks, affirming definitively "the congruity and convenience of the economic terms currently in being with respect to the qualitative and economic parameters of the CONSIP – LUCE 3 convention" and confirming "the correctness of the prices applied for the public lighting service", overcoming definitively all reserves on the congruity of the prices charged in the context of the contractual relationship in being between Roma Capitale and Acea SpA. With the same note, which, in any event, does not affect the Administration's intention to issue a new call for tenders in order to re-tender the service, the Administration therefore ordered the resumption of the procedures for the payment of Acea's ascertained receivables in relation to the Service Contract. Following this intention, Roma Capitale, in July 2021, undertook to settle the acknowledged receivables and to adopt resolutions for the acknowledgement of the off-balance-sheet payable in relation to the receivables which cannot be settled immediately.

Although there are still some receivable items in dispute, following the discussions of July 2021 and up to November 2021, a large part of the outstanding amount relating to previous years was paid by Rome Capital and the verification and comparison activities with the Municipality of Rome continued. These comparisons led Roma Capitale to pay Acea further collections relating mainly to current receivables. In 2022, reconciliation activities continued with reference to credit items and, again through offsetting, €56.5 million has been liquidated to date.
Also note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled "Public and artistic-monumental public lighting service on the entire municipal territory – Concessionaire: Acea SpA – Recognition of the perimeter of the payable situation and launch of the consequent procedures" recognised the perimeter of the Administration's payables to Acea and areti in relation to the Public Lighting service as of 31 December 2021. This resolution was published on the institutional website of Roma Capitale on 30 August 2022.
On 27 September 2023, the Acea Board of Directors approved a proposal for a possible settlement agreement with Roma Capitale intended to govern their reciprocal positions and the methods for an early consensual termination of the contractual relationship between the parties relative to the Public Lighting service provided by the Acea Group. Given its status as an essential public service under applicable regulations, the consensual termination will occur on 31.12.2025 or, in any event, on the date the operator that wins the tender called by Roma Capitale effectively takes over the service.
On 12 December 2023, with Resolution of the Municipal Council no. 189, Roma Capitale approved the text of the Settlement Agreement, ordering the dissolution of the relationship and granting the powers to sign it.
To date, the Settlement Agreement has not yet been formalised and, therefore, the current contractual framework will remain valid and effective until such formalisation takes place.
While awaiting the conclusion and definition of all the aspects regarding the service, Acea continued the Public Lighting service proceeding regularly to the invoicing as described at length in the Notes to the Statements in the paragraph on Relations with Roma Capitale.

INTEGRATED WATER SERVICE

LAZIO – ACEA ATO2 SPA (ATO2 – CENTRAL LAZIO – ROME)

The Integrated Water Service in OTA2 Central Lazio — Rome started on 1 January 2003. The services for the municipalities of the ATO were taken on gradually and at 31.12.2024 the municipalities operated, with respect to the total of 113 related to ATO, came to 93 for the complete integrated water service (acqueduct, sewer and purification) and 13 in which Acea Ato2 provides one or two services. The remaining 7 municipalities have the option to not participate in the sole management, based on article 148, paragraph 5 of Legislative Decree 152/2006. At the meeting of 17 May 2024, the Conference of Mayors and Presidents of Optimal Territorial Area 2 — Central Lazio — Rome unanimously approved, with resolution 3-24, the *"Guidelines for the use (irrigation, industrial, domestic, environmental) of refined urban wastewater in Ato2 Central Lazio, Rome"*. These guidelines, prepared in agreement with the operator Acea Ato2 and the Operational Technical Secretariat (OTS) of the EGATO, seek to allow for the implementation of measures aimed at achieving the objectives of resource protection and savings through the use of refined urban wastewater originating from the purification plants of the IWS.

With resolution no. 6-24 of 5 August 2024, the regulatory scheme was adopted related to the update of the tariff for 2024-2029, conceived according to the criteria defined by resolution 639/2023/R/idr for the fourth regulatory period (MTI-4) and by the procedures indicated by determination 1/2024 – DTAC (as explained in more detail in the following paragraphs). The tariff increase for 2024 is therefore 8.10% with respect to the tariff applied at 31 December 2023. In summary, the main elements of the tariff provisions are as follows:

- in line with previous tariff updates, the allocation into Scheme V of the regulatory scheme matrix pursuant to art. 6 of Annex A to resolution 639/2023/R/idr is confirmed;
- the Works Programme for the 2024-2029 period amounts to a total of approximately €3,714 million;
- in terms of per capita commitment, the Works Programme for the 2024-2029 period provides on average for approximately 160 euros/inhabitant/year, including the portion related to contributions from public funds;
- the tariff multiplier theta to be applied to the tariff in force at 31 December 2023 is 1.081 for 2024 and 1.167 for 2025 (with a tariff percentage increase compared to the previous year of 8.10% and 8.00% respectively);
- an allocation to the item "Op-social" as per art. 19 of Resolution 639/2023/R/idr is envisaged in the amount of €2.5 million for each of the two years of the 2024-2025 two-year period, to finance the integrated water bonus, alongside the national water bonus.

ARERA approved the tariff proposal presented by the governing body with resolution 381/2024/R/idr of 24 September 2024.
With resolution no. 5-24 at the same meeting on 5 August, the *"First regulation on the disbursement of economic incentives intended to singularise users"*, valid from 1 October 2024 to 31 December 2025, was also approved. The document governs the technical and contractual methods for providing economic contributions, the costs of which are covered by the OPmis tariff component. The Conference of Mayor on 16 December 2024 approved resolution no. 11-24 which established a 50% reduction on the variable portion of the Municipal User tariff – Fontanelle. In order to bridge the resulting gap for the 2025 revenue and achieve compliance with the principle of isorevenue, the new tariff structure acts on the amounts related to fixed portions only, providing for a 5.1% increase on all fixed portions applied to all user categories.

The same Conference on 16 December also addressed the topic of ancillary activities to the IWS, envisaged by art. 10, paragraphs 1 and 2 of the Management Agreement; with resolution no. 10/24, the Conference established that a series of services would be included among the activities executable by the Operator. The services included are as follows:

- water trap cleaning and maintenance service, and recovery of the waste generated by the activity;
- services for the development of the rainwater collection, tran-

sportation and reuse infrastructure;
- additional ancillary activities to the IWS, such as:
  - maintenance services of networks/plants for non-drinking water use;
  - works on networks/plants for non-drinking water use;
  - services for the consumption efficiency of non-drinking water use.

The main measures issued by ARERA in the reference period of this report are shown below.

Following the adoption of the tariff method for the fourth regulatory period (resolution 639/2024/R/idr), in March, with determination 1/2024 – DTAC, procedures were defined for technical and tariff data collection, providing the EGATO and operators with the related forms (namely the file for technical and tariff data collection – RDT2024 – comprising the works programme, strategic works plan and economic financial plan, and the basic schedules for the accompanying reports respectively for the tariff data and quality objectives and associated planning).
Also in March, with a communication to operators, ARERA published the average cost of electricity supply in the water sector for the year 2023, equal to €0.2436/kWh – on the basis of research carried out in February 2024.
With subsequent resolution 570/2024/R/idr of 12 December 2024, the Authority decided on the amount of the theoretical acquisition mix for the definition of the benchmark cost of electricity for the purposes of the calculation of the adjustments pertaining to electricity for the year 2027; in order to identify this mix, ARERA requested that the governing bodies indicate, for each operator operating throughout the region, the type of contract signed for the electricity supply related to 2024; following the research performed, ARERA established that the mix would be formed of 90% variable prices and 10% fixed.
Note also the opening of procedures for the quantitative assessments, relating to the 2022-2023 two-year period, envisaged by the contractual quality and technical quality incentive mechanisms of the integrated water service (with resolutions 37/2024/R/idr and 39/2024/R/idr respectively, both approved in February 2024). The aforesaid resolutions illustrate, in substantial continuity with the previous two-year period of 2020-2021, the stages into which the procedures will be structured as well as the criteria for assessing operator performance, for the purpose of admission to the incentive mechanism and application of the bonuses and penalties envisaged by current regulations (resolution 655/2015/R/idr for contractual quality and 917/2017/R/idr for technical quality). Completion of the proceedings is pending.
With resolution 26/2024/R/idr, the procedure intended to complete the incentive mechanism began, in order to promote water resilience, envisaged during the update to the technical quality regulation. Specifically, the new M0 – Water resilience indicator, introduced by resolution 637/023/R/idr, aims to mitigate, including through the development of major strategic works, the effects arising from climate change. As part of the procedure specific focus groups were also arranged, as well as a dedicated consultation document (DCO 474/2024/R/idr of 12 December 2024). Following the consultation procedure, the Authority prepared resolution 595/2024/R/idr of 27 December 2024, with which it definitively established the calculation methods for the M0b indicator of water resilience at a higher level and the underlying amounts.
Also of relevance was the consultation, opened in June with DCO 245/2024/R/idr, intended to define a basic schedule for tenders to assign the integrated water service, in line with the provisions of Article 7, paragraph 2 of Legislative Decree 201/22 on restructuring the regulations for local public services of economic relevance. With this measure, the Authority intends for competitive pressure (due to outsourcing or the selection of the private partner) to encourage improvements with reference to the parameters already adopted on a permanent basis in the context of regulation, of tariffs as well as technical and contractual quality. Approval of the final proceedings is pending.
Also in June, with Opinion 244/2024/I/idr, the Authority issued a favourable opinion to the Ministry for Infrastructure and Transport on the draft Prime Ministerial Decree on adopting the National Plan for Infrastructure Interventions and Safety in the Water Sector (PNIISSI), chosen in application of the methods and criteria defined by interministerial decree 350/2022. The PNIISSI was adopted with Prime Ministerial Decree of 17 October 2024 and published in the Official Gazette of 27 December 2024. The list of interventions eligible for financing was also confirmed to include those related to the aqueduct systems managed by Acea Ato2.
With reference to consumer protection, resolution 371/2024/R/com of 24 September 2024 was approved following a consultation in May 2024 (DCO 190/2024/R/com). With this measure, ARERA approved several provisions intended to adapt the services provided by the Office for consumers to the new dynamics of the energy markets, and required to refine and further improve the efficiency of the procedural and operational regulations that govern the aforesaid services. In particular, the prospective interventions involve the methods for contacting the Office, special procedures and the Conciliation Service, the latter also with reference to the widespread self-consumption configurations. The entry into force of the measure is expected on 1 January 2025, with the exception of the regulations on the new procedural terms, which came into force on 1 October 2024.
Regarding the social water bonus, with resolution 430/2024/R/idr of 22 October 2024 ARERA amended the Consolidated Law on the Social Water Bonus (TIBSI). In detail, the measure: simplified the contents of the validation report that the governing bodies must send by 30 April of each year to the CSEA; established that, from 2026, the data and information on the social water bonus and the integrated water bonus and the data and information contained in the register prepared by the Operators of the IWS, must be communicated only to the governing body and no longer to ARERA; abolished the transmission to ARERA of an explanatory note, together with data on the water bonuses, containing the description of the type of subsidy granted on a local basis to users in financially vulnerable conditions.
Note also Memo 465/2024/I/com of 11 November 2024 related to the draft law converting Decree Law no. 153 of 17 October 2024 (the Environment Decree, converted into Law 191/2024 of 13 December 2024). In the document, ARERA focuses in particular on: 1) expansion of the definition of IWS, also including the reuse of wastewater; 2) strengthening of the stability of local assets in the water sector to improve performance. With reference to the former, the Authority agrees with the aim of promoting the reuse of treated wastewater and, at the same time, hopes for the implementation of Regulation (EU) 741/2020 on *"Minimum requirements for water reuse"*. With reference to the latter, namely the strengthening of the stability of local assets in the water sector, the Authority believes intervention in this sense to be a priority, for the purposes of maintaining the implementation of long-term investment programmes.

As of the date of this report, the appeals filed by Acea Ato2 with the Lombardy Regional Administrative Court against Resolution no. 643/2013/R/idr (MTI), Resolution no. 664/2015/R/idr (MTI-2) and Resolution no. 580/2019/R//Idr are still pending.
Relative to Resolution 643/2013, note that on 8 May 2014 the additional reasons for annulment of ARERA decisions 2 and 3 of 2014 were presented.

The ruling of the regional administrative court of Lombardy no. 892 of 20 April 2022 confirmed the guidelines already expressed by the Council of State in the cases on resolution 585/2012/R/idr relating:

- to the so-called "white water" for which the appealed resolution "does not impact in a broad sense on the ongoing management agreements";
- to mixed sewerage, stating that "in these cases, since it is not possible to quantify the volumes of water that flow into the sewerage networks from the various points of input, and therefore to break down the relative costs, it responds to economic rationality fees so that the tariffs also cover the costs deriving from the collection and treatment of white water";
- to the financial expenses on adjustments, for which it is confirmed that since the operator incurs an objective cost deriving from the fact that the level of the tariffs initially set by the area governing body is insufficient to cover the costs of the service, the recognition of this financial cost cannot be renounced. Due to this, the Authority must then provide, during determination of the adjustment, for a correction to cover the financial expense on adjustments. The regional administrative court rejected the reason concerning the provision of a cap on adjustments.

On 11 October 2022, appeals relative to resolution 643/13 were discussed, with the exception of that of Acea Ato2 as the individual to which it had been assigned was not available.
Relative to Acea Ato2, with judgement 736 of 23 February 2023, the Council of State accepted ARERA's appeal with regards to the judgement of the Lombardy Regional Administrative Court Second Section, no. 892/2022, which had partially annulled the acts approving the Water Tariff Method (MTI) for the years 2014 and 2015, agreeing with the regulator with regards to non-payment of financial charges relative to adjustments. The second level judge agreed with ARERA's arguments, as in the similar rulings already issued for the Authority's appeals against, among others, Acquedotto del Fiora, Umbra Acque, GORI and Publiacqua, deeming the regulator's decision to base adjustments on "effective data and certificates relative to sales volumes" reasonable, while "the riskiness of the IWS management activities is already considered in the "beta" tariff value, which was deemed reasonable by a verification body in function of the pursuit of the "full cost recovery" principle. Additionally, the judgement establishes that "recognising financial charges also for adjustments (operating costs) would mean, in terms of profitability, attributing this component substantially the same treatment as investments (capital costs) which pursue a different purpose of improving the quality of the public service". Finally, the Council of State agreed with ARERA on the fact that the adjustments are already adjusted exclusively in relation to inflation, as already occurs in the other regulated sectors.
The Council of State also rejected the appellant's claims relative to the illegitimacy of the cap established for the theta multiplier with reference to the component of adjustments, in that the regulation already calls for the same to be exceed solely under certain conditions and based on a justified request presented by the Governing Body.

With regard to Resolution no. 664/2015, it should be noted that in February 2018 Acea Ato2 extended the appeal originally proposed, submitting additional grounds of appeal against ARERA Resolution no. 918/2017/R/idr (biennial update of the tariff arrangements for the integrated water service) and against Annex A of Resolution no. 664/2015, as amended by the aforementioned Resolution no. 918/2017. As of today we are waiting for the hearing on the merits to be scheduled.
In February 2020, Acea Ato2 also challenged Resolution 580/2019/R/idr which approved the Tariff Method of the integrated water service for the third regulatory period (MTI-3), reiterating many of the reasons for previous appeals in tariff matters and introducing new ones related to specific aspects introduced for the first time with the new tariff methodology. Other subsidiaries and/or investees of the Acea Group that have challenged MTI-3 are Acea Ato5, Acea Molise Srl and Gesesa (which had not previously challenged the resolutions relating to the TTM, MTI and MTI-2. Resolution 235/2020/R/idr for the adoption of urgent measures in the integrated water service, in the light of the COVID-19 emergency was also appealed). Following the referral to the Plenary Conference of the Council of State on the recognition of financial charges on adjustments, the Regional Administrative Court of Lombardy ordered a discussion of the appeal on 29 January 2025, subsequent to the decision of the Plenary Conference.
In February 2022, Acea Ato2 filed an appeal against resolution 639/2021/R/Idr relating to the two-year tariff update for 2022 and 2023. The challenge of the provision, also carried out by the subsidiaries and/or investee companies of the Acea Group such as Acea Ato5, Acea Molise Srl, Publiacqua, Acquedotto del Fiora, GORI, Gesesa, Umbra Acque and SII Terni, confirms many of the reasons already advanced against the previous tariff resolutions, adding new ones linked to the new regulation enunciated by ARERA. In relation to the reasons pertaining to the new provisions, note both the mechanism for recognition of the cost of energy, deemed inefficient to intercept the real contingent situation, as well as the provisions with which ARERA declared that it wishes to comply with the law of the Council of State on financial expenses on adjustments, treatment of the New Investments Fund and redefinition of the quota subject to reimbursement to users pursuant to Resolution no. 273/2013
In February 2024 Acea Ato2 filed an appeal against MTI4. It did so for three reasons:

1. In the calculation of the financial charges — understood as a component of the costs of the fixed assets recognised in the tariff — it disputes the ERP (market risk premium) value that is lower compared to the previous regulatory period and lower than the other regulated sectors;
2. Non-recognition of financial charges on adjustments;
3. Reduction in the residual value caused by the lack of consideration, when defining it, of the different accounting methods of Fo.NI that could be used by the Operator. In this way, the outgoing Operator, regardless of the accounting policy used, would not be guaranteed the recovery of the tax charge incurred with reference to the FoNI component not fully amortised.

LAZIO – ACEA ATO5 SPA (OTA 5 – SOUTHERN LAZIO – FROSINONE)

Acea Ato5 manages the integrated water service (IWS) of Optimal Territorial Area no. 5 (ATO5) Southern Lazio – Frosinone on the basis of a thirty-year agreement signed on 27 June 2003 by the Company and the Province of Frosinone (representing the Area Authority (AATO5)). In return for being awarded the concession,

Acea Ato5 pays a fee to all the municipalities, based on the date the related services are effectively acquired.
The management of the IWS in ATO5 involves a total of 86 municipalities (the management of the Municipality of Paliano still remains to be acquired, while the Municipalities of Conca Casale and Rocca d'Evandro fall under the Molise Area Authority – EGAM – and Optimal Territorial Area no. 2 Campania Region – Terre di Lavoro District respectively) for a total population of approximately 489,000 inhabitants, a population served of approximately 450,991 inhabitants (202,124 users), with a service coverage equal to approximately 93% of the territory.
With regard to the acquisition of the systems relating to management in the Municipality of Paliano, the I.W.S. is currently still managed by AMEA, in which the Municipality of Paliano is an investor. Relative to this management, in November 2018 the Council of State issued a definitive judgement on the appeal filed by the Municipality of Paliano against the Regional Administrative Court judgement 6/2018, which accepted the Company's appeal relative to the Municipality, to obtain annulment of the provision with which the Municipality rejected the transfer of service. Hence, with judgement 6635/2018, the Council of State rejected the appeal presented by the Municipality of Paliano and confirmed the Latina Regional Administrative Court's decision, noting that the protective regime in favour of AMEA was "circumscribed to a period of three years starting from the signing of the Management Agreement between AATO5 and Acea Ato5; this term was to expire in 2006, after which date the management by AMEA was considered without title".
Since Acea Ato5 has so far failed to initiate compliance proceedings with a view to verifying the voluntary compliance of the Municipality, which is suitable for preventing the possible appointment of an acting commissioner as has already happened in similar cases, a series of meetings have taken place at the Operational Technical Secretariat (OTS) of OTAA5, aimed at seeking an amicable settlement of the dispute and at initiating the preparatory activities for the transfer to Acea Ato5 of the management of the IWS in the Municipality of Paliano. In this perspective, the Parties — with deeds of 26 November 2018 and 29 November 2018 — performed the update of the previous survey of networks and existing plants in the Municipality of Paliano, necessary for the management of the I.W.S., subsequently updated in 2020 and 2021, also identifying necessary projects for the work in terms of purification and sewage.
The Parties subsequently held other meetings, together with the Operational Technical Secretariat of OTAA5, in order to define not only the technical scope but also the administrative and commercial scope in order to finalise the transfer of the Management of the I.W.S. of the Municipality of Paliano to Acea Ato5. The fact that not all required information has been received and disputes relative to the methods used to transfer the infrastructure and management of the I.W.S. have been documented in notes sent between the parties and in reports sent to the Operational Technical Secretariat and the Lazio Region, with the latter asked to begin commissioner proceedings to apply the substitute powers pursuant to article 172, paragraph 4 of Legislative Decree 152/2006, as amended.
Lastly, the Area Authority, in the absence of feedback from the Municipality of Paliano, on 26 June 2024, once again requested that the Lazio Region activate the substitute powers pursuant to art. 172 paragraph 4 of Legislative Decree 152/2006, as amended. On 1 July 2024, the Municipality of Paliano requested that the Lazio Region, Acea Ato5 and other Entities involved, convene a technical panel for the purpose of agreeing on the time frames and methods for the transfer of the IWS. On 15 October 2024, a meeting was held with the Lazio Region, attended by the Area Authority, the Municipality of Paliano, AMEA SpA and Acea Ato5, intended to take a closer look at progress of the procedure to transfer the Service. Having established that the documentation sent by the Municipality of Paliano was incomplete, the Area Authority called a round table with the Municipality of Paliano and AMEA Srl for 5 November 2024 in order for the Municipality of Paliano to produce and share the complete documentation. Following the round table meeting, the Area Authority gave the Municipality of Palinano and AMEA Srl until 15 November 2024 to supplement the required documentation. Given the Municipality of Paliano's failure to act, EGATO5 once again invoked the exercise of substitute powers by the Lazio Region, which, on 12 December 2024, communicated the launch of the related preliminary procedure to appoint an acting commissioner.

With regard to the Municipality of Atina, whose management of the I.W.S. has been transferred to Acea Ato5 as of 19 April 2018, it should be noted that Municipal Council Resolution no. 14 of 17 April 2019, by which the Municipality resolved to "establish the sub/optimal territorial area called Atina Territorial Area 1, with reference to optimal territorial area no. 5, for the continuity of the autonomous and direct management of the water service pursuant to art. 147, paragraph 2-bis of Italian Legislative Decree no. 152/2006, declaring the IWS a "local public service without economic importance".
OTAA 5 appealed the above resolution before the Lazio Regional Administrative Court – Latina Section – also serving the Company and the Lazio Region.
As far as Acea Ato5 is concerned, while the legal action taken by the EGATO5 is suitable to protect the interests of the Company, it has deemed it appropriate to file suit.
On 1 June 2021 with Note no. 2241/2021 the Lazio region also expressed itself on the subject, repeating the unacceptability of the Municipality's request for recognition of the Atina 1 Sub Area within the Optimal Territorial Area 5 Frosinone, because this would be contrary to the current national and regional legislation (Italian Legislative Decree No. 152 of 3 April 2006, and Regional Law no. 6 of 22 January 1996). The Municipality therefore continues to have the obligation to award in free concession of use to the operator of the I.W.S. the water infrastructures it owns, as provided for in art. 153 paragraph 1 of Italian Legislative Decree 152/2006.
On 5 December 2024, the Regional Administrative Court of Lazio with ruling no. 789/2024 in the Register of Joint Decisions declared that the appeal could not proceed due to a supervening lack of interest. Specifically, the Municipality of Atina, even after a series of discussions with the Lazio Region, recognised that it was the responsibility of the Lazio Region to assess the creation of a municipal sub-area (which it has already refused various times) and any cancellation of the resolution would not have been of any use. The Regional Administrative Court of Lazio ordered the Municipality of Atina to pay court costs in favour of ATO 5.
In 2024, the Directors continued to adopt all suitable measures to improve the Company's financial position, required to confirm the assumption of going concern, with the management team having carried out a prospective evaluation of the company's ability to continue to have income-generating prospects for the foreseeable future.
The objectives of these actions mainly included:

- the approval of tariffs under the new MTI-4 method by Resolution No. 9 of the Conference of Mayors of 22 October 2024;
- new extension agreements to pay off outstanding liabilities

towards third-party suppliers, infragroup payables and payables to local authorities;
- definition of repayment plans to EGATO 5 for the payable due on 31 December 2024;
- the implementation of a set of coordinated actions designed to reduce bill collection times and thus improve the percentages of amounts received;
- efficiency improvements to non-pass-through operating costs;
- the request made to the EGATO5 to update the technical panel intended to update the items subject to the Conciliation Board and the creditor items;
- the request for and awarding of contributions for investments planned in the 2024-2025-2026 period;
- the request that Acea renounce interest and the capital portion accrued and over due at 31 December 2023 with reference to the interest-bearing shareholders' loan for a total of €14.55 million (of which €10 million in capital and €4.55 million in interest). This request was in line with that already approved by the Acea Board of Directors on 16 June 2022;
- a request for financial support from Acea SpA, through an extension on the payment with reference to the trade payable accrued at 31 December 2023 of €7.87 million, in the form of 112 instalments starting in March 2024 and maturing on 30 June 2033;
- signing with Acea spa of two interest-bearing shareholders' loans to be used solely to serve its financial requirements for 2024, 2025 and 2026, deriving from the realisation of the NRRP investments (action not envisaged in the 2024-2028 plan) for a total amount of 38.5 million, to be used to cover any financial requirements deriving from realisation of NRRP investments in 2024-2025-2026.

In relation to the first point, note that with resolution 639/2023/R/Idr of 28 December 2023, ARERA approved the water tariff method for the fourth regulatory period 2024-2029 (MTI-4), defining the rules to calculate costs which can be recognised in the tariff. The duration of the fourth regulatory period is six years. Two biennial updates of the established tariffs are envisaged, and a possible infra-period adjustment to the tariff proposal, based on a justified request from the Area Governing Body (EGA) or other competent party, which may be presented at any time during the regulatory period under extraordinary circumstances that affect the economic and financial balance of the management.

Following the publication of this resolution, with a note ref. 5718 of 11 January 2024, the company communicated its willingness to the EGATO5 to establish a working group intended for the 2024-2029 tariff update proposal. With note no. 289 of 1 February 2024, the EGATO5, having regard to ARERA resolution of 28 December 2023 and following the ARERA seminar held on 30 January 2024, communicated its intention to the company to establish a schedule of weekly meetings intended to promote the sharing of data and information useful for the tariff update to be approved by 30 April 2024.

On 26 March 2024, ARERA published resolution 1/2024/DTAC regarding the *"definition of the procedures for the collection of technical and tariff data as well as the basic schemes for the report accompanying the works programme and the tariff provision update for the fourth regulatory period 2024-2029, pursuant to resolutions 917/2017/R/idr, 637/2023/R/idr and 639/2023/R/idr"*.

On 19 April 2024, the Operator presented to the OTS of AATO5 the requests for recognition of the operating costs OP Mis, OP Social, emerging costs, Op_{new}, $Opex_{QC}$, $Opex_{QT}$ and CMor, in line with the provisions of resolution 639/2023/R/idr.

On the basis of the documents published by ARERA on 26 March 2024, the Operator sent a note to the EGATO5 on 30 April 2024 with ref. no. 90681/24, with which it sent document "RDT2024 Acea Ato5 SpA_1205_13805" containing its tariff proposal and accompanying report to the 2024-2029 tariff data.

In light of the ongoing inaction by the EGATO5 to approve the tariff update, on 27 June 2024, with a note ref. 150881/24, the Operator submitted a tariff update request pursuant to Art. 5, paragraph 5.5 of ARERA resolution 639/2023/R/idr containing the Regulatory Scheme for the 2024-2029 period of the I.W.S. management. With a note ref. 160748/24 of 4 July 2024 the Operator asked ARERA to open the portal to carry out the procedure available via extranet. On 8 July 2024, the Operator proceeded to upload all documentation.

On 12 September 2024, ARERA sent a notice to EGATO5 pursuant to paragraph 5.6 of resolution 639/2023/R/idr, point 2 of resolution 358/2024/R/idr and art. 3, paragraph 1, letter F) of Prime Ministerial Decree of 20 July 2012, to comply within 30 days with the decisions and submissions within its remit with reference to the years of the 2024-2029 regulatory period — according to the provisions of the aforesaid resolution — via the dedicated digital portal1 and with the methods set out under decision no. 1/2024 — DTAC2. Following said notice, discussions resumed between the Operator and EGATO5 in order to reach tariff approval by 31 October 2024.

With note 2847/2024 of 11 October 2024, EGATO5 responded to the ARERA notice by communicating that it had prepared, through the participatory procedure with the Operator, the tariff for the 2024-2029 regulatory period, and by forwarding a specific request to convene the Conference of Mayors in a due note dated 3 October 2024.

Acea Ato5 SpA	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Tariff multiplier	1.061	1.127	1.183	1.242	1.304	1.370
Increase vs previous year n–a (%)	6.07%	6.23%	5.00%	5.00%	5.00%	5.00%
VRG	**96,654,063**	**100,070,991**	**105,074,541**	**110,328,268**	**115,844,682**	**121,636,916**

With note 3005/2024 of 23 October 2024, while referring to note 2847/2024 of 11 October 2024, EGATO5 notified ARERA that the Conference of Mayors on 22 October 2024 had approved the tariff update for the 2024-2029 period according to ARERA resolution no. 639/2023/R/idr, providing for:
- certain invoicing dates for tariff adjustments accrued to 31 December 2023 equal to €109.4 million (of which pre-2021 equal to approximately €94.5 million) over the 2026-2031 time frame;
- for the years 2024-2025, tariff increases equal to approximately 6% per year;
- higher costs attributable to the following requests: Op Social approximately €0.65 million, $Opex_{QC}$ approximately €0.4 million, $Opex_{QC}$ approximately €1.83 million, OP_{new} approxi-

mately €7.2 million, OPMis approximately €0.7 million;
- approximately €4.72 million in arrears costs.

The directors of Acea Ato5 therefore updated the multi-year plan in light of the tariff proposal approved by the governing body.

With regard to **relations with OTAA5**, the Company has tried to reach a settlement of the various disputes pending against the Area Authority, convinced of the need to put an end to a very long season of clear conflict between the Granting Body and the Licensee Company, culminating with the resolution passed by the Conference of Mayors of OTA5 aimed at the termination of the Management Agreement that forced the Company to appeal to the Latina Regional Administrative Court that annulled the above resolution.
In this context, in recent years and especially during 2018 an enormous effort has been made — including organisational efforts — to reconstruct the relations between the Company, the Area Authority and the individual Municipal Administrations of Ato5.
Similarly, the possibility of establishing a Conciliation Board with the Area Authority has therefore become concrete, with the aim of settling the main issues still in dispute by the parties.
In this regard, on 11 September 2018 OTAA5 and the Company signed report no.1 in which the parties expressed their mutual willingness to open a Conciliation Board on the various disputes pending between them.
Also in the same minutes, the Parties shared the rules of operation of the Conciliation Board and the criteria for the appointment of that Board and, in particular, each party appointed its own member.
The Chairperson of the Conciliation Board was selected by the Prefect of Frosinone, at the joint request of the parties, and was jointly appointed on 16 May 2019. The Board officially took office on 27 May 2019, thus starting the 120-day period within which it had to arrive at a proposal for an amicable settlement of the issues submitted for its assessment. On 17 September 2019, the Conciliation Board announced that it had completed the preliminary work on all the items assigned to the round table. However, it noted that due to the number and complexity of the issues under examination, a considerable amount of work was required to prepare a document presenting a comprehensive and reasoned conciliation proposal. It therefore requested and obtained from the parties an extension of 30 days from 24 September 2019.
Following a detailed and in-depth investigation, the Conciliation Board prepared a draft of the Conciliation Proposal, presented to the parties' legal counsel at the meeting held on 11 November 2019. At that meeting, the Parties invited the Board to draw up a draft of the Conciliation that would take into account the report illustrated in that meeting, as well as the proposals made by the Operator, to be submitted for examination and approval to the relevant Bodies.
On 27 November 2019, the Conciliation Board submitted the final Conciliation Proposal to the Parties together with the draft of the Conciliation Deed, which each party will be free to accept or reject, i.e. to accept it in full or even only in part. As a matter of fact, the aim and underlying criterion of the assessments of the Board include the formulation of a unified conciliation proposal, capable of creating balance between the respective positions and interests of the parties, minimising the negative impacts on users and on the service tariff and which will allow for the establishment of a more pleasant atmosphere in relations between the Operator, the Area Authority and the users of OTAA5, overcoming the previous period characterised by conflict, which also caused serious detriment to the Operator in its relations with users.

Specifically, with reference to the individual mutual claims referred for its assessment, the solutions proposed by the Conciliation Board in the aforesaid Conciliation Proposal are as follows:
- judgement pending with the Court of Frosinone, docket number 1598/2012 — Note that on 31 May 2023, a ruling was issued with which the Judge deemed the debt on the basis of the payments made by Acea during the legal proceedings to be extinguished. The Judge also found that there had been an overpayment by Acea Ato5, equal to the difference between the sum due (€26,313,251.50) and the sum effectively paid by Acea Ato5 (€28,690,662.85), amounting to approximately €2,377,000.
  In the light of this judgement, the Company adjusted the provision for risks:
  - allocating interest of approximately €900,000 as at 31 December 2024, based on the note sent to EGATO5 on 6 February 2024 and based on that established in the judgement of 31 May 2023. The amount allocated derives from the application of the rate at which the entity's liquidity gains interest (Euribor 3 months for the reference year plus 70 bps);
  - releasing it for around €1,200,000.00 following the judgement in question;
- quantification of the concession fee relative to the period 2012-2018, and the linked destination of any economies for a total of €12,798,930.00 — the Board proposes, also taking into account the regulatory guidelines provided by ARERA, that these are taken out of the tariff adjustments in favour of the Operator;
- recognition of the amount owed by the Operator (€10,700,00.00) — the Board proposes recognition of this credit in favour of the Operator;
- compensation of damages suffered by Acea Ato5 against delayed delivery of services by the Municipalities of Cassino, Atina and Paliano — the Board holds the Operator's claim to be founded but, in consideration of the difficulty in quantifying the damage suffered and with an eye to amicable settlement, proposes that the Operator renounces this claim with regards to the Area Authority;
- compensation of damages for the lack of handover of the ASI and Cosilam plants, assessed in the amount of €2,855,000.00 — the Board holds that the requirements to dispute a deed which is now final are not met; nonetheless, the Operator will renounce the claim against recognition of the credit for €10,700,000.00;
- recognition of penalties totalling €10,900,000.00 applied by OTAA5 against the Operator and annulled by the Latina Regional Administrative Court by judgement no. 638/2017. Although the Operator has substantially renounced the application of the said penalties related to the period 2014-2015, the Board proposes partial acceptance of the Area Authority's claim for a total amount of €4,500,000. In relation to this point, the Conciliation Proposal provides for an irrevocable commitment to make investments, in the territory of the ATO5, of an amount corresponding to the quantification made by the Conciliation Board, with no tariff recognition and therefore at the total expense of the Operator;
- recognition of interest on the delayed payment of concession fees on the part of Acea Ato5, assessed in the amount of €650,000.00 — the Board proposes recognition of this claim;
- request for an Operator repayment plan in relation to the Area Authority for debt positions relating to the concession fee for 2013/2018 which, at 30 June 2019, amount to around

€10,167,000; the Board proposes offsetting this debt by the recognition of a credit of €10,700,000;
- discounting of the Adjustments 2006/2011, and for 2014, 2015, 2016 and 2017, assessed in the amount of €1,040,000.00 — the Board proposes recognition of this credit in favour of the Operator;
- non-invoicing of adjustments 2006/2011, due to the adjustment of 2012 volumes, assessed in the amount of €1,155,000 — the Board proposes recognition of this claim in favour of the Operator.

The "Conciliation Proposal" and the draft "Conciliation Deed" were approved by the Company's BoD at a meeting held on 19 December 2019. On 4 February 2020, the Company informed the OTS of OTAA5, with note no. 53150/20, that on 19 December 2019 the BoD approved the Conciliation Proposal formulated by the Conciliation Board and the draft of the Conciliation Deed between OTAA5 and Acea Ato5 and that, moreover, the Chairperson was given a mandate to sign the Conciliation Deed, confirming in particular the commitment to carry out interventions for a total amount of €4,500,000 without any tariff recognition, in conciliation and for the reasons set out above.

However, in light of the conduct throughout the conciliation process, and in particular during the final meeting held on 11 November 2019 in which the Conciliation Board explained the Conciliation Proposal to the legal representatives of the parties and as the Company's Board of Directors had already approved the related Conciliation Deed on 19 December 2019 and then communicated this decision to OTAA5 on 4 February 2020, the Company believed that as at 31 December 2019 an implicit obligation had already arisen for the commitments envisaged in the Conciliation Deed, and in particular for the aforementioned commitment to carry out interventions in the territory without any tariff recognition, having already created a valid expectation in the OTAA5 Area Authority and in the municipalities of the territory that the Company intends to honour these commitments and bear the related charges. When the Company was preparing its financial statements for 2019, based on the information available, considering the approval of the Conciliation Deed by the Conference of Mayors to be probable and consequently also considering the related implied obligation to be likely, the Company decided to allocate a provision for risks for €4,500,000.

The Mayors' Conference on 28 October 2021 resolved that the approval of the Conciliation Deed could only be considered upon the outcome of, at least, the preliminary phase of the Criminal Proceeding 2031/2016 pending before the Court of Frosinone. Subsequently, on 26 January 2022, the OTS of OTAA 5 sent the Company a letter ordering it to set up an interest-bearing escrow account within 15 days at the latest, into which the sum of €12.8 million relating to the aforementioned savings on concession fees for the period 2012-2018, as quantified in the joint report of 29 April 2019 attached to the work of the conciliation round table, which — according to the OTS — was allegedly invoiced by the Manager, would be transferred. The Company acknowledged this letter on 10 February 2022, pointing out, among other things, that the Conciliation Board itself in its report, with specific reference to the savings on the 2012-2018 licence fees, had clarified that "these sums can only be considered virtually and abstractly (and not also in actual financial terms) as being available to the Manager" and that they would indeed represent a suitable financial source to cover the debt of €10,7 million owed to the Manager or, alternatively, — as proposed in the draft conciliation agreement — to reduce the total amount of the tariff adjustments still due to the Manager, which far exceed the amount in question.

However, the Company is willing to set up a round table to discuss the matter further and find the most suitable solution to reconcile their mutual interests.

In view of the foregoing and pending the examination of the Conciliation Proposal by the Conference of Mayors of OTAA5, the Company considers the draft Conciliation approved by the Board of Directors of Acea Ato5 at the meeting of 19 December 2019, as a still valid reference in relation to the overall composition of the issues submitted by the parties to the Conciliation Board and, therefore, considers that the same continues to represent — to the extent of the net amount of €4.5 million to be paid to the EGATO5 under it — an implicit obligation that can be enforced against it. Therefore, at the date of this document, the provision for risks originally recorded in the financial statements as at 31 December 2019 is deemed to be reconfirmed when preparing the Company's 2024 financial statements.

As further confirmation of the continuing validity of the Conciliation Proposal between the parties, it should be noted that on 1 February 2022, the EGATO5 requested the payment of the invoices for concessionary charges issued with reference to the years 2019-2022 and not those issued with reference to the years 2012-2018, which were the subject of the Conciliation Board meeting.

The Company responded to this reminder with three separate letters sent on 3 February 2022, 17 February 2022 and, most recently, on 2 March 2022, in which, respectively, it disputed the amounts of some of the invoices requested by the EGATO5 (the amounts of which do not match those of the invoices in its possession), it put forward a proposal for a payment by instalment plan and reiterated, however, that this instalment proposal is not an alternative to the Conciliation Board, nor does it change its content in any way, but only concerns the settlement of the portion of debts referring to the 2019-2024 period.

In a letter of 29 April 2022, the OTS repeated its claims about the concessionary charges and called a meeting for 6 May 2022. On 9 May 2022, the meeting between the parties took place, who agreed on the need to begin technical talks to analyse all the outstanding issues.

Subsequently, with a note issued in December 2022, the Operational Technical Secretariat requested an urgent meeting to deal with the issue of concession fees not yet paid and, more generally, the amount due to the Manager from the Entity. During these meetings, held in the second half of December 2022, the Operational Technical Secretariat presented the problems deriving from the evaluation of its 2021 financial statements. In response to this note, in a note dated 23 December 2022, the Company indicated its continued situation of uncertainty due to the non-approval of tariffs by ARERA within the established schedule. At present, there are no further updates.

On 21 September 2023 with doc. 2577/2023 EGATO5 formalised a notice and placement in arrears with reference to the presumed debt accrued by Acea Ato5 in relation to concession fees not paid as at 31 July 2023, requesting application of commercial interest pursuant to Legislative Decree 231/2002. In this context, the Company, as it indicated to EGATO5 in its communication of 9 November 2023, began payment of its debt to EGATO5 relative to the 2019-2023 period (of around €4 million), proposing the signing of a repayment plan with 18 monthly instalments starting in November 2023, as well as a single payment of €1,318,066 and the payment of €934,941 for operating expenses for the EGA-

TO5 OTS for 2023. To date, the company has received a formal response from EGATO 5 regarding its acceptance of the proposed repayment plan, which it had already started and is continuing to honour punctually.
In addition, on 4 November 2023, the grounds for the judgement in the criminal proceedings were filed, in which the acquittal with full formula was ordered for some offences; at the same time, the transfer to the Court of Rome for the remaining offences took place due to territorial jurisdiction.
Therefore, by note dated 15 December 2023, the company requested the convening of the Conciliation Board pursuant to art. 36 of the Management Agreement in order to:

- carry out a timely recognition of the contents and items that made up the Conciliation Proposal in November 2019 and update its outcomes;
- reach a new Conciliation Proposal to be submitted to their respective competent bodies for approval.

On 13 March 2024, the last meeting convened by the OTS was held in response to the requests repeatedly made by the Operator, most recently with the notes dated 13.11.2023 prot. 0311885/23 and 15.12.2023 prot. 0336636/23 and following the preparatory meeting on 6 March 2024.
At this meeting, the parties agreed on the need to update the conclusions of the Conciliation Board in view of the time that had elapsed since the conclusion of the work without the Assembly of the Mayors having examined the proposal made by the board pending the conclusion of the criminal proceedings.
Therefore, the parties considered it necessary to verify whether the economic items examined above are still current or whether an update is necessary.
Taking into account the need to conclude the work before July 2024 in connection with the case still pending before the Court of Appeal — the parties also assigned the working group a deadline of 60 days to formulate an update and update the amicable settlement proposal.
In the minutes of 13 March 2024, the company represented *"that the Council of State's ruling on the termination of the concession has definitively clarified that the Operator owes nothing for penalties, and therefore the recognition of the 4.5 million in works indicated in the conciliation proposal is to be questioned because it is not based on sums due even potentially"*.
Initially, the Board had a period of 60 days to formulate an update of the amicable settlement proposal. The aforesaid term was mandatory and not peremptory. In 2024 the Board met various times, but at the latest meeting on 11 July 2024 the Board deemed it necessary to acquire an extension on the terms to complete the works until 30 September 2024 in order to have the necessary and sufficient time to draft and present the proposal.
On 17 July 2024, case RG no.6227/2017 was scheduled at the Court of Appeal of Rome; the issue in question of the above case represents one of the main issues discussed by the Conciliation Board, any definition of the judgement pending with the Court of Appeal — including as result of its extent and relevance — inevitably risks altering the balance painstakingly achieved in the conciliation proposal which would be reissued to the Parties, substantially jeopardising all progress made thus far. As a result of the above, a justified request for deferral was submitted to the Court of Appeal in relation to the hearing scheduled on 17 July 2024; the case was then further postponed until 11 December 2024, and subsequently until 28 May 2025.
On 29 January 2025, the Board — in order to formulate a preliminary illustration and presentation of the contents and reach a definitive conciliation proposal that could achieve a consensus — convened the Parties, in the person of the representatives of the OTS and of the Operator.
During this meeting, the Parties expressed their substantial agreement with the conclusions of the proposal presented by the Board, without prejudice to the necessary valuation, review, discussion and approval by the competent bodies of AATO (Area Council and Conference of Mayors) and of the Operator (BoD of Acea Ato5).
In reference to additional cases related to legal disputes, filed or being filed, and tax disputes, see the "Update on major disputes and litigation" section of this document.

ACEA MOLISE

In 2024, Acea Molise Srl, hereinafter also referred to as "the Company" or "AMolise", created from the demerger and subsequent merger of Acea Group companies, managed in line with the previous year, the Integrated Water Service (hereinafter "IWS") in the Municipality of Termoli (CB), in light of the end in 2022 of the integrated water service management in the Municipality of Campagnano di Roma (September 2022) and the Kennedy treatment plant in the Municipality of Valmontone (July 2022).
Full management of the IWS in Termoli, the previous concession for which expired on 31 December 2021, continues following the awarding in 2022, by the Company, of the call for tenders published by the Municipality of Termoli, for the "Implementation of measures to protect the soil and water and to improve the integrated water service in the Municipality of Termoli under a Public Private Partnership through Project Finance, with the proponent's right of pre-emption (art. 183, paragraph 15 of Legislative Decree No. 50/2016)".

In brief, the Project Finance involved:

- €7.6 million of investments borne by the Operator, to be allocated to the water sector as a whole (water, purification and sewerage);
- €3.8 million in regional finance, for the "Delocalisation and decommissioning of the port treatment plant" in the municipality of Termoli (Campobasso);
- a 15-year management timeframe to complete the works;
- remuneration of the works through the water tariff, according to the regulatory criteria of ARERA (Regulatory Authority for Energy, Networks and the Environment);
- management of the municipal Integrated Water Service.

The Project Finance Management Agreement was signed by the Parties on 3 August 2022, fully authorising AMolise to manage the Integrated Water Service for the Municipality of Termoli (CB) until 2037. Despite the city Integrated Water Service contract awarded to AMolise, it should be specified that article 6.2 of the Management Agreement includes the hypothesis of early withdrawal if the Single Operator of the Molisano Area identified by the Molisano Area Governing Body (hereafter, "EGAM") explicitly asks the Company to take over the service, paying the residual value to AMolise.
The Single Operator of the Molisano Area identified by the EGAM in the first half of 2022 is the company under full public ownership, Gestione Risorse Idriche Molisane Scarl (hereinafter "GRIM").
To date, no formal request to take over the service has been received by GRIM. Therefore, in 2024, in accordance with the Agree-

ment signed and the relevant AREA regulations, the company managed the IWS in the Municipality of Termoli, undertaking to carry out investments and the works envisaged in the Investments Plan, with a particular focus on the implementation of the Delocalisation project of the Purifier at the port of Termoli.
In May 2024, the Mayor of Termoli, with certified email sent on 9 May 2024, took formal note of the higher costs of the Project Finance, resulting from the general and specific increase in building materials and construction costs, and made an immediate commitment to authorise the review of the economic framework of the project and consequent update of the Economic Financial Plan set out by the Agreement, deed no. 2246 of 3 August 2022. The EGAM and the Molise Region also took formal note of the higher costs of the project and of the commitment of the Municipality of Termoli to authorise the review of the economic framework.
On 29 May 2024, the company formally began works to delocalise the purifier at the port of Termoli and, at the same time, began the tariff update process for the 2024-2029 period with the Municipality of Termoli (CB), submitting the Action Plan for the 2024-2035 period.
On 10 October 2024, the City Council of Termoli with Resolution no. 268 approved the new Economic Framework of the delocalisation project and the Investments Plan for the 2024-2037 period.
In line with the Parent Company's development strategies, the company was identified as the special purpose vehicle for participation in tender procedures for the purposes of acquiring the IWS in other Regions of interest to the holding. To this end, as we will see in more detail below, the company was awarded the contract for the Integrated Water Service in the ATO Imperia West and the Integrated Water Service in the Municipality of Syracuse and province.
Lastly, the company holds stakes in Gesesa (57.93%), the operator of the IWS in Benevento and other Municipalities, in Sogea (49%), a company in liquidation, ASM Terni (7.61%), an operator of local public services including the Integrated Water Service for ATO Umbria 2, and Rivieracqua (48.15%), operator of the integrated water service in the province of Imperia.

With resolution of 28 December 2023 (639/2023/R/idr) ARERA approved the Water Tariff Method for the fourth regulatory period 2024-2029 (MTI-4), confirming the principles of stability of the guidance criteria and pursuing the aim to reduce discrepancies in the water services between the different areas of the country, in line with the provisions introduced in 2012. The MTI-4, with a duration of 6 years, provides for an update to the Strategic Works Plan (POS) until 2035, with the aim of fostering the security of water supply and promoting greater cooperation at various planning levels.
The rules introduced by the new tariff method seek to guarantee the stability of the reference framework, to incentivise investments and to improve the technical and commercial quality of the water service.
During 2024, AMolise launched the tariff update process for the 2024-2029 period with the Municipality of Termoli (CB), sending a formal communication of the Action Plan for the 2024-2035 period.

The decision-making steps of the MTI-4 tariff process are summarised briefly below:

- 10 October 2024: with Council Resolution no. 268, the Municipality of Termoli formally approved the new economic framework of the delocalisation project of the port purifier and at the same time the new Action Plan for the 2024-2037 period.
- 16 October 2024: AMolise formally sent to the Granting Body Municipality of Termoli (CB) the 2024-2029 Tariff Proposal (MTI-4), drafted pursuant to ARERA Resolution 639/2023/R/Idr and ARERA Decision no. 1 of 26 March 2024, complete with all the required annexes and the RDT2024 tool provided by ARERA and completed according to the provisions.
- 17 October 2024: With Executive Determination no. 2772, the Municipality of Termoli approved the 2024-2029 tariff proposal and on 18 October 2024 submitted all the documentation to the EGAM.
- 30 October 2024: in the absence of a response from the EGAM, AMolise submitted to ARERA a tariff update request pursuant to article 5, paragraph 5.5 of resolution 639/2023/R/idr, requesting the exercise of substitute powers.
- 6 November 2024: having acknowledged the request from AMolise, as provided for by paragraph 5.6 of resolution 639/2023/R/idr, ARERA warned the EGAM to comply within the next 30 days with the decisions and submissions within its remit. The notice specified that after this deadline, if no action is taken by the EGAM, the operator's request would be considered approved in accordance with the provisions of art. 20 of Law 241/1990, and transmitted to the Authority for the purpose of its assessment and approval. Following the notice received, the EGAM put forward two requests for additional documents in November 2024, to which AMolise responded quickly.
- 17 December 2024: the EGAM, with letter 2253/2024, without further dialogue with the Operator, communicated to AMolise that, as decided by the Area Committee with Resolution no. 1 of 5 December 2024, it had sent to ARERA the MTI-4 tariff update for the 2024-2029 period related to the Integrated Water Service in the Municipality of Termoli (CB).

An analysis of the aforesaid Resolution no. 1 of 5 December 2024 of the Area Committee of the EGAM, and its annexes, found differences with the tariff proposal previously approved by the Municipality of Temoli (CB). These differences mainly concern the previous tariff adjustments and, in particular, the non-application of the tariff increases already decided on for the years 2022-2023.
In detail, when defining the tariff for the 2024-2029 period, the EGAM inexplicably reduced to zero the 7.70% annual increases envisaged for the 2022-2023 two-year period, despite such increases having been formally approved by the same Area Authority on 4 March 2021 and uploaded correctly to the ARERA portal.
This decision appears to be unaccompanied by technical or regulatory justifications and is in clear contrast with the previous decision.
The possibility to update the tariff, expressly governed by ARERA methodology and, in the case in question, governed by AREA Resolution of 30 December 2021, 639/2021/R/idr (Criteria for the biennial update (2022-2023) of the tariff arrangements for the integrated water service) does not at all imply (as instead assumed by the EGAM) that the lack of update for the 2022-2023 two-year period would cause to expire or effect an amendment or revocation of the decisions made in the past. Put simply, in the case of no update, the provisions of the 2021 tariff decision by the same EGAM continue to apply for the entire 2020-2023 regulatory period.

In light of the above, Resolution no. 1 of 5 December 2024 is a measure vitiated by obvious errors in the tariff determination, with economic and financial consequences for the operator Acea Mo-

lise. As a matter of fact, this measure not only compromises the principle of full cost recovery, which is fundamental for ensuring full coverage of the service costs, but also violates AREA regulations, which require compliance with criteria of transparency, equity and sustainability, as well as clearly undermining the principle of legitimate awarding and legal certainty.

The strong conviction that Resolution no. 1 of 5 December 2024 is detrimental to the interests of Acea Molise and in conflict with the sector regulatory standards is also reinforced by the Opinion formulated by Prof. Elefante at the explicit request of the Company, and annexed to this Report.

As a matter of fact, after much analysis, Prof. Elefante concludes that "*[...] EGAM resolution no. 1 of 5 December 2024 is illegitimate in that they do not recognise the 7.7% tariff increases for the years 2022 and 2023 in line with previous tariff resolutions by the Municipality of Termoli and the same EGAM, and that Acea Molise is entitled to the full and complete recognition of such tariff increases.*"

The total economic effect, in terms of lower tariff adjustments, is approximately 1 million euro.

Again with reference to previous adjustments, the EGAM also reclassified several costs (costs of the new plants managed, Sinarca and Parco) inserted by the Operator into the RC component, pertaining to the tariff adjustments, instead attributing them to the OP_{new} component (new operating costs) as part of Opex. Though this reclassification could be considered plausible, indications were not provided on the methods of balancing the criteria for recognition of the RC component, referring to regulatory period n-2 (recognition of the costs in the tariff with 2 years' delay) with those of the OP_{new} component, referring to year n (current year). This failure to balance, with a total impact of approximately €1 million, should be deemed illegitimate since, as also supported by Prof. Elefante, "the non-recognition of the costs incurred in 2022 and 2023 by the operator violates art. 9 of Directive 2000/60/EC and the principle of full cost recovery, art. 149 of Legislative Decree no. 267/2000, art. 149 of Legislative Decree 152/2006, art. 143 of Legislative Decree 163/2006 and art. 154 of Legislative Decree 152/2006 (as well as Prime Ministerial Decree 20 July 2012), since it does not recognise an efficient cost incurred by the operator for execution of the service and of the concession contract awarded to it. Lastly, this measure also violates articles 19 and 28 of Annex A to ARERA resolution 639/2023 (MTI 4)".

Lastly, the EGAM excluded from the tariff the recognition of the Concession Fee amounting to €51 thousand per year, which AMolise pays to the Municipality of Termoli (CB) in line with the Management Agreement signed on 3 August 2022. This exclusion was explained with reference to the provisions of paragraph 1.1 of Annex A to ARERA resolution 639/2023/R/idr, which limits the recognition in the tariff of the considerations in favour of the competent body only if resolved prior to 28 April 2006.
Any exclusion should have been sent first to the Municipality of Termoli to amend the Agreement.
As for technical and operating findings, it should be noted that the EGAM made changes to the new Investments Plan resolved by the Municipality of Termoli (CB) on 10 October 2024. With reference to the "Meter Installation" project, the Governing Body cancelled the related amount from 2025, since such project is already planned, for the entire Molise Region, with a NRRP project that envisages for the Municipality of Termoli (CB) the replacement of 100% of existing mechanical utility meters with new remote reading meters by 2025.

On this aspect, too, the EGAM measure appears evidently illegitimate as it is in contrast with the obligations assumed by AMolise when it signed the agreement with the Municipality of Termoli.

In light of the above, AMolise, with letter 1314/25 of 24 January 2025, sent a self-defence request to the EGAM and to the Municipality of Termoli (CB), requesting prompt corrective action in order to protect its economic interests and to ensure the financial balance of the commitments made.

The Request outlined to the EGAM that the resolution contained obvious errors in the tariff determination and, most importantly, the non-recognition of the 2022-2023 tariff increase.
Furthermore, technical and economic impacts on the Granting Body and on the Regulatory Authority were highlighted, deriving from the non-recognition in the tariff of the concession fee and from the review of the "Meter installation" project misaligned with the Replacement Plan presented by the Operator to ARERA.

In the absence of a formal response from the EGAM, on 5 February 2025 the company filed an appeal against the EGAM for the cancellation of Minutes no. 17/2024 of the Area Committee of the Molise Area Governing Body related to the meeting on 5 December 2024, published on 17 December 2024, with reference to resolution proposal no. 1 of 5 December 2024, approved at said meeting, regarding item 2 on the agenda "tariff update of the integrated water service of the Municipality of Termoli for the fourth regulatory period 2024-2029. ARERA Resolution no. 639/2023/R/idr – Measures related to the MTI-4 – Operator: Acea Molise Srl" and resulting Resolution no. 1 of 5 December 2024 of the Area Committee of the Molise Area Governing Body.

The main values of reference of the MTI-4 tariff resolved by the EGAM are summarised below:

- increase ℓa to be applied to the user tariffs (base year 2021):
  - 1.0995 year 2024;
  - 1.2089 year 2025;
  - 1.3291 year 2026;
  - 1.4614 year 2027;
  - 1.6068 year 2028;
  - 1.7667 year 2029;
- value of the RAB to be recognised at the end of the 2024-2029 regulatory period: €16,440,724 including the Regional contribution of €3,825,000 for the delocalisation of the new Port purifier;
- value of the adjustments at the end of the 2024-2029 regulatory period: €10,306,665.

CAMPANIA – GORI SPA (SARNESE VESUVIANO)

The Company manages the integrated water service in the Sarnese Vesuviano District of the Campania Region (which includes 59 municipalities in the Province of Naples and 17 in the Province of Salerno), for a total of 76 municipalities. Note that on 9 October 2023, GORI, the municipality of Roccapiemonte and the Campania Water Authority (EIC) signed an agreement for GORI

to begin operating the integrated water service starting from 1 January 2024. As it stands, only the municipality of Calvanico in the Province of Salerno is managing its water services, having not yet ensured the start-up.
The award of the aforesaid IWS management lasting thirty years and starting from 1 October 2002 (and expiring in 2032) was finalised with the signing of a specific agreement with the granting authority Sarnese-Vesuviano Area Authority (now replaced by the Campania Water Authority as per Law 15/2015 of the Campania Region) on 30 September 2002.
Established pursuant to Regional Law 15/2015, the Sarnese-Vesuviano District of the Campania Region covers an area of approximately 900 km2 serving a population of approximately 1,411,416 inhabitants (latest data from ISTAT, 2023).
A total of 5,285 km of water network is currently managed, consisting of 869 km of primary abstraction network and 4,416 km of distribution network, and a 2,781 km drainage system.
GORI currently manages 13 water sources, 117 wells, 203 tanks, 118 water pumping stations, 225 wastewater pumping stations and 12 waste treatment plants." Marina Grande purifier in Sorrento decommissioned on 14 March 2024.

REGULATORY SCHEME FOR THE FOURTH REGULATORY PERIOD (2024-2029)

On 30 October 2024 the Executive Committee of the Campania Water Authority (CWA) definitively approved, with resolution 47/2024, the regulatory scheme for the fourth regulatory period 2024-2029 for the operator GORI SpA, based on the criteria defined by the Authority in resolution 639/2023/R/idr and according to the procedures for data collection defined by ARERA in decision 1/2024 DTAC; on the same date, the CWA offices sent ARERA the regulatory scheme for the operator GORI SpA using the IT procedure.
The regulatory scheme approved by the Campania Water Authority for the 2024-2029 fourth regulatory period did not provide for tariff increases, approving a theta of "1" until 2029, thus confirming the values of the tariffs applied in 2023.
Revenues at 31 December 2023, which amounted to a total of €258.4 million, were determined on the basis of the regulatory scheme for the fourth regulatory period, approved by the Campania Water Authority with decision 47/2024, in accordance with ARERA decision 639/2023/R/idr.
Verification of parameters to identify the regulatory quadrant and the presence of OP_{new} relative to systematic changes in operator activities in the "presence of the supply of a new service (e.g. purification or sewers for an operator whose management was previously limited to aqueduct services or, in other cases, in the presence of expansion with an upstream supply chain), pursuant to article 19.2, 19.3, letter c) and 19.4 of Annex A to resolution ARERA 639/2023/R/idr, determined placement in the VI regulatory quadrant. Nonetheless, as already noted, in order to guarantee the social sustainability of the tariff, while respecting economic/financial balance in managing the IWS, Campania Water Authority resolved on a tariff increase lower than the maximum limit allowed under the regulatory method MTI-4.
It should also be noted that, for the calculation of the Guaranteed Revenue Constraint (GRC) as at 31 December 2024, the constraint component relating to the Opsocial supplementary water bonus for 2024, has been set at zero. The reason for this is that although this component has been recognised within the regulatory framework approved by the CWA, a deliberation paper is missing.
The purely regulatory components CO_{fanghi} and CO_{EE} were also considered.
Pursuant to art. 19.8, letter a) of Annex A to ARERA resolution no. 639/2023/R/idr, the $Opex_{QT}$ component was calculated in the amount requested in the related cost recognition request, namely within the limit of what was recognised in 2023.
Pursuant to art. 19.8, letter b) of Annex A to ARERA resolution no.639/2023/R/idr, the $Opex_{QT}$ component was calculated in the amount equal to approximately €0.04 million, namely in the amount effectively incurred by the Operator.
On the other hand, the $Opex_{QC}$ component was calculated in the amount of what was requested in the related cost recognition request, within the limit of what was recognised in 2023.
The OP_{new} included in the calculation were quantified in the same manner as in previous years, and therefore, on the basis of the full cost recovery principle, the costs effectively incurred on plants transferred at 31 December 2024 are covered, as demonstrated in the accounting documents.
At 31 December 2024, the works transferred to the Operator are: Waterworks at Mercato Palazzo, transferred in October 2016; waterworks at Boscotrecase and Cercola transferred in March 2018; waterworks in the Nolana area transferred in September 2018; waterworks at Campitelli and Boccia a Mauro to complete the Vesuvius Area, transferred in December 2018; Campo Pozzi di Angri transferred in February 2019; the Nolana Area treatment plant transferred in March 2019; the completion of the Sarnese Area, transferred in April 2019; the Medio Sarno 2 treatment plant, transferred in July 2019; the transfers of the Medio Sarno 3 treatment plant and the Sorrentine Peninsula water area in December 2019; the transfer of the Foce Sarno treatment plant in December 2020; the transfer of the Alto Sarno treatment plant in January 2021 and finally the transfer of the treatment plant at Punta Gradelle in March 2023.
External operating costs Opexend were defined based on what is established in article 18.1 of Annex A to ARERA resolution 639/2023/R/idr when measures were confirmed to incentivise efficient behaviour by operators, previously introduced as part of ARERA resolution 580/2019/R/idr and subsequent amendments and integrations; to that end, calculation of the per capita level of operating costs incurred by GORI in 2020 placed GORI in class B1 of the regulatory matrix pursuant to article 18.1 of ARERA resolution 639/2023/R/idr, while calculation of estimated operating costs, using the statistical model found in article 18.2 of Annex A to the ARERA resolution and transformed into per capita terms, placed the operator in Cluster A of the regulatory matrix. Therefore, GORI was placed in quadrant 4 of the regulatory matrix. The Opexend thus defined, adjusted by the inflation coefficient provided by the Authority as part of the 2024-2029 regulatory period, amount to €82 million per year.
The GRC was also updated pursuant to art. 28.1 of Annex A of ARERA Resolution no. 639/2023/R/idr which envisages that, for the purposes of determining the GRC for the 2024-2029 regulatory period, some cost items (electricity cost, balance of payments and penalties, Authority contribution, cost of wholesale supplies, activity costs connected to the IWS due to systemic changes in the

conditions of the service or to the occurrence of exceptional events) are subject to a final assessment, as adjustment components (Rc), relative to the year (a-2).
With regard to the calculation of the Constraint for the costs for wholesale water services by the Campania Region at 30 June 2024, there being no tariff measures for the year 2024, the calculation was made in line with the previous year, namely the tariff approved by the CWA by resolution no. 7 of 26 February 2021 was considered. This determined the 2020-2023 regulatory scheme for the proposed wholesale water tariff for the "Campania Region" operator and is equal to €0.21679/m3, with the application, for the year 2023, of a theta equal to 1.124 (6% increase on the previous year).
The pertinent cost at 31 December 2024 on the COws relating to regional water supplies, according to the principle of full cost recovery, was approximately €9.6 million, entered for the same amount in GRC and in the related costs.
As regards the COws of the collection and purification service, here again they were calculated starting from the quantification of the recognised costs which, to determine the relevant costs at 31 December 2024, according to the full cost recovery principle, amounted to approximately €6.3 million. Reference was made to the tariff for wastewater collection and purification services, equal to 0.310422 €/m3, (as a result of application of the ARERA 338/2015/R/idr resolution to the regional tariffs for wholesale services, recognised by the Parties within the minutes of the meeting of 4 March 2016 between the Campania Region, the Area Authority and GORI), applying it to volumes treated by the regional plants.
The component covering costs incurred to purchase electricity — COEE — implements the adjustment of that allocated for energy costs, recognised in previous years, in the amount of €100 thousand.
The item "Exceptional events" includes the difference between the effective turnover figure issued in relation to the years 2020 and 2022 and what was reported in the tariff provisions in relation to those same years.
Also note that on 13 October 2022, ARERA, with resolution 495/2022/R/idr "Reopening the terms for financial advances aimed at mitigating the effects of the growth in electricity costs on managers of the integrated water service", called for a second window within which government entities in the area, based on a request by the relevant manager, could present a justified request to CSEA (by 30 November 2022) to activate types of financial advances, introduced with resolution 229/2022/R/idr, associated with the obtaining of resources to handle part of the expenses incurred to purchase electricity. As the requirements were met, on 08/11/2022 GORI sent a request to the Campania Water Authority seeking a financial advance from CSEA of €11,842,336.80 (this is the maximum amount, equal to 0.35 COEE 2022).
Based on the request presented by GORI, the Campania Water Authority Executive Committee, in resolution 76 of 29 November 2022, decided to ask CSEA to activate the financial advance methods introduced with ARERA resolution 229/2022/R/Idr, associated with obtaining resources to handle part of the expenses incurred to purchase electricity for the manager GORI Spa; on 30 November 2022, the Campania Water Authority sent CSEA the Financial Advance Request for the manager GORI Spa, in the amount requested by the Manager, specifically €11,842,336.80.
As established in resolution 495/2022/R/idr, the advance was disbursed by CSEA by 31 December 2022, specifically on 27 December 2022 and the Manager must see "to the return to CSEA of the sums advanced in two instalments of equal amount (in relation to the capital portion) maturing respectively on 31 December 2023 and 31 December 2024. The instalments are increased by interest applied to the remaining capital and calculated based on the interest rate applied, equal to that obtained by CSEA for its own liquid assets held with its bank."
On 31 December 2024, GORI returned to the CSEA the capital portion of the second instalment on the financial advance obtained for an amount of 5,921,168.40; subsequently, following the determination by CSEA of the amount of the related interest, GORI will pay interest of €452,513.23 related to the early repayment of the 1st instalment (ARERA Res. 495/2022/R/idr).

CAMPANIA – GESESA SPA (OTA 1 – CALORE IRPINO)

Ge.se.sa manages the Integrated Water Service in 21 Municipalities in the province of Benevento, within the Sannita District, for a total resident population of 113,147 inhabitants spread over an area of about 710 square kilometres with a water infrastructure of about 1,547 km, a sewerage network of 517 km and about 332 plants managed. The total number of user accounts amounts to 56,343, for which 2024 consumption has been estimated at about 7.48 million cubic metres of water.
The management of the company and its evolution are related to the activities that the EIC offices must implement following the determination of the Sannita district on 25 October 2022 which proceeded the "Selection of management form pursuant to art. 14, paragraph 1, lett. b) of Regional Law no.15/2015", resolving that the management of the IWS in the Sannita District Area would be assigned to a mixed public/private limited company.
Following the approval of the measures of the Campania Water Authority (hereinafter "CWA"), which approved the tariff adjustment proposals for 2018-2023 with theta 1, generating a large amount of tariff adjustments that could not be invoiced in the regulatory period and that would go on to constitute the takeover value that the incoming operator would pay to Gesesa, the directors updated the Financial Plan for the 2023-2024 two-year period according to precise "assumptions", with the aim of preserving the financial equilibrium of its operations throughout 2025.
The cash flow includes the following support measures that the Board of Directors of Acea took in favour of Gesesa:

- the granting of an extension and increase in the existing shareholder loan in favour of Acea MOLISE, intended for the payment by the latter to Gesesa of an interest-bearing shareholder loan for an additional amount of €5,200,000.00 under the terms and conditions of the current shareholder loan and maturing on 31 December 2025;
- the extension until 31 December 2025, by Acea and in favour of Gesesa, and increase in the extension of the trade and financial payable accrued and accruing towards Acea;
- the extension until 31 December 2025, by Acea, and increase of the guarantee already issued in favour of Acea ENERGIA, in the interest of Gesesa, intended for the suspension by Acea ENERGIA of the actions aimed at the recovery of its trade receivable and for postponement fees from Gesesa.

As for the evolution of the follow-up activities that the EIC offices had to implement following the determination of the Sannita district on 25 October 2022 which proceeded the "Selection of management form pursuant to Art. 14, paragraph 1, lett. b) of Regional Law no.15/2015", resolving that the management of the integrated

water service in the Sannita District Area would be assigned to a mixed public/private limited company, we note the following:

- With note issued 9 January 2024, the General Manager of the EIC sent to the relevant offices of the Campania Region the aforementioned documentation in order to allow for the start of tender procedures.
- The General Directorate for Integrated Water and Waste Cycle and Environmental Authorisations of the Campania Region – with note issued 10 April 2024, following discussions with the regional attorney general, sent to the Campania Water Authority the by-laws of the company Sannio Acque Srl adjusted to the findings of the Financial Court alongside the schedule of shareholder agreements for the purposes of the obligations relating to the notice of public consultation envisaged by Art. 5 paragraph 2 of Legislative Decree 175/2016 "Consolidated Law on Public Companies".
- With the same note, the General Directorate, in requesting the assessment of the indispensability of the publication of shareholder agreements in the context of the public consultation procedure, communicated that upon the outcome of said public consultation the deeds would have to be re-approved by the competent bodies of the Campania Water Authority with subsequent transmission to the Italian Antitrust Authority, to the Financial Court and to the Municipalities of the Sannita District Area, as well as to the same General Directorate for the purposes of the subsequent obligations pertaining to the exercise of the substitute powers envisaged by current legislation to assign the integrated water service in the Sannita district area.

8 May marked the end of the public consultation, launched with determination of the GD of the Campania Water Authority on 23 April 2024.

On 5 June, the Council of the Sannita District, and on 19 June, the Executive Committee of the Campania Water Authority, re-approved the deeds drafted following the investigation after the public consultation. Originally planned for July 2024, their publication only took place on 4 March 2025.

On 1 December 2024 the CWA approved the proposal to adjust the MTI-4 tariff 2024-2029 relating to the 2024-2025 two-year period only, assuming that 2025 would be the company's final year of managing the IWS.

This approval was also made with theta 1, with no other changes made to the tariffs and at the same time determining the provisional takeover value to be inserted in the call for tenders to identify the private shareholder of the incorporating company Sannio Acque, to which management of the Integrated Water Service in the Sannita District must be awarded.

In addition to the RAB of the investments made until 2023, the takeover value thus determined includes the tariff adjustments through to 31 December 2025. The definitive value, as envisaged by current regulations, will be ascertained at the time of the effective termination of management by Gesesa on the basis of the final amount of the effective costs and investments made in the 2024-2025 two-year period.

In relation to proceeding 231 associated with the company, note progress in the criminal proceeding 5548/2016, with a preventive seizure of 12 water treatment plants managed by Gesesa and appointment of a Judicial Administrator and of the proceeding begun involving the position of the company relative to which action was taken with regards to certain crimes contemplated under Legislative Decree no. 231 of 2001, for which notification was received on 12 June 2022 by the legal persons and the company requesting committal for trial, at the latest hearing on 16 December 2024. The Preliminary Hearing Judge issued the decree ordering the proceeding against Gesesa and the defendants, referring the case to 22 May 2025, for the first evidentiary hearing before the Single Presiding Judge.

With regard to the treatment plants subject to seizure, on 26 March 2024 release of seizure was served for the 10 plants still subject to seizure with the right of use.

TOSCANE – ACQUE SPA (OTA 2 – BASSO VALDARNO)

The management agreement, which came into force on 1 January 2002 with a 20-year duration (expiry is now in 2031), was signed on 21 December 2001. In accordance with said agreement, the Operator took over the exclusive integrated water service of Ato2, comprising all public water collection, abstraction and distribution services for civil use, sewage systems and the treatment of wastewater. The Area includes 55 Municipalities.

With CD Resolution 13/2024 of 28 October 2024, AIT approved the 2024-2029 tariff provisions pursuant to ARERA resolution 639/2023/R/Idr, which defined the Water Tariff Method for the fourth regulatory period MTI-4. ARERA has not yet approved the AIT proposal.

Following the approval of resolution 639/2023 MTI-4 the company adjusted the Tariff Plan drafted by AIT pursuant to the MTI-3, in order to take into account the changes to the new MTI-4 resolution and the effects of the 2022 and 2023 final figures. The following hypotheses were made:

- adjustment of the monetary parameters;
- adjustment of the costs of fixed assets;
- adjustment of inflation and operating costs recognised;
- adjustment of the denominator of the GRC formula.

The aforesaid adjustments, in combination with new and greater needs for investment primarily due to the increase in the price of contracted works and materials, made it particularly complex to close the new tariff EFP, which envisages:

- a slight Theta increase compared to the previous Plan;
- reduction to zero of the FoNI component;
- restructuring of the equalisations;
- adoption of the technical amortisation of investments made after 2025 (2027 tariff);
- an increase in maintenance to be financed in the income statement through external opex;
- for 2024, a 4% increase in the theta was approved by AIT, compared to the 2.5% in the previous approval.

The finance agreement signed in 2018 was initially set to mature at the end of 2023. For this reason, in 2022 the Company began a process that, by the maturity date of the stated finance agreement, allowed it to achieve a new and more streamlined financial structure, more in line with investment financing requirements.

Two advisors were appointed, Mediobanca – Banca di Credito Finanziario SpA and Banca Finanziaria Internazionale SpA, as well as Studio Cappelli RCCD serving as a legal consultant, supporting the Company in a complex project to refinance existing debt and simultaneously activate a financing channel with the European Investment Bank (EIB). The Company launched a "beauty contest" procedure to source a 7-year 'amortizing' loan from a pool of investors for a total of €225 million, of which (i) €210 million would be a targeted term facility, and (ii) €15 million would be an RCF to cover the Company's ordinary requirements.

In December 2022, the European Investment Bank, at the request of the Company and following an internal procedure, authorised a loan for a total of €130 million to carry out a plan of investments for the years 2022, 2023, 2024 and 2025, under conditions which are much more favourable than the current market dynamics.
The purpose of the restructuring of Acque's borrowings, is to refinance the existing bank finance, including the early termination of the hedging agreements related to the finance contract, to cover additional ordinary cash flow requirements over a period of 12 months and to cover the costs of the operation in order to allow the Company to focus on implementing its new Action Plan.
The new financial structure will cover the Company's requirements until the end of the concession agreement, at a lower cost, thus allowing it to implement a very ambitious Action Plan which has been extended following the recent tariff approval. With the same level of overall borrowings, there is also a much more flexible structure that does not place any restriction on any further requirements linked to any need for investment that may arise over the next few years.
On 13 June 2023, the loan contract was signed with EIB and on 14 June 2023 the contract with the lending parties.
The closing occurred on 20 June 2023 with the disbursement of the sums for refinancing.
On 28 September 2023, 9 interest rate swap contracts were signed to protect against negative effects associated with interest rates, with a notional value equal to 70% of the term line and effective as from 20/06/2023.
On 27 December 2023 the first EIB drawdown was carried out for €71 million at a fixed rate of 3.363%.
On 29/12/23, an optional early repayment of the bank loan was made for 41 million without additional costs and without consequent overhedging (derivative coverage at 90.65%).
On 26 June 2024, a drawdown was carried out on the EIB fixed-rate loan of 34 million.
On 20 December 2024, the final drawdown was carried out on the EIB floating-rate loan of 25 million (spread 0.846%).
The EIB loan for a total of 130 million, considering the mixed range of fixed and floating rate borrowing, has a fixed-rate coverage percentage of approximately 81%.

TUSCANY – PUBLIACQUA SPA (OTA 3 – MEDIO VALDARNO)

The management agreement, which came into force on 1 January 2002 with a twenty-year duration, was signed on 20 December 2001. In accordance with said agreement, the Operator took over the exclusive integrated water service in Optimal Territorial Area (ATO) no. 3 of Tuscany, now Territorial Conference no. 3 (CT3), comprising all public water collection, abstraction and distribution services for civil use, sewage systems and the treatment of wastewater.
The ATO initially included 49 Municipalities, of which 6 managed via agreements inherited from the previous operator, Fiorentinagas. In return for awarding the concession, the Operator pays a fee to all the Municipalities, including accumulated liabilities incurred prior to the awarding of the related contracts.
Currently, following the acquisition of the integrated water service management in the Municipality of Fiesole and the aggregation process involving several Municipalities falling within the operating scope of Publiacqua, 46 Municipalities are managed for a total of approx. 1,300,000 inhabitants and approx. 410,000 active users.
Note that on 26 June 2020, the AIT approved the tariffs for the third regulatory period (2020-2023) and promptly sent the tariff proposal to ARERA. Substantially, the regulatory Economic and Financial Plan (EFP) highlights a tariff trend, and consequently a Guaranteed Revenue Constraint (GRC), that is constant over time, with application only of annual inflation.
On 16 February 2021, with Resolution No 59/2021/R/idr, ARERA approved the specific regulatory framework containing the tariff provisions for 2020-2023 pursuant to Authority Decision of 27 December 2019, 580/2019/R/idr and related Annex A, containing "2020-2023 Water Tariff Method MTI-3".
Also note that on 31 March 2021, following ARERA resolution 59/2021, the Agreement which approved the extension of the concession to 31 December 2024 was signed with the AIT.
Following the start of the tariff update process for the 2022-2023 two-year period, Publiacqua sent all the data to the AIT for approval of the tariff provision. The AIT approved the same in February.
In Q4 2022 activities with the Tuscany Water Authority (AIT) involved various aspects of regulation. After Publiacqua sent the proposed Addendum to the Single Regulation in May, with the technical schedules and prices for services, dialogue with AIT led to approval of the tariffs for 2022-2023.
With shareholders' resolution no. 8/2024 of 10 May 2024, AIT approved the inclusion of the purification service carried out by GIDA SpA within the scope of the integrated water service of Territorial Conference no. 3 Medio Valdarno effective from 1 January 2025.
The same resolution established a technical extension of the concession agreement of the current IWS contract to the company Publiacqua SpA under the same conditions as the one currently carried out for the time strictly necessary to conclude the public procedure to select the private partner of the new operator according to the provisions of Art. 17 of the Consolidated Law on Public Companies (TUSP) and the consequent new awarding of the same service, in any case no later than 31 December 2025.
On 30 December 2025, given the impossibility to obtain the acquisition of the business unit from Publiacqua, a 6-month service contract was signed with GIDA and AIT.
On 30 May 2024, the approval process of the tariff provisions for the fourth regulatory period (MTI-4 2024-2029) was completed for the years 2024-2025, arriving with resolution of the AIT Executive Council no. 3 of 30 May 2024.
The Ministry for Infrastructure and Transport (MIT), following its evaluation of the proposals received as part of the notice dated 21 June 2023, on 28 June 2024 it published the list of interventions eligible for the National Plan for Infrastructure Interventions and Safety in the Water Sector (PNIISSI) set out by Interministerial Decree 350/2022.
On the whole, 6 proposals from Publiacqua were added to the PNIISSI, of which 4 in class A (corresponding to the maximum level of priority when assigning financial resources), for an eligible amount of €97.96 million and 2 in class B, for an eligible amount of €70 million, for a total eligible amount of €167.96 million.
Throughout 2024 Publiacqua raised a total of €36,416,808 in public capital contributions mainly relative to the so-called "high prices" reimbursement and infrastructure interventions cofinanced with the NRRP.
On 10 December 2024, the Italian Revenue Agency published a measure admitting the Company into the collaborative compliance regime; Publiacqua is the first water sector company in Italy to have been admitted by the Revenue Agency into the collaborative compliance regime pursuant to Legislative Decree 128/2015.

TUSCANY – ACQUEDOTTO DEL FIORA SPA (OTA 6 – OMBRONE)

By virtue of the Management Agreement signed on 28 December 2001, Acquedotto del Fiora took over the exclusive integrated water service of former OTA 6 Ombrone, comprising all public water collection, abstraction and distribution services for civil use, sewage systems and the treatment of wastewater. The Management Agreement is valid until 31 December 2031.
With regard to the measures in matters of interest to Acquedotto del Fiora, on 28 October 2024, based on the actual data referring to the years 2022 and 2023 and the Investments Plan, the Tuscan Area Governing Body (AIT) approved the MTI-4 tariff revision proposal, setting the GRC and the Theta of the years 2024-2025 and also redesigning the entire tariff profile until the end of the IWS concession (Deliberation of the Executive Council of the AIT no.17/2024 of 28 October 2024).
Said tariff proposal was then formally sent by AIT to ARERA for final ratification, which will take place following a specific investigation by the national Authority. As of the date this document was prepared, the process with ARERA is still under way.

TOSCANA – GEAL SPA (ATO1 – TOSCANA NORD)

The Company manages the Integrated Water Service in the Municipality of Lucca in accordance with the Management Agreements with the local authority expiring on 31 December 2025, updated during 2013 to take into account the memorandum of understanding signed with the AIT on 29 November 2011 and in 2016 pursuant to ARERA Resolution no. 656/2015.
With regard to tariffs, it should be noted that:

- in relation to the **MTI-3**, there have been no developments in the appeal of ARERA resolution no. 238/2023. In such measure, albeit having confirmed the tariff increases for 2022 and 2023 in the amount established in previous resolutions, that is equal to 6.2%, recognition of public land rent requested by the Tuscany Region for 2016-2021 was partially decreased. In particular, the tariff components Rcaother, and Opexal were not entirely recognised. Taking this into account, based on the content of the specific question faced by the company in concert with other Tuscan water companies coordinated by Cispel Toscano, rather than the size of the total amount (of approximately €20 thousand), GEAL filed an appeal against ARERA resolution 238/2023 on 31.7.2023, through the Studio Farnetani of Florence;
- with regard to the **MTI-4**, GEAL submitted to AIT on 5 April 2024 all the documentation required to prepare the tariff provisions (final economic/financial data 2022 and 2023 and Investments Plan for 2024 and 2025). Subsequently, with Executive Council resolution of 29 July 2024, AIT approved the tariff provisions for the years 2024 and 2025 on the basis of ARERA Decision 639/2023. The theta approved for the two years was 1.040 and 1.082 respectively, corresponding to an annual increase in the tariffs of 4% per year compared to 3.7% envisaged the EFP approved in 2022, also in light of the recovery of inflation in previous years. The above resolution also determined the residual value that must be paid to the incoming operator in the amount of 27,943,961, of which €24,125,967 related to the value of investments net of contributions and the FoNI and €3,917,994 related to the tariff adjustments referring to years prior to 2024.

With a specific communication dated 28 June 2024, the AIT launched the **takeover procedure by the new operator**, which should operate from 1 January 2026, according to a detailed schedule. As per the above, once a 20-day extension was obtained from AIT, on 20 September GEAL sent to AIT and to the other stakeholders (Municipality of Lucca, GAIA and ARERA) a Residual Value proposal of €27,943,961, coinciding perfectly with the one contained in the tariff provisions, on the basis of an assessment carried out by the company AGENIA Srl.
AIT must proceed by 5 July 2025 with a decree of the General Director approving the provisional RV on the basis of the available data, identifying the assets and staff to be transferred, and setting the deadline for the incoming operator to pay the takeover value.
In relation to the NRRP, GEAL is implementing the works envisaged in the three investment lines:

- for the **NRRP line M2C4-I4.1** — Investments in primary water infrastructure for the security of the water supply — GEAL obtained financing of €2.5 million, as well as the price revisions for a total amount of approximately €0.6 million, related to a technical and economic framework of €4.2 million.
  At year end, works were carried out for approximately €2.7 million, of which:
  - €0.5 million related to the replacement of the Piazza Santa Maria supply line;
  - €2.2 million, related to the new supply line on Via del Tiro in Segno and the relining of the old pipes.

  Following the requests made by MIT, the following amounts have already been collected for these works:
  - an advance of 10% equal to €250,000;
  - the payment of the first SAL for €591,000;
  - another advance of 20% equal to €500,000;
- for the **NRRP line M2C4-I4.4** – investments in sewer lines and purification, through the Tuscan Water Authority, for which MASE approved a €1 million contribution to partially cover the costs of extending the sewage system in the Oltreserchio zone and an energy efficiency project involving the purifier, for a total technical and economic framework of €2.5 million.
  At year end, works were carried out for approximately €1.5 million, including:
  - €1.3 million related to sewer line expansions;
  - €0.2 million related to the construction of a new cogeneration plant.

  Following the requests made to MASE, an advance of 30% equal to €300,000 has already been collected for these works;
- for **NRRP line M2C4-I4.2** — reduction of leaks in water distribution networks, including digitisation and monitoring of the networks, with MIT decree of 6 May 2024, GEAL was identified as one of the recipient operators of public contributions, for an amount of €8.8 million partially covering the costs to replace certain sections of the water network and the installation of smart water metering systems on the entire installed base, for a total technical and economic framework of €12.2 million.
  Pending communication from the MIT, to be carried out pursuant to Art. 1, paragraph 5 of the above Decree, GEAL:
  - ended the preparatory tender procedures for the completion of the work by 30 April 2024;
  - obtained indication from AIT that it had authorisation to sign contracts with the contractors;
  - achieved sureties to provide to AIT for execution of the works.

Subsequently, once the deed of obligation was signed by the Ministry, it was possible to start works.
At year end, works were carried out for approximately €1.3 million, of which:
- €0.4 million related to the construction of new pipelines;
- €0.7 million related to the installation of smart meters;
- €0.2 million related to other works (sensors, fire protection meters, hydrants and cabinets).

Following the request made to MASE through AIT, an advance of 30% equal to €2,663,548.80 has already been collected for these works.

UMBRIA – UMBRA ACQUE SPA (SUB-AREAS 1 AND 2 OF UMBRIA)

On 26 November 2007, Acea was definitively awarded the contract in the context of the tender procedure launched by the Area Authority for OTA 1 Perugia (now A.U.R.I.) for selection of the private minority industrial partner of Umbra Acque SpA (expiry of the concession originally set for 31 December 2027 and which following the Assembly of Mayors of the AURI with resolution 10 of 30 October 2020 was extended to 31 December 2031). The entry into the capital of the company (with 40% of the shares) took place with effect from 1 January 2008. The Company provides the integrated water service throughout all 38 Municipalities comprising Sub-Areas 1 and 2 of Umbria, to a total population of 490 thousand inhabitants for approximately 237 thousand users, covering a surface of approximately 4,300 square kilometres.
On 16 October 2024, the Assembly of Mayors of the AURI with Resolution no.15 approved the 2024-2029 tariff proposal on the basis of the Water Tariff Method 4 (MTI-4), making no changes to the tariff increase of 7.7% compared to 2023, already envisaged in the previous method (MTI-3), corresponding to a theta of 1.077. The new Tariff Plan includes benefits on the GRC in the 2024/25 two-year period — with no change to the tariff increase (7.70%) — as well as over the remaining duration of the concession (2024-2031), with a general impact of approximately +68 million in revenues, increasing from a total of €832 million outlined in the previous MTI-3 plan, to the current €900 million of the MTI-4 plan. The increase in the revenues is determined by the recovery of operating costs from previous years (electricity adjustments and recovery of the cost of inflation for the 2022-2023 two-year period) and by new operational commitments and objectives, in relation to technical quality (RQTI) as well as the considerable increase in investments (CapEx). The new MTI-4 planning (2024-2029) provides for an increase in gross investments to be made of approximately €+134 million (of which co-financed works, such as NRRP and PNISSI, and the remainder from requirements on macro-indicators M0 to M6, including on the basis of the new objectives of ARERA Res. no.637/2023), increasing from the previous €164 million to the current €298 million. Contributions are envisaged for €81 million and FoNI for €72 million, which make it possible to reduce the value of higher net investments to €+60 million, up from the previous €164 million (MTI-3) to the current €298 million (MTI-4). Within the 90 days following the resolution of the Assembly of Mayors (16 October 2024), ARERA, without prejudice to the need to request further supplements, will definitively approval the tariff proposals.
It should be noted that ARERA Resolution no. 76/2025/R/idr of 4 March 2025 confirmed the thetas as per the tariff proposal approved by the AURI with Resolution 15 of the Assembly of Mayors on 16 October 2024.
The economic results recorded in the reporting package closed at 31 December 2024 show EBITDA of €44.4 million, up by approximately +€9.0 million compared to 2023, and net profit of €12.5 million, up by approximately +€4.6 million compared to 2023, mainly as a result of higher revenues deriving from the new tariff plan.
Receivables from customers gross of the provision for doubtful debts amounted to €57.5 million; of these, approximately €16.8 million are related to tariff adjustments (RCaTOT and Opexal) that cannot be invoiced between 2025 and 2027.
Trade payables amount to approximately €52.0 million, reporting a considerable increase of approximately €12.7 million compared to 31 December 2023: this increase is mainly attributable to the NRRP investment activities (contractor SALs), but is partly also due to maintaining a longer term than the contractual terms in payments to suppliers (average times of approximately 150 days).
With reference to the supply of electricity, the company exercised the right to request that the supplier A2A SpA provide a fixed price (fixing request) for 100% of the volumes in full replacement of the price indexed to the NSP for the period between May and December 2024. As it stands, and on the basis of the cost trend forecasts available, this is a good decision in terms of efficiency and risk coverage.
Investment production in 2024 amounted to a total of €60.4 million, before public plant contributions and private contributions, which totalled €14.3 million, recording a considerable increase of €24.8 million (+70%) compared to 2023, in line with the forecasts contained in the Action Plan. The increase is attributable to the ongoing implementation of NRRP works, including the following two main projects:
- "M2C4-I4.1 Chiasco dam connection to the Perugino-Trasimeno aqueduct system", for a total amount of €28.0 million, of which €20.4 million financed by NRRP and FOI contributions;
- "M2C4-I4.2 Full districting of the distribution network, with reduction of leaks", for a total amount of €52.0 million, of which €25.0 million financed by NRRP contributions.

In order to support this extraordinary commitment to investments, it was also necessary to make use of bank loans, with the resulting increase in borrowings. The monetary NFP at 31 December 2024 amounted to €-71.5 million, recording an increase of €4.0 million compared to the previous year. Furthermore, in the first half of 2024 the company finalised several transactions with the aim of redefining and strengthening its financial structure in order to adapt it to the future management commitments outlined in the current Area Plan and, in particular:
- expanded its short-term contracts by signing an unsecured loan of €4 million with Credem SpA (expandable to €5 million) with a duration of 9 months, and a new line for ordinary advance on short-term flows of €3 million from BNL SpA, maturing 30 June 2025;
- above all, on 28 June 2024 it finalised a process initiated in 2023 with the Lending Banks (BNL, MPS, UniCredit) for the acquisition of a medium/long-term loan, with the involvement of SACE SpA, an Italian insurance/finance group directly controlled by the Italian Ministry for Economy and Finance, implementing party of the so-called Italian Green New Deal, which was requested to release a "green" guarantee in favour of the lending banks to grant a new medium/long-term credit line for a total of €15 million, duration of 8 years (maturity 2031), repayment plan with ongoing quarterly instalments with the first instalment

on 30 June 2025 and average all-in rate of 2.26%, to carry out the NRRP investments in line with Environmental Goal 3 "Protection of water and marine resources" of the Green New Deal promoted by the European Union to achieve climate neutrality by 2050.

The next two-year period will be characterised by the commitment necessary to complete by 2026 the implementation of the works envisaged and financed by the NRRP, for a total value of approximately €90 million. These are to be joined by new investments envisaged by the PNIISSI, the "National Plan for Infrastructure Interventions and Safety in the Water Sector", currently included in the new Works Programme 2024-2029 (MTI-4) only for the portion already financed by the Ministry for Infrastructure and Transport (MIT), the overall value of which amounts to €90.0 million, in relation to which the Decree that makes the allocation of the financial resources for their execution official is currently pending.
In this prospective context of high commitment, it will be necessary to adjust its financial planning and organise the technical and human resources to ensure all the necessary tools for ensuring compliance with the management targets.
The corporate 2024-2031 Economic and Financial Plan updated with the facts and forecasts indicated above confirms the economic and financial equilibrium of operation, also confirmed by the prospective compliance with all financial covenants (DSCR and RAR) on the bank debt incurred and to be incurred. In light of the above, the assessment of the company's ability to operate as a going concern is positive in both the short and long term.

UMBRIA –SII SCPA (OTA2 – UMBRIA 2)

The former Optimal Territorial Area Authority no. 2 Umbria (O.T.A. Umbria no. 2), today Sub-area no. 4 of the Umbria AURI, under the terms and for the purposes of the Galli Law — no. 36/1994 — and of Umbria Region Law no. 43 of 05.12.1997, awarded to SII ScpA from 1 January 2002, the date on which the Convention with a duration of thirty years was signed, the management of the integrated water service in the 32 municipalities of the Province of Terna. The Terni Area covers an area of 1,953 km^2, 93% of which is hills and 7% mountains. With the exception of the industrial areas of Terni and Narni, the land is prevalently used for forest and agriculture. The resident population served amounts to approximately 220,000 inhabitants. Users served total around 125 thousand and the water network covers 2,800 km.
During 2024, the Company made significant changes to its commercial management systems. Specifically, the go-live of the WFM, CRM and Billing systems took place on 18 March 2024, with the transfer of the operational, customer relations and invoicing processes to the Acea application map. The project posed a complex and ambitious challenge, which required great effort from all internal and external resources involved, and close collaboration between SII and Acea SpA. It represents an important step forward in the digitalisation and innovation of the IT systems of SII, which is a cutting-edge company in the Integrated Water Service sector, allowing for improvement of service quality. During April, the invoicing process resumed with the new CRM.
In June, the cash pooling agreement was concluded with a limit of 6.5 million, with the shareholder ASM Terni SpA that will guarantee in the coming periods the liquidity necessary to meet the investment commitments of the NRRP. With the signing of the deed of obligation, the green light was formally given in August to the project to reduce losses in the water distribution networks, including the digitalisation and monitoring of the networks related to resources of the NRRP – M2C4 – I4.2. In December, an advance payment of 30% was collected, approximately €6.3 million. With resolution no.17 of 16 October 2024, the Area Governing Body approved the tariff provisions for the fourth regulatory period.

UMBRIA – ASM TERNI

The Company's mission is to manage, in its area, the environmental hygiene service in terms of the collection, transport, treatment and disposal of waste, the production and distribution of electricity and public lighting, the management of the natural gas network and the related investments under the service agreement with Umbria Distribuzione Gas, the distribution of potable water, the treatment of wastewater and water quality control, as the Operational Partner of the IWS concession holder. The Company operates by pursuing the continuity and regularity of the service delivered, by improving and upgrading the strategic infrastructures in the various areas and by providing a proactive, responsive service to customers.
With reference to the public lighting sector, in January 2024 ASM Terni SpA, albeit amidst the current efficacy of the service contract until 2050 for the management of public lighting in said Municipality, including ordinary and extraordinary maintenance, breakdown and call centre services, presented a proposal for a public/private partnership, pursuant to art. 193 of the Public Contracts Code, also including the supply of electricity and major investments for accelerating energy efficiency, overcoming the interconnection with the private distribution network and enabling innovative services (smart city) for the benefit of the community.

LIGURIA – RIVIERACQUA SPA

On 30 December 2024, the entry of Acea Molise (100% owned by Acea Acqua) into the share capital of the public/private company Rivieracqua was completed, with a 48% stake. The company holds the Integrated Water Service (IWS) concession in the West ATO Territorial Area, Imperia Province expiring in 2042.
Rivieracqua manages approximately 2,000 km of water network and 1,000 km of sewerage network serving 155,000 users (equal to 210,000 inhabitants) in 43 municipalities; 40 in the Imperia area and 3 in the Savona area.

PROGRESS OF THE PROCEDURE FOR APPROVING THE TARIFFS

The following table shows the updated situation of the procedure for approving IWS tariff provisions for Group companies relating to the 2016-2019 regulatory period, the 2018-2019 two-year tariff update, and tariff provisions for 2020-2023, the two-year tariff update for 2022-2023, as well as the 2024-2029 tariff provisions.

Company	Approval status (up to MTI2 "2016-2019")	Two-year update status (2018-2019)	Approval status MTI-3 2020-2023	Approval status two-year update 2022-2023	Approval status MTI-4 2024-2029
Acea Ato2	On 27 July 2016, EGA approved the tariff, including the bonus as per art. 32.1, subsection a) of Resolution 664/2015/R/idr. The ARERA then approved them in Resolution 674/2016/R/idr, with some changes compared to the AGB's proposal; quality bonus confirmed.	The Conference of Mayors approved the tariff update on 15 October 2018. On 13 November 2018, ARERA approved the 2018-2019 tariff update with Resolution 572/2018/R/idr. On 10 December 2018, the Conference of Mayors adopted the provisions of the ARERA Resolution.	On 27 November 2020, the AGB approved the tariff for the 2020-2023 regulatory period with Resolution no. 6/2020. ARERA approved the 2020-2023 tariffs on 12 May 2021 with resolution 197/2021/R/idr.	Following the formal warning of 18 October 2022 sent by ARERA, the Conference of Mayors approved the 2022-2023 tariffs on 30 November 2022. ARERA approval arrived with resolution 11/23 of 17 January 2023.	The Conference of Mayors approved the tariff regulatory scheme with Res. 6/2024 of 5 August 2024. ARERA approval arrived with Resolution 381/2024 of 24 September 2024.
Acea Ato5	Tariff proposal submitted by the Operator on 30 May 2016, with request for recognition of the OpexQC. ARERA warned the AGB on 16 November 2016 and the EGA approved the tariff proposal on 13 December 2016, rejecting, among others, the request for recognition of the OpexQC. Approval by ARERA is awaited.	The Conference of Mayors approved the 2018-2019 tariff update on 1 August 2018. ARERA has not yet given its approval.	On 14 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/idr MTI-3 of 27 December 2019. On 10 March 2021, the OTAA Conference of Mayors approved the proposed tariff for 2020-2023, with resolution 1/2021. ARERA has not yet given its approval.	Following the formal warning sent by ARERA on 29 November 2022, EGA approved the 2022-2023 tariff proposal on 11 January 2023. ARERA has not yet given its approval.	Following the notice sent by ARERA on 12 September 2024, the EGA approved the 2024-2029 tariff regulatory scheme on 22 October 2024 with resolution 9. ARERA has not yet given its approval.
GORI	On 1 September 2016, the Extraordinary Commissioner of the AGB approved the tariff with OpexQC as of 2017. Approval by ARERA is awaited. With Resolution 247 of 31 May 2022, ARERA ordered CWA to employ and submit — within 90 days — specific determinations regarding tariff arrangements for the years 2012 and 2013. The measure at the same time extends the deadline for the conclusion of the proceedings to 30/09/2022, for the renewal of the contradictory preliminary investigation underlying the tariff determinations in Resolution 104/2016 (2012-2013 and 2014-2015).	On 17 July 2018 the Extraordinary Commissioner of the AGB approved the 2018-2019 tariff update. ARERA has not yet given its approval.	On 18 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/idr MTI-3 of 27 December 2019. Following a warning from ARERA, the CWA (Campania Water Authority) with a resolution dated 12 August 2021, approved the 2020-2023 tariff proposal. ARERA has not yet proceeded with approval.	On 10 August 2022 with resolution no. 35 the CWA approved the two-year update 2022-2023 including the earlier items prior to 2012. Approval by ARERA is awaited.	With Resolution no. 1 of 28 October 2024, the EGA approved the 2024-2029 regulatory scheme. ARERA has not yet given its approval.
Acque	On 5 October 2017, the AIT approved the tariff with recognition of the OpexQC. Approved by ARERA on 9 October 2018 (as part of the approval of the 2018-2019 update).	On 22 June 2018 the AIT Executive Council approved the 2018-2019 tariff update and, at the same time, the request to extend the duration of the 5-year contract, that is until 31 December 2031. With Resolution 502 of 9 October 2018, ARERA approved the 2018-2019 tariff update.	On 18 December 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 7. ARERA approval arrived with resolution 404/2021/R/idr of 28 September 2021.	AIT approved the 2022-2023 update on 25 November 2022. Approval by ARERA is awaited.	With Resolution no. 13 of 28 October 2024, the EGA approved the 2024-2029 regulatory scheme. ARERA has not yet given its approval.

Company	Approval status (up to MTI2 "2016-2019")	Two-year update status (2018-2019)	Approval status MTI-3 2020-2023	Approval status two-year update 2022-2023	Approval status MTI-4 2024-2029
Publiacqua	On 5 October 2016, the AIT approved the tariff with recognition of the bonus as per art. 32.1, subsection a) of Resolution 664/2015/R/idr. On 12 October 2017, with resolution 687/2017/R/idr ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.	On 7 December 2018 the AIT approved the 2018-2019 tariffs with the extension of the 3-year concession. ARERA approved the 2020-2023 tariff provisions and the 2018-2019 two-year update with Resolution 59/2021 of 16 February 2021.	On 26 June 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 3. ARERA approved the 2020-2023 tariff provisions with Resolution 59/2021 of 16 February 2021.	The AIT Executive Council approved the update for 2022-2023 on 22 February 2023. Approval by ARERA is awaited.	With Resolution 3 of 30 May 2024, the EGA approved the 2024-2025 regulatory scheme. ARERA has not yet given its approval.
Acquedotto del Fiora	On 5 October 2016, the AIT approved the tariff with recognition of the OpexQC. On 12 October 2017, with resolution 687/2017/R/idr, ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.	The AIT Board of Directors approved the 2018-2019 tariff update in the session of 27 July 2018. Pending approval by ARERA, the AIT Board of Directors also approved the application to extend the concession to 31 December 2031, submitted by the Company in April 2019 and approved by the AIT Executive Council on 1 July 2019. The updated tariff proposal was then presented to extend it to 2031, which in any case confirmed the tariff increase (theta) and the Guaranteed Revenue Constraint (GRC) for the years 2018 and 2019, already approved by the AIT with its Resolution of July 2018. ARERA approved the two-yearly update (with a small correction of the recognised OpexQC) and the extension of the concession with Resolution no. 465 of 12 November 2019.	On 26 November 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 6. ARERA provided approval with resolution 84/2021/R/idr of 2 March 2021.	The AIT approved the 2022-2023 two year update on 14 December 2022 Approval by ARERA occurred with resolution 313/23 of 13 July 2023.	With Resolution 17 of 28 October, the EGA approved the 2024-2025 regulatory scheme. ARERA has not yet given its approval.
Geal	On 22 July 2016, the AIT approved the tariff with recognition of the OpexQC. On 26 October 2017, with resolution 726/2017/R/idr ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.	On 12 July 2018 ARERA approved the 2018-2019 tariff update proposed by AIT.	On 28 September 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 4, updated with Resolution nos. 13 and 14 of 30 December 2020. ARERA provided approval with resolution 265/2021/R/idr of 22 June 2021.	On 30 May 2022, the AIT, with Resolution no. 5, approved the tariff arrangement to apply for the years 2022 and 2023. ARERA approval arrived with resolution 238/23 of 30 May 2023.	With Resolution 6 of 29 July, the EGA approved the 2024-2025 regulatory scheme. ARERA has not yet given its approval.

Company	Approval status (up to MTI2 "2016-2019")	Two-year update status (2018-2019)	Approval status MTI-3 2020-2023	Approval status two-year update 2022-2023	Approval status MTI-4 2024-2029
Acea Molise	Following Resolution no. 664/2015/R/idr, both for the Municipality of Campagnano di Roma (RM) and the Municipality of Termoli (CB), Municipalities where Crea Gestioni offers the IWS, neither the Granting Body nor the Area Authority of reference submitted a tariff proposal for the regulatory period 2016-2019, so the Company independently submitted tariff proposals. Currently approval by the ARERA is still pending.	The Company has submitted the data to the competent parties/AGB in order to update the 2018-2019 tariff. For the management of the IWS in the Municipality of Campagnano di Roma (RM), given the inaction of the designated parties the Company filed an application with ARERA in early January 2019 for a tariff adjustment in 2018-2019, also revising the 2016-2019 proposal. ARERA has not yet pronounced or issued a warning to the AGB and/or to the competent parties. For the management of the IWS in the Municipality of Termoli (CB), with a Resolution dated 17 December 2019 the Municipal Council of Termoli approved the alignment of the pre-existing Agreement to the Agreement template, extending its expiry to 31 December 2021, and confirmed the tariff increase (theta) and the Guaranteed Revenue Constraint (GRC) for 2018 and 2019, also revising the 2016-2019 proposal. ARERA has not yet given its approval.	The Municipality of Termoli approved the tariff provisions for 2020-2023 on 4 February 2021. These were sent by the EGAM on 4 March 2021. For the Municipality of Campagnano, the Operator sent the tariff provisions to ARERA on 30 March 2021 in accordance with the provisions under art. 5.5 of Resolution 580/2019/R/idr. Approval by ARERA is awaited.	On 18 December 2023, the Municipality of Termoli approved the tariffs for 2022-2023, sending them to EGAM at the same time. Approval by ARERA is awaited.	Following a warning from ARERA, with Resolution 1 of 5 December, the EGA approved the 2024-2029 regulatory scheme. ARERA has not yet given its approval.
Gesesa	On 29 March 2017 with Resolution no. 8 of the Extraordinary Commissioner the OTAA1 approved the tariff provisions for the years 2016-2019. Currently approval by the ARERA is still pending.	The Company submitted the documentation relating to the 2018-2019 tariff review to the Area Authority and the preliminary investigation by the technical offices of the competent AGB (EIC-Campania Water Authority) was completed at the end of February 2020. On 1 December 2023, the EIC District Committee approved the proposed tariff for 2018-2023. Approval by ARERA is awaited.	On 29 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/idr MTI-3 of 27 December 2019. The CWA convened the District Council for 22 July 2021 (findings report on checking of the minutes of 31/7/20) following the warning from ARERA received on 2 July 2021. On 1 December, the EIC District Committee approved the proposed tariff for 2018-2023. Approval by ARERA is awaited.	On 1 December, the EIC District Committee approved the proposed tariff for 2018-2023. Approval by ARERA is awaited.	With Resolution no. 2 of 21 October 2024, the EGA approved the 2024-2029 regulatory scheme. ARERA has not yet given its approval.
Nuove Acque	On 22 June 2018, the AIT Executive Council approved the rates.	On 16 October 2018 with Resolution 520 ARERA approved the 2018-2019 tariff update proposed by the AIT. With this resolution, ARERA made explicit the quantification of multipliers for 2016-2017.	On 27 November 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 5. ARERA provided approval with resolution 220/2021/R/idr of 25 May 2021.	With resolution 12/2022 of 29 July 2022, the AIT Executive Council approved the tariff provisions for 2022 – 2023. ARERA provided approval with resolution 535/2022 of 25 October 2022.	With Resolution no. 8 of 29 July 2024, the EGA approved the 2024-2029 regulatory scheme. ARERA approval arrived with Resolution 476/2024 of 13 November 2024.

Company	Approval status (up to MTI2 "2016-2019")	Two-year update status (2018-2019)	Approval status MTI-3 2020-2023	Approval status two-year update 2022-2023	Approval status MTI-4 2024-2029
Umbra Acque	On 30 June 2016, the AGB approved the tariff with recognition of the OpexQC. The ARERA then approved them in Resolution 764/2016/R/idr dated 15 December 2016.	In its session of 27 July 2018, the AURI Assembly approved the 2018-2019 tariff update. The ARERA approved the 2018-2019 tariffs with Resolution no. 489 of 27 September 2018.	AURI approved the 2020-2023 tariff provisions with Resolution no. 10 of 30 October 2020. ARERA approved the same with Resolution 36/2021 of 2 February 2021.	On 25 October 2022, AURI approved the 2022-2023 update. Following this approval, ARERA approved the 2022-2023 update with resolution 63 of 21 February 2023.	With Resolution no. 15 of 16 October 2024, the EGA approved the 2024-2029 regulatory scheme. ARERA approval arrived with Resolution 76/2025 of 4 March 2025.
SII (Terni) ScpA	On 29 April 2016, with Resolution no. 20, AURI approved the tariff multiplier for the 2016-2019 four-year period and with determination no. 57 it approved the adjustment for previous items. ARERA approved the 2016-2019 tariff provisions with resolution 290/2016 of 31 May 2016.	With resolution of the Board of Directors of AURI no. 64 of 28-12-2018, approval was given to the 2018-2019 two-year update. ARERA approved the biennial adjustment 2018-2019 with its resolution of 20 September 2018 464/2018.	AURI approved the 2020-2023 tariff structure with the resolution by the Assembly of Mayors 12 of 30 October 2020. ARERA provided approval with resolution 553/2020 of 15 December 2020.	On 25 October 2022, AURI approved the 2022-2023 update. Following this approval, ARERA approved the 2022-2023 update with resolution 78 of 28 February 2023.	With Resolution of 16 October 2024, the EGA approved the 2024-2029 regulatory scheme. ARERA has not yet given its approval.

Related party transactions

ACEA GROUP AND ROMA CAPITALE

Trading relations between Acea Group companies and Roma Capitale include the supply of water and provision of services to the Municipality.
Among the principal services are the management, maintenance and upgrading of public lighting facilities and, with regard to environmental–water services, the maintenance of fountains and drinking fountains and the additional water service, as well as contract work.
Such relations are governed by appropriate service contracts and the supply of water is conducted by applying the tariffs in force on the market adjusted to the supply conditions.
Acea and Acea Ato2, respectively, provide public lighting and integrated water services under the terms of two thirty–year concession agreements. Further details are provided in the section "Service concession report".
For further information regarding relations between the Acea Group and Roma Capitale, reference should be made to the disclosures regarding receivables and payables from and to the Parent Company in note 26 of this document.
The following table shows details of the main revenues and costs at 31 December 2024 of the Acea Group (compared to those of the previous year) deriving from the most significant financial relations.

€ thousand	31/12/2024	31/12/2023
Revenues		
Supply of fresh water	51,826	51,534
Public Lighting service contract	35,296	43,415
Public Lighting contract interest	10,474	8,326
Water service contract	496	356
Costs		
Concession fee	26,337	26,337
Lease fees	118	113
Taxes and duties	2,230	2,685

Reference should be made to note 26.b for details on the impact of these transactions, while the table below summarises the changes in receivables and payables.

€ thousand	31/12/2023	Collections/ Payments	Accruals 2024	31/12/2024
Receivables	138,891	(89,466)	92,981	142,406
Payables	(121,702)	145,710	(144,119)	(120,111)

ACEA GROUP AND ROMA CAPITALE GROUP

The Acea Group also maintains trading relations with other companies, special companies and entities owned by Roma Capitale, mainly concerning the supply of water.
The supply of services to entities owned by the Roma Capitale Group is also conducted by applying the tariffs in force on the market adjusted to the supply conditions.
The following table shows the most significant amounts of revenues, costs, receivables and payables deriving from relations between the Acea Group and entities owned by the Roma Capitale Group.

Roma Capitale Group	Trade payables	Costs	Trade receivables	Revenues
AMA SpA	915	2,228	6,842	8,761
Assicurazioni di Roma - Mutua Assicuratrice Romana	1	85	2	0
Total	**916**	**2,313**	**6,844**	**8,761**

ACEA GROUP AND MAIN CALTAGIRONE GROUP COMPANIES

The Acea Group companies maintain trading relations that mainly concern the supply of electricity and water and relations related to the executive design phase of the waste-to-energy plant in Rome. The supply of services to entities owned by this company is conducted by applying the tariffs in force on the market adjusted to the supply conditions. The prices applied to sales of electricity to free market users are in line with the sales policies of Acea Energia. The following table shows the most significant amounts relating to financial relations between the Acea Group and the main entities owned by the Caltagirone Group at 31 December 2024.

€ thousand	Revenues	Costs	Receivables	Payables
Caltagirone group	379	12,635	0	1,192

ACEA GROUP AND SUEZ ENVIRONMENT COMPANY SA GROUP

The following is a summary of the relations with the companies of the Suez Group at 31 December 2024, which includes transactions related to the executive design phase of the Rome waste-to-energy plant. It must also be noted that the financial balances described below do not include relations with companies in the Group consolidated under the equity method., which are included in the financial statements.

€ thousand	Revenues	Costs	Receivables	Payables
Suez Environnement Company SA group	671	589	912	34

LIST OF SIGNIFICANT RELATED PARTY TRANSACTIONS

In 2024, a major transaction was approved relating to the offer presented by **Acea Ambiente Srl**, a single shareholder company, in response to the call for tenders published by Roma Capitale to assign the systems hub concession relative to the design, operating authorisation, construction and management of a waste-to-energy plant and correlated ancillary systems.
The table below shows the percentage weight of transactions with related parties on the statement of financial position, the income statement and the cash flow statement.

Impact on the statement of financial position € thousand	**31/12/2024**	**Of which related parties**	**Impact**	**31/12/2023**	**Of which related parties**	**Impact**
Financial assets	39,553	39,553	100.0%	18,852	18,852	100.0%
Trade receivables	1,027,608	55,593	5.4%	1,213,200	66,272	5.5%
Current financial assets	186,801	89,216	47.8%	487,251	97,093	19.9%
Trade payables	1,872,451	19,618	1.0%	1,750,473	8,661	0.5%
Borrowings	758,611	100,584	13.3%	922,950	111,306	12.1%

Impact on the income statement € thousand	**31/12/2024**	**Of which related parties**	**Impact**	**31/12/2023**	**Of which related parties**	**Impact**
Consolidated net revenue	4,269,855	145,613	3.4%	4,629,218	163,833	3.5%
Consolidated operating costs	2,728,699	71,144	2.6%	3,252,738	59,772	1.8%
Total financial (costs)/income	**(144,514)**	**1,637**	**(1.1%)**	**(136,529)**	**2,862**	**(2.1%)**

Impact on the cash flow statement € thousand	**31/12/2024**	**Of which related parties**	**Impact**	**31/12/2023**	**Of which related parties**	**Impact**
Increase/Decrease in receivables included in current assets	48,486	10,678	22.0%	(24,004)	(4,558)	19.0%
Increase/Decrease in payables included in the working capital	261,914	10,956	4.2%	(84,485)	(33,324)	39.4%
Collections/payments deriving from other financial investments	282,493	(12,825)	(4.5%)	(133,487)	6,918	(5.2%)
Dividends received	6,768	6,768	100.0%	5,567	5,567	100.0%
Decrease/Increase in other financial debts	(246,665)	(10,722)	4.3%	(22,827)	2,783	(12.2%)
Dividends paid	(149,360)	(149,360)	100.0%	(145,213)	(145,213)	100.0%

Update on major disputes and litigation

TAX AUDITS AND DISPUTES

ACEA AMBIENTE SRL

Tax disputes relating to the incorporated SAO Srl

With deed of merger by incorporation of 14 December 2016, Acea Ambiente Srl incorporated S.A.O. Servizi Ambientali Orvieto Srl (hereinafter simply "***SAO***").

Having said this, see below for information on the ongoing disputes related to SAO, which, in light of the above merger, were transferred *de jure* to Acea Ambiente Srl.

Notices of assessment for IRPEG, IRAP and VAT relative to tax periods 2003 and 2004.

On 16 October 2008, the Revenue Agency in Orvieto served SAO two distinct notices of assessment, with which it noted irregularities attributable to SAO for IRPEG, IRAP and VAT for tax period 2003 and irregularities for IRAP and VAT for tax period 2004. The latest judicial deed relating to such notices of assessment is judgement no. 80/2023, filed on 21 February 2023, with which the second level Tax Court of Umbria (formerly CTR of Umbria) rejected the Revenue Agency's appeal, confirming the annulment of the contested notices of assessment. With measure dated 28 October 2024, the second level Tax Court of Umbria communicated that the judgement had become final. At present this dispute has been definitively resolved.

Notices of assessment for IRES relative to tax period 2004, as subsidiary of the previous consolidation parent ERG Renew SpA (so-called "first-level" assessment).

On 22 December 2008, the Revenue Agency in Orvieto served SAO, as consolidated company, a notice of assessment (so-called "first level" assessment), with which it noted a single irregularity attributable to SAO for the purposes of the national IRES consolidation for tax period 2004, in which SAO participates as subsidiary of ERG RENEW SpA. The latest judicial deed relating to such notice of assessment is judgement no. 81/2023, filed on 21 February 2023, with which the second level Tax Court of Umbria (formerly CTR of Umbria) rejected the Revenue Agency's appeal, confirming the annulment of the contested notice of assessment. With measure dated 28 October 2024, the second level Tax Court of Umbria communicated that the judgement had become final. At present this dispute has been definitively resolved.

Notices of assessment for IRES relative to tax period 2004, as subsidiary of the previous consolidation parent ERG Renew SpA (so-called "second-level" assessment).

On 10 December 2009, the Milan 1 Office of the Revenue Agency served ERG Renew SpA, as consolidation parent, a notice of assessment with which the national tax consolidation return for tax period 2004 was restated. This notice was also served to SAO SpA, as consolidated company, on 7 December 2009. This notice of assessment followed the notice of first-level assessment outlined in the previous point.

The latest judicial deed relating to such notice of assessment is ordinance no. 828/2024 of 22 March 2024, with which the first level Tax Court of Milan (formerly CTP of Milan) decided to postpone the discussion of the case, deeming it necessary to wait for the judgement of the CGT of Umbria (see previous point) that annulled the notice of first-level assessment to become final. With decision no. 5261/2024 filed on 23 December 2024, the first level Tax Court of Milan accepted the Company's appeal.

Tax disputes relating to the incorporated Kyklos Srl.

With deed of merger by incorporation of 29 December 2016, Acea Ambiente Srl incorporated Kyklos s.r.l. (hereinafter simply "***Kyklos***").

Having said this, see below for information on the ongoing disputes related to Kyklos, which, in light of the above merger, were transferred *de jure* to Acea Ambiente Srl.

Notices of assessment for VAT relative to tax period 2013.

On 12 May 2017, the company Acea Risorse e Impianti per l'Ambiente Srl (now Acea Ambiente Srl), as surviving company of the merger with Kyklos Srl, was served a notice of assessment with which the Revenue Agency – Latina Provincial Department – Control Office, found higher VAT for tax period 2013 attributable to Kyklos. With decision no. 2485 of 2022, the CTR of Lazio rejected the application for the reinstatement of proceedings submitted by the Company. The Company filed an appeal against this decision with the Court of Cassation. Ordinance no. 20905 was filed on 26 July 2024, with which the Court of Cassation accepted the appeal submitted by the Company, defining this proceeding.

Notices of assessment for VAT relative to tax period 2014.

On 12 May 2017, the company Acea Risorse e Impianti per l'Ambiente Srl (now Acea Ambiente Srl), as surviving company of the merger with Kyklos Srl, was served a notice of assessment with which the Revenue Agency – Latina Provincial Department – Control Office, found higher VAT for tax period 2014 attributable to Kyklos. The latest judicial deed relating to such notice of assessment is judgement no. 1734/18/2021 of 29 March 2021, with which the CTR of Lazio rejected the appeal lodged by the company. The Company filed an appeal against this decision with the Court of Cassation. The hearing to discuss the case has not yet been scheduled.

ARETI SPA

Notices of assessment for VAT relative to tax periods 2009, 2011, 2012, 2013 and 2014.

The Revenue Agency Lazio DRE served five separate notices of assessment for VAT (on 22 December 2014, 19 May 2016, 19 May 2016, 6 November 2018 and 19 April 2019 respectively) relative to tax periods 2009, 2011, 2012, 2013 and 2014, claiming that the tax had been unduly deducted as the requirement of localisation was not met.

With reference to tax periods 2009, 2011 and 2012 the Regional Tax Commission of Lazio agreed with the Company's arguments and annulled the notices of assessment. The Revenues Agency lodged an appeal to the Court of Cassation. At present, the hearing to

discuss the case has not yet been scheduled.
For the year 2013, the Regional Tax Commission of Lazio, with judgement 4122/2022, filed on 27 September 2022, granted the Company's appeal.
The Attorney General's Office served the appeal with the Court of Cassation by the deadline of 27 February 2024. Within the legal deadlines, the company filed a cross-appeal.
With regard to the notice of assessment for the year 2014, the second level Tax Court of Lazio, with judgement no. 3755/2024, filed on 4 June 2024, acknowledged the arguments of the company, confirming the first-level judgement. On 7 January 2025, the Office served the appeal with the Court of Cassation. The deadlines for the Company to file a cross-appeal are pending.
Notices of assessment for IRAP relative to tax periods 2011, 2012, 2013 and 2014.
The Revenue Agency Lazio DRE served separate notices of assessment for the years 2011 to 2014 concerning the treatment of tariff benefits granted to employees and former employees with reference to IRAP.
Relative to tax period 2011, the Regional Tax Commission of Lazio annulled the notice, confirming the first level decision. With an ordinance filed on 31 May 2022, the Court of Cassation rejected the Attorney General's appeal, which can therefore be considered concluded. The Office filed a request to correct the appeal decision, based on the Court of Cassation's decision, and the second level judges corrected the decision. Within the legal deadlines, the company filed an appeal with the Court of Cassation and, at present, a hearing to discuss this case has not yet been scheduled.
With reference to tax period 2012, with judgement 3612/2022, filed on 12 August 2022, the Regional Tax Commission of Lazio accepted the Office's appeal. The Company filed an appeal with the Court of Cassation in January 2024. At present, a hearing to discuss this case has not yet been scheduled.
With reference to tax period 2013, with judgement 5567/2022, the Regional Tax Commission of Lazio rejected the Company's appeal. The Company presented a request for facilitated settlement of the dispute pursuant to article 1, paragraphs 186-202 of Law No. 197/2022. At present this dispute has been definitively resolved.
With reference to tax period 2014, with judgement 12424/16/2021, the Provincial Tax Commission of Rome rejected the Company's appeal. The Company presented a request for facilitated settlement of the dispute pursuant to article 1, paragraphs 186-202 of Law No. 197/2022. At present this dispute has been definitively resolved.

ACEA ATO5 SPA

Notice of assessment relative to tax periods 2013, 2014, 2015, 2016 and 2017 for IRES and IRAP for Acea Ato5 SpA, as a consolidated company and for IRES for Acea SpA as the consolidating entity.
The relevant local Revenue Agency in Frosinone, following a general tax audit carried out by the Guardia di Finanza, served separate notices of assessment for IRES and IRAP relative to tax periods 2013, 2014, 2015, 2016 and 2017, disputing the deductibility and taxability of various components of business income. With reference to the findings related to the lack of jurisdiction disputed for 2015, supported by its tax advisors, having carried out the appropriate assessments of the risk profiles related to the aforementioned findings, the Company allocated a provision for tax risks for approximately €701thousand, whereas, with reference to the other findings, supported by the opinion of its tax advisors, the Company believes that there is a risk of losing the case in the "remote" tax proceedings.
The IRES notices of assessment were also served to the parent company Acea SpA as the consolidating entity in the tax consolidation agreement signed with Acea Ato5 SpA.
As for tax periods 2013 and 2014, combined in an appeal following the favourable first-level ruling by the Provincial Tax Commission of Frosinone, the second level Tax Court of Lazio issued sentences 1818-1819-1820/2024, filed on 18 March 2024, in favour of the company. The Office appealed to the Court of Cassation against the rulings related to IRES and IRAP 2013 and 2014 and the Company filed a cross-appeal in November 2024.
With reference to tax period 2015, the first level Tax Court of Frosinone, with decision 414/2023, filed on 20 November 2023, combined the IRES and IRAP decisions and partially accepted the Company's arguments, partially annulling the notice of assessment. The company filed an appeal, within the legal deadlines, in May 2024.
With reference to tax period 2016, the first level Tax Court of Frosinone, combining the IRES and IRAP cases, with decision 413/2023 filed on 20 November 2023 annulled both of the findings contained in the notices, fully granting the Company's appeal. The Italian Revenue Agency has notified the appeal and the Company appears as appropriate.
With reference to tax period 2017, on 17 November 2023 notices of assessment for IRES and IRAP were received from the Revenue Agency. After proposing a tax petition for compliance, the company filed an appeal with the first level Tax Court of Frosinone in May 2024. At the hearing to discuss the case set for 28 January 2025, a ruling in favour of the Company was issued.

OTHER ISSUES

ACEA ATO5 SPA

Acea Ato5 – Injunction order for payment of €10,700,000 and counterclaim to OTAA 5 for concession fees

On 14 March 2012, Acea Ato5 filed an application for an injunction, relating to the credit of €10,700,000 which had been granted to the Company by the AATO in respect of the higher costs incurred during the 2003-2005 period.
Accepting the appeal, the Court of Frosinone issued Injunction Order no. 222/2012, enforceable immediately, notice of which was served to the Area Authority on 12 April 2012.
By notice dated 22 May 2012, the OTAA sent notice of its opposition to the injunction order, requesting the cancellation of the order and, as a precautionary measure, the suspension of its provisional enforcement. Moreover, as a counter-claim, it submitted a claim for the payment of concession fees totalling €28,699,699.48.
Acea Ato5 appeared before the court in the proceedings against the injunction order, challenging the adversary's demands and in turn formulating a counter-claim for the payment of the entire amount of higher costs incurred by the Operator and originally requested, totalling €21,481,000.00.

In July 2012, the Judge suspended the temporary enforcement of the injunction order and adjourned the discussion of the merits of the case, also rejecting the request for the granting of an order for payment of the concession fees, made by the AATO.

In its judgement number 304/2017, the Court of Frosinone:
- rejected the grounds for opposition formulated by the Area Authority, highlighting, on the one hand, that the annulment, by own determination, of Resolution 4/2007 (as a result of subsequent Resolution no.5/2009) had no effect on the underlying private relationship, and therefore on the validity of the Settlement Agreement of 27.02.2007; on the other hand, that the Transaction did not violate the Normalised Method since the so-called "price cap" principle is only valid for any tariff increases;
- annulled the injunction order on the assumption of the nullity of the Resolution of the Mayors' Conference no. 4/2007 and of the Settlement Agreement adopted by the Area Authority in violation of the public regulations requiring the identification of the financial coverage of the act itself;
- rejected the requests prepared subordinately (in the event that the Settlement Agreement had been declared invalid) by Acea Ato5 defence attorneys, intended to obtain recognition of the credit by the Area Authority;
- referred the case for pre-trial examination as regards the counter-claim formulated by the Area Authority in its closing briefs nevertheless recognised the successful payment, by the Operator, of a large part of its debt, describing the existence of a residual credit of approximately €7,000,000.

This was followed by further payments by the Operator, but due to the credit/debit discrepancies between the parties, in April 2021 the court ordered an expert witness report. Following that, the Operator made a settlement proposal which was then rejected by AATO5.
In its order of 31 May 2023, the Judge also held that the debt had been paid off, based on the payments made by Acea during the proceedings. The court also identified a surplus payment by Acea Ato5, equal to the difference between the sum owed (€26,313,251.50) and the sum effectively paid by Acea Ato5 (€28,690,662.85), amounting to approximately €2,377,000, from which interest on the late sums will be subtracted.
Following this judgement, the Company adjusted its provision for risks by releasing the amount previously allocated. With regard to the interest recognised by the judgement, it is noted that the application of interest on arrears pursuant to Legislative Decree no. 231/2002 to the receivables claimed by EGATO5 in relation to the concession fees is erroneous, both in and of itself and in the amount. With reference to the payables for fees that are not the subject of the Conciliation Board (the interest related to the Conciliation Board's items is covered by the provision of the 4.5 million referred to in paragraph "10.14 The Conciliation Board with OTAA 5 and subsequent discussions with the AGB"), in line with the provisions of the Management Agreement and in particular art. 30 of the Technical Specifications, the company has allocated the sum deriving from the application of the rate at which liquidity is remunerated for EGATO (Euribor 3-month for the reference year plus 70 bps), which, as at 31 December 2024, amounts to €974,432.71. It should also be noted that the Company sent the Area Authority a request for clarification on the application of the interest rate. To date, this note has remained unanswered.

In connection with these proceedings, the appeal must be considered against the judgement of the Court of Frosinone that revoked the Court Order of €10,700,000, initially issued by said Court. After hearing the respective positions of the parties, the Court adjourned the case several times to 28 May 2025 for the oral discussion and the delivery of the judgement pursuant to art.281 sexies of the Code of Civil Procedure. This was referred to the Conciliation Board set up between the parties.

Criminal proceeding no. 2031/2016

With regard to criminal proceeding no. 2031/2016 concerning the financial years 2015, 2016 and 2017, on 4 January 2019 the current Chairperson of the Company was served with an invitation to appear in person subject to investigation and information of guarantee for alleged offences attributable to false financial statements and false corporate communications. This measure also affected the Chairpersons of the Company and the representatives of the control bodies in office in those financial years. The preliminary hearing was held on 26 October 2021, adjourned to 15 November 2021, in order to assess the admission of civil parties and then adjourned to 13 December 2021 for the same obligations and then to 10 January 2022, in order to dissolve the reservation on the admission of civil parties. The Preliminary Hearing Judge, having withdrawn the reservation, issued an order whereby, with the exception of the associations "Free Monte" and "Codici Onlus", all the parties harmed by the facts of the crime against the defendants were admitted.
Finally, at the instigation of several civil parties, the citation of Acea Ato5 and Ato5 Lazio Meridionale Frosinone as civilly liable was authorised. Ordered to be postponed until 18 February 2022. During the course of the hearing, Acea Ato5 was presented as the party liable under civil law, and the judge adjourned the hearing until 14 March 2022 to allow the Public Prosecutor and the civil parties to respond to the territorial jurisdiction issue put forward by the defendants' defence.
At the hearing of 14 March 2022, the judge of the preliminary hearing rejected the question of territorial jurisdiction and adjourned the hearing to 28 March 2022 for the continuation.
Following the hearing held on 10 February 2023, the Judge for the Preliminary Hearing declared a lack of jurisdiction for the Court of Frosinone, in favour of the Court of Rome, to ascertain the following crimes:
- Fraudulent financial statements;
- Inhibiting the exercising of the functions of the public supervisory authority;
- Tax crimes with reference to income taxes.

Following the Judge's declaration of a lack of jurisdiction, the transfer of the documents to the public prosecutor's office at the Court of Rome was ordered, so that they could proceed with the relevant determinations.
For all the other crimes, the Judge for the preliminary hearing issued a decision to not proceed, due to a lack of grounds. On 15 October 2024, the Public Prosecutor issued an application seeking a nolle prosequi against the defendants and the outcome of the hearing to discuss the case set by the Preliminary Investigations Judge is pending.

ACEA ATO5 – MUNICIPALITY OF ATINA – CITY COUNCIL RESOLUTION NO. 14 OF 17 APRIL 2019

Following the transfer of the management of the IWS of the Municipality of Atina to Acea Ato5, on 19 April 2018, the Municipality

decided to "establish the optimal territorial sub/area called Atina Territorial Area 1, with reference to the optimal territorial area no. 5, for the continuity of the autonomous and direct management of the water service pursuant to art. 147 paragraph 2 bis of Italian Legislative Decree 152/2006, declaring the Integrated Water Service "local public service without economic importance" (Municipal Council resolution no. 14 of 17 April 2019).
OTAA 5 appealed the above resolution before the Lazio Regional Administrative Court – Latina Section – also serving the Company and the Lazio Region.
As far as Acea Ato5 is concerned, while the legal action taken by the AGB is suitable to protect the interests of the Operator, the Company has deemed it appropriate to file suit and is waiting for the hearing to be set.
On 1 June 2021 with Note no. 2241/2021 the Lazio region also expressed itself on the subject, repeating the unacceptability of the Municipality's request for recognition of the Atina 1 Sub Area within the Optimal Territorial Area 5 Frosinone, because this would be contrary to the current national and regional legislation (Italian Legislative Decree No. 152 of 3 April 2006, and Regional Law no. 6 of 22 January 1996). The Municipality therefore continues to have the obligation to award in free concession of use to the operator of the integrated water service the water infrastructures it owns, as provided for in art. 153 paragraph 1 of Italian Legislative Decree 152/2006. With a ruling dated 5 December 2024, the Regional Administrative Court of Lazio declared that the appeal could not proceed due to a supervening lack of interest. Specifically, the Municipality, even after a series of discussions with the Lazio Region, recognised that it was the responsibility of the Lazio Region to assess the creation of a municipal sub-area (which it has already refused various times) and any cancellation of the resolution would not have been of any use. The Regional Administrative Court of Lazio ordered the Municipality of Atina to pay court costs in favour of ATO 5.

Acea Ato5 – Revenue Agency's Tax Demand for Land-improvement Consortia Fees for the years 2003, 2004, 2005 and 2006.

On 31 May 2024, the Revenue Agency – Collections Service served tax demand no. 04720240012370418000 relating to the payment notice for "collective income 2018" as enforced recovery requested by the Lazio Region of the sums allegedly due as advance on the fee intended for the land-improvement consortia Conca di Sora, Sud di Anagni and Valle del Liri for the years 2003, 2004, 2005 and 2006 for a total of €1,076,686.45. Acea Ato5 filed a notice of objection with the Court of Frosinone, since it believes that the fees have been duly paid to the Area Authority of reference (as envisaged by the current Management Agreement). The company also challenged the amounts requested. Following the inclusion of the dispute against the Area Governing Body, the hearing on the merits was set.

ACEA SPA – MILANO '90

This issue concerns the failure to pay sums due for the balance of the sale price of the area in the Municipality of Rome with access from via Laurentina No. 555, formalised with a deed dated 28 February 2007 and with a subsequent supplementary deed of 5 November 2008. With the said supplementary deed, the parties agreed to change the fee from €18 million to €23 million, while eliminating the earn out, setting 31 March 2009 as the payment deadline.
Given the purchaser's failure to act, the procedure to collect the amounts due was initiated by preparing a notice pay addressed to Milano '90 and through application for an injunction order which, on 28 June 2012, was granted in a temporarily enforceable form.
Therefore, in November 2012, Acea served a garnishment order to the company Milano '90 for the forced recovery of the amounts claimed.
Milano '90 opposed the aforementioned injunction – also requesting the condemnation of Acea for the restitution of sums paid as a price and compensation for damages – obtaining the suspension of its provisional execution. Consequently, the enforcement procedure was in turn suspended.
By judgement no. 3258, published on 13 February 2018, the Court of Rome rejected the opposition and confirmed the court order in full, sentencing Milano '90 to pay for the costs of the dispute.

Appeal Decision

On 26 April 2018, Milano '90 appealed, and with a decision issued 23 June 2022, the Court of Appeal of Rome fully confirmed the sentence of the first instance judge and sentenced the counterparty to pay the litigation costs.
With an appeal to the Court of Cassation notified on 21 September 2022, Milano '90 appealed the decision issued by the Rome Court of Appeal. Acea SpA filed a cross-appeal by the deadline and is waiting for the date of the hearing to be set.

Executive procedure

Following the favourable ruling of first instance, on 27 March 2018 Acea filed the application for resumption of the executive procedure in relation to Milano '90 and the third parties attached. Following the opposition proceedings brought by the third-party garnishee, on 25 March 2022 the sums assigned to Acea were paid. An appeal to the Court of Cassation by the third-party garnishee is now pending. The date for the hearing has not yet been set.

ACEA SPA – FORMER COS RULINGS

The COS dispute concerns the ascertainment of the illegality of the contract between ALMAVIVA Contact (formerly COS) and Acea and the consequent right of its workers to be recognised as having a subordinate employment relationship with Acea.

Quantification judgements

The six workers who won their cases (i.e. with whom a subordinate employment relationship with Acea was established) have over time initiated actions quantifying their claims against the company, requesting payment of the wages due as a result of the established relationship and regarding different periods of accrual of the receivables. Below, specifically.
Salary differences in relation to the period 2008/2014. In 2015, six separate quantification judgements were introduced, then combined, in relation to the wage differences accrued between 2008 and 2014. After the partially unfavourable ruling on 26 October 2022, Acea paid, reserving the right to a refund, the amounts due as remuneration and pension differences plus interest and monetary revaluation. Acea appealed to the Supreme Court against this ruling, currently awaiting a hearing, with reference to 4 workers. It

should be noted that in the meantime, two of the six judgements have been settled.

Salary differences in relation to the period 2014/2019. In 2020 and 2022, 5 workers were notified as many judgements aimed at also obtaining the wages not received in relation to the 2014-2019 time frame. All the aforesaid judgements were issued unfavourable rulings and Acea paid, reserving the right to a refund, the amounts due as remuneration and pension differences plus interest and monetary revaluation. With reference to the five original positions, 3 appeals with the Court of Cassation are currently pending — a date for the hearing has not yet been set. One position has been settled and the case most recently introduced was decided in the second instance (the terms for appealing to the Supreme Court are pending).

ACEA SPA AND ARETI SPA – MP 31 SRL (FORMERLY ARMOSIA MP SRL)

This is an opposition proceeding filed against the injunction issued by the Court of Rome against areti, in the amount of €226,621.34, requested by Armosia MP by way of lease payments for the months of April-May-June of 2014 in relation to the property in Rome — Via Marco Polo 31. The injunction was declared provisionally enforceable by order of 8 July 2015.

In the hearing on 17 February 2016, the Judge adjoined this case with the other pending before the Court of Rome, taken by Acea and areti (transferee of the lease contract) in order to obtain the termination of the lease contract. In this latter case, MP 31 has also filed an unconventional remand for compensation for the damages incurred in consideration of the degrading condition of the building when it was released by areti. With a sentence dated 27 November 2017 the Court upheld the application of MP 31 against areti, condemning it to the payment of the previous rent in the amount of €2,759,818.76 plus interest from the individual deadlines, as well as the payment of the rent up to contract expiry (29 December 2022). As a result, there are no further charges to the company.

Acea filed an appeal, served on 2 January 2018, and the counterparty filed a cross appeal.

The hearing to discuss the appeal judgement was held on 19 September 2024 and, with a ruling published on the same date, the Court of Appeal of Rome rejected both appeals. The ruling has become final.

areti SpA – Roma Capitale

With the Executive Determination of 2 May 2005, the City of Rome, Municipio XII, assigned penalties to Acea Distribuzione, now areti, for violation of article 26, paragraph 5 of the cables regulation (non-return of areas subject to works by the pre-established date, associated with work carried out by Acea Distribuzione in Municipio XII between 2003 and 2004) and, consequently, requesting that the company pay a total of €9,990,000.00.

This provision was challenged through the Regional Administrative Court of Lazio, which annulled the same with decision 2238/2012. Roma Capitale appealed this decision with the Council of State, which in a decision dated 24 July 2020 granted Roma Capitale's appeal based on the important aspect of jurisdiction, held to fall under the Ordinary Court rather the Administrative Court.

areti then appealed to the Supreme Court of Cassation, requesting the annulment of the appeal decision and confirmation of the Administrative Judge's decision. However, in an ordinance published on 7 November 2023, the Supreme Court rejected the appeal, confirming the jurisdiction of the Ordinary Court.Having defined the issue of jurisdiction, in February 2024 areti therefore returned to the case before the Ordinary Court. At the hearing on 15 July 2024, the judge granted the terms pursuant to art. 183 of the Code of Civil Procedure and adjourned the case to the hearing for the admission of any evidence.

ACEA SPA AND ACEA ATO2 SPA – CO.LA.RI.

With a writ of summons served on 23 June 2017, the Consortium Co.La.Ri. and E. Giovi Srl — respectively the manager of the Malagrotta landfill (prov. Rome) and the executor — summoned Acea and Acea Ato2 to obtain payment for the portion of the tariff for accessing the landfill, to be allocated to cover the thirty-year costs to manage the same, as established in Italian Legislative Decree 36/2003, alleged to be due for the depositing of waste during the contractual period from 1985-2009.

The main request stands at over €36 million for the entire period of contract validity. Subordinately, in the event that the law disposing the tariff is considered by the judge to be applicable retroactively, the plaintiffs request the recognition of the right to receivables of approximately €8 million for the period March 2003-2009, and the ascertainment, by expert appraisal, of the receivables for the previous period 1985-2003.

In December 2023, the Judge ordered a new investigation of the case and the appointment of a court-appointed expert. The judgement is therefore currently in the investigation stage and the expert appraisal is currently in progress.

ACEA ATO2 SPA AND ACEA ATO5 SPA – CHALLENGE TO REGIONAL DELIBERATIONS CONCERNING THE IDENTIFICATION OF THE OPTIMAL TERRITORIAL AREAS OF THE HYDROGRAPHIC BASIN

With an appeal lodged before the Superior Court of Public Waters of Rome, Acea Ato2 challenged the regional resolutions concerning the identification of the Optimal Territorial Areas of the Hydrographic Basin (GRL Resolution no. 56 of 6 February 2018, GRL Resolution no. 129 of 20 February 2018, GRL Resolution no. 152 of 2 March 2018). A similar appeal was also proposed by the Optimal Territorial Area Authority no. 2 Central Lazio. With Resolution no. 218 of 8 May 2018, the Lazio Region suspended the effectiveness of the challenged resolutions, delegating to the Regional Director of Water Resources and Soil Defence any activity useful for achieving a new governance model for the IWS during the following six months. Therefore, at the hearing of 11 July 2018 the case was postponed to 6 February 2019, pending the new assessments of the Region on the matter, announced in the provision that suspended the contested acts. Subsequently, the Region issued Resolution no. 682 of 20 November 2018 with which it has extended the deadline for the definition of the new IWS model, confirming the suspension of the effectiveness of the challenged resolutions. There have been a number of postponements, and most recently the Lazio Region revoked the challenged resolutions. As a result, with a ruling dated 11 December 2024, the matter of the dispute was declared dismissed.

A similar appeal was filed by the company Acea Ato5 and also in this case the matter of the dispute was recently declared dismissed.

ACEA ATO2 SPA – PARCO DELL'ANIENE SCARL

Civil Judgement

In June 2019 the company Parco dell'Aniene Scarl sued Acea Ato2 and Roma Capitale for alleged liability of the defendants, jointly and severally or to the extent to which they are responsible, for alleged wrongful acts arising from the failure to build and/or repair the sewerage system prior to the construction works carried out by the claimant in the Tor Cervara – Via Melibeo area. The consortium is making an exorbitant claim for compensation, totalling more than €105 million. The designated Jude, who initially considered that the claim of a lack of jurisdiction proposed by Acea was sufficient to define the case, set the hearing for definition of the conclusions.
At the same time, Parco dell'Aniene introduced an appeal for jurisdictional regulation before the United Sections of the Supreme Court of Cassation and with an order of July 2021 declared the administrative court had jurisdiction.
Noting the provision of the Supreme Court, with a decisive ordinance of November 2022, the Judge declared it was impossible to proceed with the civil judgement proceeding.

Administrative Judgement

With an appeal filed on 23 November 2021, Parco dell'Aniene Scarl resumed the case before the Regional Administrative Court of Lazio. Acea Ato2 appeared according to standard procedure, also initiating an ancillary case intended to enforce the guarantee of the insurance companies as a secondary claim, which were already involved in the civil judgement case in the cross examination. The hearing was set for December 2024, however, in the meantime, Parco dell'Aniene withdrew the claim against Acea Ato2, continuing the case against Roma Capitale only.
As a result, Acea Ato2 formalised its acceptance and in turn withdrew from the aforesaid ancillary case.
With ruling dated 17 December 2024, the Regional Administrative Court of Lazio declared that the appeal against Acea Ato2 could not proceed and rejected the appeal against Roma Capitale as unfounded, each party paying their own legal expenses. Having acknowledged the waiver of Acea Ato2, the Regional Administrative Court also declared that the ancillary appeal filed against the insurance companies could not proceed.

ACEA ATO2 SPA – ENEL GREEN POWER ITALIA SRL

With an appeal in July 2020, Enel Green Power Italia Srl (EGP) summoned Acea Ato2 to the Regional Public Waters Court, via the Roma Civil Appeals Court, to obtain recognition of its right to receive a greater amount than that already paid by Acea as an indemnity for lower voltage (in terms of that due based on the agreement in effect between the parties as of 1985), for electricity which could not be produced with the Farfa 1° salto, Farfa 2° salto, Nazzano and Castel Giubileo systems, subject to derivation of waters from the Le Capore sources.
The appellant states that between 2009 and 2019, Acea, in applying the methods used to calculate the indemnity as indicated in the 1985 agreement, erroneously calculated the amounts due and that, as a consequence of this calculation error, should be required to pay EGP the total amount of €11,614,564.85, plus additional amounts claimed as due for adjustments after 31 December 2019, as well as interest on arrears.
Acea Ato2 filed its appearance, noting the unfounded nature of the interpretation of the agreement on which the appellant bases its request and indicating a different way of quantifying the indemnity which is more in line with the agreements made between the parties during the course of the contractual relationship.
Based on the application of this calculation method, Acea Ato2, taking into account the indemnities already paid, formulated a counter-claim for the return of €3,246,201.46, plus interest, in that it was not due from Acea Ato2.
With a decision on 14 November 2022, the TRAP, granting the exception raised by Acea Ato2, declared its lack of jurisdiction in favour of the Civil Court of Rome.
In a writ of summons served on 25 January 2023, EGP reinstated the proceedings before the Court of Rome. In January 2025, an official technical assessment was ordered, which will begin in July 2025.

ACEA ATO2 SPA AND ACEA PRODUZIONE SPA – ERG HYDRO SRL

With separate appeals, notified on 10 March 2021, Erg Hydro Srl summoned Acea Ato2 and Acea Produzione before the Regional Court of Public Waters (RCPW) at the Rome Court of Civil Appeal to obtain ascertainment of its right to receive by way of indemnity for lower voltage – due to it on the basis of the agreements in effect between the parties as of 1985 – for electricity which could not be produced with its plants, given the diversion of the sources of the Peschiera and affected by the regurgitation of Nera Montoro.
The application lodged regards the payment of default interest for delayed payment of past invoices, and the different amount of the adjustments calculated differently on the basis of the aforementioned agreement of 1985.
Specifically, the total request in relation to Acea Ato2 is approximately €4,500,000.00, while in relation to Acea Produzione the application lodged is for approximately €140,000.00.
The defendants joined the case arguing that the amounts requested had lapsed, and that the interpretation of the agreement on which the plaintiff based its request was groundless.
In November 2021, a court-appointed expert was assigned to quantify the indemnity due by Acea Ato2 for the lower voltage of Peschiera.
The report issued in July 2022 confirmed the accuracy of the lower voltage calculations prepared by Acea Ato2. The case is now at the decision-making stage.

ACEA ATO2 SPA VS LAZIO REGION AND REVENUE AGENCY

With determination dated 20 December 2023, the Lazio Region formally established the amount of €10,503,800.57 as due by Acea Ato2 SpA and simultaneously requested the entry of the case in the roll, through the Revenue Agency Collections Service, for the forced recovery of the sum due, assuming that Acea Ato2 SpA would fail to make the repayment in favour of the Region of the instalments of the integrated water service fee due to the Consortium Bonifica Tevere and Agro Romano (hereinafter "CBTAR"), to the Consortium Pratica di Mare and to the Consortium Sud di Anagni for the years 2003, 2004, 2005 and 2006. The collection notice was served on 30 May 2024.
Acea Ato2 filed an appeal pursuant to Art. 32 of Decree Law 150/2011 against the regional resolution, and an appeal pursuant to Articles 615 and 617 *et seq.* of the Code of Civil Procedure against the collection notice.
In a ruling dated 30 October 2024, the Judge rejected the company's petition to annul the regional determination. The company

appealed and the hearing is pending.
With measure of 4 December 2024, the interim application promoted in the context of the opposition proceeding against the collection notice was also rejected. A hearing on the merits is yet to be scheduled.

GORI SPA – CONSORZIO DI BONIFICA INTEGRALE DEL COMPRENSORIO SARNO

With decision 7271/2021 of 7 September 2021, the Court of Naples, XII Civil Section, rejected the request made by Consorzio di Bonifica Sarno to condemn GORI to payment of around €21 million as consortia expenses relative to the period from 2008 to 2016, based on the fact, briefly, that the Consortia did not provide evidence (above all due to the uncertainty of the data and the lack of documentation produced) of the direct benefits, thereby economically calculable, received by GORI for the use of the consortia channels, with the effect of "impossibility to identify certain data and quantify precisely and without doubt the contribution due by the Company". The Consorzio di Bonifica del Comprensorio Sarno appealed the decision and the Court of Appeals of Naples referred the case for the specification of conclusions to the hearing on 1 April 2025.
Furthermore, on 19 December 2022, Consorzio di Bonifica served GORI with a payment notice ordering GORI to pay €1,433,952.00 as "reclamation contributions", for the Concessions related to the years 2017-2020. This notice was contested by GORI at the Court of Nocera Inferiore (with case RG no. 1059/23) and at the Provincial Tax Court of Naples (which issued the operative part of the judgement on 5 October 2023, declaring lack of jurisdiction). At the hearing on 23 May 2024, the Judge ordered an expert's report for the quantification of the contribution due by GORI, on the basis of the most accredited methodologies used by other consortia across the national territory, adjourning the case to the hearing on 17 April 2025.

AGCM PROCEEDING PS12458 – ACEA ENERGIA SPA

On 18 October 2022, Acea Energia received a communication in which AGCM requested information about so-called "*unilateral contract amendments*". On 4 November 2022, the Company provided a response to AGCM relative to the requested information and, on 12 December 2022, held it expedient to send a second communication with further details to demonstrate the compliance of its actions with that established in article 3 of the Aid-bis Decree Law.
That being established, on 13 December 2022 AGCM informed Acea Energia of the start of the proceeding and also notified the Company of a precautionary measure which, given the grave and irreparable harm deriving from complementation of the same, Acea Energia promptly appealed with the Regional Administrative Court of Lazio. As a consequence of the new case law and legislative changes made in this area, on 30 December 2022 AGCM adopted a second precautionary measure in relation to Acea Energia, partially revoking the measure imposed on 12 December 2022.
In the order made on 8398 of 17 May 2023, the Regional Administrative Court of Lazio set aside the interim measures made by AGCM in the case numbered PS12458. On 4 September 2023, AGCM notified Acea Energia of the appeal filed against the decision of the Regional Administrative Court of Lazio and on 4 October 2023 Acea Energia filed its counter appeal. Judgement before the Council of State is pending, the hearing for which was set for 5 December 2024.
Subsequently, in a meeting on 31 October 2023, the Authority issued a penalty provision to conclude the proceeding. In particular, reducing the claims initially made, AGCM deemed as worthy of penalties and hence improper, due to violation of articles 24 and 25 of the Consumer Code, the following two actions by the Company:
(i) the communication and consequent application to the customer of unilateral changes in the contractual economic conditions, not corresponding with the expiration of the said conditions, with reference to article 3 of the Second Aid Decree;
(ii) having held and responded to user complaints that these changes would be finalised after just ten days after the relative communication was sent.

Therefore, in the light of the above, the practices implemented by Acea Energia, specifically the two described above (A and B) constituted, in AGCM's opinion, a violation of articles 24 and 25 of the Consumer Code.
Due to the gravity and duration (indicated by AGCM as from 10 August 2022 to 17 May 2023, 281 days) of the infraction, the Authority applied a monetary administrative sanction in the amount of €560 thousand, paid by Acea Energia in November 2023.
Consequently, on 13 January 2024 the Company filed an appeal with the Regional Administrative Court against the sanction provision and with ruling dated 18 November 2024, the Regional Administrative Court of Lazio accepted the appeal submitted by Acea Energia, annulling the measure adopted by the Authority.
The appeal filed by the Authority on 11 February 2025 is pending and the date for the hearing has not yet been set.

APPEALS RELATIVE TO EXCESS PROFITS – ACEA AMBIENTE SRL, ACEA PRODUZIONE SPA, ACEA ENERGIA SPA AND ACEA SOLAR SRL

1. Temporary solidarity contribution for 2022 (Article 37 of Decree Law 21/2022, 21 March 2022)

With reference to the contribution in question, based on the assumption that a significant part of the taxable base identified for the companies of the Acea Group cannot be seen as excess profits intended to be taxed by lawmakers, but rather to extraordinary operations, Acea Ambiente Srl, Acea Produzione SpA, Acea Energia SpA and Acea Solar Srl filed distinct appeals with the Regional Administrative Court of Lazio, in all cases also seeing to payment of the respective advances, to cancel the implementation provision with which the Revenue Agency determined the amounts, also declarative, and the methods for paying the contribution (Director of the Revenue Agency Provision 221978/2022 of 17 June 2022).
The request made is intended to cancel the appealed provision, by returning the question of legitimacy to the Constitutional Court relative to article 37 of Decree Law 21/2022.
With decisions published on 16 and 17 November 2022, the four appeals filed by the companies of the Group, together with appeals presented by other operators outside of the Group, were declared inadmissible due to an absolute lack of jurisdiction over the appealed provision. Separate appeals were filed with the Council of State.
With reference to the appeals made by Acea Ambiente and Acea Solar, due to the changes made by the 2023 Stability Law to Article 37 of Decree Law 21/ 2022, which restricted the obligation to pay the extraordinary contribution solely to those cases where at least 75% of the volume of business for 2021 derived from operations in the energy sector, declarations have been filed to indicate the supervening absence of interest in the decision on the appeals made.

The Council of State thus declared the appeals inadmissible for that reason.
With regard to the appeals filed by Acea Produzione and Acea Energia, in judgements dated 28 March 2023 the Council of State recognised the jurisdiction of the Administrative Court and the cases were therefore taken up with the Regional Administrative Court of Lazio. At the same time, in May 2023 the Revenue Agency filed an appeal with the United Sections of the Court of Cassation, on jurisdictional grounds. With a decision of 19 October 2023, the United Sections of the Court of Cassation confirmed jurisdiction for the administrative court with respect to the appeals filed by Acea Energia and Acea Produzione and the cases with the Regional Administrative Court were begun again, which had been suspended with an order issued on 22 June 2023 while awaiting the Supreme Court's decision. The Regional Administrative Court of Lazio has not yet set a date for the hearing.

2. Temporary solidarity contribution for 2023 (Article 1 paragraphs 115-121 of Law 197 of 29 December 2022): Acea Produzione

With reference to this contribution, on the assumption that through Article 1 paragraphs 115-119 of Law 197 of 2022 the Italian government introduced a third solidarity contribution – in addition to the one introduced in Article 37 of Decree Law 21/2022 and Article 15-bis of Decree Law 4/2022 – which in fact pursues the same aim, namely to target any extra profits earned in the year 2022 (even though the payment of this second contribution will be made in 2023). Pursuant to this provision of the Budget Law, a "solidarity contribution" was established in 2023, for 50% of 2022 income which exceeds by at least 10% the average of total income achieved between 2018-2021. The amount of this contribution cannot exceed 25% of shareholders' equity as of the reporting date in the year prior to that in effect at 1 January 2022. This tax on extra profit applies to companies that generate at least 75% of their revenue from business in the sectors of production and resales of energy, gas and petroleum products.
Acea Produzione has filed an appeal with the Regional Administrative Court of Lazio to annul the following Revenue Agency publications: Circular no. 4/E of 23 February 2023; Resolution No. 15/E of 14 March 2023; Provision no. 55523 of 28 February 2023.
The court was asked to set aside the appealed decisions after finding that there is a conflict between Italian law and EU law and/or after referring the matter under Article 267 of the TFEU, before the European Court of Justice and/or the Constitutional Court, relative to Article 1 paragraph 115-119 of Law No. 197 del 2022. With an ordinance of 16 January 2024, the question of constitutional legitimacy raised by Acea Produzione was submitted to the Constitutional Court. The case is consequently suspended until the decision is issued. The judge ordered the referral of the matter to the EU Court of Justice.

ACEA AMBIENTE SRL – DISPUTES RELATIVE TO THE PROCEDURE TO DEVELOP THE SAN VITTORE "FOURTH LINE"

Against Lazio Region Determination G09041 of 12 July 2022, regarding the "Environmental Impact Valuation Proceeding pursuant to article 27-bis of Italian Legislative Decree 152/2006, as amended, for the "Systems and environmental adaptation for the San Vittore del Lazio waste to energy plant with creation of a fourth line", in the Municipality of San Vittore del Lazio (prov. Frosinone), localities Valle Porchio, Proposing Entity Acea Ambiente, 5 administrative appeals have been filed, with Acea Ambiente as a counterparty.
The subsequent administrative provisions issued by the Region are the Integrated Environmental Authorisation (AIA) of 26 October 2022 and the Single Regional Authorisation Provision (PAUR) of 28 October 2022.

I. Lamberet SpA — Appeal to the Regional Administrative Court of Lazio, Rome, served on 10 October 2022.
   A date for the hearing on the merits has not yet been set.
II. Municipalities of Rocca di Evandro, Mgnano Monte Lungo, San Pietro Infine and Associazione Ambientalista Fare Verde Onlus — Appeal to the Regional Administrative Court of Lazio, Latina, served on 10 October 2022.
   The application for precautionary suspension was rejected and, following the hearing on the merits, the judgement has not yet been issued.
III. Municipality of Cassino — Appeal to the Regional Administrative Court of Lazio, Latina, served on 11 October 2022.
   A date for the hearing on the merits has not yet been set.
IV. Siefic Calcestruzzi Srl and Siefic Spa: Appeal to the Regional Administrative Court of Lazio (Rome), served on 13 October 2022.
   On 13 January 2023, an appeal with additional reasons was served, against the AIA and the PAUR, accompanied by a precautionary request. In an order of 14 March 2023, the Regional Administrative Court of Lazio (Latina) was declared competent and, with ruling dated 9 June 2023 it declared the appeal unacceptable based on additional grounds and that the main appeal was not admissible. Following the appeal filed by the counterparty, the Council of State, in a judgement dated 23 April 2024, declared the Siefic appeal inadmissible, each party paying their own legal expenses. The ruling has become final.
V. Municipality of San Vittore del Lazio — Appeal to the Regional Administrative Court of Lazio, Latina, served on 16 October 2022. Appeals for additional reasons against the PAUR and AIA were served on 23 December 2022. A date for the hearing on the merits has not yet been set. On 20 February 2025, the Municipality of San Vittore served a notice of waiver of the appeal pursuant to art. 84 of the Code of Civil Procedure and is awaiting the consequent measures of the Regional Administrative Court.

On 21 February 2025, Acea Ambiente was informed of the "Order of precautionary suspension of works pursuant to art. 28 of Legislative Decree 42/2024", issued on 19 February 2025 by the Ministry of Culture – General Directorate of Archaeology, Fine Art and Landscape with order class. 34.28.10/12/2021.01 related to the 4th line of the San Vittore Plant as a result of which the suspension of the work site activities was ordered with immediate and enforceable effect.

Following the communication received, via certified email, on 7 March, with which the Superintendency requested that Acea Ambiente "carry out one or more exploratory trenches, which would allow for a more thorough assessment of the geological stratification, and possibly the archaeological stratification, of the area to be built on under the supervision and continuous assistance of a professional archaeologist, registered in the list of cultural heritage professionals", Acea Ambiente expressed its willingness to provide all necessary clarifications and, with the support of appointed external experts, will produce all necessary information to establish the correctness of its operations and allow for works to resume.

ACEA AMBIENTE SRL – APPEAL OF THE CALL FOR TENDERS PUBLISHED BY ROMA CAPITALE FOR THE CONSTRUCTION OF THE WASTE-TO-ENERGY PLANT (ATI ACEA AMBIENTE COUNTERPARTY)

In December 2023, two administrative appeals were filed – with Acea Ambiente as the counterparty, on its own behalf and as principal enterprise of the temporary grouping of companies to be constituted – for the annulment of the call for tenders published by Roma Capitale on 16 November 2023 and the related specifications, regarding the procedure of "Project financing pursuant to Art. 193 of Legislative Decree no. 36/2023 – Public/private partnership proposal through project finance to "Assign the systems hub concession relative to the a. design, operating authorisation, construction and management of a waste-to-energy plant authorised with R1 operation, and treatment capacity of 600,000 tonnes/year of waste; b. design, operating authorisation, construction and management of ancillary systems for the management of residual waste deriving from thermal treatment, the mitigation of carbon dioxide emissions and the optimisation of the distribution of recovered energy carriers. Specifically:

- one Municipality filed an appeal with the Lazio Regional Administrative Court — Rome Section, which was dismissed with judgement dated 4 April 2024, due to it being clearly groundless. The ruling has become final.
- another four Municipalities filed an appeal with the Lazio Regional Administrative Court — Rome Section, which was dismissed with judgement dated 4 April 2024, due to it being clearly groundless. The aforementioned municipalities filed an appeal with the Council of State, rejected with judgement dated 28 February 2025.

ACQUE BLU FIORENTINE SPA VS. PUBLIACQUA SPA AND OTHERS

Publiacqua SpA is a public/private company that operates the integrated water service in Tuscany through a concession, ATO no. 3 Medio Valdarno. It is 60% held by the municipalities making up the ATO in question and 40% by Acque Blu Fiorentine SpA (ABF), in which, in turn, Acea SpA holds a 75% stake. The Publiacqua concession, which expired on 31 December 2024, was extended to 31 December 2025.
Relations between ABF, a private shareholder, and the public shareholders, have been governed over time not just by the articles of association but also through shareholders' agreements which dictate the governance of the company and called for, to protect the public shareholders, special rules in the case of a decision making deadlock, which may provide the possibility of exercising a purchase option relative to the private shareholders' shares.
Aiming at regional consolidation of public services, starting in 2020 certain Tuscan businesses established the Tuscan multi-utility Alia Servizi Ambientali. In this context, the public shareholders of Publiacqua began a series of actions intended to remove the shareholder ABF from Publiacqua's shareholding structure, which culminated in the annulment of the shareholders' agreement. This led to a series of disputes, some filed with urgency.
While awaiting the rulings against the actions carried out by the public shareholders, the latter:

- transferred the shares held by various municipalities in favour of the multi-utility Alia Servizi Ambientali, which in this way became a shareholder of Publiacqua;
- invoked the "decision making deadlock" with reference to the shareholders' agreement and gave notification that it would exercise its purchase option for the Publiacqua shares held by ABF.

At present, in particular in terms of point (ii), the case filed by ABF is still pending with the Court of Florence, which summoned Publiacqua and its public shareholders with the intent of declaring the illegitimacy of the request intended to force ABF to transfer to the public shareholders the stake held by ABF in Publiacqua's share capital.
Following the preliminary assessment, the case was adjourned for final arguments.
During the case, a request was also filed to appoint an arbitrator to determine the price due in the case the disputed option right were to be exercised, and the related proceedings are currently ongoing.

ACQUE BLU ARNO BASSO SPA VS. ACQUE SPA AND OTHERS

Acque SpA is a public/private company that operates the integrated water service in Tuscany through a concession, OTA no. 2 Basso Valdarno. It is 55% held by the municipalities making up the OTA in question, with the remaining 45% held by Acque Blu Arno Basso SpA (ABAB), in which, in turn, Acea Acqua SpA holds a 86% stake. Acque's concession is in effect until 31 December 2031.
Relations between ABAB, a private shareholder, and the public shareholders, have been governed over time not just by the articles of association but also through shareholders' agreements which dictate the governance of the company and called for, to protect the public shareholders, special rules in the case of a decision making deadlock, which may provide the possibility of exercising a purchase option relative to the private shareholders' shares.
Back in 2019, the public shareholders formerly annulled the shareholders' agreements and in July 2021 formalised the exercising of the purchase option.
ABAB consequently began a series of legal actions to protect its interests, with the aim of preventing the transfer to the public shareholders of ABAB's equity investment in Acque.
In the context of the case currently pending with the Court of Florence, the public shareholders filed a request to appoint an arbitrator pursuant to article 1349 of the Civil Code, to determine the price due in the case the disputed option right were to be exercised. Following the filing of the preliminary pleadings, the judge (i) appointed the arbitrator; (ii) requested a court-appointed expert to determine the price in the case one was not identified by the third party; (iii) set an attempt for conciliation.
The dispute, after the filing of the consultation and clarification documents provided by the court-appointed expert, was postponed for final arguments.

RTI T.W.S. SPA VS IRIS ACQUA SPA

In 2015, the company TWS (formerly Severn Trent) – parent company in the temporary consortium (ATI) with Sideridraulic System SpA and Polese spa – was awarded the integrated contract for the design and execution of a "sewerage system in the Eastern Goriziano ATO, Lot I, adaptation and upgrading of the Staranzano treatment plant" for the amount of approximately €14 million, in the tender called by the Contracting Authority Irisacqua.
In July 2021, Irisacqua terminated the contract due to breach of contract and, as a result, the ATI filed a lawsuit against the Contracting Authority before the Court of Trieste to hear the illega-

lity of such termination be declared by the latter and to ascertain the termination of the contract due to excessive costs, requesting compensation of the resulting damages.
Irisacqua filed an appearance, in turn requesting a counter-claim for compensation of all alleged damages deriving from the breach of contract and the consequent termination of the contract, for the amount of over €44 million.
During the case, the Judge ordered an assessment by a court-appointed expert on the appropriateness of the costs appended by Irisacqua and the document filed as final on 28 February, indicates as appropriate a total amount borne by the consortium of €9,119,042.
The total exposure of TWS amounts to approximately €6 million.
The outcome of the next preliminary hearing is pending.

ACEA ENERGIA SPA – FIRST PROCEDURE INITIATED BY GPDP

On 26 March 2024, an inspection by the Italian Data Protection Authority (GPDP) took place at the registered office of Acea Energia in order to acquire useful information and documents with reference to the processing of personal data performed by Acea Energia for telemarketing, teleselling and general promotional contact.
On 23 January 2025, following up on the inspections noted above, the GPDP notified the Company of communication of the start of the procedure to adopt corrective measures and sanctions pursuant to art. 166 paragraph 5 of the Personal Data Protection Code (Legislative Decree No. 196 of 30 June 2003, as amended by Legislative Decree No. 101/2018) and 12 of the GPDP Regulation No. 1/2019.
In this communication, the GPDP noted that there had been an alleged breach of certain data protection provisions that could lead to the possible application of administrative sanctions.
The Company sent its written arguments on 21 February 2025, also requesting a hearing with the Authority on the facts communicated.
The hearing took place on 4 March 2025 and the Authority's determinations are pending.

ACEA ENERGIA SPA – SECOND PROCEDURE INITIATED BY GPDP

On 8 and 9 January 2024, an inspection by the Italian Data Protection Authority (GPDP) took place at the registered office of Acea Energia, as part of the cycle of audits by said Authority ordered with resolution of 3 August 2023 ("assessments of the processing of personal data by energy sector operators with specific reference to the activation of unsolicited contracts and the performance of telemarketing activities, in the current context of overcoming the so-called protected market").
The focus of such inspection was to verify compliance with the provisions on personal data protection in general and, specifically, on the correct processing of customers' personal data by the Company when contracting with its customers through the "door-to-door" and "store" channel in the 2021-2023 three-year period.
On 17 February 2025, the GPDP notified the Company of communication of the start of the procedure to adopt corrective measures and sanctions pursuant to art. 166 paragraph 5 of the Personal Data Protection Code, which followed up on the aforementioned inspection.
This is a second and additional procedure separate to the one notified by the GPDP on 23 January 2025. As a matter of fact, they are different Departments.
In short, in light of the documents acquired during the inspection in January 2024 as well as the additional discussions held in recent months, the Italian Data Protection Authority challenges the Company regarding the illegality of the processing of customers' personal data through the various sales channels used by the Company (such as door-to-door) and the non-compliance with the operator's supervisory obligations over the agencies.
The Company is currently preparing its written arguments, also requesting a hearing with the GPDP on the facts communicated.

ACEA SPA – RTI FINTECNA SPA

The dispute originates from a tender contract entered into in 2008 between the then Breda Progetti e Costruzioni (now Fintecna SpA), parent company of the consortium, and Acea Spa for the design and execution of the second section of the Ostia treatment plant.
By virtue of reserves entered in the accounting records, the appellant assumed that it was a creditor of the contracting authority Acea, which resisted by contesting the justification of the reserves and raised a claim for compensation by virtue of advances paid to the company and not recovered.
The Court of Rome, by non-definitive judgement, declared the partial and/or total inadmissibility of part of the reserves recognised then ordered an expert's report on the remaining reserves. In its definitive judgement of 3 June 2008, having set off the amount claimed against the amount due in respect of the breach, the Court dismissed the contractor's claims against Acea.
Today's Fintecna filed an appeal and with a sentence of 2017, the Court of Appeal of Rome, having performed the set-off, ordered Acea SpA to pay the contractor the sum of €367,490.28, plus legal interest and 2/3 of the legal expenses.
Acea appealed to the Court of Cassation and Fintecna cross-appealed. By order of 2 May 2024, the Supreme Court upheld the cross-appeal for lack of motivation and rejected the main appeal, referring the dispute back to the Court of Appeal of Rome.
In July 2024, Fintecna SpA requested the Court of Appeal to ascertain its residual claim, amounting to €1,347,718.42, plus legal interest. Acea, contesting the existence of that claim, insisted on the rejection of the application for reinstatement brought before the Court of Appeal and for the confirmation of the judgement issued by the Court of Appeal of Rome in 2017.
The case is currently adjourned for final arguments.

ACEA PRODUZIONE SPA

Acea Produzione – Sardinia Regional Law

On 5 December 2024, the Sardinia Region published Regional Law no. 20 imposing new restrictions on the construction of renewable plants in so-called "unsuitable areas". This legislation could directly impact several of the strategic projects of Acea Produzione, particularly Ottana/Bolotana (92 MW) in the subsidiary Acea Solar and, indirectly, through Acea Solar, the projects of the company SF Island. It should also be noted that the aforesaid legislation was challenged by the Presidency of the Council of Ministers before the Constitutional Court for alleged illegitimacy, with particular

reference to the possible violation of state powers on production, transportation and distribution of energy. The outcome of the case could influence the application of the law and its validity in relation to existing authorised plants.
An in-depth analysis conducted on the basis of the information currently available, supported by the esteemed opinion of appointed external legal experts, found no elements that would determine a long-lasting reduction in the recoverable value of the assets involved. Therefore, it is not deemed necessary to write down (impairment loss) the plants in question. The Group will continue to monitor regulatory developments and their impact on the assets, adopting any corrective measures where they become necessary.

ACEA SPA - ACEA PRODUZIONE AND ACEA ENERGIA

Abruzzo Region – so-called additional fees 2015-2020 and increased public land rent 2018-2020

In 2021, Acea SpA, on its own behalf and as agent of Acea Produzione SpA and Acea ENERGIA SpA, appealed to the Regional Court of Public Waters at the Court of Appeal of Rome against the Abruzzo Region seeking ascertainment – in relation to the concession to divert water for hydroelectric use from the Rivers Sangro, Aventino and Verde to serve the "S. Angelo" power plant – that the additional fee due for the years 2015/2019 and 2020 (which have already been paid subject to repayment) and the 10% increase in the public land rent due for the years 2018 and 2019 are not due, in so far as they are provided for by rules on the legitimacy of which a case must be raised before the Constitutional Court.
As a result of the hearing, the Presiding Judge, considering it superfluous to access the requested preliminary investigation, adjourned the case to a hearing before a panel of judges.

ACEA SPA AND ACEA PRODUZIONE

Umbria Region – expiry of concession and request for so-called additional fees

With reference to the concession to divert public water from the Nera River in the San Liberato area in the Municipality of Narni for hydroelectric use, to serve the "Marconi" hydroelectric power plant in Narni, in August 2023, the Umbria Region requested that Acea Produzione submit the end-of-concession report.
The company found that it was impossible to grant this request because it was based on an erroneous assumption that the concession granted to Acea had not expired. In response to Acea's comments, the Administration reiterated its position, also requesting payment of the additional fee for the year 2023.
Consequently, in October 2023, Acea Spa and Acea Produzione SpA brought an action before the Superior Court of Public Waters against the Umbria Region and against the Province of Terni to obtain the annulment of the claims made by the Region and the ascertainment that the additional fee requested for the year 2023 was not due.
While awaiting ruling, the Umbria Region requested the balance of the fee allegedly due for the year 2023 and, consequently, Acea extended to that request the complaints already raised in the application initiating the proceedings, proposing additional grounds in February 2024.
In the course of the proceedings, the Region granted the company's request to suspend the effectiveness of the end-of-concession report until the decision on the merits.
In a judgement of 9 January 2025, the Superior Court of Waters declined jurisdiction in favour of the Regional Court of Public Waters at the Court of Appeal of Rome. Deadlines for the resumption of the proceedings are pending.
A further appeal is pending, relating to the request for payment of the additional fee for the year 2024 requested by the Region in April 2024, and is awaiting hearing before a panel of judges.

Additional information on financial instruments and risk management policies

CLASSES OF FINANCIAL INSTRUMENTS

The following table shows the breakdown of financial assets and liabilities required by IFRS 7 based on the categories defined by IAS 39.

€ thousand	FVTPL	FVTOCI	Amortised cost	Balance sheet value	Explanatory notes
Non-current assets	**15,979**	**0**	**0**	**15,979**	
Other equity investments	7,990	0	0	7,990	21
Current assets	**0**	**3**	**1,636,503**	**1,636,506**	
Trade receivables	0	0	1,027,608	1,027,608	25
Payables arising from commodity derivatives	0	3	0	3	25
Current financial assets	0	0	186,801	186,801	25
Other current assets	0	0	422,094	422,094	25
Non-current liabilities	**0**	**3**	**1,636,503**	**1,636,506**	
Bonds	0	0	0	0	29
Payables to banks	0	70,671	1,262,129	1,332,800	29
Current liabilities	**0**	**70,671**	**1,262,129**	**1,332,800**	
Short-term bonds	0	161,912	334,666	496,578	31
Payables to banks	0	0	126,556	126,556	
Other financial payables	0	0	119,178	119,178	31
Payables from commodity derivatives	0	10,292	0	10,292	31
Payables to suppliers	0	0	1,872,451	1,872,451	31
Other Liabilities	0	0	583,313	583,313	31

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of securities not listed on an active market is determined using the valuation models and techniques prevailing on the market or using the price provided by several independent counterparties.
The fair value of medium/long-term financial assets and liabilities is calculated on the basis of the risk less and the risk less adjusted interest rate curves.
It must be noted that for trade receivables and payables with contractual expiry within the financial year, the fair value has not been calculated as their book value approximates the same.
In addition, fair value is not calculated when the fair value of financial assets and liabilities cannot be objectively determined.

TYPES OF FINANCIAL RISKS AND RELATED HEDGING ACTIVITIES

FOREIGN EXCHANGE RISK

The Group is not particularly exposed to this type of risk, which is concentrated in the conversion of the financial statements of its overseas subsidiaries. As regards the 20 billion Yen Private Placement, the exchange rate risk is hedged through a cross currency swap described in the section on interest rate risk.

COMMODITY RISK

In this context, reference is made to the Price Risk and Volume Risk cases as defined:

- **Price Risk:** risk linked to the change in commodities prices due to the difference in the price indices for purchases and sales of Electricity, Natural Gas and EUA Environmental Certificates;
- **Volume Risk:** the risk linked to changes in the volumes effectively consumed by clients compared to the volumes envisaged in the sales contracts (sale profile) or, in general, the balancing of positions in the portfolios.

Through the activities carried out by the Commodity Risk Control Unit of the Finance Unit within the Administration, Finance and Control department, Acea SpA ensures the analysis and measurement of exposure to market risks, interacting with the Energy Management Unit of Acea Energia SpA, verifying compliance with the limits and criteria adopted by the General Risk Management of the Commercial and Trading Sector and by the Administration, Finance and Control Department in line with the Acea SpA "Guidelines for the Internal Control and Risk Ma-

nagement System" and Acea SpA "Guidelines for Risk Management For Commodity Trading in Futures Markets", approved by the Board of Directors on 14 March 2022, as well as the specific procedures. The analysis and management of risks is carried out according to a second-level control process that involves the execution of activities throughout the year with different frequency by type of limit (annual, monthly and daily), carried out by the Commodity Risk Control Unit and by risk owners.

Specifically:
- Every year, the measures of the risk indicators, i.e. the limits in force, must be reviewed and respected in the management of the risks;
- Every day, the Commodity Risk Control Unit is responsible for verifying the exposure to market risks of the companies in the Commercial and Trading Industrial Segment and for verifying compliance with the defined limits.

The reports are sent to the Top Management on a daily and monthly basis. When requested by the Internal Control System, Commodity Risk Control prepares the information requested and available to the system in the format appropriate to the procedures in force and sends it to Acea SpA's Internal Audit Unit.

The risk limits of the Commercial and Trading Sector are defined in such a way as to:
- minimise the overall risk of the entire segment;
- guarantee the necessary operating flexibility in the provisioning of commodities and hedging;
- reduce the possibility of over-hedging deriving from the variation in expected volumes for the definition of hedges.

The management and mitigation of commodity risk are functional to achieving the economic and financial objectives of Acea Group, as indicated in the budget, in particular:
- to protect the primary margin against unforeseen and unfavourable short-term shocks in the energy market which affect revenues or costs;
- to identify, measure manage and represent exposure to risks;
- to reduce risks through the preparation and application of adequate internal controls, procedures, information systems and expertise.

Commodity trading on futures markets is intended to satisfy expected needs deriving from electricity and gas sales contracts relative to end customers.
The risk hedging strategy adopted by the Commercial and Trading Industrial Area also aims to minimise the risk associated with the volatility of the Income Statement deriving from the variability of market prices and ensure correct application of the Hedge Accounting (in accordance with current International Accounting Standards) to all derivative financial instruments used for such purpose.
As regards the commitments undertaken by the Acea Group to stabilise the cash flow from purchases and sales of electricity, it should be noted that all of the ongoing hedging operations are recorded in the accounts using the flow hedge method, as far as the effectiveness of hedging can be demonstrated. The financial instruments used are of the swap and contracts for difference (CFD) type, or other instruments aimed at hedging commodity price risk.

The evaluation of risk exposure involves the following activities:
A) recording of all transactions involving physical quantities carried out in special books (known as Commodity Books) differentiated according to the purpose of the activity (Sourcing on wholesale markets, Portfolio Management, Sale to end customers within and outside the Acea Group) and commodities (e.g., Electricity, Gas and EUA);
B) daily checks on observance of limits applicable to the various Commodity Books.

The activity performed by the Commodity Risk Control Unit provides for daily codified checks on compliance with risk procedures and limits (also for purposes of compliance with Law 262/05) and reports to the Top Management any discrepancies detected during the phases of checks, so that measures can be adopted to be within the established limits.
The objectives and policies for market risk, counterparty credit risk and contractual risk management are detailed in the relevant section of the Report on Operations, to which reference is made.
It should be noted that the hedges effected on the purchases and sales portfolio were conducted with leading operators in the electricity market and the financial sector. Below, in accordance with former article 2427-bis of the Italian Civil Code, is the information necessary for the description of transactions carried out, aggregated by hedged index, effective as of 1 January 2025.

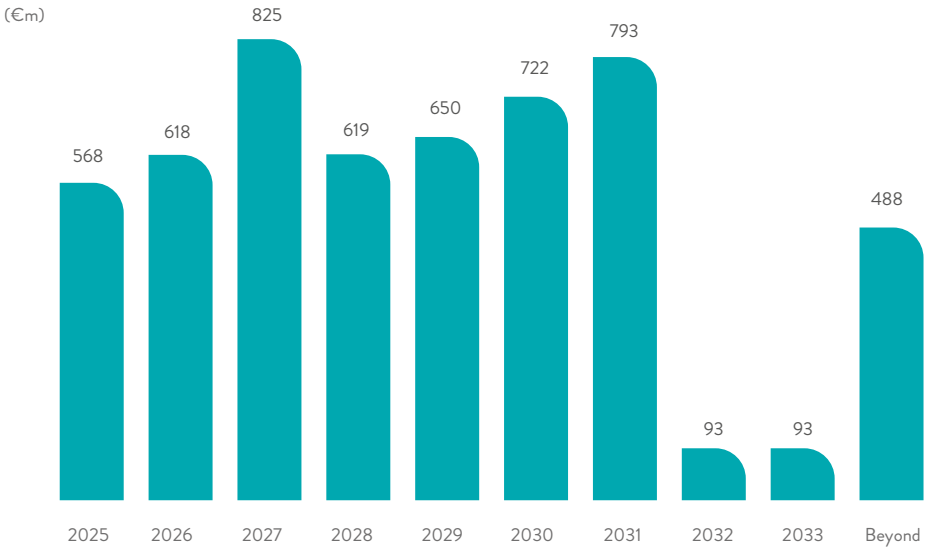
Instrument	Table of contents	Purposes	Purchases/Sales	Fair value € thousand	Portion recognised to shareholders' equity	Portion recognised in the income statement
Swap, CFD	Energy_IT	Hedging Energy portfolio	Electricity sales	(9,051)	(9,051)	0
Swap, CFD	Gas_IT	Hedging Gas portfolio	Purchase of natural gas	(1,238)	(1,238)	0

The Group determines the classification of financial instruments at fair value, in accordance with the provisions of IFRS 13. The fair value of the assets and liabilities is classified in a fair value hierarchy that envisages three different levels, defined as follows, according to the inputs and valuation techniques used to measure fair value:
- level 1: prices listed (not adjusted) on a market for identical assets and liabilities;
- level 2: inputs other than listed prices pursuant to level 1, which can be observed for the asset or liability, both directly and indirectly;
- level 3: inputs not based on observable market data. This note provides some detailed information on the valuation techniques and inputs used to prepare these valuations.

With regards to the type of derivatives for commodities for which fair value is determined, note that this is fair value level 1 as they are listed on active markets;
Finally, it should be noted that, as of 2014, the Group has applied the rules laid down in EC regulations 148 and 149/2013 (jointly and together with Regulation 648/2012, EMIR) and is currently defined as NFC — (Non-Financial Counterparty).

LIQUIDITY RISK

Acea's liquidity risk management policy is based on ensuring the availability of significant bank lines of credit. Such lines exceed the average requirement necessary to fund planned expenditure and enable the Group to minimise the risk of extraordinary outflows. In order to minimise liquidity risk, the Group has adopted a centralised treasury management system, which includes the most important Group companies, and provides financial assistance to the companies (subsidiaries and associates) not covered by a centralised finance contract.
At 31 December 2024 the Parent Company has uncommitted credit lines of €585 million. In the event of the drawdown of these types of facilities, Acea would pay an interest rate equal to the Euribor at one, two, three or six months (depending on the chosen period of use), in addition to a spread that, in some cases, may vary according to the rating assigned to the parent company. Acea also has committed revolving lines for €700 million, with an average residual maturity of around 2.5 years. No guarantees were granted in obtaining these lines.
At the end of the year the Parent Company has commitments in short-term deposit transactions for an amount of €50 million.
Please note that the EMTN Programme approved and established in 2014 for an initial amount of €1.5 billion, adjusted upwards for a total of €5 billion in 2021, was available in a residual amount of €1.2 billion at 31 December 2024. It should be noted that in July 2024, Acea repaid a bond for €600 million at natural maturity.



The graph below depicts the future development of all debt maturities, forecast based on the situation at the end of the year.
Regarding the trade payables (€1,872.45 million) it should be noted that the portion which is due to expire in the next twelve months amounted to €1,658.6 million. The amount already expired of €92.1 million will be paid by the first quarter of 2024.
It should be noted that, within the framework of the Group's contracting process with suppliers, the latter may grant, at their discretion, another extension of payment terms through the assignment of their credit in favour of a credit institution of their choice. This does not entail a particular liquidity risk, either in terms of volumes or the diversification of the counterparties involved (suppliers and financial institutions), aimed at avoiding the concentration of debt positions towards a single entity. In addition, the overall risk is further limited by the fact that the lapse of the extra payment extensions is a remote possibility, applicable only to a minority of the Group's overall exposure. Finally, the Group constantly monitors these operations to preserve financial flexibility and ensure a sustainable balance between sources of financing and operating needs.

INTEREST RATE RISK

The Acea Group's approach to management interest rate risk, which takes the structure of the assets and the stability of the Group's cash flows into account, has so far been prudent and intended to preserve the cost of funding, to stabilise the margins and the cash flows deriving from ordinary activities through a management method that tends to be static in nature.
In particular, for static management (to be opposed to the dynamic one) we mean a type of management of interest rate risk that does not provide for daily operations on the markets but an analysis and control of the position carried out periodically on the basis of specific needs. This type of management therefore involves daily activity in the markets, not for trading purposes but in order to hedge the identified exposure in the medium/long term.
Acea has, up to now, opted to minimise interest rate risk by choosing from time to time a mix of fixed and floating rate funding instruments.
As it is known, fixed rate funding protects a borrower from cash flow risk in that it stabilises the financial outflows in the income statement, whilst heightening exposure to fair value risk in terms of changes in the market value of the debt.
An analysis of the medium/long-term consolidated debt position shows that the risk Acea is exposed to is mainly in the form of fair value risk, being composed of hedged fixed rate borrowings (91%) as at 31 December 2024, and to a lesser extent to the risk of fluctuations in future cash flows.
Acea is consistent with its decisions regarding interest rate risk management that essentially aims to both control and manage this risk and optimise borrowing costs, taking account of Stakeholders'

interests and the nature of the Group's activities, and based on the prudence principle and best market practices. The main objectives of these guidelines are as follows:

- identifying, from time to time, the optimal combination of fixed and variable rates,
- to pursue a potential optimisation of borrowing costs within the risk limits established by governance bodies and in accordance with the specific nature of the business,
- to manage derivatives transactions solely for hedging purposes, should Acea decide to use them, in respect of the decisions of the Board of Directors and, therefore, the approved strategies and taking into account (in advance) the impact on the income statement and Statement of Financial Position of said transactions, giving preference to instruments that qualify for hedge accounting (typically cash flow hedges and, under given conditions, fair value hedges).

A cross currency plain vanilla swap operation is in being as of 31 December 2024 on Acea. This was entered into in 2010 to transform into euro the currency of the Private Placement (yen) and the yen rate applied into a fixed rate in euro.
The derivative instrument contractualised by Acea listed above is of the non-speculative type and the fair value, calculated according to the bilateral method, is a negative €39 million (a negative €32.9 million at 31 December 2023).
The fair value of medium/long-term debt is calculated on the basis of the risk-free and the risk-adjusted interest rate curves.

€ thousand	Amortised cost (A)	Risk-less FV (B)	Delta (A – B)	Risk-adjusted FV (C)	Delta (A – C)
Bonds	3,980,561	3,931,837	48,724	3,838,531	142,030
Fixed-rate loans	430,232	444,743	(14,511)	420,138	10,094
Floating-rate loans	938,174	1,007,007	(68,833)	948,425	(10,252)
Floating-rate loans in cash flow hedges	70,757	71,567	(810)	70,289	469
Total	**5,419,724**	**5,455,153**	**(35,430)**	**5,277,382**	**142,341**

This analysis was also carried out with the risk adjusted curve, i.e. a curve adjusted for the level of risk and the business sector of Acea. A curve populated with fixed rate bonds denominated in euro, issued by domestic companies in the public utilities sector with a composite rating ranging from BBB+ and BBB- was used.
A sensitivity analysis has been carried out on medium/long-term financial liabilities using stress testing, thus applying a constant spread over the term structure of the «risk adjusted» interest rate curve.
This makes it possible to evaluate the impact on fair value and on future Cash Flows for both the individual instruments in the portfolio and the overall portfolio.
The following table shows the overall fair value changes of the debt portfolio based on parallel shifts (positive and negative) between -1.5% and +1.5%.

Constant spread applied	Changes in present value (€ million)
(1.5%)	(488.5)
(1.0%)	(365.6)
(0.5%)	(247.0)
(0.3%)	(189.3)
n.s.	0.0
0.25%	(76.9)
0.50%	(22.1)
1.00%	84.6
1.50%	187.7

With regard to the type of hedging of which the fair value is determined and with reference to the hierarchies required by the IASB, it should be noted that, since these are composite instruments, the level is type 2 and that during the period there were no reclassifications from or to other levels of fair value as defined by IFRS13.

CREDIT RISKS

As already indicated in the general part of the Report on Operations to which you are referred, Acea issued in July 2019 the guidelines of the Group Credit Policy and the "Scoring and customer credit limit" procedure, which defines the methods for preventing credit risk (hereinafter "Credit Check") on non-regulated markets.
The guidelines of the Credit Policy, of a general nature, based on the principle of decentralising the credit activities within the companies, identify, on the basis of a Governance matrix, the responsibilities of the Parent Company and those of the operating companies.
Based on the above guidelines, the companies are responsible for the operational management of active and discontinued loans of the entire receivable portfolio, with the exception of customers of a significant amount managed by Corporate Credit through law firms identified together with the Chief Legal Officer. For the authorised companies, the Collection Unit of Administration, Finance and Control proceeds, on appointment of the same, to recovery through tax injunctions.
The Corporate Credit Unit monitors the performance of receivables on an ongoing basis and provides periodic management reports by segment and by company.
The following table shows the credit risk management of the main business areas of the group by number of customers/turnover.

As for the **company areti**, the credit component managed by the Company that indicates a possible risk factor is the one invoiced to Electricity Suppliers on the Free Market and on the Greater Protection Service, related to: the distribution and metering of energy on the distribution network; the services provided to direct customers; the Cemetery Lighting service.
As a result of regulatory interventions implemented in recent years by ARERA, offsetting tools are envisaged to protect distributors from losses deriving from the insolvency of suppliers or from non-collections of system charges, thus guaranteeing the continuity and sustainability of the electricity distribution service.

Relative to the **companies in the Commercial and Trading Segment**, for supplies of electricity and gas on the free market, preventive credit risk identification is done through a customer scoring system, integrated into the user management system, allowing for real time assessment of the creditworthiness of potential clients when they are acquired:

- with regard to Mass Market and Small Business customers, the Credit Check system integrated in the CRM is directly usable by Acea Energia and the commercial partners appointed thereby. Specific scorecards have been defined to identify customers that are potentially unsuitable for the supply of electricity or gas, as they have a risk profile that is not in line with company standards;
- with reference to Large and Top customers, the investigation is performed in Acea SpA using a dedicated platform with specific workflows that support the timely analysis of prospective customers, thanks also to the availability of updated accounting and commercial information.

Management of credit relative to active users is performed using separate User Management systems for each market (Free Market and Greater Protection Service), whereas the receivables related to ceased debtors are managed on a dedicated application.
In the past two years in and out of court collection has been strengthened, improving performance and quality for "small-ticket" receivables through master legal and collection agencies managed by Acea Energia, thereby utilising services offered by market operators for large-scale credit collection.
On the management side, activities successfully continued for the collection matching process, acting both on the collection channels and the application systems, and with regard to the number of dedicated employees.
The "large-ticket" customers that have ceased to be "large-ticket" customers following an internal collection process set up by Acea Energia are transferred to the Acea Corporate Credit Unit in the event of an unsuccessful outcome of the recovery, which then entrusts them in packages with uniform characteristics to law firms contracted by the Chief Legal Officer.
Law firms are assessed on the basis of their recovery performance and are engaged in proportion to the results achieved.

With regards to **companies in the Water Segment**, it should be remembered that the Galli Law, which grants a single operator a thirty-year concession for the integrated water service in the Optimal Territorial Area, created a local monopoly in the management of this service.

These features of the water market are reflected when measuring credit risk which mainly applies to certain types of insolvency, in particular:

- receivables subject to tender procedures;
- receivables linked to termination of accounts without the creation of a new contractual relationship;
- receivables linked to special social situation, in which the operator due to reasons of public order and/or regional issues is not able to apply the typical risk protection instruments.

Essentially, users, also in typical cases when liquidity is lacking, tend to comply with their commitments relative to a primary service such as water, meaning the operator has risk of a mainly "financial" nature, that is associated with payment trends that tend to be slower on average with respect to trade receivables.
Legislators have taken action multiple time to adopt measures intended to limit late payments, in particular with the resolution ARERA 311/2019/R/idr which published the REMSI provision, which contains the provisions for regulating late payments for the integrated water services (REMSI), as of 1 January 2020. This provision was subsequently amended with the resolution of 17 December 2019, 547/2019/R/idr, with resolution 26 May 2020, 186/2020/R/idr and resolution 16 June 2020, 221/2020/R/idr.
In this context, the Companies, consistent with the guidelines of the Acea Group's credit policy, have identified different strategies that follow the Customer Care philosophy, based on the fundamental presupposition of a direct relationship with users, as a distinctive element in creating an efficient process to constantly improve the net financial position.

Implementation of credit risk management strategies starts with a macro-distinction between public sector end users (Municipalities, public administrations, etc.) and private sector end users (industrial, commercial, condominium, etc.), given that said categories present different levels of risk, in particular:

- low risk of insolvency and high risk of late payment for public sector end users;
- variable risk of insolvency and late payment risk for private sector end users.

With reference to amounts due from "public" users, these are managed through specific phone collection actions, with a residual portion converted to cash through without recourse factoring with financial partners and/or the offsetting of receivables and payables and settlement agreements.
Management of credit relative to "private" users involves a series of targeted action which range from amicable payment reminders, specific notices for condominium customers, formal notice of arrears, assignment to specialised or internal collection services via telephone, through to flow limitation and disconnection of defaulting end users, factoring and assignment to legal studies for collection of credit via the courts.
These actions are carried out with methods and schedules governed by the REMSI provision.
Note that Ministry of Economy and Finance Decrees authorise Acea Ato2, Acea Ato5 and GORI are authorised to make use of forced collection and hence can directly issue tax injunctions and, in the case of persistent default, can register the receivables with injunctions.
For the above companies, tax injunctions represent the main judicial collection tool relative to ceased receivables.
Relative to **other Group Segments**, (Environment, Engineering & Infrastructure Projects and Production), credit exposure is generally limited and concentrated with a few debtors, carefully managed by the operating companies with support, if necessary, from the Corporate Credit Unit.

Annexes

A) LIST OF CONSOLIDATED COMPANIES

B) RECONCILIATION OF SHAREHOLDERS' EQUITY AND STATUTORY PROFIT – CONSOLIDATED

C) REMUNERATION DUE TO DIRECTORS, STATUTORY AUDITORS, KEY MANAGERS AND THE INDEPENDENT AUDITORS

D) PUBLIC DISBURSEMENT INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125, LAW 124/2017

E) SEGMENT INFORMATION: STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

A) LIST OF CONSOLIDATED COMPANIES

Company name	Registered office	Share capital (€)	Effective equity investment %	Group consolidated stake	Consolidation method
Water Segment					
Adistribuzionegas Srl	Via L. Galvani. 17/A - Forlì	5,953,644	51.0%	100.0%	Full
Notaresco Gas Srl	Via Padre Frasca - Frazione Chieti Scalo Centro Dama (CH)	100,000	55.0%	100.0%	Full
Acea Acqua SpA	Piazzale Ostiense, 2 - Rome	10,000,000	100.0%	100.0%	Full
Acea Ato2 SpA	Piazzale Ostiense, 2 - Rome	362,834,340	96.5%	100.0%	Full
Acea Ato5 SpA	Viale Rome - Frosinone	10,330,000	98.5%	100.0%	Full
Acque Blu Arno Basso SpA	Piazzale Ostiense, 2 - Rome	8,000,000	86.7%	100.0%	Full
a.Quantum SpA	Piazzale Ostiense, 2 - Rome	1,500,000	100.0%	100.0%	Full
Acea Molise Srl	Piazzale Ostiense, 2 - Rome	100,000	100.0%	100.0%	Full
Gesesa SpA	Corso Garibaldi, 8 - Benevento	534,991	57.9%	100.0%	Full
GORI SpA	Via Trentola, 211 - Ercolano (NA)	44,999,971	37.1%	100.0%	Full
Sarnese Vesuviano Srl	Piazzale Ostiense, 2 - Rome	100,000	99.2%	100.0%	Full
ASM Terni SpA	Via Bruno Capponi, 100 - Terni	84,752,541	45.3%	100.0%	Full
Acque Blu Fiorentine SpA	Piazzale Ostiense, 2 - Rome	15,153,400	75.0%	100.0%	Full
Ombrone SpA	Piazzale Ostiense, 2 - Rome	6,500,000	99.5%	100.0%	Full
Servizi Idrici Integrati Scarl	Via I Maggio, 65 - Terni	19,536,000	43.0%	100.0%	Full
Umbriadue Servizi Idrici Scarl	Via Aldo Bartocci, 29 - Terni	100,000	99.9%	100.0%	Full
Water Segment (Overseas)					
Acea International SA	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama	9,089,661	100.0%	100.0%	Full
Consorcio Agua Azul SA	Calle Amador Merino Reina 307 - Of, 803 Lima 27 - Perù	16,000,912	44.0%	100.0%	Full
Consorcio Acea	Calle Amador Merino Reina 307 - Lima - Perù	(15,326)	100.0%	100.0%	Full
Consorcio Servicio Sur	Calle Amador Merino Reyna, San Isidro	33,834	51.0%	100.0%	Full
Acea Dominicana SA	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama	644,937	100.0%	100.0%	Full
Consorcio Acea Lima Norte	Calle Amador Merino Reina 307 - Lima - Perù	221,273	100.0%	100.0%	Full
Consorcio Acea Lima Sur	Calle Amador Merino Reyna 307 - Lima - Perù	2,048	100.0%	100.0%	Full
Aguas de San Pedro SA	Las Palmas, 3 Avenida, 20y 27 calle - 21104 San Pedro, Honduras	6,457,345	60.7%	100.0%	Full
Acea Perù SAC	Calle Amador Merino Reyna, 307 - Lima - Perù	177,582	100.0%	100.0%	Full
Consorzio Acea - Acea Dominicana	Av. Las Americas - Esq. Masoneria - Ens. Ozama	67,253	100.0%	100.0%	Full
Networks & Smart Cities Segment					
areti SpA	Piazzale Ostiense, 2 - Rome	345,000,000	100.0%	100.0%	Full
a.cities Srl	Piazzale Ostiense, 2 - Rome	50,000	100.0%	100.0%	Full
Environment Segment					
Aquaser Srl	Piazzale Ostiense, 2 - Rome	3,900,000	97.9%	100.0%	Full
Acea Ambiente Srl	Piazzale Ostiense, 2 - Rome	2,224,992	100.0%	100.0%	Full
Orvieto Ambiente Srl	Piazzale Ostiense, 2 - Rome	10,010,000	100.0%	100.0%	Full
AS Recycling Srl	Piazzale Ostiense, 2 - Rome	1,000,000	100.0%	100.0%	Full
Cavallari Srl	Via dell'Industria, 6 - Ostra (AN)	100,000	80.0%	100.0%	Full

Company name	Registered office	Share capital (€)	Effective equity investment %	Group consolidated stake	Consolidation method
Deco SpA	Via Salara, 14/bis - San Giovanni Teatino (CH)	1,404,000	100.0%	100.0%	Full
Demap Srl	Via Giotto, 13 - Beinasco (TO)	119,015	100.0%	100.0%	Full
Consorzio Servizi Ecologici del Frentano "Ecofrentano"	Strada Provinciale Pedemontana km 10 Frazione Cerratina - Lanciano (CH)	10,329	75.0%	100.0%	Full
Ecologica Sangro SpA	Strada Provinciale Pedemontana km 10 Frazione Contrada - Cerratina Lanciano (CH)	100,000	100.0%	100.0%	Full
Ferrocart Srl	Via Vanzetti, 34 - Terni	80,000	60.0%	100.0%	Full
Iseco SpA	Loc. Surpian. 10 - Saint-Marcel (AO)	110,000	80.0%	100.0%	Full
MEG Srl	Via 11 Settembre, 8 - San Giovanni Ilarione (VR)	10,000	60.0%	100.0%	Full
SER Plast Srl	Contrada Stampalone, Cellino Attanasio (TE)	70,000	100.0%	100.0%	Full
Tecnoservizi Srl	Via Bruno Pontecorvo, 1/B - Rome	1,000,000	70.0%	100.0%	Full
Commercial Segment					
Acea Energia SpA	Piazzale Ostiense, 2 - Rome	10,000,000	100.0%	100.0%	Full
Acea Energy Management Srl	Piazzale Ostiense, 2 - Rome	100,000	100.0%	100.0%	Full
Acea Innovation Srl	Piazzale Ostiense 2 - Rome	2,000,000	100.0%	100.0%	Full
Umbria Energy SpA	Via Bruno Capponi, 100 - Terni	1,000,000	100.0%	100.0%	Full
Production Segment					
Ecogena Srl	Piazzale Ostiense, 2 - Rome	1,669,457	100.0%	100.0%	Full
Easolar Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	100.0%	Full
Acea Liquidation and Litigation Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	100.0%	Full
Acea Renewable 2 Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	100.0%	Full
SF Island Srl	Via Cantorrivo, 44/C - Acquapendente (VT)	10,000	100.0%	100.0%	Full
Acea Solar Srl	Piazzale Ostiense, 2 - Rome	1,000,000	100.0%	100.0%	Full
Acea Produzione SpA	Piazzale Ostiense, 2 - Rome	5,000,000	100.0%	100.0%	Full
Engineering & Infrastructure Projects Segment					
Acea Infrastructure SpA	Via Vitorchiano, 165 - Rome	2,444,000	100.0%	100.0%	Full
Simam SpA	Via Cimabue, 11/2 - Senigallia (AN)	600,000	100.0%	100.0%	Full
Technologies for Water Services SpA	Via Ticino, 9 - Desenzano del Garda (BS)	11,164,000	100.0%	100.0%	Full

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD AS FROM 1 JANUARY 2014 IN ACCORDANCE WITH IFRS 11

Company name	Registered office	Share capital (€)	Effective equity investment %	Group consolidated stake	Consolidation method
Water Segment					
Umbria Distribuzione Gas SpA	Via Capponi, 100 - Terni	2,120,000	55.0%	55.0%	Equity
DropMI Srl	Piazzale Ostiense, 2 - Rome	1,000,000	50.0%	50.0%	Equity
Acque SpA	Via Garigliano, 1 - Empoli	9,953,116	45.0%	45.0%	Equity
Intesa Aretina Scarl	Via Benigno Crespi, 57 - Milan	18,112,000	35.0%	35.0%	Equity
Geal SpA	Viale Luporini, 1348 - Lucca	1,450,000	48.0%	48.0%	Equity
Acquedotto del Fiora SpA	Via G, Mameli, 10 - Grosseto	1,730,520	40.0%	40.0%	Equity
Agile Academy Srl	Via Mameli, 10 - Grosseto	10,000	100.0%	40.0%	Equity
Nuove Acque SpA	Patrignone - Località Cuculo (AR)	34,450,389	46.2%	16.2%	Equity
Publiacqua SpA	Via Villamagna - Florence	150,280,057	40.0%	40.0%	Equity
Rivieracqua SpA	Lungomare Amerigo Vespucci, 5 - Imperia	19,216,146	48.2%	48.2%	Equity
Umbra Acque SpA	Via Benucci, 162 - Ponte San Giovanni (PG)	15,549,889	40.0%	40.0%	Equity
Environment Segment					
Ecomed Srl in liquidation	Piazzale Ostiense, 2 - Rome	10,000	50.0%	50.0%	Equity
Picenambiente SpA	Contrada Monte Renzo, 25 - San Benedetto del Tronto (AP)	5,500,000	21.8%	21.8%	Equity
Picenambiente Srl	Contrada Monte Renzo, 25 - San Benedetto del Tronto (AP)	505,000	100.0%	21.8%	Equity
Picenambiente Energia Srl	Contrada Monte Renzo, 25 - San Benedetto del Tronto (AP)	200,000	100.0%	21.8%	Equity
Production Segment					
KT4 Srl	Via SS Pietro e Paolo, 50 - Rome	110,000	100.0%	40.0%	Equity
Acea Renewable Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
Ambra Solare 16 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 17 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 20 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 25 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 28 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 29 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 30 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 31 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 33 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 34 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 35 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 39 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 40 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Ambra Solare 44 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Belaria Srl	Via Luciano Manara, 15 - Milan	10,000	49.0%	19.6%	Equity
Energia SpA	Via Barberini, 28 - Rome	239,520	49.9%	49.9%	Equity
Euroline 3 Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
Fergas Solar Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity

Company name	Registered office	Share capital (€)	Effective equity investment %	Group consolidated stake	Consolidation method
Fergas Solar 2 Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	100.0%	Equity
Acea Green Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
IFV-Energy Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
JB Solar Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
M2D Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
Marmaria Solare 8 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Marmaria Solare 9 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Marmaria Solare 10 Srl	Via Tevere, 41 - Rome	10,000	51.0%	51.0%	Equity
Marche Solar Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
PF Power of Future Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
PSL Srl	Piazzale Ostiense, 2 - Rome	15,000	100.0%	40.0%	Equity
Solaria Real Estate Srl	Piazzale Ostiense, 2 - Rome	176,085	100.0%	40.0%	Equity
Solarplant Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
Acea Sun Capital Srl	Piazzale Ostiense, 2 - Rome	10,000	40.0%	40.0%	Equity
Trinovolt Srl	Piazzale Ostiense, 2 - Rome	10,000	100.0%	40.0%	Equity
Engineering & Infrastructure Projects Segment					
Ingegnerie Toscane Srl	Via Raffaello Lambruschini, 33 - Florence	100,000	99.9%	44.5%	Equity

The following companies are also consolidated using the equity method:

Company name	Registered office	Share capital (€)	Effective equity investment %	Group consolidated stake	Consolidation method
Water Segment					
Le Soluzioni Scarl	Via Garigliano,1 - Empoli	250,678	80.8%	51.6%	Equity
Sogea SpA	Via Mercatanti, 8 - Rieti	260,000	49.0%	49.0%	Equity
Bonifiche Ferraresi SpA	Via Cavicchini, 2 - Jolanda di Savoia (FE)	261,883,391	0.5%	0.5%	Equity
Water Segment (Overseas)					
Aguazul Bogotá S A E S P en liquidación	Calle 82 n. 19°-34 - Bogotà-Colombia	652,361	51.0%	51.0%	Equity
Environment Segment					
Amea SpA	Via San Francesco d'Assisi 15C - Paliano (FR)	1,689,000	33.0%	33.0%	Equity
Coema	Piazzale Ostiense, 2 - Rome	10,000	67.0%	33.5%	Equity
Production Segment					
Sienergia SpA (in liquidation)	Via Fratelli Cairoli, 24 - Perugia	132,000	42.1%	42.1%	Equity
Other					
Marco Polo Srl (in liquidation)	Via delle Cave Ardeatine, 40 - Rome	10,000	33.0%	33.0%	Equity

B) RECONCILIATION OF SHAREHOLDERS' EQUITY AND STATUTORY PROFIT – CONSOLIDATED

	Profit for the year		Shareholders' equity	
€ thousand	2024	2023	31/12/2024	31/12/2023
Balances in statutory financial statements (ACEA)	**208,492**	**202,961**	**1,732,871**	**1,711,806**
Surplus of shareholders' equity in financial statements, including the related results compared to carrying values in consolidated companies	127,544	91,751	290,925	259,230
Consolidation goodwill	(17,832)	(17,161)	224,759	274,587
Accounted for using the equity method	17,331	14,246	308,196	179,388
Other changes	(3,916)	2,111	(51,645)	(47,729)
Balances in consolidated financial statements	**331,620**	**293,908**	**2,505,105**	**2,377,281**

C) REMUNERATION DUE TO DIRECTORS, STATUTORY AUDITORS, KEY MANAGERS AND THE INDEPENDENT AUDITORS

Board of Directors and Board of Statutory Auditors

	Remuneration due				
(€ thousand)	Remuneration for the office	Non-monetary Benefits*	Bonuses and other incentives	Other compensation	Total
Board of Directors	553	24	365	1,454	**2,395**
Board of Statutory Auditors	350	0	0	0	**350**

(*) Non-monetary benefits are expressed at their taxable value.

KEY MANAGERS

Total fees due to executives with strategic responsibilities for 2024 amounted to:

- salaries and bonuses €1,250 thousand;
- non-monetary benefits €45 thousand.

Remuneration paid to key managers is established by the Remuneration Committee based on average levels of pay in the labour market.

AUDITING FIRM

In accordance with article 149 duodecies of CONSOB Issuers' Regulations, the fees accrued by the independent auditors PWC in 2024 are provided in the table below.

	Parent company auditing company		Parent company auditing company network		Total	
Type of service (€ thousand)	Group Parent company	Acea Group	Group parent company	Acea Group	Group parent company	Acea Group
Independent auditing of the accounts	257	**1,640**	0	**111**	257	**1,751**
Certification services	267 (1)	**529** (2)	0	**0**	267	**529**
Tax consulting services	0	**0**	0	**0**	0	**0**
Other services	231 (3)	**231**	138 (4)	**172** (5)	369	**403**
Total fees	**755**	**2,400**	**138**	**283**	**892**	**2,683**

(1) Other auditing services provided by PwC SpA to the parent company mainly refer to assistance with documentation and assessment of internal audits.
(2) Other auditing services provided by companies within the PwC network to the parent company mainly involve the issuing of comfort letters with reference to bond issues.
(3) Other auditing services provided by PwC SpA and the companies in the PwC network to subsidiaries mainly include limited auditing of sustainability reports.

D) PUBLIC DISBURSEMENT INFORMATION PURSUANT TO ART. 1, PARAGRAPH 125, LAW 124/2017

On the basis of the transparency rules for the system of public disbursements, pursuant to article 1, paragraph 125 of Law 124/2017, the following is declared with reference to 31 December 2024:

- Acea Ato2 collected a contribution of €27,995 thousand from the Lazio Region as a result of the request for access to the Fund for the adjustment of the prices of building materials referred to in article 1-septies, paragraph 8, of the Law Decree 73 of 25 May 2021 converted, with amendments, by law of 23 July 2021 no. 106. Lastly, it received the contributions relative to public financing envisaged in the National Recovery and Resilience Plan (NRRP) for an amount of €84,051 thousand to optimise and complete the water infrastructure;
- Acea Ato5 received €3,725 thousand from the Ministry of Infrastructure and Sustainable Mobility for the request to access the Fund for adjustment of the prices of materials, fuels and energy products pursuant to article 1-septies, paragraph 8 of Decree Law 73/2021 and a contribution received to counter the water supply crisis of 2017 and 2022 in the amount of €542 thousand. Lastly, the company obtained approval from the Lazio Region of a Works Plan intended to build and adapt the water and sewerage networks for the 2021-2023 three-year period for an amount equal to €1,083 thousand, and collected an advance payment on the contributions related to the public financing envisaged by the NRRP for an amount of €11,547 thousand.
- areti collected from the Lazio Region a contribution of €8,045 thousand resulting from the application to access the Fund for the adjustment of prices of materials and received contributions related to the public financing envisaged by the NRRP for an amount of €11,397 thousand to strengthen the smart grid. Lastly, for the Bflex and Flow Projects, it benefited from amounts from the European Union for €126,981 thousand and €120,844 thousand respectively.
- GORI collected contributions from the Campania Region to build and improve the efficiency of treatment systems for an amount of €26,225 thousand and, for the "React EU" projects to monitor and reduce water leaks, an amount of €37,210 thousand. It also received contributions from the Ministry for Infrastructure and Sustainable Mobility in the amount of €13,087 thousand for the so-called "Aid Decree" (price increase Decree Law 50/2022). It collected an advance on the contributions relative to public financing envisaged in the NRRP for an amount of €24,244 thousand. And, lastly, it collected from the Ministry for the Environment and Energy Security an amount of €6,571 thousand and €30 thousand from the Ministry for Universities for the Biofeedstock project.
- DECO benefited from an amount of €92 thousand for the contribution subsidy called "Decontribuzione Sud" [contributions reduction for the South] (Art. 27 Decree Law 104/2020) which seeks to protect employment levels in areas with serious socioeconomic hardship;
- Servizi Idrici Integrati received an amount of €9,076 thousand from the Umbria Region to construct water pipes and for projects pertaining to ground discharges and the creation of new purifiers in the territory of Sub-Area 4 of the AURI, intended to manage the water crisis;
- ASM Terni benefited from an amount equal to €94 thousand, as an NRRP advance for the construction of ecological hooklift bin stations.
- Simam collected for the tax subsidy called "Decontribuzione Sud" [contributions reduction for the South] (Art. 27 Decree Law 104/2020) an amount equal to €14 thousand as a reduction of the INPS contribution for the most disadvantaged areas and from the European Union an amount of €125 thousand pertaining to a project coordinated by the University of Modena and Reggio Emilia related to the development of technology;
- Ecologica Sangro SpA benefited from an amount of €14 thousand for the contribution subsidy called "Decontribuzione Sud" [contributions reduction for the South] (Art. 27 Decree Law 104/2020) which seeks to protect employment levels in areas with serious socioeconomic hardship;
- Acea Infrastructure SpA benefited from an amount equal to €43 thousand for the Promesces project financed by the European Union as part of the Horizon 2020 framework programme to support the European Green Deal. The latter seeks to increase the circularity of resources by overcoming the barriers associated with the presence of industrial persistent, mobile and potentially toxic (iPMT) chemicals in the soil-sediment-water system;
- MEG Srl benefited from a tax credit for €124 thousand, known as the "Credit 4.0", granted to investments made from 2019 in capital goods required for the technological and digital transformation of production processes, allocated to production facilities situated in Italy.

E) SEGMENT INFORMATION: STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

SEGMENT INFORMATION: STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT

Please note the following for a better understanding of the breakdown provided in this section:

- **Water**, responsible, from an organisational point of view, for the water companies operating in Lazio, Campania, Tuscany and Umbria, and for the gas distribution companies operating in Abruzzo and ASM Terni;
- **Water (Overseas)** responsible, from an organisational point of view, for the activities carried out abroad;
- **Networks & Public Lighting** refers to areti and public lighting;
- **Environment**, responsible from an organisational point of view, for Acea Ambiente, Aquaser, Iseco, Demap, Berg, Ferrocart, Cavallari, Deco, Meg, SER Plast, AS Recycling, Tecnoservizi, Italmacero, Orvieto Ambiente;
- **Commercial**, responsible from an organisational point of view, for Acea Energia, Aema, Umbria Energy, Acea Innovation;
- **Generation** refers to Acea Produzione, Ecogena, Acea Liquidation and Litigation, and all the companies in the Photovoltaic sector;
- **Engineering and Services** responsible, from an organizational point of view, for Acea Infrastructure, TWS, Ingegnerie Toscane and SIMAM.

BALANCE SHEET – ASSETS 2023

€ thousand	Water	Water (Overseas)	Network and Public Lighting
Capex	682,388	5,723	299,592
Total property, plant and equipment	164,023	33,994	2,421,556
Total intangible fixed assets	4,268,713	30,674	111,582
Subsidiaries			
Financial assets in shares			
Total non-financial assets			
Total financial assets			
Inventories	21,767	2,099	40,093
Receivables from customers	531,419	12,408	165,500
Receivables from Parent Company	13,789	0	2,524
Receivables from associates	4,375	0	0
Other current receivables and assets			
Total financial assets			
Total cash and cash equivalents			
Non-current assets held for sale			
Total assets			

BALANCE SHEET – LIABILITIES 2023

€ thousand	Water	Water (Overseas)	Network and Public Lighting
Trade payables to third parties	856,231	4,496	183,584
Trade payables to Parent Company	69,980	68	29,461
Trade payables to subsidiaries and associates	13,347	162	7,425
Other current trade liabilities			
Other current financial liabilities			
Employee severance indemnity and other defined benefit plans	34,554	245	29,641
Other provisions	58,279	95	27,586
Other non-current trade liabilities			
Other non-current financial liabilities			
Liabilities closely associated with assets held for sale			
Shareholders' Equity			
Total liabilities and Shareholders' Equity			

Environment	Commercial	Production	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
38,898	50,174	41,068	4,710	20,136	0	**1,142,690**
350,335	7,755	245,692	9,472	105,142	(1,111)	**3,336,858**
171,161	211,126	37,995	23,921	62,736	(369,572)	**4,548,335**
						359,281
						8,029
						927,599
						12,900
12,960	5,733	1,275	43,510	0	(29,595)	**97,843**
116,706	419,775	33,573	54,521	761	(164,661)	**1,170,002**
363	14,040	347	236	21	(10,328)	**20,993**
16	(128)	290	0	163,862	(146,211)	**22,205**
						418,101
						487,251
						359,379
						18,288
						11,787,064

Environment	Commercial	Production	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
74,377	648,329	26,669	27,152	91,127	(170,196)	**1,741,770**
12,211	19,408	4,478	5,317	182	(136,213)	**4,892**
(7)	4	1,486	0	2,620	(21,227)	**3,811**
						674,889
						922,950
12,644	3,854	1,859	4,509	22,600	0	**109,895**
77,055	14,767	27,698	2,328	(7,195)	23,663	**224,276**
						510,871
						4,770,436
						188
						2,823,084
						11,787,064

INCOME STATEMENT 2023

€ thousand	Water	Water (Overseas)	Network and Public Lighting
Revenues	1,472,614	96,678	628,429
Staff costs	134,432	26,965	22,173
Costs of materials and overhead	615,348	34,010	230,813
Net income/(expense) from commodity risk management	0	0	0
Valuation of companies using the equity method	21,090	0	0
EBITDA	**743,924**	**35,703**	**375,442**
Depreciation/amortisation and impairment losses	418,923	14,761	153,988
Operating profit/(loss)	**325,001**	**20,942**	**221,454**
Financial (costs)/income			
(Expenses)/Income from equity investments	(315)	91	0
Profit/(Loss) before tax			
Taxes			
Net profit/(loss)			

Environment	Commercial	Production	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
334,903	2,483,010	137,894	94,465	145,165	(763,940)	**4,629,218**
44,051	27,899	5,606	32,696	70,478	(29,823)	**334,478**
205,847	2,325,838	71,368	52,832	116,320	(734,117)	**2,918,260**
0	0	0	0	0	0	**0**
(646)	0	(7,048)	1,002	0	0	**14,397**
84,359	**129,273**	**53,871**	**9,938**	**(41,634)**	**0**	**1,390,877**
58,996	70,356	20,162	7,932	33,780	(350)	**778,547**
25,364	**58,918**	**33,710**	**2,006**	**(75,414)**	**350**	**612,330**
						(136,529)
(798)	0	1,637	(394)	(142)	(682)	**(603)**
						475,198
						147,755
						327,443

BALANCE SHEET – ASSETS 2024

€ thousand	Water	Water (Overseas)	Network and Public Lighting
Capex	895,436	8,531	315,750
Total property, plant and equipment	168,217	35,953	2,429,880
Total intangible fixed assets	4,077,637	21,322	118,078
Subsidiaries			
Financial assets in shares			
Total non-financial assets			
Total financial assets			
Inventories	18,796	2,027	45,811
Receivables from customers	439,045	12,053	184,847
Receivables from Parent Company	15,279	0	2,874
Receivables from associates	6,750	0	0
Other current receivables and assets			
Total financial assets			
Total cash and cash equivalents			
Non-current assets held for sale			
Total assets			

BALANCE SHEET LIABILITIES 2024

€ thousand	Water	Water (Overseas)	Network and Public Lighting
Trade payables to third parties	1,001,742	4,982	240,198
Trade payables to Parent Company	84,995	13	24,768
Trade payables to subsidiaries and associates	15,161	171	3,271
Other current trade liabilities			
Other current financial liabilities			
Employee severance indemnity and other defined benefit plans	26,365	88	19,457
Other provisions	42,037	12	30,904
Other non-current trade liabilities			
Other non-current financial liabilities			
Liabilities closely associated with assets held for sale			
Shareholders' Equity			
Total liabilities and Shareholders' Equity			

Environment	Commercial	Production	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated total
100,349	67,453	25,813	5,150	20,383	0	1,438,866
397,856	8,426	220,004	11,186	102,766	(1,111)	3,373,176
142,603	227,145	36,673	21,838	68,286	37,232	4,750,814
						488,089
						7,990
						1,074,833
						35,600
13,314	8,858	1,024	87,574	0	(54,848)	122,556
124,445	284,129	26,140	57,516	843	(153,760)	975,259
472	9,467	320	393	10	(6,618)	22,195
4	(287)	327	0	131,720	(108,359)	30,155
						463,807
						186,801
						513,476
						181,320
						12,226,070

Environment	Commercial	Production	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated total
92,364	495,458	27,759	43,989	98,839	(149,791)	1,855,540
3,672	10,664	1,147	2,327	182	(113,746)	14,023
0	(94)	1,947	0	3,349	(20,916)	2,889
						725,767
						758,611
11,758	3,005	1,711	3,745	11,493	0	77,609
77,935	22,380	34,192	8,067	(5,091)	23,663	234,099
						774,937
						4,895,268
						11,761
						2,875,567
						12,226,070

INCOME STATEMENT 2024

€ thousand	Water	Water (Overseas)	Network and Public Lighting
Revenues	1,550,909	88,812	709,843
Staff costs	136,601	20,141	23,164
Costs of materials and overhead	604,139	33,477	252,943
Net income/(expense) from commodity risk management	0	0	0
Valuation of companies using the equity method	13,606	0	0
EBITDA	**823,774**	**35,193**	**433,736**
Depreciation/amortisation and impairment losses	448,877	15,761	167,637
Operating profit/(loss)	**374,896**	**19,432**	**266,100**
Financial (costs)/income			
(Expenses)/Income from equity investments	1,613	0	0
Profit/(Loss) before tax			
Taxes			
Net profit/(loss)			

Environment	Commercial	Production	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
305,212	1,905,670	100,523	131,302	148,327	(670,743)	**4,269,855**
42,755	26,729	7,045	43,451	73,234	(44,597)	**328,524**
194,541	1,681,340	53,361	78,488	128,031	(626,146)	**2,400,175**
0	0	0	0	0	0	**0**
0	0	412	1,670	0	0	**15,688**
67,916	**197,601**	**40,530**	**11,033**	**(52,938)**	**0**	**1,556,844**
71,447	74,575	25,162	12,847	37,863	(10)	**854,158**
(3,531)	**123,026**	**15,368**	**(1,814)**	**(90,802)**	**10**	**702,686**
						(144,514)
(3,290)	0	(2,642)	0	(1,458)	37	**(5,740)**
						552,432
						179,970
						372,462

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Acea SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Acea Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Acea SpA pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers SpA

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Emphasis of matters

We draw attention to notes "Receivables due from the Parent Company Roma Capitale" and "Related party transactions – Acea Group and Roma Capitale" to the consolidated financial statements, as well as to paragraph "Relations with Roma Capitale" of the Report on Operations, where the directors described the relations with Roma Capitale and in particular the discussions on the recognition of the Administration's payable to Acea/areti with reference to the public lighting service.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Determination of revenue from sales and services and receivables for invoices to be issued *Note 1 "Revenue from sales and services", note 24 "Other non-current assets" and note 26 "Trade receivables" to the consolidated financial statements* The Group recognised in the consolidated financial statements as of 31 December 2024 receivables from users for invoices to be issued for an amount equal to Euro 1,182 million and revenue from sales and services amounting to Euro 4,050 million. The Group recognises revenue from sales and services when control of the good is actually transferred or when a service is rendered in accordance with the requirements of IFRS 15 "*Revenue from contracts with customers*". In particular: i) revenue from the sale and transport of electricity and gas is recognised at the time the service is supplied or provided, even if it is not invoiced, and is determined by adding appropriate estimates on the	The audit procedures we performed consisted in understanding, assessing and validating the operation of relevant controls implemented by management as part of the revenue cycle, with particular reference, but not limited, to the update of the customer database, the recognition of meter readings, consumption estimates, the calculation of tariffs and the valuation of invoices and receipts. Moreover, we performed the following specific tests for each type of revenue. i) <u>Revenue from the sale and transport of electricity and gas</u> • We compared the electricity and gas quantities sold included in the billing system with the data communicated by the distributors and the quantities purchased, in order to establish the reasonableness of the estimated quantities sold still to be billed;

volumes supplied/transported to revenue that is calculated on the basis of pre-established meter reading calendars;

ii) revenue from the distribution of electricity takes into account the tariffs and the restriction on revenue established by the Italian Regulatory Authority for Energy, Networks and the Environment ("ARERA"). Moreover, if the admission of investments in tariffs that establishes the operator's right to payment is virtually certain, the corresponding revenue is recognised as determined by the ARERA Resolutions 163/2023 and 616/2023 (the so-called "*regulatory lag*");

iii) revenue from integrated water service is determined on the basis of the estimated consumption for the period and of the tariffs and of the operator's Guaranteed Revenue Constraint (GRC) provided for in the tariff plan prepared in accordance with the Water Pricing Method applied for the calculation of the 2024-2029 tariffs and approved by the competent authorities. Furthermore, the Group recognises under revenue for the year adjustments for the so-called pass-through items, as well as any adjustment related to costs pertaining to the Integrated Water Service incurred for the occurrence of exceptional events (i.e. water and environmental emergencies), if the preliminary investigation for their recognition has given positive results.

The methods to determine allocations for invoices to be issued are based on the use of complex algorithms and include significant estimates. Therefore, we paid particular attention to the risk of wrong calculation of revenue from sales and services and of the related receivables from users for invoices to be issued.

- We verified the correct valuation of invoices to be issued based on the estimated quantities sold but not yet invoiced and the tariffs in force in the period under analysis.

ii) <u>Revenue from electricity distribution</u>

- We compared the quantities distributed included in the billing system with the quantities supplied to the grid communicated by the dispatcher net of expected grid losses, in order to ascertain the reasonableness of the estimated quantities distributed not yet invoiced;
- We tested the correct valuation of invoices to be issued on the basis of the estimated distributed quantities still to be invoiced and of the tariffs in force in the period under analysis;
- We verified the correct calculation of receivables/payables for the electricity equalisation to the extent of the difference between sales revenues invoiced/to be invoiced to customers and the regulatory revenues attributable to the year and established by the ARERA;
- We verified the methods adopted by management to determine the accruals for the *"regulatory lag"*.

iii) <u>Revenue from the integrated water service</u>

- We reconciled revenues from the integrated water service with the GRC adjusted to reflect the adjustments to the pass-through items and those related to the costs incurred in consequence of exceptional events occurred;

- We verified the correct determination of receivables for invoices to be issued for tariff adjustments to an extent equal to the difference between revenues for bills issued /to be issued and the adjusted GRC.

Finally, we verified the adequacy and completeness of the disclosures provided by the directors in the notes to the consolidated financial statements in relation to the above-described matters.

Investments and disinvestments of non-current assets and impairment test

Note 14 "Property, plant and equipment", note 16 "Goodwill", note 17 "Concessions and rights on infrastructure" and note 18 "Intangible fixed assets" to the consolidated financial statements

The Group recognised in the consolidated financial statements as of 31 December 2024 non-current assets equal to Euro 8,020 million, mainly of which Euro 3,363 million related to tangible assets and Euro 4,657 million related to intangible assets (including concessions and goodwill). The Group investments in the period totalled Euro 1,439 million, of which Euro 425 million related to tangible assets and Euro 1,014 million related to intangible assets (including concessions and goodwill). In this respect, we highlight that for regulated activities (in particular the integrated water service and the electricity distribution), the tariffs and, accordingly, the Group's revenues are directly influenced by the amount of the invested capital and therefore by changes in non-current assets. As a result, the overestimate or underestimate of the abovementioned non-current assets could increase or decrease the tariffs applied to end users under the performance of the integrated water service and the transport of electricity. Annually, the Group, on the basis of its internal procedures, performs the impairment test pursuant to IAS 36 "*Impairment of assets*" using the Discounted Cash Flow method to determine the recoverable amount of assets.

We performed audit procedures in order to comprehend, evaluate and validate the internal control system with reference to the corporate processes related to the management of non-current assets.

Our tests were focused on the analysis of the changes in non-current assets during the financial year, verifying that they were reconciled with the fixed asset register, with the supporting documentation about a sample of investments and divestments during the year, especially in the integrated water service and in the electricity distribution segments.

With reference to new investments, we verified if the requirements for the capitalization of internal and external costs provided for by IAS 16 "*Property, plant and equipment*" and IAS 38 "*Intangible assets*" had been complied with, we checked the existence of the services capitalized, that is if the service or goods being verified had been actually rendered or delivered/installed and correctly recognised.

With reference to the impairment test, we performed our audit procedures in order to:

i) assess the consistency of the estimate method used by the Group with the provisions of IAS 36 and the valuation

The impairment test is based on a two-level approach. A first level concerns the estimate of the recoverable amount of the Group's industrial plants and a second level relates to the estimate of the recoverable amount of the CGUs that include goodwill. In particular, goodwill is tested for impairment at least annually and with the same frequency, in compliance with a specific internal policy, the impairment test is carried out on the Group's industrial plants, also without any impairment indicators. The recoverability assessment of assets was carried out on the basis of the cash flows under the Budget 2025 approved by the Board of Directors of Acea SpA on 13 February 2025 and under the lines of the 2024-2028 Business Plan of the Group approved by the Board of Directors on 5 March 2024, updated, where necessary, to take account of the regulatory developments and the events occurred between the date of approval of the Business Plan and the date of approval of the financial statements.

With reference to FY2024 the Group's management availed itself of an external expert for the performance of the impairment test.

Considering the numerous changes occurred during the year in the assets of the regulated activities and the complexity of estimating the recoverable value of the above-mentioned assets, which are based on evaluation assumptions affected by economic, financial and market conditions that are difficult to predict, as part of our auditing we devoted special attention to these financial statement areas.

practice;

ii) verify the process of identification of the Cash Generating Units (CGUs), based on the current organisational structure;

iii) verify the appropriateness of the types of cash flows used and their consistency with the Group's Business Plan;

iv) verify the reasonableness of the main assumptions used by management to perform the impairment test and related sensitivity analyses on all the CGUs that include goodwill.

Moreover, we evaluated the independence, technical capabilities and related objectivity of the external experts engaged by management for the performance of the impairment test, as well as the methods used by them.

As part of our auditing, we were also supported by our PwC network experts in valuations.

Finally, we verified the adequacy and completeness of the disclosures provided by the directors in the notes to the consolidated financial statements in relation to the above-described matters.

Determination of the provision for doubtful accounts – trade receivables

Note 24 "Other non-current assets" and note 26 "Trade receivables" of the consolidated financial statements.

The Group recognised in the consolidated financial statements as of 31 December 2024 a provision for doubtful trade accounts for an amount equal to Euro 644 million.

At each reporting date the Group estimates the irrecoverable amount of trade receivables based on complex calculation models which rely upon the requirements in the accounting standard IFRS 9 *"Financial Instruments"*.

The estimate of the recoverability of trade receivables is characterised by specific complexities related to the high number of customers and to the fragmentary nature of the amounts. Furthermore, the evaluations are affected by different socio-economic variables related to the different categories of customers, in addition to international geo-political factors. Therefore, as part of our audit activities we paid particular attention to the risk of a wrong quantification of the estimate under examination.

We performed audit procedures in order to verify the correctness of the reports generated by the information systems and used by the directors in order to determine the Expected Credit Losses that can be attributed to the balance of receivables from specific customers or customer clusters. We also tested the reasonableness of the assumptions underlying the calculation model.

Through inquiries of the credit managers of the Group and of individual companies, we evaluated, on a sample basis, certain specific positions also by analysing the lawyers' replies to the requests for information, by examining the guarantees given by the various customers and by assessing any other piece of information gathered after the reporting date.

Moreover, we verified the consistency of the method used by the Group with the provisions of IFRS 9 and the accuracy of the mathematical calculation for the determination of the expected credit losses.

Finally, we verified the adequacy and completeness of the disclosures provided by the directors in the notes to the consolidated financial statements in relation to the above-described matters.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Acea SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 27 April 2017, the shareholders of Acea SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Acea SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Acea SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Acea Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.
We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of the Acea Group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Rome, 7 April 2025

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Acea SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Acea Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.
Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Acea Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");

- the information set out in paragraph 2.1 "Disclosure required by the European Taxonomy" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.
We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

PricewaterhouseCoopers SpA

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Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters - Comparative information

The consolidated sustainability report for the year ended 31 December 2024 contains, in the specific paragraph 2.1 "Disclosure required by the European Taxonomy", the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Acea SpA for the consolidated sustainability report

The directors of Acea SpA are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the ["IRO-1" note] of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph 2.1 "Disclosure required by the European Taxonomy".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated Sustainability Report, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.

The disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.
The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Acea SpA responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- We reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- We obtained management's representation letter.

Rome, 7 April 2025

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CERTIFICATION OF CONSOLIDATED FINANCIAL STATEMENTS (IN ACCORDANCE WITH ART. 154-BIS OF LEGISLATIVE DECREE 58/98)

(Translation from the original Italian text)

1. The undersigned, Fabrizio Palermo, as Chief Executive Officer, and Pier Francesco Ragni, as Executive Responsible for Financial Reporting of the company Acea S.p.A., taking also account of provisions envisaged by Art. 154-bis, paragraphs 3 and 4, of the Legislative Decree no. 58 of 24 February 1998, hereby certify:
   - the consistency to the business characteristics and
   - the effective application

   of the administrative and accounting procedures for preparing the consolidated financial statements at 31 December 2023.

2. To this purpose, no significant issues were recorded.

3. It is also certified that:
   3.1 the consolidated financial statements:
      a) were drawn up in compliance the applicable international accounting standards recognised in European Community in accordance with EC Regulation 1606/2002 of the European Parliament and the Council, of 19 July 2002;
      b) are consistent with the underlying accounting books and records;
      c) provide a true and correct view of the operating results and financial position of the issuer and the overall of companies included in the consolidation;
   3.2 the Report on Operations includes a reliable analysis of the operational performance and result, as well as the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 13 March 2025

signed by: Fabrizio Palermo, the CEO
signed by: Pier Francesco Ragni, the Executive Responsible for Financial Reporting

CERTIFICATION OF SUSTAINABILITY REPORTING (IN ACCORDANCE WITH ART. 81-TER, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999, AS AMENDED AND SUPPLEMENTED)

(Translation from the original Italian text)

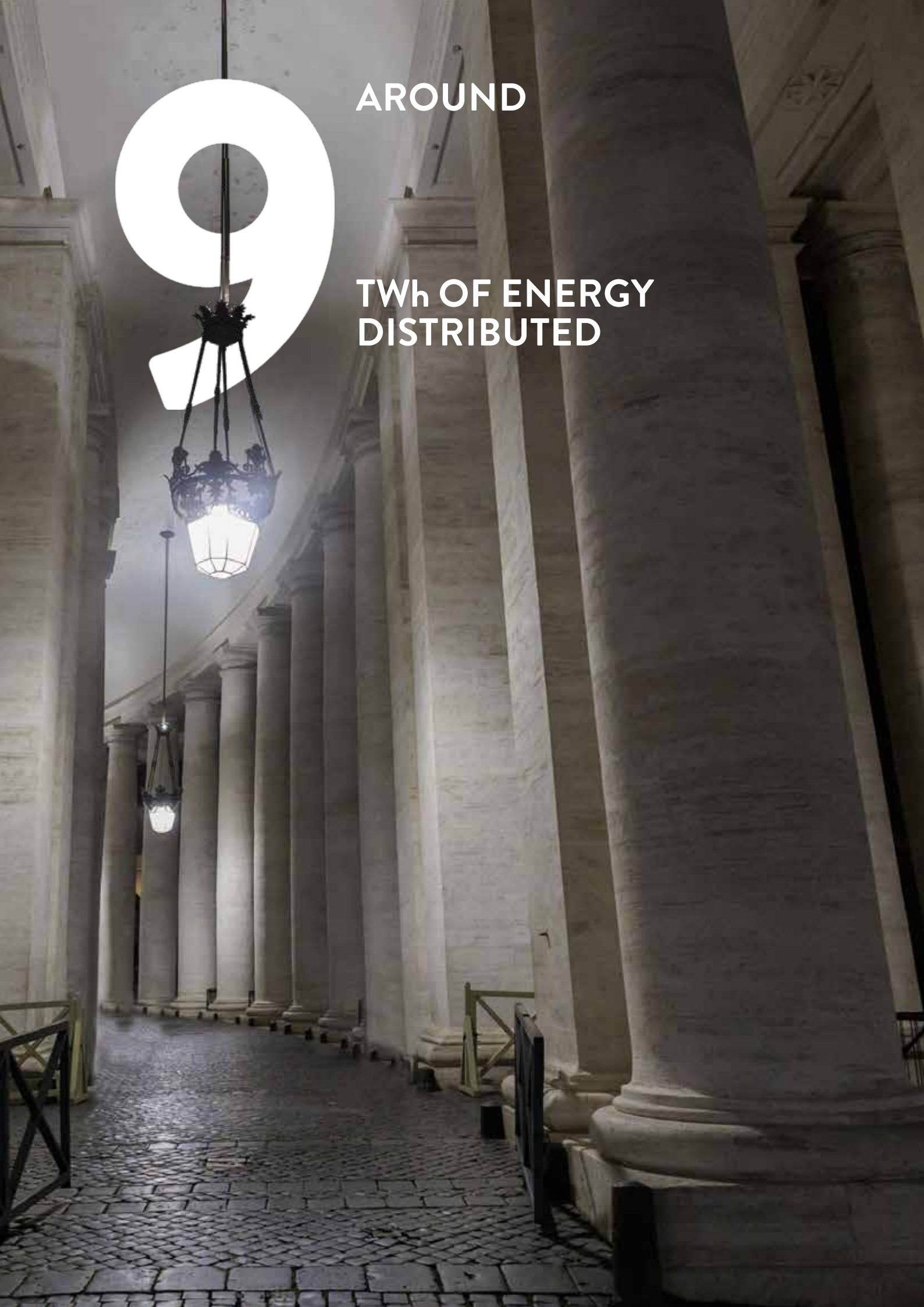
1. The undersigned, Fabrizio Palermo, as Chief Executive Officer, and Pier Francesco Ragni, as Executive Responsible for Financial Reporting of the company Acea S.p.A., taking also account of provisions envisaged by Art. 154-bis, paragraph 5-ter, of Legislative Decree No. 58 of 24 February 1998, that the sustainability reporting included in the management report has been prepared:
   a) in compliance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;
   b) with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

Rome, 13 March 2025

signed by: Fabrizio Palermo, the CEO
signed by: Pier Francesco Ragni, the Executive Responsible for Financial Reporting

4

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE



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REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

pursuant to article 123-*bis* of the TUF

Approved by the Acea SpA Board of Directors on 13 March 2025

Company website www.gruppoacea.it

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Definitions

"**ARC**":	the Appointments and Remuneration Committee
"**Articles of Association**":	the Issuer's Articles of Association
"**Board of Directors**" or "**BoD**":	the Issuer's Board of Directors
"**Board of Statutory Auditors**":	the Acea Board of Statutory Auditors
"**C.C.**":	the Italian Civil Code pursuant to Royal Decree no. 262 of 16 March 1942, as amended
"**CEO**"	the Chief Executive Officer/Managing Director, primarily responsible for the management of the company
"**CG Committee**" or "**Corporate Governance Committee**":	the Italian Corporate Governance Committee for listed companies, promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria
"**Code**" or "**CG Code**":	the Corporate Governance Code for listed companies approved in January 2020 by the Corporate Governance Committee
"**Consob Issuers Regulation**":	the Regulation issued by Consob with resolution no. 11971 of 1999 (as subsequently amended) regarding issuers
"**Consob Markets Regulation**":	the Regulation issued by Consob with resolution no. 20249 of 2017 regarding markets
"**Consolidated Law on Finance**" or "**TUF**":	Italian Legislative Decree 58 of 24 February 1998
"**CRC**":	the Acea Control and Risks Committee
"**ESRS**"	sustainability reporting principles set out in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023
"**Financial Reporting Officer**" or "**FRO**":	the Financial Reporting Officer, responsible for the preparation of the company's accounting documents
"**Group**":	the group of companies headed by the Issuer
"**Issuer**"	"Acea" or the "Company"
"**MOG**":	the organisation, management and control model pursuant to Italian Legislative Decree 231/2001
"**Report on Remuneration**":	the report on the remuneration policy and on the fees paid that companies are required to prepare and publish pursuant to art. 123-*ter* of the Consolidated Law on Finance (TUF) and 84-*quater* of the Consob Issuers' Regulation
"**Report**":	this report on corporate governance and ownership structure that companies are required to prepare and publish pursuant to art. 123-*bis* of the TUF
"**RPT Committee**":	the Acea Related Party Transactions Committee
"**RPT Regulation**":	the Regulation issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) regarding transactions with related parties
"**SB**" or "**Supervisory Body**":	the Acea Supervisory Body
"**SCIGR**" **or** "**Control System**":	the Acea internal control and risk management systems

The definitions of directors, executive directors, independent directors, Chief Executive Officer (CEO), Board of Directors, control body, business plan, concentrated ownership company, sustainable success and top management set out in the Corporate Governance Code and the relevant Q&A are recalled in full.

1. The issuer's profile

Acea, a company listed on the online stock market organised and managed by Borsa Italiana SpA since 1999, is a leading Italian infrastructure management company that has been operating for more than a century in the sectors of integrated water services (from water collection and distribution to collection and purification), energy (from generation, increasingly from renewable sources, to distribution, from public lighting management and value-added "smart city" services to the sale of electricity and gas) and environmental services (waste treatment and recovery), adopting a circular economy approach.`

Acea conceives its role and carries out business activities guided by the principles of sustainable development, implementing corporate management oriented toward protecting the environment, in particular with reference to water, energy and the circular economy, with attention to all stakeholders serving as an essential condition for the creation of long-term value for the local area, communities and shareholders. In this regard, note the stakeholder engagement activities carried out at the Group level, part of a larger project aimed at developing the culture on this issue and adopting the related tools and methods, including for the purpose of preventing and mitigating reputational and business risks.

Acea promotes the integration of industrial, financial and sustainability perspectives in the planning of its strategic objectives. In this regard, the Business Plan and the Sustainability Plan for the 2024-2028 period were approved during the year. Management is held accountable for the pursuit of strategic objectives through a remuneration policy that provides for quantitative economic-financial and sustainability targets in the short-term and long-term variable incentive schemes (for further details, see Chapter 8 of this Report). Acea has developed sustainable finance instruments, supporting its commitments that take into consideration environmental, social and governance factors, as well as a process to improve the sustainable management of the company, guiding capital towards long-term green business and projects. Acea has received validation of its reduction targets for direct and indirect greenhouse gases (GHG) from the Science Based Targets initiative (SBTi), in line with the "Well below 2°C" trajectory, with full recognition of the decarbonisation process undertaken by Acea to support the energy transition.

Acea pursues sustainable success through cohesive organisational, procedural and cultural tools: there is an internal Board committee for Ethics, Sustainability and Inclusion (for more details please see Chapter 9 of this Report), as well as an integrated system consisting of a policy, committee and manager, dedicated to promoting equality, diversity and inclusion within the Group. A specific human rights policy has been prepared and adopted. In the year under review, the Integrated Management Systems and Sustainability Policy was updated and the Group's Sustainable Procurement Policy was adopted. Procedures are adopted to monitor sustainability goals, and economic activities are reported according to the European Taxonomy. There are also procedures to support engagement with investors and relevant stakeholders (more details can be found in Chapter 13 of this Report) and the integration of sustainability within the corporate ecosystem is constantly supported, for example through initiatives targeting Acea personnel, including members of the corporate bodies, such as courses which provide training, managerial culture development and strategic analysis. With regard to the risk factors that may impact the generation of long-term value, the Company is oriented towards an increasing understanding of the relationship between ERM approaches and methods and the most relevant sustainability topics.

Acea operates in line with the principles issued by the UN Global Compact, to which it formally subscribes, and has continued the process of gradual alignment with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), providing evidence of how it manages — from governance to the metrics and targets used — the main climate-related risks (physical and transitional), their evolution, and potential economic impacts on its main activities.

According to the most recent data, to date the Acea Group is the leading national operator in the water sector for number of inhabitants served, one of the major Italian operators in the distribution of electricity to users (the third for volumes distributed), and a major national operators in Waste-to-Energy (environmental sector).
To tackle future challenges, Acea launched a new corporate organisation based on three aspects: welcoming new professionals, generational turnover and including women in senior positions.

For details on Acea's top management profile, please refer to the "*know-acea/our-managers*" section on the company website **www.gruppoacea.it**.

This Report illustrates the corporate governance system adopted by Acea and is published in line with the principles and recommendations of the Code, as well as the recommendations provided by Consob on the subject and, more generally, international best practices, also with regard to the tenth edition of the "Format for the Report on Corporate Governance and Shareholding Structure" published by Borsa Italiana in December 2024[1].

The governance system adopted by the Company is in line with the recommendations which, in order to ensure proportionality, the Code has introduced for large businesses and those with concentrated ownership. For more information on board evaluation activities please refer to Chapter 7 of this Report.

1 The format recommended by Borsa Italiana format is available at the following web address: www.borsaitaliana.it/comitato-corporate-governance/documenti/comitato/format2024.pdf

THE GOVERNANCE MODEL

Acea's corporate governance structure is based on the traditional model, which — without prejudice to the duties of the Shareholders' Meeting — assigns strategic management to the Board of Directors, the hub of the organisational system, and supervisory functions to the Board of Statutory Auditors.

Statutory auditing of the accounts is assigned to a specialised company registered with the relevant register, appointed by the Shareholders' Meeting, based on a reasoned proposal from the Board of Statutory Auditors.

In accordance with the provisions of the Articles of Association, the Board of Directors has appointed a Chief Executive Officer, responsible for managing the Company and with sole decision-making power on certain matters. The Chief Executive Officer is therefore primarily responsible for managing the Company, without prejudice to the duties reserved for the Board.

The Chairperson of the Board of Directors has been given a central role by the Board in overseeing issues related to the environmental impact and social sustainability (*i.e.* corporate social responsibility) of business activities and processes. In addition, the Chairperson is vested with the legal and institutional representation of the Company, as well as the powers of signature.

The chosen model enshrines the clear separation between the functions of the Chairperson and those of the Chief Executive Officer. Under Article 20 of the Articles of Association, both are responsible for representing the Company.

The Board has established, from among its members, (i) advisory committees — with investigative, propositional, and advisory functions to ensure the adequate internal division of its functions — which report to the Board through their respective Chairpersons on the most relevant issues as well as (ii) an RPT Committee, which performs the functions required by current regulations and the appropriate corporate procedure.

Key figures in Acea's governance model also include:

- the Financial Reporting Officer; and
- the Supervisory Body, appointed by the Board and composed of 1 internal member (identified as the manager of the Internal Audit Function), and 2 external members, including the Chairperson.

For more details on the Financial Reporting Officer and the Supervisory Body, please refer to the relevant chapters of this Report.

The information contained herein refers to financial year 2024 and, in relation to specific subjects, is updated as at 13 March 2025, the date of the Board of Directors' meeting which approved this Report.

Acea has published an annual sustainability report since 1999 (on financial year 1998) and, from the 2017 report onwards, this disclosure has been prepared in compliance with the provisions of Legislative Decree 254/2016. As of 2025, with reference to the financial year 2024, the Company prepares sustainability reporting, which is included in a special section of the Report on Operations in the Consolidated Financial Statements, in order to comply with the obligations set forth in Legislative Decree 125 of 6 September 2024, which transposed Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022 (the Corporate Sustainability Reporting Directive, also CSRD) into Italian law. The Sustainability Report is approved by the Board of Directors and subject to Limited Assurance by the same company appointed to audit Acea's Consolidated Financial Statements (PricewaterhouseCoopers SpA).

At the date of the Report, the Company qualifies as having "concentrated ownership" within the meaning of the Code, insofar as the shareholder Roma Capitale holds the majority of the votes that can be exercised at the ordinary shareholders' meeting (for further information, see Chapter 2 of the Report below).
The Company cannot be classified as a SME pursuant to article 1, paragraph 1, letter w-*quater*.1), of the TUF and article 2-*ter*of the Consob Issuers Regulation.

2. Information on the ownership structure (pursuant to art. 123-bis TUF, paragraph 1)

A. STRUCTURE OF THE SHARE CAPITAL (PURSUANT TO ART. 123-BIS TUF, PARA. 1 LETT. A)

The Company's capital, equal to €1,098,898,884.00, entirely underwritten and paid up, is divided into 212,964,900 ordinary shares with a par value of €5.16 each, listed on the online stock market organised and managed by Borsa Italiana (see Table 1).
There are no shares with limited voting rights or without voting rights, except 416,993 treasury shares for which the voting right is suspended pursuant to article 2357-*ter* of the Civil Code.

B. RESTRICTIONS ON SHARE TRANSFERS (PURSUANT TO ART. 123-BIS TUF, PARA. 1 LETT. B)

There are no restrictions on share transfers except for individual constraints of the single shareholders.

C. RELEVANT STAKES (PURSUANT TO ART. 123-BIS TUF, PARA. 1 LETT. C)

Relevant stakes, held directly or indirectly, pursuant to art. 120 of the TUF, according to the information published on 13 March 2025 on the Consob website and the communications made in compliance with the same article, are listed in *Table 1*.

D. SHARES BEARING SPECIAL RIGHTS (PURSUANT TO ART. 123-BIS TUF, PARA. 1 LETT. D)

The Articles of Association do not provide for the issue of multiple voting shares or shares with increased voting rights.
During 2024 no shares bearing special controlling rights were issued, nor is such a provision currently under discussion.

E. STAKES HELD BY EMPLOYEES: THE VOTING RIGHTS EXERCISE MECHANISM (ART. 123-BIS TUF, PARA. 1 LETT. E)

Article 13 of the Articles of Association states that, to facilitate the collection of proxies from shareholding employees of the Company, its subsidiaries and affiliates and shareholders' associations, with the requisites contemplated by the relative provisions in force, specific spaces are made available for the communication and the collection of the proxies according to terms and methods set by the Board of Directors directly or through its proxies.
There are no particular mechanisms for exercising rights.

F. RESTRICTIONS ON VOTING RIGHTS (PURSUANT TO ART. 123-BIS TUF, PARA. 1 LETT. F)

Under art. 6 of the Articles of Association, with the sole exception of Roma Capitale, any shareholder whose stake exceeds 8% of the share capital must be disclosed to the Company. This limit is considered as reached, in both direct and indirect terms, as specified in more detail in paragraphs 2 and 3 of the said article and as described in the chapter on Shareholders' Meetings of this Report. In the case of breach of this rule, the exercise of the vote for the shares exceeding the said limit will be prohibited and, in the case of a resolution by a determining vote deriving from the shares exceeding said limit, the resolution may be challenged pursuant to art. 2377 of the Italian Civil Code.

G. SHAREHOLDERS' AGREEMENTS (PURSUANT TO ART. 123-BIS TUF, PARA. 1 LETT. G)

The Company is not aware of any shareholders' agreements of any kind, as contemplated under art. 122 of the TUF, nor of any special powers of veto or of any other extraordinary influence on the decisions that are not direct expressions of the shares held.

H. CHANGE OF CONTROL CLAUSES (PURSUANT TO ART. 123-BIS OF THE TUF, PAR. 1, LETT. H) AND ARTICLES OF ASSOCIATION PROVISIONS ON TAKEOVERS (PURSUANT TO ART. 104, PARA. 1-TER AND 104-BIS, PAR. 1)

Acea has signed a number of significant agreements which become effective or are annulled in the case of a change of control for the contracting company.

Following are the significant agreements in place where the change of control involves the initiation of a negotiation procedure, where (a) the occurrence of such a case is disclosed, (b) the parties consult within a defined time frame to assess possible mitigations to any adverse effects of the change of control, and (c) if the outcome of the consultations is negative, the bank may request early repayment:

- long term loan totalling an initial €200 million from the European Investment Bank in favour of Acea (Water Segment II);
- long term loan totalling an initial €200 million from the European Investment Bank in favour of Acea (Network Efficiency III);
- long term loan totalling €250 million from the European Investment Bank in favour of Acea (Water segment III);
- long term loan totalling €235 million from the European Investment Bank in favour of Acea (Water segment IV A);
- long term loan totalling €200 million from the European Investment Bank in favour of Acea (Water segment IV B);
- long term loan totalling €200 million from the European Investment Bank in favour of Acea (Network Efficiency IV A);
- long term loan totalling €120 million from Cassa Depositi e Prestiti in favour of Acea (Network Efficiency IV B); and
- three Revolving Credit Facilities for a total of €700 million in favour of Acea, not disbursed as at 31 December 2024.

With regard to takeovers, the Company's Articles of Association do not waive the provisions of art. 104, paragraphs 1 and 1-*bis*, of the TUF, nor are neutralisation rules, provided under art. 104-*bis*, para. 2 and 3 of the TUF.

I. DELEGATIONS FOR CAPITAL INCREASES PURSUANT TO ART. 2443 OF THE CIVIL CODE OR THE DIRECTORS' POWER TO ISSUE FINANCIAL INSTRUMENTS AND AUTHORISATION FOR THE PURCHASE OF TREASURY SHARES (ART. 123-BIS TUF, PARA. 1 LETT. M)

As at 31 December 2024 and also at the date of this Report, the Board of Directors has not been delegated to increase the share capital or to buy treasury shares.
Additionally, as stated, the Company currently holds 416,993 treasury shares for which voting rights are suspended pursuant to article 2357-*ter* of the Civil Code, a residual amount following its acquisitions of treasury shares, authorised with the resolution made by the Ordinary Shareholders' Meeting of 23 October 1999, amended with the resolution made by the Ordinary Shareholders' Meeting on 29 April 2000, renewed with the resolution made by the Ordinary Shareholders' Meeting on 31 October 2001 and integrated with the resolution made by the Ordinary Shareholders' Meeting on 30 April 2002.

J. MANAGEMENT AND COORDINATION (PURSUANT TO ART. 2497 AND SUBSEQUENT, CIVIL CODE)

The Company is not subject to management and coordination activities pursuant to art. 2497 *et seq*. of the Italian Civil Code.

Pursuant to art. 16, paragraph 4 of the Markets Regulation, please note that Acea defines its own strategic guidelines and has full control of organisation, management and negotiation.
It must be noted that:

- the information required by art. 123-*bis*, para. 1, lett. i) ("*agreements between the Company and the directors...which provide for indemnity in the case of resignation or dismissal without just cause or if their professional relationship ceases subsequent to a takeover*") is contained in the Report on remuneration policy and compensation paid published pursuant to art. 123-*ter* of the TUF;
- the information required by art. 123-*bis*, para. 1, lett. l) ("*regulations applicable to the appointment and replacement of directors ... as well as to amendments to the Articles of Association, if different from the legal and regulatory rules applicable*") are illustrated in the section of the Report on the Board of Directors (Chapter 4 of this Report).
- the information required by art. 123-*bis*, para. 1, letter l, second section ("*regulations applicable ... to the amendment of the Articles of Association, if different from the applicable legal and regulatory rules*") is illustrated in the section dedicated to the Shareholders' Meeting (Chapter 14) of this Report.

3. Compliance (pursuant to art. 123-bis, para. 2, lett. a), TUF)

Acea adheres to the Corporate Governance Code, which can be viewed by the public on the Corporate Governance Committee's website, established through Borsa Italiana, at https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf.

The Company provides information annually on its governance system and on its adhesion to the Code by means of a Report, drawn up also pursuant to art. 123-*bis* of the TUF, which shows the degree of adhesion to the principles and recommendations established by the Code itself and to international best practices.

The yearly Report is made available to the Shareholders, together with the documentation required for the Shareholders' Meeting called to approve the financial statements, and is also promptly published in the "Governance" section of the Company's website (www.gruppo.acea.it).

Information regarding the application of the remuneration recommendations is based on the 2025 Report on the Remuneration Policy and on the fees paid in 2024, prepared pursuant to art. 123-*ter* of the TUF, published in accordance with the law.

Acea and its subsidiaries with strategic importance are not subject to any non-Italian legal provisions that may influence the corporate governance of the Company.

4. Board of Directors

4.1 ROLE OF THE BOARD OF DIRECTORS

The Company's Board of Directors holds a central role in the sphere of the Company's governance, and all the departments and the managers of the Company and of the Group with strategic and organisational responsibilities report to the Board of Directors, in line with the pursuit of sustainable performance. Taking its role into account, the Board of Directors meets regularly, to guarantee the effective performance of its duties.

More specifically, based on the provisions provided by law, by the Articles of Association, by the Board resolutions that regulate the structure of powers of corporate bodies, and by the guidelines of the Internal Control and Risk Management System (hereinafter "**Guidelines**"), the duties listed below are reserved to the Board of Directors:

- define strategic and general management guidelines and steer the Company's development; economic-financial coordination of the Group's activities by approving medium-term strategic plans which incorporate the Group's development guidelines, the investment plan, the financial plan and the annual budgets;
- by proposal of the Control and Risks Committee, the responsibilities of which are outlined in Chapter 10 of this Report, define the guidelines of the Internal Control and Risk Management System so that the main risks concerning Acea and its subsidiaries – including the various risks that can become relevant in the light of sustainability over the medium-long term period – are correctly identified and adequately measured, managed and monitored;
- define the nature and level of risk compatible with the identified strategic objectives;
- approve and amend the internal regulations as far as concerning the general organisational structure of the Company, the Group's macrostructure and any amendments to the same that have a significant impact on the Group's organisation;
- approve the internal rules on Internal Dealing;
- appoint the General Manager if deemed appropriate;
- define the corporate governance system and see to the establishment of specific internal committees, for which it appoints the members and approves the respective operating rules;
- adopt the organisational model pursuant to Italian Legislative Decree no. 231/2001, appoint the Supervisory Body and examine the half-yearly reports prepared by the SB on implementation of the MOG;
- appoint the directors and statutory auditors due to Acea at significant subsidiaries and investees, understood to be (i) those listed on regulated markets and (ii) those which require commitments of capital, shareholder loans or guarantees exceeding €10 million;
- attribute and revoke delegations to the delegated directors, defining the limits and procedures of their exercise;
- approve all extraordinary operations, as well as the acquisition/disposal of shares, excluding intercompany transactions;
- exercise, on behalf of Acea and its subsidiaries, powers for amounts exceeding €7.5 million if in line with the budget, and above €1 million for off-budget expenditure for a series of significant operations;
- determine the remuneration of the Chairperson, Chief Executive Officer and other Directors with specific duties, upon a proposal by the relevant committee and after hearing from the Board of Statutory Auditors, as well as the remuneration due to the members of the Board Committees and remuneration of executives with strategic responsibilities, except for cases in which this latter has been approved by the Appointment and Remuneration Committee;
- evaluate the adequacy of Acea's organisational, administrative and accounting structure, as well as that of subsidiaries with strategic relevance, particularly with reference to SCIGR;
- assess the general business performance (art. 2381 of the Civil Code) taking into consideration, in particular, the information received from the delegated bodies, periodically comparing the results achieved with those programmed;
- appoint and revoke:
- the Internal Audit Function Manager, subject to the favourable opinion of the CRC and by proposal of the Director responsible for the SCIGR, and having consulted with the Board of Statutory Auditors, making sure that said Function is provided with adequate resources for the performance of its duties and defining the remuneration consistent with Company policies;
- a Financial Reporting Officer, unless already provided for by the Shareholders' Meeting, by the favourable opinion of the Board of Statutory Auditors (as per art. 22-*ter* of the Articles of Association), ensuring the adequacy of their powers and means for the performance of their duties;
- approve the Internal Audit Function Manager's work plan on an annual basis, having consulted with the Control and Risk Committee, the Board of Statutory Auditors and the SCIGR appointed Director;
- assess, having consulted with the Board of Statutory Auditors, the results found by the independent auditor contained in the letter of suggestions, where applicable, and in the report on fundamental issues that have come to light during the audit of the accounts;
- assess, at least once every year, the adequacy of the SCIGR in consideration of the Company's characteristics and risk profile, describe its main characteristics in the Report on Corporate Governance, expressing its opinion on adequacy of the same, after hearing from the Control and Risks Committee;
- establish corporate measures of protection for the processing of personal or sensitive data by third parties;
- adopt the procedures necessary to protect workers' health and appoint the subjects responsible for ensuring safety in the workplace;
- act so as to establish continuous dialogue with shareholders, based on understanding of the reciprocal roles;
- promote initiatives to support the widest possible participation of shareholders at Shareholders' Meetings and to make the exercising of voting rights easy;
- adopt the procedures for the internal management and the external disclosure of documents and information regarding the Company, especially price sensitive information and information relating to transactions in financial instruments carried out by persons who, due to their office, have access to relevant information;

- carry out periodic self-assessments on the functioning of the Board and its committees and on their size and composition;
- assess, at least once a year, the independence of its non-executive members.

Please see Chapter 13 below for information on the *"Policy for the management of relations with Institutional Investors, Shareholders and Bondholders"*, adopted by the Board based on a proposal made by the Chairperson in accord with the Chief Executive Officer.
A summary of the main activities carried out by the Board of Directors of the Company in 2024 is given below. In particular, the Board:

- assessed the general business trend as representing in its financial reporting (the draft financial statements of the period as at 31 December 2023, the six-monthly interim financial report, the interim management reports on the 1st and 3rd quarters of the period), taking into consideration, in particular, the information received from the delegated bodies, and periodically comparing the results achieved with those forecast;
- approved the remuneration policy of the Company, which includes variable short and long-term incentive schemes based on quantitative sustainability targets;
- prepared the proposal concerning the amendment to Articles 13 and 17 of the Articles of Association for Acea's extraordinary shareholders' meeting, which was subsequently approved on 19 December 2024.

  In particular, the Board prepared the proposal to amend Article 13 of the Articles of Association aimed at introducing, in line with the provisions of Article 11 of Law 21 of 2024 (the so-called "Capital Law"), the right of the Company to provide that:
  i) attendance at the Shareholders' Meeting and the exercise of voting rights by the entitled persons shall take place solely through an appointed representative;
  ii) in the event that the Shareholders' Meeting is conducted exclusively through an appointed representative, participation in the Shareholders' Meeting by the entitled persons may also or solely take place by means of telecommunication that ensure their identification.

  The Board also prepared the proposal to amend paragraphs 1, 2 and 3 of Article 17 of the Articles of Association to include a reference to the Board of Directors' meetings being held solely by telecommunication means, a different wording regarding the chairing of the meeting, and the proposal to amend paragraph 6 of Article 17 of the Articles of Association to remove the reference to the necessary co-presence of the Chairperson and the person taking the minutes at the place where the Board of Directors' meeting is held;
- submitted to Acea's Ordinary Shareholders' Meeting of 19 December 2024 the reasoned proposal prepared by the Board of Statutory Auditors pursuant to Article 13, paragraph 1, of Legislative Decree 39 of 27 January 2010 concerning the appointment of the independent auditors for the financial years from 2026 to 2034, and the determination of the relevant remuneration;
- approved the 2024-2028 Business Plan "Green Diligent Growth", which defines the strategic direction and evolution of Acea's business operations;
- approved, subject to the favourable opinion of the Ethics, Sustainability and Inclusion Committee, the 2024-2028 Sustainability Plan, defined in close correlation with the "Green Diligent Growth" Business Plan, which extends over the same timeframe and formalises the Acea Group's commitment to integrating sustainable development principles into its business decisions and company management;
- resolved on the organisational amendments to the macrostructure of Acea;
- approved the Sustainability Report/Consolidated Non-Financial Disclosure for 2023, pursuant to Italian Legislative Decree no. 254/2016;
- appointed the Acea Supervisory Body, which will remain in office until the approval of the financial statements subsequent to those whose approval will coincide with the expiry of the Board of Directors which appointed it (the approval of the 2026 financial statements).
- approved the following Group policies: i)*"Adequacy of administrative, accounting and organisational structures in accordance with the corporate crisis code"*; ii) *"Strategy for proper management of variable and fiscal risk"*; iii) *"Cyber Security Strategy"*; and iv) *"Acea Group's integrated management systems and sustainability"*;
- approved the update of the "*Policy for the management of relations with Institutional Investors, Shareholders and Bondholders*";
- took note of the results of the double materiality analysis representing the material topics consistent with the ESRS from a multi-stakeholder (Impacts) and managerial (Risks and Opportunities) perspective;
- approved the update of the Organisation and Management Model pursuant to Legislative Decree 231/2001;
- in consultation with the Control and Risk Committee, assessed and acknowledged the information on the findings presented by the statutory auditor in the letter of recommendations;
- in consultation with the Board of Statutory Auditors, took note of the findings set out in the additional report addressed to the Board of Statutory Auditors.

On 13/03/2025, the Board of Directors assessed the adequacy of the Internal Control and Risk Management System, as well as the adequacy of the organisation, administrative and accounting structures of the Company and its subsidiaries of strategic importance, holding that the Acea Control System was adequate, operational, and consistent with the current guidelines for internal control and risk management systems. For more information, see Chapter 10 of this Report.

4.2 APPOINTMENT AND REPLACEMENT (ART. 123-BIS, PARA. 1, LETT. L, TUF)

APPOINTMENT OF THE BOARD OF DIRECTORS

Directors are appointed and replaced in compliance with the laws in force, as adopted and integrated, within the limits allowed, by the provisions of the Articles of Association.

As a consequence of the amendments to the Articles of Association approved by the Shareholders' Meeting on 18 April 2023, the Board of Directors was expanded, effective as of the appointment of the administrative body for 2023-2025, so that the Board of Directors may consist of no fewer than seven and no more than thirteen members, appointed by the Ordinary Shareholders' Meet-

ing (which determines the number within those limits), for a period of three financial years and eligible for re-appointment at the end of the term.

Directorships can only be held by those with the requisites laid down by law and by the regulatory provisions.
Directors are elected as described in art. 15.1 of the Articles of Association, which establishes that:

- gender balance must be ensured in the composition of the Board of Directors, as governed by law[2];
- Directors are elected on the basis of lists, each of which contains as many candidates, each indicated by a progressive number, as the number of directors to be elected, and each list must have at least four candidates qualified as independent, in line with the Law and Code, clearly indicating such candidates and placing at least two of these no lower than the second and third positions on the list and at least two other of the same no lower than the fifth and sixth positions on the list;
- the election is carried out as follows:
  "A. from the list that obtains the majority of votes ("Majority List"), in the order in which they appear in the list, half plus one of the Directors to be appointed shall be taken, rounded, in case of fractional number, to the lower unit;
  B. without prejudice of the provisions of the Law and the dispositions in these Articles of Association as to the limits to relations with the Majority List, the remaining Directors shall be taken from the other lists. For this purpose, the votes obtained by each list shall be divided first by 1, then by 2, 4, 8, 16 and 32 and so on up to the number of Directors to be elected. The ratios thus obtained will be progressively assigned to the candidates of said lists, according to progressive order by which they are indicated. The quotients assigned in this manner to the candidates on the various lists shall be arranged into a single list in descending order. The elected candidates shall be those obtaining the highest quotients.

  Should one or more candidate obtain the same quotient, the elected candidate shall be the one on the list that has elected no Directors or has elected the least number of Directors.

  If no Director has been elected thus far from any of the lists concerned or if the same number of Directors has been elected from each list, the elected candidate shall be that obtaining the highest number of votes. In the case of parity between the list votes and of parity of ratios, the entire Shareholders' Meeting will vote again and the candidate with the simple majority of votes will be elected.

  In any case, if a correctly drawn up list is presented in addition to the Majority List, the candidates of such a list will be elected according to the order of presentation".

The adopted election mechanism guarantees that at least one director represents the minorities and that the legally required minimum number of independent directors is elected (at least four candidates) in compliance with art. 147-*ter*, paragraph 4, TUF. In fact, art. 15 of the Articles of Association establishes that the Board of Directors must contain a minimum number of directors holding the independence requirements established under the law, applicable regulations and the Code, as well as those established from time to time by current legislation and by the Code.

In accordance with the provisions of the Consolidated Law on Finance, the Articles of Association provide that the appointment of the entire Board of Directors takes place by list vote. Lists must be filed at the company's registered office, by Shareholders who - alone or together with other Shareholders - represent, on the date the lists are filed, at least 1% of the shares with voting rights in the Ordinary Shareholders' Meeting, or the lower percentage of share capital determined by Consob pursuant to Article 144-*quater* of the Issuers' Regulation, at least 25 days before the date of the Shareholders' Meeting called to resolve on the appointment of the members of the Board of Directors. In this regard, please note that the portion requested by Consob under Executive Determination no. 123 of 28 January 2025, for the presentation of the lists is 1%.

The lists will be made public at the Company's headquarters and announced in three national newspapers, two of which are financial publications, as well as according to the various methods indicated by applicable law.

No candidate may be on more than one list and no shareholder may vote for more than one list.

For information on the role of the Board of Directors and the advisory committees in the processes of self-evaluation and the succession of directors, please refer to Chapter 7 of this Report.

TERMINATION OF OFFICE OF DIRECTOR

Pursuant to art. 15.3 of the Articles of Association: *If a director appointed on the basis of the above-mentioned list vote leaves office, the Board of Directors will provide for his replacement by the co-option, pursuant to art. 2386 of the Civil Code, with the first candidate not elected on the list on which the outgoing director was a candidate, in respect of the legal provisions on gender balance, or, if that list has no more candidates, with the first of the non-elected candidates regardless of the relative list; however, if the outgoing director is not on the Majority List, the absence of connection with the Majority List must be respected. Should the outgoing Director meet all independence requirements, and/or belong to the less represented gender, and as a result of their leaving, the number of independent directors and/or the number of directors belonging to the less represented gender would be reduced to below the minimum number required by law, the first unelected candidate on the list to which the outgoing Director meeting the independence requirements and/or being of the same gender as of the outgoing director, shall be co-opted. Directors so appointed shall hold office until the first successive Shareholders' Meeting.*

REPLACEMENT OF DIRECTOR

Pursuant to art. 15.4 of the Articles of Association: *"If a director leaves office during the financial period, the Shareholders' Meeting, by a relative majority vote, will elect his replacement, as far as possible in respect of the rules in force on independence and gender balance, from the non-elected candidates on the same list as that of the outgoing director. The newly appointed director must have provided, at least ten days before the date scheduled for the Meeting, written confirmation of his candidature as well as the declarations that no reasons exist for his*

2 Please note that Law no. 160 of 27 December 2019 ("Budget Law 2020") amended the provisions of art. 147-*ter* and 148 of the TUF regarding gender balance in the corporate bodies of listed companies, requiring that at least two fifths (40%) of the positions be reserved for the least-represented gender. This new criteria is effective from the first renewal of the management and control bodies after the entry into force of the Budget Law 2020 on 1 January 2020, for six consecutive mandates.

ineligibility or incompatibility and that he holds the requisites prescribed for the office by the laws in force and the Articles of Association.
Should this replacement procedure not be possible, the replacement shall be performed by resolutions passed with a relative majority vote, while respecting the necessary representation of minorities and the minimum number of independent Directors and in compliance with pro tempore regulations in force regarding gender balance.
A director thus appointed will remain in office until the expiry of the term of office of the other directors.

If, for any reason, the number of the Directors in charge drops by more than half, the whole Board of Directors shall be deemed to be dismissed, and the Shareholders' Meeting shall be convened as soon as possible in order to appoint a new Board. However, the Board of Directors will remain in office for the execution of acts of ordinary administration until the Shareholders' Meeting has resolved on its renewal and until at least half of the new directors have accepted their appointment".

4.3 COMPOSITION (PURSUANT TO ART. 123-BIS, PARA. 2, LETT. D, TUF)

On 18 April 2023, the Shareholders' Meeting set the number of Directors at thirteen, who will remain for a term of three financial years, that is until the approval of the financial statements for the year 2025.

The term of office applies equally to all directors.

During the Shareholders' meeting of 18 April 2023, four lists of candidates were presented, transcribed below and indicating the relative proposing party:

List of candidates for director no. 1

Shareholder Roma Capitale, holder of 108,611,150 shares, representing 51% of the share capital of Acea:

- Candidate no. 1 Barbara Marinali, born in Rome on 10 August 1964;
- Candidate no. 2 Fabrizio Palermo, born in Perugia on 5 February 1971;
- Candidate no. 3 Nathalie Tocci, born in Rome on 7 March 1977;
- Candidate no. 4 Angelo Piazza, born in Bologna on 13 September 1955;
- Candidate no. 5 Elisabetta Maggini, born in Rome on 24 July 1982;
- Candidate no. 6 Alessandro Picardi, born in Naples on 23 October 1977;
- Candidate no. 7 Luisa Melara, born in Taurianova on 18 October 1970;
- Candidate no. 8 Simone Silvi, born in Rome on 26 October 1977; and
- Candidate no. 9 Francesca Di Donato, born in Naples on 2 April 1973.

List of candidates for director no. 2

Shareholder Suez International SAS, holder of 49,691,095 shares, representing 23.33% of the share capital of Acea:

- Candidate no. 1 Thomas Devedjian, born in Paris on 16 June 1971;
- Candidate no. 2 Patrizia Rutigliano, born in Barletta on 25 February 1968;
- Candidate no. 3 Loredana Bracchitta, born in Ragusa on 28 February 1966;
- Candidate no. 4 Francesca Menabuoni, born in Florence on 29 December 1969;
- Candidate no. 5 Andrea Mentasti, born in Varese on 30 March 1960; and
- Candidate no. 6 Wanda Ternau, born in Trieste on 24 September 1960.

List of candidates for director no. 3

Shareholder Fincal SpA, holder of 6,800,000 shares, representing 3.19% of the share capital of Acea:

- Candidate no. 1 Alessandro Caltagirone, born in Rome on 27 December 1969;
- Candidate no. 2 Massimiliano Capece Minutolo Del Sasso born in Naples on 7 April 1968;
- Candidate no. 3 Elena Di Simone, born in Naples on 20 August 1975;
- Candidate no. 4 Azzurra Caltagirone, born in Rome on 10 March 1973;
- Candidate no. 5 Annalisa Costantini, born in Terni on 1 January 1976;
- Candidate no. 6 Fabrizio Caprara, born in Rome on 12 November 1959;
- Candidate no. 7 Tatiana Caltagirone, born in Rome on 3 July 1967;
- Candidate no. 8 Annalisa Mariani, born in Avezzano on 8 March 1980; and
- Candidate no. 9 Mario Delfini, born in Rome on 19 April 1940.

List of candidates for director no. 4

A group of asset management companies and institutional investors, holders of 2,491,937 shares, representing 1.17% of the share capital of Acea:

- Candidate no. 1 Antonino Cusimano, born in Palermo on 29 September 1964;
- Candidate no. 2 Antonella Rosa Bianchessi, born in Crema on 17 October 1969;
- Candidate no. 3 Simonetta Giordani, born in Rome on 6 July 1964; and
- Candidate no. 4 Stefano Pareglio, born in Vercelli on 25 March 1963.

At the end of the vote, the following directors were taken from the majority list, presented by the shareholder Roma Capitale: Barbara Marinali, Fabrizio Palermo, Nathalie Tocci, Angelo Piazza, Elisabetta Maggini, Alessandro Picardi and Luisa Melara.

From the minority list presented by Suez International SAS Thomas Devedjian and Patrizia Rutigliano were elected, from the minority list presented by Fincal SpA Alessandro Caltagirone and Massimiliano Capece Minutolo Del Sasso were elected and, finally, from the minority list presented by the group of asset management companies and institutional investors, Antonino Cusimano and Antonella Rosa Bianchessi were elected.

On 3 May 2023, pursuant to article 20 of the Articles of Association, the Board of Directors appointed Fabrizio Palermo as the Company's Chief Executive Officer and General Manager and, substantially in line with the approach taken by the previous structure, granted him all powers for the ordinary and extraordinary management of the Company, with the exclusion of specific attributions that the Board reserved for its own responsibility, as well as those which cannot be delegated under the terms of the law and the Articles of Association.

On 31 October 2023, Director Thomas Devedjian, appointed from the list presented by the Shareholder Suez International SAS at the 18 May 2023 Shareholders' Meeting, resigned with immediate effect. This decision was due to professional commitments which had arisen with reference to the same Director.

On 10 November 2023, Acea's Board of Directors, based on a proposal by the Appointments and Remuneration Committee and with a resolution approved by the Board of Statutory Auditors, appointed by co-optation, under the terms of Art. 2386 of the Italian Civil Code and Art. 15 of the Articles of Association, and replacing Thomas Devedjian, Francesca Menabuoni as a new non-executive Director of the Company, who remained in office until the Meeting of 12 April 2024.

The Shareholders' Meeting held on 12 April 2024 then appointed, on the proposal of the shareholder Suez International SAS, Yves Rannou as a new non-executive Director of the Company. It should be noted that Director Yves Rannou tendered his resignation on 7 March 2025, effective at the end of the day preceding the next ordinary shareholders' meeting of Acea.

Therefore, the Board of Directors, as at 31 December 2024, is made up as follows: Barbara Marinali, Fabrizio Palermo, Nathalie Tocci, Angelo Piazza, Elisabetta Maggini, Alessandro Picardi, Luisa Melara, Patrizia Rutigliano, Yves Rannou, Alessandro Caltagirone, Massimiliano Capece Minutolo Del Sasso, Antonino Cusimano e Antonella Rosa Bianchessi.

Of the above directors in office, one is an executive director – Fabrizio Palermo - whom the Board of Directors has appointed as Chief Executive Officer with individual managerial powers, whereas the remaining 12 are non-executive directors.

The number and competencies of the non-executive directors are such to ensure a significant weighting in the adoption of board decisions and to guarantee effective monitoring of the business management.

It should be noted that there are no employee/workers' representatives on the Board.

Please note that 10 out of 13 directors (77%) meet the requirements of independence provided for by applicable law and by the Code.

It should also be noted that 6 out of 13 directors are women (approximately 46%); the remaining 7 members (approximately 54%) are men; 12 directors are of Italian nationality and 1 is of French nationality. In terms of age, 3 directors are aged between 30 and 50 while 10 of them are over 50. It should be noted that the members of the Board have, on the whole, consolidated experience, both nationally and internationally, in the Group's business sectors, particularly in the energy, water and environmental sectors.

Seniority of office from the first appointment is shown in Table 2 "*Structure of the Board of Directors at year-end*".

Some more detailed personal and professional information on the directors in office is given below.

BARBARA MARINALI

Chairman – Non-executive – Independent

Vice-Chair of UTILITALIA and Chair of the Quotate Committee of the same Federation since July 2024.

In February 2023 she was appointed Chair of the Board of Directors of Acea SpA. She has also held the position of Vice-Chair of the Steering Committee of the Fondazione Teatro dell'Opera di Roma since April 2023.

From December 2021 to April 2023, she was chair of the Board of Directors of Open Fiber SpA.

From April 2021 to April 2024, she served as an independent director on the Board of Directors of Webuild SpA (Chair of the Related Party Transactions Committee, member of the Strategy Committee and of the Remuneration and Appointments Committee).

From September 2020 to March 2022 she was Senior Advisor to the CEO of Snam, where she also served as team leader for a major water infrastructure project in South Italy.

From 2013 to 2020 she was a member of the first Transport Regulation Authority Board. From 2009 to 2013 she was the General Manager for road infrastructure for the Ministry of Infrastructure and Transport.

From 2006 to 2008 she was Director of the Interministerial Committee for Economic Planning (CIPE) and headed the Department for Economic Policy Planning and Coordination at the Prime Minister's Office.

She also has significant experience with: the Antitrust Authority, the Ministry of Economy and Finance and the Ministry of Productive Activity (now, the Ministry of Enterprises and Made in Italy - MIMIT).

She graduated with honours in Economics and Business from Sapienza University of Rome and is a chartered accountant and auditor. She was appointed on the basis of list no. 1 presented by the aforementioned Roma Capitale.

FABRIZIO PALERMO

Managing director – executive

Fabrizio Palermo's professional career focuses on restructuring and relaunching large industrial or financial groups. His experience ranges from finance (Banking, Insurance, Payments, Asset Management) to numerous different industries (Telecommunications, Energy, Logistics, Mechanics, Shipbuilding, Water). He started working abroad in the private sector and then moved to the public sector.

Fabrizio Palermo was appointed CEO and General Manager of Acea SpA on 3 May 2023, having already held the position of CEO since 26 September 2022.

Acea is an Italian infrastructure operator that invests more than € 1.1 billion a year in the water, electricity and environment sectors. It also controls Italy's fourth largest engineering company.
From July 2018 to May 2021, he served as Chief Executive Officer and General Manager of Cassa Depositi e Prestiti (CDP), having held the position of Chief Financial Officer since 2014.
CDP is Italy's National Promotion Institute and has assets totalling over € 500 billion, injecting around € 70 billion of resources into

the economy each year.
From 2005 to 2014 he worked for the Fincantieri Group, where he held senior positions of increasing responsibility, initially as Director of Business Development and Corporate Finance, then as Chief Financial Officer (2006-2014), and lastly as Deputy General Manager (2011-2014).

Under his leadership, Fincantieri — one of the largest and most diversified shipbuilding groups in the world — was listed on the Milan Stock Exchange in 2014.

Fabrizio Palermo began his career in the London offices of Morgan Stanley, in the Investment Banking division.
In 1998, he continued at McKinsey & Company, specialising in the restructuring, transformation and turnaround of large industrial and financial groups.

Over the course of his career, he was Chairperson of CDP Equity S.p.A., Chief Executive Officer of CDP Reti S.p.A., and Director on the Boards of Open Fiber S.p.A., Fincantieri S.p.A. and Fincantieri USA Inc., Vard Group AS and Vard Holdings Limited. Fabrizio Palermo has been a Board member of both Assonime and the Center for American Studies, co-chair of the Italy-China Business Forum, a member of the Investors' Committee of the Italian Recovery Fund and of the Atlante Fund, and a member of the Advisory Board of the Italian B20 Presidency.
From 2007 to 2010 he was Assistant Professor for the "Planning and Control" course at Libera Università Internazionale degli Studi Sociali Guido Carli (from 2007 to 2010) and subsequently was MBA Adjunct Professor for the "Corporate Finance" course in 2018 and 2022.

Fabrizio Palermo graduated with honours in economics and business from the Sapienza University of Rome.

He was appointed from list no. 1, presented by Roma Capitale.

ELISABETTA MAGGINI
Director – Non-executive – Independent
She has a degree in Law from LUMSA (Libera Università Maria Santissima Assunta) in Rome, as well as a Master in Finance Real Estate from LUISS Business School.

Since July 2021 she has been the Chairperson of ANCE Roma Giovani, the young builders group with the Rome Association of Building Contractors (ACER). Additionally, since 2016 she has been Chairperson of the Consultation Group for Young Entrepreneurs and Professionals in Rome and the Region of Lazio.

Since July 2020 she has been a director of the Lazio Region's ASP Asilo Savoia - Regional Personal Care Services Company.

She was a member of the Acea SpA Board of Directors from 2014 to 2017.

Among her other significant experience, she served as a member of the Board of Directors of Istituto Poligrafico Zecca dello Stato SpA from 2017 to 2020.

From December 2020 to June 2023 she served as a Director on the Consap SpA Board of Directors (the Public Insurance Services Concessionaire, an investee of the Ministry of Economy and Finance, established after the demerger from the National Insurance Institute - INA).

She also served as a Director on the Sorgente Group Srl Board of Directors from 2014-2023, a holding company in the finance, real estate, construction and infrastructure sectors and, from January 2022 to July 2023 was a member of the Sorgente SGR SpA Board of Directors, an asset management company in the Sorgente Group.

In addition, she was a board member of Quorum SGR SpA (2021-2022) and Nova RE SIIQ SpA (2017-2021) a listed real estate investment company (2017-2021).

From 2013-2014 she a secretariat staff member for the President of the Region of Lazio. From 2009-2012 she a secretariat staff member for the President of the Province of Rome.

During the period 2014-2017, she was a member of the Rome Chamber of Commerce Women's Entrepreneurship Committee and from 2010 to 2016 was Chairperson of "Vocazione Roma", the association of Roman professionals, entrepreneurs and creators under 40.

She was appointed from list no. 1, presented by Roma Capitale.

LUISA MELARA
Director – Non-executive – Independent
She holds a law degree from LUISS with specialisation in the legal administrative field.

A lawyer, registered with the special list of attorneys admitted to practice before the Italian Supreme Court, she is a freelance professional, specialised in company law, business crisis law, commercial and banking law and goods and services procurement contracts. She heads the Luisa Melara & Partners Law Firm in Rome.

She provides managerial activities, as well as judicial and extrajudicial consultancy and assistance for public companies, corporations and investment funds.

In 2019 she served as the Chairperson of the AMA SpA Board of Directors.

Among her current engagements, she is business crisis legal consultant for ANCE (National Association of Private Construction Contractors), a member of the Advisory Committee for the FOF Private Equity Italia fund and a partner of the "Pinelli Avvocati" Law Firm in Padua.

She has been "Of Counsel" in the "Business Crisis" Department at Carnelutti, Associated Law Firm in Milan.

She carries out teaching activities, specifically for the Advanced Training course for Business Law Consultants organised by the LUISS Business School, and regularly participates as speaker at conferences on corporate and business crisis issues.

She is a member of the Institute for Corporate Governance (IGS) Scientific Committee and since 2019 is a member of the Company Law Committee and the Business Crisis, Company and Market Law Committee set up by the Rome Bar Association.

She is a member of the Guarantees and Legality Olympics Committee created to oversee the 2026 Winter Olympic and Paralympic Games.

Since 2021, she has been Acting Vice President of ANPIB - National Association of Private & Investment Bankers.

She was appointed from list no. 1, presented by Roma Capitale.

ANGELO PIAZZA
Director – Non-executive – Independent

He holds a degree in law from the University of Bologna and has written a number of scientific publications and essays on civil and administrative law.

A professor at the "Foro Italico" University of Rome 4, he is also a practising lawyer, and was previously a state attorney and administrative magistrate.
In the academic and professional field, he has gained experience and expertise in matters concerning public companies, local public services, public contracts and concessions, and with regard to urban planning, construction and energy and environmental law.

He has served as member and Chair of the Board of Directors and Board of Statutory Auditors of several companies.

As part of his academic experience, from 2002 to 2012 he was a tenured professor at the University of Bologna.

He was appointed from list no. 1, presented by Roma Capitale.

ALESSANDRO PICARDI
Director – Non-executive – Independent

He is currently Executive Chair of VL Capital and Nexting, Vice Chair of Confindustria Assolombarda, and a board member of the Centro Studi Americani.
More recently he served four years within the TIM Group, where he was Executive Vice President and Chief Public Affairs Officer, as well as a member of the Sparkle SpA Board of Directors and subsequently Executive Chairman with operational powers at Olivetti SpA. He was also the Chairman of Finlombarda Gestioni SGR and has many years of experience in the telecommunication, radio and television sectors.

From 2013 to 2019 he was employed by Rai, firstly as Manager of Institutional, International and Regulatory Relations and then as Director of Strategic Platform Development. At the same time, from 2014 to 2019 he was Executive Chairman of Tivù Srl - Tivusat, a company operating in free-to-air satellite television owned by Rai, Mediaset and Telecom Italia.

During the period 2012-2013 he was Deputy Chairman Corporate Affairs of Alitalia, and from 2006 to 2012 was Head of Institutional Affairs at Wind. From 2004 to 2006 he was employed by Sky Italy (satellite television) as advisor for Institutional Affairs and Relations with the Vatican.

He has served on the Boards of Directors of several companies and foundations, in particular Fondazione TIM (2019-2022) and Tivu' Srl - Tivusat (2019-2022). During the same period, he was a director of ISPI, the Italian Institute for International Political Studies, and the COTEC Foundation for technological innovation. From 2015 to 2018 he was a Director at Auditel.
He has previously served as Deputy Chairman of Confindustria Digitale, Deputy Chairman of Asstel (Confindustria association of telecommunications operators) from 2020 to 2022, member of the Presidency Council and General Council of Confindustria Radio Televisioni, member of the Eurovisioni Governing Council.

He was appointed from list no. 1, presented by Roma Capitale.

NATHALIE TOCCI
Director – Non-executive – Independent

She has been Director of the Istituto Affari Internazionali (IAI) since 2017, honorary professor at the University of Tübingen since 2015 and is Europe's Futures Fellow at the Institut für die Wissenschaften vom Menschen (Iwm) in Vienna. Since 2023 she has been Professor at the Transnational School of Government of the European University Institute in Florence and from 2021 to 2022 was Pierre Keller Visiting Professor at the Harvard Kennedy School. From 2020 to 2023 she was an independent board member for Eni and from 2013 to 2020 served on the Edison Board of Directors.
She has been Special Advisor to the European Union High Representative for Foreign Affairs and Security Policy and Vice President of the European Commission, first with Federica Mogherini (2015-2019) and then with Josep Borrell (2020-2021). In that capacity she worked on the drafting and implementation of the EU global strategy. In 2014, she was director of international strategies for Italy's Minister for Foreign Affairs, Federica Mogherini.

In 2006 she joined the IAI, where she is now Director, as Research Manager, in 2010 becoming Programme Manager for European foreign policy and, in 2011, Deputy Director and Editor of The International Spectator.

She has also been Senior Fellow at Washington's Transatlantic Academy (2009-2010), Associate Fellow for European foreign policy at the Centre for European Policy Studies in Brussels (2007-2009), Marie Curie Fellow at the Robert Schuman Centre for Advanced Studies – European University Institute (2005-2007), Jean Monnet Fellow for the Mediterranean Programme of the Robert Schuman Centre for Advanced Studies (2003-2004), Research Fellow at the Centre for European Policy Studies in Brussels (1999-2003).

She has written a number of scientific publications. Her current scientific interests concern European integration and European foreign policy, the Middle East, Eastern Europe, transatlantic relations, multilateralism, conflict resolution, energy, climate and defence.

Her present engagements include participation on the Boards of various institutions, such as the Centre for European Reform, the Jacques Delors Centre, the European Leadership Network. She is on the Europe for Middle East Peace Advisory Board and council member of the European Council for Foreign Relations.

She holds a PhD in International Relations from the London School of Economics.

She was appointed from list no. 1, presented by Roma Capitale.

PATRIZIA RUTIGLIANO
Director – Non-executive

She holds a degree in Languages and contemporary history from

the Università Cattolica of Milan, with a specialisation diploma in Social Sciences and Journalism. She has gained significant managerial experience working with public and private companies in strategic sectors such as energy, telecommunications, service concessions, as well as the Public Administration. She has in-depth knowledge of ESG issues and has developed engagement models and environmental and social policies that are often innovative for the reference businesses.

She has been Country Manager of the Italian Branch of SUEZ International since October 2024.

At Snam from 2009 to October 2022, in positions of increasing responsibility, she held the role of Executive Vice President Institutional Affairs, ESG, Communication & Marketing and was the first woman to become a member of the leadership team. She managed major profiles in the processes concerning functional and proprietary separation from Eni, integration of the gas markets, supply diversification and security, development of energy transition activities, gas and hydrogen market and taxonomy reform. She was responsible for the ESG policies on which the business plan was based, defining the environmental objectives (Scopes 1, 2 and 3) and the carbon offsetting mechanisms.

From 2004 to 2009 she was Head of External Relations for Autogrill, during the period in which the main motorway and airport concessions were renewed.

From 2001 to 2004, she was initially e.Biscom press office manager and was then also appointed as Head of Fastweb External Relations.

From 1997 to 2001 she was Spokesperson for the Municipality of Milan, during the privatisation phase of the main municipalised companies.

She began her career in 1992 as a professional journalist, covering politics and economics for Mondo Economico, Fininvest and Euronews.

She served on the Boards of companies and non-profits, including Tiscali and Fiera Milano, Terega Holding, a regulated French gas utility, Toscana Energia, the SNAM Foundation, World Wellbeing Movement, the MIP-Politecnico di Milano School of Management and the publishing company Il Cittadino.

She was Deputy Chairperson of Anigas (National Association of Gas Industrialists) and member of the Assolombarda governing council and the Valore D Board of Directors. She was also Chairperson of the Italian Federation for Public Relations (FERPI) from 2011 to 2016.

She was appointed from list no. 2, presented by Suez International SAS.

YVES RANNOU
Director – Non-executive

A business manager, he has a proven track record in managing global businesses (between 800 million and 2 billion in revenues), leading the growth, turnaround and restructuring of international private listed companies in the renewable energy sector. A specialist in EPC and infrastructure projects, he also has expertise in refinancing and M&A.

Since 2023, he has been Chief Operating Officer of the Suez Group and a member of the Group Executive Committee.
From 2020 to 2023, he was Senior Advisor and a member of the Board of Directors of Kentel Associates, a consulting company in Paris.

In 2019-2020, he was CEO and board member of Senvion, a German wind power O&M company.

He was also a board member of IHA (International Hydropower Association) from 2017 to 2019.

He spent the first part of his career (1997-2018) with the Alstom Group, assuming the role of CEO of the Global Business in Renewable Energies, with operations in Europe and China.
He is a board member of several companies, a Senior Advisor, as well as an investor in the Green Economy.

He graduated in Electromechanics from Pierre and Marie Curie University in Paris, before earning an Engineering Degree, also in Electromechanics, from the National Superior School of Public Works (ESTP). He then followed an Executive Programme at INSEAD in Fontainebleau.

ALESSANDRO CALTAGIRONE
Director – Non-executive – Independent

He holds a degree in Economics and Business from Sapienza University of Rome (1994) and has held prestigious positions in several companies, including listed ones.

He was also a lecturer in Business Economics and Administration at Sapienza University of Rome and at the Faculty of Economics and Business at Luiss University of Rome (Technical/Professional programme).

He was appointed on the basis of list no. 3 presented by Fincal SpA.

MASSIMILIANO CAPECE MINUTOLO DEL SASSO
Director – Non-executive – Independent

Member of the Order of Engineers of Rome since 1992. Vast experience in the real estate and infrastructure sector with competencies in design, development and management of large urban and construction projects. In the course of his professional career he has developed experience in the cement, banking, renewable energy and publishing sectors. He is currently Chairman of the Board of Directors of "IL MATTINO SpA".

He is also a director of Vianini Lavori SpA and a director/member of the Board of Directors of various companies operating in the real estate development and management sector.

He was appointed on the basis of list no. 3 presented by Fincal SpA.

ANTONELLA ROSA BIANCHESSI
Director – Non-executive – Independent

She holds a degree in Business Administration from Bocconi University. Currently an independent consultant, she has proven experience in the fields of financial analysis, corporate finance and business valuation, with in-depth knowledge of the utilities sector.
From 2011 to 2022 she was in charge of the Global Utilities Team and Managing Director at Citigroup, responsible for leading the global team in the production of comprehensive sector studies, focused on the energy transition. She headed European Utilities

research and was charged with developing investment strategies in the sector and thematic analyses, for example with regard to European Taxonomy, European energy policies and investments in renewables. In this role she published a number of sector and ESG studies and analyses of corporate securities, developing dialogue with the international financial community and taking part in several financial transactions on capital markets.

From 2002 to 2011, she worked for Morgan Stanley in the capacity of Southern European Utilities analyst, Executive Director. From 2000 to 2002 she was Italian utilities analyst for Goldman Sachs in London. From 1995 to 2000, she was a utilities analyst firstly at Banca IMI and then at Caboto.
She was appointed on the basis of list no. 4, presented by a group of asset management companies and institutional investors.

ANTONINO CUSIMANO
Director – Non-executive – Independent
He has a degree in Law from Università degli Studi in Palermo and has worked with a number of law firms in the United States. As an attorney, he has experience serving as General Counsel for multinational groups, handling legal affairs, international law, corporate governance, resolving global disputes, compliance and anti-bribery and risk management. He has worked and lived in London, Paris and Pittsburgh.

Since 2018 he has served as Corporate Vice President, General Counsel and Secretary of the Board of Directors of Nexans SA, the second largest producer of cables in the world. The Group, listed on the Paris Euronext stock market, works in various sectors and supplies a vast array of cables and solutions for energy transmission and distribution, including undersea cables for interconnections, for offshore wind parks, high voltage cables for power grids and cables for renewable energy sources such as solar and wind.

From 2016-2017, Antonino Cusimano served as Vice President and Group General Counsel for CMA-CGM SA, the third largest freight group in the world, headquartered in France.

From 2008 to 2016 he worked for Telecom Italia as Group General Counsel, Executive Vice President Legal Affairs and Secretary of the Board of Directors.

From 2006 to 2008 he worked for General Electric Oil & Gas in Florence, as Senior Counsel Global Services and Transactions / Senior Counsel M&A.

From 1994 to 2006 he worked for the PPG Industries International Group in Paris, where he held various positions, rising to become the General Legal Counsel for Europe, Middle East and Africa in 2000.

He was appointed on the basis of list no. 4, presented by a group of asset management companies and institutional investors.

DIVERSITY CRITERIA AND POLICY IN THE COMPOSITION OF THE BOARD AND THE CORPORATE STRUCTURE

On 9 March 2020, after receiving the opinion of the Appointment and Remuneration Committee, the Board of Directors adopted the "Diversity policy for the composition of the administrative and control bodies" ("Diversity Policy"), promoted by the former Ethics and Sustainability Committee.
The Diversity Policy aims to ensure the proper operation of Acea's corporate bodies by regulating their composition and ensuring that their members have personal and professional requirements that meet the highest degree of diversity and competence.
In fact, Acea is aware of the fact that diversity and gender balance are fundamental elements of the corporate culture of a corporate group. In particular, as fundamental elements of sustainability in the medium-long term, diversity and gender balance represent a reference paradigm for both Acea Group employees and members of the company's management and control bodies.
This Diversity Policy establishes that an optimal composition of the Issuer's administrative body can be guaranteed by respecting, among other things, the following criteria:

i) the administrative body has a majority of non-executive directors, so that these can provide an important democratic function and support the monitoring of the choices made by the executive directors;
ii) a suitable number of directors possess the independence requirements recommended in the Code, so as to also ensure suitable composition of the internal Board committees (which must have a majority of independent directors);
iii) a Board of Directors which in any case ensures gender balance in line with the provisions of the law and the Articles of Association in effect, both at the time of appointment and throughout the term;
iv) a balanced combination of ages within the Board of Directors, so as to allow for a balanced plurality of perspectives and managerial and professional experiences;
v) there are Directors with managerial and/or professional and/or academic backgrounds such as to realise a mix of skills and experience that are different but complementary to each other, in consideration of the various sectors of business the Company operates in (regulated and market);
vi) the administrative body possesses, as a whole, a high level of orientation towards strategies and results in respect of the principles of proper corporate and business management, as well as skills regarding the governance of risks, in a corporate and regulatory framework, the economic and financial context and the financial statements, the structure and development of corporate governance processes and systems in listed companies, the topics of sustainability and social responsibility and digital innovation.

In line with the content of the Diversity Policy, in view of the Shareholders' Meeting of 18 April 2023 called to appoint the Directors, the Acea Board expressed its position to the shareholders on the optimal qualitative and quantitative composition of the new Board. In particular, the outgoing Board of Directors had emphasised the need to have members not only able to manage a company listed on the stock exchange with a presence in various business sectors (regulated and market), but also to guarantee optimal governance of ongoing processes of technological and industrial transformation. The composition of the Board must also take into account the requirements of Acea and the need to maintain a significant presence of independent Directors in accordance with gender diversity and guaranteeing a high level of professionalism and seniority. The current composition appears to be in line with the above orientation.
Following the entry into force, from 1 January 2020, of the provisions of the Budget Law 2020, amended by art. 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the TUF, concerning gender

balance in the corporate bodies of listed companies, the minimum quota currently required for the least represented gender is at least two fifths of the members of the Board of Directors.
Please note that the composition of the current Board of Directors complies with the gender balance called for under applicable regulations.
Acea, consistent with the principles expressed in the Code of Ethics, as updated in 2023, promotes a culture that values diversity, which is based on the involvement of the corporate bodies and internal and external stakeholders.
This includes (i) the "*Equality, Diversity & Inclusion Policy*" ("ED&I Policy"), approved by the Board of Directors on 19 October 2022, which formalises the Group's commitment by promoting concrete actions to identify, prevent and combat discrimination (on the basis of gender, age, ethnicity, sexual orientation and identity disability, religious faith or other individual characteristics) in order to encourage an inclusive culture that values the diversity of all the Group's people and maintain a working environment in which the dignity of each individual is respected, fostering interpersonal relations based on the principles of equality, equal opportunities, mutual fairness and respect; (ii) the "Equality, Diversity & Inclusion" management committee, which oversees the effective and continuous application of the ED&I Policy through the review, promotion and monitoring of the annual plan of Diversity & Inclusion ("D&I") initiatives, in liaison with the internal Ethics, Sustainability and Inclusion Committee; (iii) the appointment of an Equality, Diversity & Inclusion Manager, who is committed to guaranteeing respect for the principle of equity, listening to feedback from staff to promote their inclusion, opposing all types of physical and psychological violence, and disseminating a culture of diversity based on continuous engagement and exchange in line with market best practices; (iv) signing protocols with trade unions to support the involvement and active participation of people and union representatives to improve engagement and working conditions and develop and support professional skills.
In order to determine priorities for actions and measure the efficacy of those implemented, the Group has established a set of D&I indicators, made accessible to all employees in a specific section of the Intranet, which analyse all the processes of the people strategy (selection, training, development, compensation and welfare) and measure the effectiveness of the same, offering transparency to its staff on results.
The consequent annual "Equality & Care" plan, consistent with the content of the Non-Financial Statement, was, therefore, focused mainly on the issues of gender, employee welfare, parenting, differentiated ability, family and interpersonal relations, also with an eye to developing the internal culture and services for people within the Group.

The main initiatives during the year included:
- preventative health campaigns;
- initiatives to support psycho/physical well-being;
- economic support and healthcare plans;
- actions to attract and retain women with "STEM" skills;
- hiring plans for disadvantage populations;
- parenting support projects and flexibility measures;
- training and cultural awareness initiatives to combat stereotypes and prejudice;
- initiatives to support women's safety;
- engagement initiatives and active involvement of employees on D&I issues.

In confirmation of the Group's commitment to D&I issues, in December 2023 the Group was successful in the public call for tenders #Riparto, issued by the Department of Family Policies of the Prime Minister's Office regarding the execution of corporate welfare projects to support mothers during the first 1,000 days of their children's lives.
Furthermore, in implementation of Legislative Decree 81/08 *et seq.* which states that the employer has an obligation to protect mental and physical health of employees at work, and in particular art. 28, which stipulates that the risk assessment must also include groups of workers exposed to particular risks, including those related to work-related stress, a programme to manage the risk of aggression and harassment in the workplace was launched for both women and men, entitled "Harassment and Polite Communication".
Additionally, in 2024 the Group continued to participate in various sector certification initiatives, in particular GEI Bloomberg certification, improving on the score it received the previous year, as well as the UNI PDR 125: 2002, also recording an improvement on the score obtained in 2023, the Top Employers 2025 certification, placing it among the best Italian companies.

MAXIMUM NUMBER OF OFFICES SIMULTANEOUSLY HELD IN OTHER COMPANIES

At its meeting on 16 December 2020, after the investigation conducted by the Appointments and Remuneration Committee, the Board of Directors resolved to update the guidelines already issued on 23 March 2011 with regards to the maximum number of offices held.

To that end, it defined the "other significant companies", for the purposes of calculating the total in addition to other listed companies, financial, banking or insurance companies, or those with shareholders' equity exceeding €1 billion.
Furthermore, the Board resolved that:
a) a Director should not hold the office of non-executive Director or Auditor in more than 6 (six) of the aforementioned companies;
b) an executive director should not hold the office of non-executive Director of another issuer of which an Acea Director is an executive Director.

Further, it decided (i) to not consider the position held in Acea when calculating offices held; (ii) to not consider any offices held in direct or indirect subsidiaries of Acea, or in companies in which Acea holds an equity investment when calculating offices held; (iii) to not consider positions held on internal Board committees for the purposes of reaching the maximum limit for offices held.

On the basis of the updated communications received by the Company in implementation of the resolutions passed, all the Directors, at 13 March 2025, cover a number of roles compatible with the guidelines laid down by the Board itself.

Table 1, at the foot of this Report, lists the offices held by the Directors and Statutory Auditors in other companies listed on regulated markets, also abroad, in financial, banking and insurance companies and companies with shareholders' equity exceeding €1 billion.

4.4 FUNCTIONING OF THE BOARD OF DIRECTORS (PURSUANT TO ART. 123-BIS, PARAGRAPH 2, LETTER D) OF THE TUF)

The Board meets on a regular basis - usually monthly, and in any case at least quarterly - in compliance with the law and the calendar of works, approved annually and published on the Company website, at least for meetings significant to the applicable law. However, meetings are called whenever the Board deems it opportune or at the request of the CEO, the majority of the Directors in office or the Board of Statutory Auditors.
The BoD is structured and operates to guarantee the efficient and effective performance of its duties. In order to regulate and schedule its operations, it has adopted its own internal Rules of Procedure, most recently amended on 13 February 2025.

Resolution proposals and information for the Board of Directors must be sent - along with any other useful documentation and having been reviewed by the managers of the Functions responsible for the specific matters - at least 10 calendar days prior to the date set for the Board meeting, and must be forwarded without delay, in agreement with the Secretary, for the approval of the CEO in order to draw up the draft Agenda.

The Chair ensures that the pre-meeting information and any supplementary information provided during the meetings is such to enable the Directors to conduct their roles in an informed manner. In particular, the Chairperson monitors that adequate information is provided on the items on the Agenda of each meeting and that such information is provided within the deadlines set by the internal regulations, according to which the Agenda and any relative documents must be made available to Directors at least three days prior to the meeting. The documentation is made available to Directors and Auditors in such a way as to guarantee the necessary confidentiality, including through an appropriate IT system, pursuant to the provisions of the current BoD Regulation.

However, the justification of non-compliance with the aforementioned deadlines on the grounds of confidentiality is not permitted. In this regard, Acea has adopted specific software in order to enable the secure management of Board meetings and facilitate the secure and confidential transmission of information and documentation.

This system makes it possible to use various levels of security. Therefore, increasing usage of this platform and usage of the higher security levels that it offers makes it possible to protect even the need for greater information protection which may arise, without compromising completeness, usability and timeliness.

In certain cases, in the course of 2024, when it was not possible to meet the above deadline set by the Regulation for the pre-meeting information due to the documentation being particularly copious or complex, at the meeting, as well as dedicating ample time to discuss the relative topic and any requests for clarification or further information, the manager of the relevant internal Function was generally present.

Board meetings may also be held using remote technology (audio, video or teleconferencing systems), as long as all participants can be duly identified by the Chair of the Board of Directors or by the Secretary in the event that the Chair is also attending remotely, and that all Directors are able to follow the discussion and engage in real time in the discussion of the items on the Agenda, as well as exchange documents relative to the topics under discussion and take part in the voting. Meetings may also be held solely using remote technology. The use of such remote methods of participation shall be acknowledged in the minutes.

At each meeting, the Chairperson of the Board of Directors invites Directors who, in relation to the items on the Agenda, may represent certain interests on their own behalf or on behalf of third parties, to make such interests known. For more details on the precautions, which are adopted on a voluntary basis, for the management of situations in which a Director may have a significant interest pursuant to Article 2391 of the Italian Civil Code, please refer to Chapter 11 below.

The Secretary draws up the minutes of the Board meetings and submits a draft to the Chairperson who, having consulted with the CEO, orders their transmission to the individual Directors. The approval of the minutes of the previous meeting is usually the first item on the Agenda of the next Board meeting.

In 2024, the Board of Directors met 20 times. The average duration of the meetings was 2 hours and 41 minutes. The meetings were attended by the members of the administrative body and the Board of Statutory Auditors.

The attendance of each Directors at the Board of Directors' meetings is detailed in Table no. 2.

At the date of this report, 2 meetings have been held since the beginning of 2025.

The calendar of the main corporate events 2025 (communicated to the Market and to Borsa Italiana in accordance with regulatory requirements) includes 3 more meetings on the following dates:
- 14 May 2025 – approval of the interim report on operations as at 31 March 2025;
- 24 July 2025 – approval of the semi-annual report as at 30 June 2025;
- 13 November 2025 – approval of the interim report on operations as at 30 September 2025.

4.5 ROLE OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS

Pursuant to art. 20, paragraph 4 of the Articles of Association, the Chairperson of the Board of Directors, Barbara Marinali, is the legal and institutional representative of the Company, and holds the powers of signature.

The Chairperson of the Board liaises between the executive and non-executive Directors and is responsible for the effective operation of the Board, and is supported in these duties by the Secretary of the Board of Directors.

Furthermore, the Chairperson oversees the perceived quality indicators and the issues relating to environmental impacts and corporate social responsibility of company activities and processes.

The Chairperson supervises the secretary of the Board of Directors and all related activities, and is also vested with the powers to represent and promote the image of the Company and the Group and to manage external institutional communications.

With specific reference to the supervisory role over the secretary of the Board of Directors, the Chairperson:

i) ensures the prompt and complete provision of pre-meeting and meeting information;
ii) ensures that appropriate information flows are in place between Acea and Group companies, in order to monitor the consistency between the Group's strategic guidelines and its performance;
iii) verifies the implementation of the resolutions adopted by the Board of Directors and the rules and principles of corporate governance, also in compliance with the powers reserved to the Board of Directors.

The Chairperson, therefore, coordinates the activities of the Board of Directors, calls the Board meetings, establishes the Agenda and directs the meeting, ensuring that the Directors are promptly given – except in the case of need or urgency – the documentation and information necessary to allow the Board to give a conscious opinion on the matters submitted to its examination.

In 2024 the Chairperson:

- ensured that the call notice - containing the date, time and place of the meeting and the topics to be discussed - and the documentation relating to the items on the Agenda were provided within the deadline provided for by the Articles of Association, i.e., at least 3 days prior to the meeting itself;
- promoted a structured scheduling process, with the exception of Board meetings requested by the Chief Executive Officer in compliance with article 3 of the Board Regulations, for both Board of Directors and internal Board committee meetings, also to help coordinate the activities of the committees with those of the Board;
- ensured, in accord with the Chief Executive Officer, that the Function managers responsible for the items on the Agenda were available to participate, where required, in Board meetings. These managers attended Board meetings exclusively to discuss the topics relevant to their area of competence and left the meeting when the Board came to make its resolution;
- prepared, in agreement with the Chief Executive Officer, a training programme for the Board, in which the Board of Statutory Auditors also participated, aimed at providing adequate knowledge of the sectors of activity in which the Company operates, of corporate dynamics and their evolution, also with a view to Acea's sustainable success, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference. The induction initiatives carried out during 2024 concerned, among other things, issues related to the evolution of the business, in the context of the definition of the Business Plan, as well as special in-depth sessions, organised with the support of external experts, focused on the Corporate Sustainability Reporting Directive and the relative compliance process, as well as the impact on the Acea Group.
- Finally, a training session was held focused on topics such as regulatory compliance in the areas of 231, antitrust and privacy, in which, among other topics, possible scenarios regarding the 231 Model, Antitrust and Data Protection related to Acea's business were examined.
- The Chairperson and the Secretary ensured that the Directors and Auditors were able to participate in the induction sessions in person or remotely;
- supervised the Board's self-assessment process, in the forms envisaged for this Board mandate, also involving the Appointments and Remuneration Committee (see Chapter 7 of this Report for more details);
- ensured that, during the year, the Board was informed on the development and significant contents of engagement activities with all shareholders as provided for in the Policy for the management of relations with Institutional Investors, Shareholders and Bondholders of Acea SpA, approved by the Board of Directors (for more details, see Chapter 13 of this Report).
- supervised the process to update the Board of Directors' Rules of Procedure, with a view to introducing specific precautions in relation to the position of Directors who may have significant interests pursuant to Article 2391 of the Italian Civil Code, in order to handle such situations in a specific and predetermined manner (for further details, see Chapter 11 of this Report).

SECRETARY OF THE BOARD OF DIRECTORS

Article 18, paragraph 1 of the Articles of Association states that the Board of Directors elects, from among its members or externally, a Secretary who will draw up in the minutes of the Board meetings. The Rules of Procedure of the Board of Directors contain special provisions on the appointment and duties of the Secretary.

In particular, the Rules state that the Board shall resolve, on the proposal of the Chair, on the appointment or revocation of the Secretary of the administrative body, assessing the existence of the appropriate requirements of professionalism and defining, where necessary, any other appointments.

On this basis, on 3 May 2023 the Board of Directors appointed, subject to the positive assessment of the requirements of professionalism, Mr. Cosmo Damiano Marzulli as the Secretary of the BoD.

In line with the duties assigned, in 2024 the Secretary supported the activities of the Chairperson and provided impartial assistance and advice to the administrative body on all aspects relevant to the correct operation of the corporate governance system.

In particular, the Secretary supported the Chairperson of the Board of Directors in the performance of the various activities of competence, in order to ensure that:

a) pre-meeting information was accurate, complete and clear, and that supplementary information provided during the meetings was such to enable Directors to act in an informed manner;
b) the activities of the internal board committees were coordinated with those of the Board of Directors;
c) Directors of the Company and of Group companies were able to participate in Board meetings to provide any necessary details on the items on the Agenda;
d) all Board members and Auditors could participate, following their appointment and during their term of office, in the specific induction activities focused on corporate dynamics and their evolution, including with a view to sustainable success and the principles of sound risk management;
e) the self-assessment process for the administrative body was adequate and transparent (for more details, see Chapter 7).

4.6 EXECUTIVE DIRECTORS

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

On 3 May 2023, the Board of Directors appointed Fabrizio Palermo as the Chief Executive Officer and General Manager. With reference to the position of Chief Executive Officer, pursuant to art. 20 of the Art. 20 of the Articles of Association, Fabrizio Palermo was delegated the ordinary and extraordinary management of the Company, as well as signing powers, and the ability to represent the company legally and in court, with all the powers within the scope of the delegations conferred and within set commitment limits.

The Chief Executive Officer is vested with all powers of administration of the Company, with the exception of those otherwise assigned by law and by the Regulation, the Articles of Association or the structure of powers last approved in May 2023. Additionally, he makes proposals on the annual budget and multi-year business plans to submit to the Board of Directors to the extent of his responsibilities, guaranteeing and verifying respect for the management guidelines that derive from the same.

In particular, the Chief Executive Officer, among other things:

- defines projects intended to achieve structural transformation of the company's business;
- adopts provisions regarding the hiring and termination of personnel, including executives, and all other actions relative to employment relations with employees, without prejudice to the powers and prerogatives of the Board of Directors and the responsibilities assigned to the Appointments and Remuneration Committee;
- implements organisational and procedural changes to Company activities in line with the guidelines resolved by the Board of Directors;
- is responsible for the activities regarding the management and coordination of subsidiary and investee companies of the Acea Group, including through the establishment of targets and the monitoring and control of the activities and results of Group companies, in line with the Group's strategies. The CEO is also responsible for ensuring the management and organisational coordination of companies subject to management and coordination by Acea or otherwise controlled pursuant to art. 2359 of the Italian Civil Code;
- is delegated to monitor sponsorship and donation initiatives intended to improve the name and reputation of the Company or Group, which have received a favourable opinion from the Committee for the Region, up to the amount of €100,000.00.

The Managing Director informs the Board of Directors and the Board of Statutory Auditors at least every quarter and, in any case, on the occasion of the Board of Directors' meetings, on the activity performed and the Company's business trend, on the business outlook and on transactions of major relevance for their dimensions or features, carried out by the Company or its subsidiaries, in compliance with art. 20.1 of the Articles of Association.

Furthermore, the Chief Executive Officer is responsible for establishing and maintaining the Internal Control and Risk Management System (SCIGR), as provided for by the Code (for a detailed description of the duties assigned to the Chief Executive Officer with regard to the SCIGR, see Chapter 10 of this Report).

On the other hand, with respect to the General Manager position, at its meeting on 3 May 2023 the Board of Directors resolved to grant Mr. Palermo, among other things, the following powers:

- ordinary management of the Company and, consequently, all powers necessary to that end, excluding the activities directly handled by the Chief Executive Officer. To that end, the General Manager has the power to implement, carrying out all relative actions, the directives received from the Board of Directors and delegated bodies of the Board;
- determinations regarding works contracts and framework agreements, the purchase, rental, lease, free rent, transfer and disposal of goods, execution of transformation processes, execution of purchase deeds, the signings of deeds to purchase, transfer and dispose of real estate whether instrumental to core business or not, the remodelling of existing systems and construction of new ones, the acquisition and/or sale of patents, participation in calls for tenders and the presentation of bids. In this context, the powers of the General Manager are exercised for operations of an amount up to €7.5 million if consistent with the budget, and up to €1 million if out of budget;
- banking and financial powers;
- with the exception of executives, the adoption of provisions regarding the hiring and termination of personnel, and all other actions relative to employment relations with employees, without prejudice to the powers and prerogatives of the Board of Directors and the responsibilities assigned to the Appointments and Remuneration Committee;
- the signing of tender contracts of any amount awarded on the basis of Legislative Decree 50/2016, as amended.

For that not included under the powers of the General Manager, the powers of approval and guidance of the Chief Executive Officer and Board of Directors shall apply.

For information on the topics reserved to the Board by the structure of powers and by Art. 20.2 of the Articles of Association, see Chapter 4, paragraph 1 of this Report.

CHAIRPERSON OF THE BOARD OF DIRECTORS

The Chairperson has not received management powers and does not play a specific role in the development of corporate strategies.

For the appointments and powers of the Chairperson, see paragraph 4.5 of this Report.

JOINT POWERS OF THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

By Board resolution of 3 May 2023, joint powers were delegated to the Chairperson and the Chief Executive Officer who, in the case of proven urgency and need, are thus authorised to i) exercise the powers normally reserved to the Board in relation to contracts, purchases, company transformation, participation in tender procedures, (the relative limits of which are based on the financial commitments or expenses or charges or debts that may be incurred by the Company in the event of an award) and the issue of sureties, and ii) appoint the members of the Boards of Statutory Auditors and the Boards of Directors of the most important subsidiaries and partly held companies, these being understood as:

a) those listed on regulated markets or with securities on issue as under art. 116 of the TUF;
b) those requiring capital commitments, shareholders' loans or guarantees exceeding €10 million.

The Chairperson and Chief Executive Officer inform the Board of any measures adopted at the next meeting; the Board establishes the existence of proven urgency and need.
In addition, the Chairperson and the Managing Director designate the members of the Boards of Statutory Auditors and the Boards of Directors of the companies of the Acea Group other than those considered of "more importance".

INFORMATION PROVIDED TO THE BOARD BY BOARD MEMBERS/DELEGATED BODIES

Pursuant to art. 20 of the Articles of Association, the delegated bodies report to the Board of Directors and the Board of Statutory Auditors on a quarterly basis on the general business trend and the relative outlook, as well as on operations deemed significant - due to their size or characteristics - carried out by the Board or by its subsidiaries.

In this regard, in 2024 the Chairperson and the Chief Executive Officer gave a quarterly report to the BoD and the Board of Statutory Auditors regarding the exercise of the powers vested in them, producing a list of the most significant actions adopted using the powers delegated to the bodies of the BoD.

In the case of events and/or operations of particular significance to the Company, the delegated bodies report to the BoD and the Board of Statutory Auditors at the next meeting.

OTHER EXECUTIVE DIRECTORS

With the exception of the Chief Executive Officer/General Manager, Fabrizio Palermo, there are no other Directors on the Board of Directors of Acea who qualify as executive under the definitions provided by the Corporate Governance Code.

4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR

INDEPENDENT DIRECTORS

The Company's Board of Directors has a number of independent directors who represent the absolute majority of its members.

Their number and competencies are appropriate to the needs of the business and to the operation of the Board, as well as to the constitution of the relative committees.

The Board conducts checks to verify the independence of its members at the time of appointment and subsequently on an annual basis.

In particular, in March 2025, the process to evaluate the independence of the directors was completed, pursuant to the Code and to art. 148, paragraph 3 of the TUF.

The actions taken by the Company may consider the following methods.

First of all, the assessment of independent of the members of the Board of Directors is based on the information held by the Company regarding the existence of any significant relationships as well as on any declarations made by each individual member.

In the event that it deems the available information not to be sufficient to complete the assessment, or if the information available to the Company raises doubts or concerns regarding the independence, the Company sends a request for further information or clarification to the member in question.

In order to ensure the functional performance of the assessment process and the correct interpretation of the available information, the Board of Directors reserves the right to consult with a qualified external consultant.

Moreover, each independent director shall promptly inform the Board of Directors in the event of situations that may theoretically impact the position of independence.

In the event that the Board of Directors resolves not to apply any of the criteria of significance to one or more directors, it provides adequate, transparent and exhaustive reasons for the reasons for this non-application.
The Board of Statutory Auditors verifies the correct application of the criteria and of the assessment procedures adopted by the Board of Directors to assess the independence of non-executive members, and the outcome of these controls is made available to the market in this Report or in the report made by the Auditors to the Shareholder's Meeting.

On 14 October 2024, the Board of Directors acknowledged the communication of Patrizia Rutigliano, independent non-executive director, who communicated that she no longer met the requirements of independence set out by the combined provisions of Articles 147-*ter*, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance and of Recommendation no. 7 of the Corporate Governance Code, due to the managerial role taken up at Suez International SAS, a stakeholder in Acea's share capital.
With regard to the annual process carried out in 2025, it should be noted that as a result of the activities carried out, the Board of Directors, based on the information available to the Company and the information provided by individual Directors, ascertained in March 2025 the existence of the requirements of independence contained in art. 148, paragraph 3 of the TUF and in Recommendation 7 of the Code, in relation to the following Directors: Barbara Marinali, Antonella Rosa Bianchessi, Alessandro Caltagirone, Massimiliano Capece Minutolo Del Sasso, Antonino Cusimano, Elisabetta Maggini, Luisa Melara, Angelo Piazza, Alessandro Picardi, and Nathalie Tocci.

With specific reference to the position of Director Massimiliano Capece Minutolo del Sasso, appointed for the first time by the Shareholders' Meeting held on 23 April 2015, the Board of Directors confirmed the position already expressed at the end of the annual process of assessment of independence requirements in 2024, deeming that, in compliance with the principle of substance over form, the Director meets the independence requirement pursuant to the Corporate Governance Code, even though he has been a

Director of the Company for more than nine of the last twelve financial years.

Given that this fact is expressly mentioned in the Corporate Governance Code as a circumstance that compromises or may appear to compromise the independence of a Director, in 2025 the Board of Directors examined the position and personal characteristics of Director Capece Minutolo del Sasso.
This assessment, taking into account the statements made by the same Director, information independently acquired by the Company, and the convictions of the Board of Directors itself in relation to the subjective aspects of the Director, the Board of Directors, in line with the developments at its meeting on 5 March 2024, considered:

i. the interpretation criteria established in the Corporate Governance Code, based on which: "companies adopt the Code with substance prevailing over form and applying its recommendations based on the criteria of comply or explain";
ii. the independent judgement consistently demonstrated over time by Director Capece Minutolo del Sasso;
iii. the high level of moral integrity and notable professional standing demonstrated by the Director for the entire duration of his position;
iv. the effective and careful participation at Board of Directors meetings and statements and contributions of independent thought he has contributed to Board discussions with reference to decisions taken;
v. the significant contribution made in general tot eh Company by the Director in carrying out his role as Director and in the dynamics on internal Board committees;
vi. the general appreciation of the Director's work by Company management;
vii. the fact that remaining in office for more than nine financial years does not in and of itself automatically need to be considered a negative fact that makes it impossible to be independent, in that improving knowledge of the specific problems and dynamics of the issuer, together with an approach of substantial independence and autonomy of judgement for the Director, do not necessary and automatically prejudice decision-making ability with reference to the requirement of independence.

Without prejudice to the above, insofar as necessary, when verifying the existence of the independence requirements of the current administrative body, the Board gave its assessment in accordance with the criteria contained in the Code.

Moreover, within the framework of the tasks attributed to it by law the Board of Statutory Auditors has verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members and disclose the outcome of the verification to the market in the Corporate Governance Report.

During the year, there was no need to hold a separate meeting for the independent directors, also in consideration of the quality of the information received by the delegated bodies and their active participation on the Board and on the internal board committees.
Finally, please note that in order to evaluate whether or not the independence requirements established in the Corporate Governance Code are met, the Board of Directors, pursuant to recommendation 7, letter c) of the Corporate Governance Code, has adopted specific quantitative parameters for commercial, financial or professional relationships, as indicated below:

- commercial or financial relationships: (i) 5% of the annual turnover of the company or entity over which the director has control or for which they serve as executive director or of the professional firm or consulting company in which they are a partners; and/or (ii) 5% of the annual costs incurred by the Acea Group which can be traced to the same type of contractual relationships;
- professional services: (i) 5% of the annual turnover of the company or entity over which the director has control or for which they serve as executive director or of the professional firm or consulting company in which they are a partners; and/or (ii) 2.5% of the annual costs incurred by the Acea Group which can be traced to appointments of a similar nature.

LEAD INDEPENDENT DIRECTOR

On 13 March 2025, the BoD verified that, as in previous years, no circumstances pursuant to Recommendation 13 of the Code that would require the appointment of a lead independent director had arisen.

In fact, at Acea the Chairperson of the Board of Directors is not the chief executive officer, is not vested with significant powers of administration, and is not a shareholder with control, including joint control, over the Company.

As at the date of this report, no requests regarding the appointment of a lead independent director have been received from the independent directors.

5. Management of corporate information

As proposed by the Chief Executive Officer, the Acea Board of Directors has adopted Regulations for internal governance and for the external disclosure of the Company's documents and inside information that:

- establish the methods for the processing and disclosure of corporate information within the Group;
- rule that Company representatives who gain knowledge of information of which the early disclosure could be prejudicial to the Company's equity and/or that of the Shareholders must treat the same with maximum reserve, and that the Company, in the case of specific circumstances, must give immediate and full information to the market;
- prescribe that a procedure must be established for the drafting of press releases relating to price sensitive information, to prevent possible distortions or irregularities in the communication of such information.

This Regulation is available on the Acea website at:
https://www.gruppoacea.it/governance/sistema-controllo-interno-gestione-rischi/trattamento-informazioni-societarie.

The creation is also required, pursuant to art. 18, par. 1, lett. a) of Regulation (EU) no. 596/2014 (MAR), of a List of persons with access to Inside Information.

The list is divided into:

- a "permanent section", which indicates entities who have access to all Inside Information;
- a section for each inside information, where the persons who have access to the specific inside information are registered.

Art. 7 of the MAR regulation establishes that inside information means *"information of a precise nature, which has not been made public, directly or indirectly relating to one or more issuers or one or more financial instruments and which, if rendered public, could have a significant effect on the prices of those financial instruments or on the prices of related derivative financial instruments"*. Information is deemed precise if "*it refers to a series of existing circumstances or which could be reasonably held to occur or an event which has occurred or which could be reasonably understood to occur and if this information is sufficiently specific to allow the drawing of conclusions about the possible effect of this combination of circumstances or of the event on prices of financial instruments or the relative derivative financial instrument [...]. In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information*".

Rules have also been adopted on Internal Dealing in compliance with the provisions of art. 19 of the MAR which rules that transactions in financial instruments carried out by "relevant persons" and by persons closely linked to the same must be communicated to Acea and to Consob immediately and, in any case, within three working days from the transaction, at the request of the relevant persons.

Relevant persons and persons closely linked to the same must inform the Company, pursuant to the referenced regulation, of all transactions carried out on their behalf once the aggregate amount of such transactions reaches the threshold of €20,000.00 over one calendar year.

6. Internal Board committees (pursuant to art. 123-bis, para. 2, lett. d) TUF)

The Board of Directors has set up three internal committees to support the administrative body, namely: the Appointments and Remuneration Committee, the Control and Risks Committee and the Ethics, Sustainability and Inclusion Committee.
For information on the Related Party Transactions Committee, see Chapter 11 of this Report.
In adopting its regulation, the Board of Directors established that the duties and composition of each committee must be set at the time of its constitution by Board resolution, and that the activities of the committees may be regulated by specific operating regulations that establish operating procedures for the duties assigned to them.
Therefore, the composition, duties and functioning of each committee are governed by the Board of Directors through the adoption of specific regulations in line with the criteria laid down by the Code.
Committee members (totalling a minimum of three per committee) are appointed by the Board and are selected from among the members of the Board. The Board determined the composition of the committees prioritising skill and experience held by the relative members. Note that, as highlighted in the guidance for Company Shareholders regarding the size and composition of the new Board of Directors, the increase in the number of Directors decided by the Shareholders' Meeting on 18 April 2023 was intended to allow for more effective distribution of the tasks, thereby avoiding the concentration of responsibilities.
The chairpersons of the committees, who are nominated by the Board from among its members, call the meetings, set the agendas, prepare the works and coordinate the discussion. At the next Board meeting, the committee chairs report on the relevant activities conducted by the committees and on the proposals and opinions issued.

In the event of absence or impediment, the chairpersons are replaced by the committee member with the highest seniority by age.
For the organisation of their work, the committees are supported by the Secretary of the Board of Directors or by a party indicated by the committee itself. Each committee meets, on the invitation of its chairperson, at the location established in the call notice issued to all members at least 3 business days before the date set for the meeting; in urgent cases, this period may be reduced to 24 hours before the time set for the meeting. The documentation regarding the Agenda is made available to members by the Secretary of the respective committee usually at least three business days prior to the date of the meeting, except in exceptional circumstances.

The members of each committee and all participants in the meeting are bound by the legal obligations on inside information and the confidentiality of data and information received in the execution of their duties.

Moreover, Acea has adopted specific software in order to enable the secure management of committee meetings and facilitate the secure transmission of information and documentation. For more information on this software please refer to Chapter 4.3 of this Report.
The committees meet according to a schedule shared by each committee, based on the proposals of the respective chairpersons. This schedule is updated when deemed opportune and/or necessary by the respective chairperson in the light of developments to the corporate activities.
Based on the specific invitation of the respective chairperson, the meetings of each committee may be attended by other members of the Board of Directors or by representatives of company Functions or third parties whose presence may benefit the optimum performance of the committee's functions.
The Chairperson of the Board of Statutory Auditors or another statutory auditor designated by the same also participates in committee meetings (it being understood, in any case, that other current statutory auditors are also entitled to intervene).
Resolutions are taken by absolute majority vote; in the event of a tie, the vote of the chairperson of the committee shall prevail.
The minutes of each meeting are signed by the chairperson of the committee and the Secretary. In the performance of their activities, committees are entitled to access the information and company departments deemed necessary for the performance of their duties and may also consult external consultants, according to the terms established by the Board.
The committees provided for by the Code shall be provided with an adequate annual budget assigned by the Board.
In line with best practices, independent directors represent the majority of members on the advisory committees provided for by the Code, and the position of chairperson is entrusted to an independent director.

OTHER COMMITTEES (NOT PROVIDED FOR BY LAW OR RECOMMENDED BY THE CODE)

A Committee for the Region was established, composed of three non-executive directors, the majority of which are independent, and with an advisory and supervisory role over the process for granting sponsorships and donations. The Committee for the Region is responsible, among other things, for:

a) reviewing, on a preliminary basis, the needs represented by Acea and its subsidiaries with regard to the regions in which the Group operates and as reflected in the guidelines prepared each year to define and steer the areas of intervention for sponsorship initiatives and donations to be presented for approval by the Board of Directors;
b) reviewing, on a preliminary basis, the management rules and procedures on sponsorships and donations which establish roles, responsibilities, monitoring principles and codes of conduct;
c) reviewing, on a preliminary basis, the annual spending budget to be presented for approval by the Board of Directors; and
d) expressing opinions regarding the formalisation of the sponsorships and donations identified by the competent body/Function of Acea or of its subsidiaries, verifying that the donation or sponsorship is consistent with the budget and the guidelines defined from time to time.

In 2024, the Committee for the Region expressed, *inter alia*, at all its meetings, its opinion on the sponsorships and donations presented by the competent Acea Function. Following each meeting, the Committee for the Region duly reported to the Board of Directors on its activities.

7. Self-evaluation and succession of directors

7.1 EVALUATION OF THE FUNCTIONING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

In line with recommendation 22 of the Corporate Governance Code, the Board of Directors resolved to carry out a Board Review, with reference to its size, composition and operation, as well as of its Committees, for the three years of the Board's term, with assistance from an independent external consultant.

The Chairperson of the Board, supported by the Appointments and Remuneration Committee and the Secretary of the Board of Directors, began the self-assessment process and established the methods for the same. Following a competitive selection process, the Company assigned the task to Crisci & Partners Srl, which was found to hold the requirements of neutrality, objectivity, competence and independence. The appointment has a three-year term, in line with that of the Board of Directors.

As part of the project, which will conclude in 2026, the Chair of the Board of Directors is responsible for:
- defining guidelines, taking into account the level of complexity of the Board's work and best practices in governance,
- ensuring that the process is conducted in a constructive and transparent manner, involving all board and committee members,
- monitoring the progress of the work and adherence to established guidelines.

The Appointments and Remuneration Committee has an investigative function, supported by the Secretary of the Board of Directors, and is responsible for supervising the execution of the various stages of the process, updating the Board. The cooperative assistance offered by the independent external consultant Crisci & Partners contributes to ensuring a transparent and impartial process, intended to identify possible areas for improvement with respect to the effectiveness and efficiency of the Board's work.

The self-evaluation project presented by the Board of Directors in office is intended to develop a gradual and personalised process that helps the Board and the Directors to fully understand its role and functioning, achieving a shared focus on the objectives to be achieved during the three-year period. The Board Review, broken down into three stages over the three years, is carried out with assistance from Crisci & Partners:

Stage I, conducted in 2024, consisted of an initial survey, examining the available corporate documentation and interviewing key members of corporate bodies, to confirm the awareness of individual members and the overall body of the characteristics of their roles, sharing:
- the purpose, mission and engagement model;
- the composition, focus and commitments of individual members;
- the functioning of the bodies;
- on-boarding/induction needs.

The outcomes of Stage I and the Action Plan of the follow-up of Stage I (which forms the basis for the start of Phase II of the Project) were represented to the Board of Directors and the Nomination and Remuneration Committee; the Action Plan was, in particular, also shared with the Chairs of the internal board Committees.

Stage II. Analysis and verification of efficiency and effectiveness levels in the operation and performance of the Board of Directors and internal Board committees, conducted in 2024, as well as an evaluation of the mix of skills and experience present, through interviews with Board of Directors and Board of Statutory Auditors members, also intended to verify:
- the understanding of individual roles and responsibilities;
- the Group's soft skills and relationship dynamics;
- the quality of the debate and decision-making processes of the bodies.

Stage III. The 2025 Self-Evaluation process will be completed with the verification of the efficiency and effectiveness of the Board of Directors and internal Board committees, as well as their compliance with legal and regulatory requirements, using questionnaires and interviews with Directors, also to develop:
- suggestions on how to strengthen the role and contribution of individual members and the Board of Directors as a whole;
- assessments of the onboarding activities and induction needs, as well as useful recommendations on developing them over time, with reference to schedules, methods and content, to better tailor them to the mix of skills held by individual Board of Directors members, in terms of the governance, strategy, risk and control aspects specific to Acea;
- suggestions to favour improved dynamics, cooperation and trust between individual Board members, to promote proactive and positive dialogue on strategic issues;
- opportunities for reflection inspired by dialogue with peers and governance best practices, utilising governance benchmarking analysis.
- collection of recommendations, submitted by Board Members, for the preparation of the Draft Guidelines to Shareholders, on the optimal composition of the future Board, for the 2026-2028 term of office.

As part of Stage III, the possibility to also use peer-to-peer review tools is envisaged, to assess the experience and skills of individual members and the group and the behaviours adopted by the same, as well as Board Effectiveness to assess the effectiveness of the Board's performance.

SUCCESSION OF DIRECTORS

With regards to the opportunity to adopt a succession plan for the CEO, the Board of Directors of the Company, while recognising the importance of succession plans to promote generational exchange, to improve the management of the termination of office of executive directors and senior management and to contain the negative impact of any discontinuity in management, did not deem it necessary to prepare a succession plan for executive directors.
This is directly related to the current appointment methods of ex-

ecutive directions and the representation and evaluations of the majority shareholder.
If an executive director leaves office, the Board of Directors may co-opt a new director in their place and determine the powers to be vested on the latter.
Their successive inclusion on the Board of Directors shall be confirmed at the next Shareholders' Meeting.

7.2 APPOINTMENTS AND REMUNERATION COMMITTEE

As of the date of this Report, the Appointments and Remuneration Committee consists of four non-executive Directors, of which the majority are independent, specifically: Massimiliano Capece Minutolo del Sasso (independent Chair), Angelo Piazza, Nathalie Tocci and Patrizia Rutigliano.

The Board of Directors recognised Massimiliano Capece Minutolo del Sasso and Nathalie Tocci as having adequate knowledge and experience in accounting and financial matters and remuneration policies.

The Appointments and Remuneration Committee's secretariat duties are performed by the Board of Director's Secretary or by another subject chosen by the Committee itself.

With respect to the tasks assigned, the Appointments and Remuneration Committee offers research, proposals and consulting. In particular, it is responsible for assisting the Board of Directors in assessments and decisions relating to its composition and to remuneration policies regarding the Managing Director, directors who hold particular offices, general managers, and executives with strategic responsibilities.

It should be noted that the powers relating to appointments and remuneration are merged into a single committee, in line with the express provisions of the Code, in compliance with the rules relating to the composition of each committee, so as to ensure the correct use of the relative powers in an effective and efficient manner.

In particular, the Appointments and Remuneration Committee:
1. proposes to the Board of Directors the policy for the remuneration of directors, general managers and executives with strategic responsibilities, with a view to promoting sustainability and the creation of value in the medium-long term;
2. periodically assesses the adequacy, the overall consistency and the concrete application of the remuneration policy relating to directors and senior management, on the basis of information provided by the Chief Executive Officer, and presents proposals regarding said remuneration to the Board of Directors;
3. in the case of co-optation, proposes candidates for the office of director to the Board of Directors;
4. presents proposals to the Board of Directors on the remuneration of the executive directors and the other directors that hold special offices, and on the performance targets linked to the variable part of said fees;
5. monitors the application of the decisions adopted by the Board, checking, in particular, on the effective achievement of the performance targets;
6. submits the Remuneration Report to the Board pursuant to Art. 123-*ter* of the TUF, which the Directors present to the annual Shareholders' Meeting;
7. it gives the Board its views on the dimensions and composition of the Board itself and makes recommendations as regards the management team and professionals whose presence is deemed necessary;
8. issues preliminary and non-binding opinions regarding the positions to be classified as having strategic responsibilities;
9. for the purposes of expressing its preventive and non-binding opinions, it gathers the preliminary investigations according to the choice of the executives with strategic responsibilities as well as those relating to the appointments of the Directors and Auditors in the most significant companies; and
10. The Committee is also recognised with the additional responsibility, for the purposes of formulating preliminary and non-binding opinions, of the investigations conducted on the basis of the selection of executives who, while not classifiable as executives with strategic responsibilities, perform duties relevant to the achievement of the Group's performance ("Key Resources").

Directors must refrain from participating in Appointments and Remuneration Committee meetings when the Committee discusses proposals to be submitted to the Board of Directors relating to their own fees.

In 2024, the Committee met on 13 occasions, with an average duration of 1 hour and 11 minutes, with the minutes duly recorded and characterised by the regular attendance of its members. The Chairperson of the Board of Statutory Auditors and/or another Auditor also participated in the meeting and provided valuable contributions to the discussion.

As at the date of this report, 3 meetings have been held.

The attendance of each Director at the Committee meetings is detailed in Table no. 3.

The Committee meetings were also attended by representatives of relevant company Functions whose presence was deemed opportune for the optimal performance of the duties of the Committee itself; such attendees were specifically invited by the Chairperson and their presence was notified to the Chief Executive Officer.

The Committee had access to the information and company Functions necessary for the execution of its responsibilities.
With regard to remuneration, during 2024 among other things the Committee:
- submitted the Remuneration Report pursuant to Art. 123-*ter* of the TUF to the Board of Directors for approval and, in particular, the section on the Remuneration Policy for directors, general managers and executives with strategic responsibilities for the year 2024;
- monitored the concrete application of the remuneration policy

for directors, general managers, and executives with strategic responsibilities;
- noted the achievement of economic/financial objectives and authorised payment of the short-term variable incentive programme "*MBO 2023 ("Management By Objectives*");
- submitted a proposal to the Board of Directors on establishing performance objectives for the short-term variable component "*MBO 2024*" for the CEO and executives with strategic responsibilities;
- expressed an opinion in favour of adopting the Regulation for the Long Term Incentive Plan 2024-2026, to be submitted to the Board of Directors for approval;
- submitted, in accordance with the provisions of Section I of the 2024 Remuneration Report (as defined below), for the approval of the Board of Directors, the proposal relating to the remuneration due to the Company's Directors called upon to serve as Ethics Officers as well as the introduction of the severance clause in the remuneration package of the Chief Executive Officer/General Manager.

As regards its duties concerning appointment, the Committee:
- presented a proposal to the Board of Directors for the integration of the list of persons who, although not qualifying as executives with strategic responsibilities, perform functions relevant to the achievement of the Group's results;
- supported the Board in the self-evaluation of the Board and of its Committees as part of the 2023-2025 process.
- presented a proposal to the Board of Directors for the identification of quantitative parameters of relevance applicable to commercial, financial or professional relationships that are relevant pursuant to Recommendation 7 letter c) of the Corporate Governance Code.

The Board of Directors confirmed the allocation of an annual budget for 2025 of €25,000.00 for the Committee so as to allow the latter, should it be deemed necessary, to confer external mandates instrumental to the performance of its duties.

8. Directors' remuneration

REMUNERATION POLICY

The Remuneration Policy for Directors and Senior Management ("Remuneration Policy), defined by the Board of Directors, is described in detail in the "Report on the Remuneration policy and on the fees paid" ("Remuneration report") produced pursuant to art. 123-*ter* of the TUF and available on the website **www.gruppoacea.it** in the "Governance - Remuneration" section, to which reference should be made.
The Appointments and Remuneration Committee and the Board of Directors of the Company play a central role in defining the Remuneration Policy.
The Human Resources and Organisation Function, in coordination with the other competent corporate Functions and involving the top management, establishes the process of developing the remuneration policies in a proactive, clear and transparent manner. The preliminary phase begins with the monitoring of the most widespread market practices, also through benchmarks prepared by leading operators in the sector, with the intention of aligning and/or keeping aligned its Remuneration Policy with the best practices.
The result of these activities enables the competent bodies to submit to the shareholders remuneration policies and guidelines increasingly appropriate for the professionalism, competence and commitment required. The aim of the Acea Group remuneration policy is to attract, motivate and retain individuals who, due to their technical and managerial skills and their differing profiles also in terms of gender and experience, are a key factor to the success of the Group.
On the basis of the documents produced by the Human Resources and Organisation Function, the Appointments and Remuneration Committee submits the Remuneration Report to the Board for approval.
The Committee provides information to the Board of Statutory Auditors, in order to enable the latter to check the consistency of the proposals on the subject of the directors' remuneration with the remuneration policy for the purpose of expressing the opinion pursuant to art. 2389 of the Italian Civil Code.
The intervention of the main corporate management bodies in the process for the approval of the Remuneration Policy ensures that it is based on clear and prudent rules which ensure that it is consistent, avoiding situations of conflict of interest and guaranteeing its transparency through suitable disclosure.

REMUNERATION OF EXECUTIVE DIRECTORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

The Remuneration Policy defines guidelines that are consistent with the topics indicated below:
a significant part of the remuneration of the Company's Executive Directors and key managers, as expressly required by the Code, is linked to the economic results achieved by the Company and, possibly, to the achievement of specific performance targets — preset, measurable and aimed at promoting sustainable success — indicated in advance by the Board of Directors itself.
For details on remuneration, please see the "Report on Remuneration" - Section I.
A system of medium-long term variable incentives (Long Term Incentive Plan) is established, to be vested in three years. The aim of this plan is to encourage the management to pursue the Group's economic-financial and sustainability results in the interests of the shareholders.
As of 2015, in line with a growing need for transparency expressed by the Self-Governance Code and in view of an increasingly responsible remuneration policy, the claw back clause, already adopted for executives and key managers, has been extended also to the managerial roles which have greater impact on the Group's business. Based on this clause, the Company is granted the right to request the restitution of variable remuneration (both short and long-term), should these components be found to have been paid on the basis of conduct of a malicious nature and/or due to serious misconduct, such as the intentional alteration of the figures used in achieving the objectives or obtaining these figures through conduct contrary to the corporate or legal regulations.
Note that in a market context in which there is an increasingly widespread connection between variable remuneration mechanisms and the achievement of social and environmental results, the Acea Group has confirmed its path of increasing the integration of sustainability into business activities, adopted over the years, also by strengthening of its own commitment.
This aim is also implemented through Group incentive plans, with a significant increase in 2024 of the importance placed on sustainability aspects—both in the short-term and long-term incentive plans—in relation to other economic and financial objectives contained.
For more details on the sustainability objectives, please see the Report on Remuneration - Section I, pursuant to article 123-*ter* of the TUF.
Moreover, the new Long Term Incentive Plan includes parameters intended to align the interests of management with those of shareholders and closely linked to the Group's Business Plan, through the use of economic/financial indicators and indicators which recognise the creation of value which is sustainable over the medium/long-term. For details on the remuneration package for the Chairperson and the CEO, as well as for other executives with strategic responsibilities, please refer to Section I of the Report on Remuneration, pursuant to art. 123-*ter*, TUF.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration of non-executive directors is not linked to the economic results achieved by the Company, but to the commitment requested of them and their possible membership of one or more committees. No share incentive plans involve non-executive directors.
With the assistance of the competent Appointments and Remuneration Committee, for many years the Board of Directors has undertaken a process of analysis aimed at aligning the remuneration paid to corporate bodies with market best practices.
It should be noted that, in the light of the benchmarking activities carried out, with the support of the competent internal Functions

and external consultants, the total remuneration paid to members of the administrative body is in line with the first quartile of the relevant market.

ACCRUAL AND PAYMENT OF REMUNERATION

At the end of the reference period of the Remuneration Policy, the Board of Directors, on the proposal of the Appointments and Remuneration Committee, approves the achievement of the performance objectives associated with the variable incentive schemes, verifying the consistency with the terms set in the remuneration policy, which is considered an effective lever in the pursuit of the goals of the Strategic Plan.
For more details on the sustainability objectives, please see the Report on Remuneration - pursuant to article 123-*ter* of the TUF.

INDEMNITY FOR DIRECTORS IN THE CASE OF REVOCATION, RESIGNATION, DISMISSAL OR DISCONTINUED OFFICE SUBSEQUENT TO A TAKEOVER (ART. 123-BIS, PAR. 1, LETT. I, TUF).

For more details on this aspect, please see the Report on Remuneration - Section I, pursuant to article 123-*ter* of the TUF.

9. Ethics, sustainability and inclusion Committee

The Ethics, Sustainability and Inclusion Committee is a panel body tasked with providing preliminary, propositional and advisory support to the Board of Directors within the context of corporate ethics and environmental, social and governance topics (ESG Environmental, Social and Governance).

The composition and operation of the Committee are disciplined by specific Regulations approved by the Board of Directors.

The Committee consists of five non-executive directors, of which the majority are independent, specifically Elisabetta Maggini (Chair, independent), Antonella Rosa Bianchessi, Massimiliano Capece Minutolo Del Sasso, Luisa Melara and Patrizia Rutigliano.
As required by the aforementioned Regulations, Director Patrizia Rutigliano has adequate experience in environmental matters and/or corporate social responsibility, assessed by the Board of Directors upon appointment.

The Committee's secretariat duties are performed by the Board of Director's secretary or by another subject chosen by the Committee itself.

So as to fulfil its responsibilities, it carries out the following duties:
a) promote the integration of sustainability in the strategies and culture of the company and favour its circulation among employees, shareholders, users, clients, the territory and all the stakeholders in general;
b) overseeing the sustainability topics associated with the exercising of business activities and interaction dynamics between the company and all stakeholders and examine the main corporate rules and procedures proving to be of relevance upon comparison;
c) examine the guidelines of the sustainability plan and the procedures for implementing them;
d) monitor the implementation of sustainability plan approved by the Board of Directors;
e) examine the no profit strategies of the company;
f) monitor, regarding matters of competence, the adequacy of the Code of Ethics and its effective implementation;
g) express, by request of the Board of Directors, opinions on other matters regarding sustainability;
h) report to the Board of Directors, at least on a half-yearly basis and no later than the term for approving the annual or interim financial report, about the activity carried out;
i) liaise with the pertinent corporate structures and bodies in relation to aspects of ethics and sustainability.

Also note that in article 5 letter j), the Regulations of the Ethics, Sustainability and Inclusion Committee expressly includes among its tasks, the responsibility to "*promote, in the light of international best practices, a culture that values diversity, avoiding and combating all forms of discrimination and supporting the adoption of a diversified approach to managing people, disseminating sensitivity to and awareness of the value of difference at all levels of the organisation and monitoring overall developments.*"

During the period, the Ethics, Sustainability and Inclusion Committee held 8 meetings, with an average duration of 1 hour 10 minutes, mostly attended by its members. The Chairperson of the Board of Statutory Auditors and/or another Auditor also participated in the meeting and provided valuable contributions to the discussion.

The attendance of each Director at the Committee meetings is detailed in Table no. 3.

In 2025, as at the date of this Report, the Committee had met on 2 occasions.

In 2024, the Ethics, Sustainability and Inclusion Committee:
- examined the interim report from the Ethics Officer, which serves to monitor compliance with the values of transparency, legality, equity and ethical integrity in relations with employees, suppliers, customers and all stakeholders, with regards to notifications received on presumed violations of the Ethics Code the law, internal regulations governing Group activities and any other conduct in violation of the behavioural principles established by the Acea Group (whistleblowing system);
- carried out an investigation with reference to the connection between remuneration and sustainability, together with the Appointments and Remuneration Committee, also in view of the definition of the remuneration policy for 2024, acquiring a specific benchmark that provides evidence about current practice in terms of ESG indicators and the relative percentage weights found in variable incentive systems;
- carried out an in-depth study on the sustainable component of Acea Group investors;
- expressed a favourable opinion, for the purpose of subsequent discussion and approval by the Board of Directors, on the Acea Group's 2024-2028 Sustainability Plan;
- was briefed on the progress of the main planned projects of interest to the Committee and, in particular, on the project to integrate ERM into the sustainability framework with the aim of including sustainability-related risks in the risk catalogue;
- received a report on the results of the double materiality analysis, which represents the material topics consistent with ESRS and relevant to the Group from a multi-stakeholder (Impacts) and managerial (Risks and Opportunities) perspective;

The Board of Directors confirmed the allocation of an annual budget for 2025 of €25,000.00.

10. Internal control and risk management system - control and risks Committee

Acea's Internal Control and Risk Management System, an essential element of the Group's Corporate Governance system, consists of all the people, tools, organisational structures, rules and regulations aimed at enabling the Acea Group to be managed soundly, correctly and consistently with corporate objectives, through an adequate process of identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success, the structuring of adequate information flows to ensure the circulation of information and the coordination of the various players in the Control System.

This system is periodically reviewed and updated through specific projects aimed at increasing its integration into the more general organisational and corporate governance structures adopted by Acea, aligning it with the recommendations of the Code, adopted by the Board of Directors on 16 December 2020, and the best national and international practices.

The definition of an adequate SCIGR contributes to a healthy, legitimate and consistent management of the company through the making of informed decisions compatible with the risk appetite defined by the Board of Directors, and helps to ensure the protection of the company's assets, the efficiency and effectiveness of processes, the reliability of the information provided to corporate bodies and the market and compliance with laws, regulations, the Articles of Association, the Code of Ethics and internal procedures, thus constituting a fundamental prerequisite for assessing the adequacy of the Company's general organisational, administrative and accounting structure.

The "Guidelines" were approved by the Board of Directors in January 2020, with the aim of:

- providing guidelines for various actors involved in the SCIGR, so as to ensure the main risks impacting the Acea Group are properly identified and adequately measured, managed and monitored;
- identify principles and responsibilities with regards to governing, managing and monitoring risks linked to company activities;
- establishing control activities at all operational levels and clearly identifying tasks and responsibilities in order to avoid any duplicated activities and ensure coordination between the main subjects involved in the SCIGR;
- defining the architecture of the Control System adopted by the Group, and in particular outlining the stages that make up the definition process;
- defining specific information flows among the various actors of the Control System, through the preparation of a matrix that identifies actors, objectives, frequency and description of the flow as well as the recipients or other actors who are informed based on their role in the SCIGR.

Updating the guidelines is one of the fundamental elements for the definition of the Acea Group's control model aimed at strengthening and consolidating the culture of control and risk management.

a. Roles and responsibilities in the Internal Control and Risk Management System

The governance and implementation of the complete SCIGR involves actors with diverse roles within the Company (governance and control bodies, Company departments, management, employees). In line with the recommendations of the Code and the best practices of reference, the Guidelines describe the roles and responsibilities of these actors. For a description of the roles and duties of the main actors, please refer to the specific chapters of this Report (Board of Directors, internal board committee, Managing Director, Internal Audit Function manager, Risk Management, Compliance & Sustainability Function, the Financial Reporting Officer and the Supervisory Body).
Beyond the tasks or responsibilities specifically identified for these actors, the management, the employees and all the people working for Acea, each for their own area responsibility, must contribute to the adequacy and effective operation of the SCIGR. To this end, with the support of specific training, Acea strives to ensure that the management, employees and all people working in the company acquire, each according to their role, all the skills and professionalism necessary to allow an effective operation of the SCIGR.

b. Risk identification, assessment and management

Given the nature of its business, the Acea Group is exposed to various types of risks, therefore to manage these risks, analyses and monitoring are carried out by each company as part of a structured and coordinated process implemented at a Group level through the integration of two complementary approaches (Enterprise Risk Management and Continuous Risk Management), aimed at assessing and treating the risks of the entire organisation in an integrated logic, consistent with its risk appetite, with the aim of providing management with the information needed to make the most appropriate decisions to achieve strategic and business objectives, to safeguard, grow and create value for the company.
This combination is designed to ensure effective control of the entire universe of main risks the Group is potentially exposed to, guaranteeing management of the Group's overall exposure in line with the objectives of the Business Plan and Sustainability.
Group management is responsible for identifying and evaluating risks, on the basis of the guidelines and methodological instruments defined. These activities are done so as to guarantee appropriate responses are suitably defined, to mitigate and monitor risks. The Chief Risk Management, Compliance & Sustainability Officer and other second-level control functions for specialised risks provide support throughout the entire risk identification, assessment and management process.
The control activities are wholly or partially integrated into the operations, involve all organisational levels and include a set of various operations, like approvals, authorisations, checks, comparisons, review of operational performance, controls of information systems, controls to safeguard company assets, separation of duties, etc.

Responsibility for controls is divided into three complementary levels:
- the first level of control is aimed at ensuring the proper conduct of business processes through the identification, assessment, management and monitoring of risks, for which it implements appropriate mitigation actions. The responsibility for their execution is generally assigned to the line structures;
- the second level of control is aimed at controlling specific company risks as well as verifying the adequacy and effective operation of the controls in place to manage the main risks. Furthermore, it provides support to the first level of control in defining and implementing mitigation actions for the main risks;
- the third level of control is entrusted to the Internal Audit Function and provides independent and objective verification of the adequacy of the design and the effective operation of the SCIGR as a whole.

The activities of the Internal Audit Function are regulated by the Board of Directors through the Audit Charter, which defines its purpose, remit, authority, responsibilities and other relevant provisions.
In particular, the Internal Audit Function manager is responsible for verifying that the Control System is functioning, adequate and consistent with the guidelines defined by the Board of Directors. They report to the Board of Directors, they are not responsible for any operational activities and they may have direct access to all information useful for the performance of their duties. They report to the Chairperson, the CEO, the Control and Risks Committee and the Board of Statutory Auditors on the operation, adequacy and effectiveness of the Control System. The Internal Audit Function operates on the basis of an Audit Plan, developed on the basis of a structured process of analysis and prioritisation of the main risks, which takes into account the results deriving from the monitoring performed by the company functions responsible for second level controls and any proposals received from Acea Functions, as well as any requests from the Control and Risks Committee, the Board of Statutory Auditors and the Supervisory Body. The Audit Plan is approved annually by the Board of Directors, subject to the favourable opinion of the Control and Risks Committee and after having consulted the Board of Statutory Auditors and the CEO.

c. Qualifying elements of the Control System

Internal control environment

The foundations of Acea's SCIGR consist of a set of different elements, consistent with each other, which contribute in an integrated manner to establishing the environment Acea's people operate in, directing their activities within their assigned responsibilities and encouraging the taking of conscious decisions aimed at achieving corporate objectives.
Constituent elements of the internal control environment include: the adoption of ethical principles and standards of conduct; the adoption of regulatory instruments; the dissemination of a risk management culture in support of growth; a system of delegations and powers and the development of the skills of people working in Acea.

Company functions to safeguard against specific types of risk

The CEO has identified certain corporate functions – including some that are not exclusively dedicated – which identify, measure, manage and monitor specific types of risk connected with the Group's operations.
These centralised controls are the manner by which a transversal view of the risks and of the connected systems of control between the diverse processes within the Group is possible.

The company structures and the relative risk management models through guidance and/or monitoring activities are summarised below.
- Compliance: Antitrust and Unfair Commercial Practices Model; Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01, Anti-Corruption;
- DPO Office: Group Privacy Governance Model;
- Enterprise Risk Management: analysis of the evolution of the Group's overall risk profile, development of a mitigation strategy and monitoring of its implementation;
- Integrated Certification Systems: Integrated Management Systems Quality, Environment, Safety, Energy and Gender Equality;
- Executive Responsible: Group Management and Control Model pursuant to Italian Law 262;
- *Cyber Security:* Group Cyber Security Model.

d. Comprehensive assessment of the adequacy of the Control System

For details, see Chapter 4, paragraph 1 of this Report regarding the Board of Directors.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS (ART. 123-BIS, PAR. 2, LETT. B), TUF)

INTRODUCTION

In the Internal Control and Risk Management System, with reference to financial reporting, particular relevance is held by the "Group's Management and Control Model pursuant to Law 262" (the "**262 Model**"), adopted on the occasion of the updating of the Group's Internal Control System to the requirements of Law 262/2005. In particular, Acea adapted the model to the requirements defined in Law 262/2005 aimed at planning an Internal Control over Financial Reporting ("*ICFR*") system, subject to constant improvement and adaptation to the evolution of the Group and reference best practices, which can allow the Financial Reporting Officer and Chief Executive Officer of Acea to issue the market certifications required by Art. 154-*bis* of the TUF.
The system is defined as all the activities for identifying the risks/controls and for defining specific procedures and tools adopted by Acea to ensure, with reasonable certainty, the achievement of the aims of the credibility, accuracy, reliability and immediacy of the financial information.
The 262 Model defines the guidelines, the methodological references and the responsibilities for the institution, updating and evaluation of the ICFR.

The Model 262 is developed on the basis of the fact that the ICFR must be a part of the broader Internal Control and Risk Management System and an essential element of Acea's Corporate Governance, and that the credibility of the information disclosed to the market on the Company's situation and results is a fundamental element for all the stakeholders.
On 15 May 2019, the Board of Directors approved the latest update of the Management and Control Model of the Acea Group pursuant to Italian Law no. 262/05, which consists of documentation that defines the founding aspects of the system, namely:
- Financial Reporting Officer Regulation: defines the figure of the

Financial Reporting Officer and governs their activities based on that established in the Articles of Association and applicable laws, as well as regulating their relations with internal and external stakeholders;
- Periodic internal reporting of the Acea Group: governs the internal information flows for the Acea Group (internal certifications) that allow the Acea Financial Reporting Officer and CEO to issue certifications pursuant to art. 154-*bis* of the TUF. The document includes Internal Declarations Letter templates.
- 262 Management and Control Model: defines the guiding principles and methodological approach for the establishment, updating and evaluation of the Control System that oversees the preparation of the financial statements and illustrates the main components of the Framework to manage the ICFR system adopted by the Acea Group.

In addition to the three documents mentioned above which constitute the 262 Model, the ICFR system is also regulated by the following documents:
- Group Accounting Standards Manual,
- Guide to the Closing of the Consolidated Financial Statements,
- Checklist for the collection and processing of accounting data at the end of the period.

In defining the 262 Model, Acea has chosen to draw inspiration from the principles set out in national and international best practices, particularly the model on SCIGR published by the Committee of Sponsoring Organisations of the Treadway Commission, i.e. the CoSO Report, which is the model most widely applied in Italy and abroad. In the context of the methodology defined by the CoSo Report, the analysis was conducted on two different levels: the Entity Level analysis, and the Process Level analysis.
This approach is consistent with the Guidelines published by Confindustria and ANDAF for the performance of the duties of the Financial Reporting Officer, with the Framework presented in the Research document Assirevi no. 131-*ter*, and with national and international best practices (e.g. Models for adjustments to the Sarbones Oxley Act).

DESCRIPTION OF THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Model 262 defines the guidelines of reference for creating and managing the Internal Control System for Acea Financial Reporting and for its consolidated companies of relevance to Financial Reporting ("relevant companies"), regulating the main steps and responsibilities.

a) Phases of the Internal Control and Risk Management System in relation to the financial reporting process

Defining the scope of analysis

Acea updates the scope of analysis on an annual basis to ensure that the scope of analysis of the Financial Reporting process provides satisfactory coverage of the most significant items in the consolidated financial statements and is adequate to certify the correspondence of the Company's acts and communications disclosed to the market and relating to accounting information, to the "documents, books and accounting entries".

The scope of the analysis is initially determined by the contribution of each company of the Group on the consolidated financial statements, taking into account the relevance for the same of the associated significant accounts and administrative-accounting processes; successively, the results of the analysis are integrated by considerations of a qualitative nature to take into account both the Group's structure and the features of specific financial statement items.

Entity-level analysis

The Entity Level Controls analysis considers the cross-cutting and infrastructural aspects of the Internal Control and Risk Management System, which mainly concern the corporate governance measures taken by the Company's administrative boards and management.

Entity Level Controls are identified on the basis of the`CoSO Report, appropriately adapted to Acea's characteristics. The defined methodological approach establishes 17 core principles associated with 5 typical components of a control system (control environment, risk assessment, control function, information and communication, and monitoring activities) which are interconnected and deeply integrated in management processes.

The 17 control principles of the CoSO Report are then translated into Acea-specific Entity control points.

The approach adopted by Acea for the analysis of Entity Level Controls includes the following operational steps:
- identification and evaluation of control points;
- preparation of ELC Reports.

The output of this analysis is the "Entity Level Controls Report", which identifies the Entity control points implemented by the companies and the organisational and regulatory instruments adopted to fulfil them.

Process-level analysisT

he approach adopted by Acea makes it possible to assess the design of the internal controls on the business processes from which the Financial Disclosures originate and provides for the following operational steps:
- analysis of activities;
- assessment of administrative/accounting risks;
- identification and evaluation of controls;
- preparation of administrative and accounting procedures.

The output of this analysis is represented by the *Risk and Control Matrix* or by administrative and accounting procedures which provide for the execution of specific control activities to safeguard against the risks of significant accounting errors in the development of processes.

Monitoring

The effective operation of the controls in administrative and accounting procedures, ascertained by the Management of the Companies within the framework of the Group's Internal Certification Process, is corroborated by the implementation of an independent sample test plan by the Financial Reporting Officer. Considering the risk-based approach and following input from the Board of Statutory Auditors, the test plan is defined on a three-year basis, with the aim of evaluating the operation of all of the Key Controls identified in administrative and financial procedures.

The data base of the Three-year Test Plan (no. of Key Controls) is updated every year based on the change in the scope of Companies and processes in the scope of 262, which results in a corresponding change in the Key Controls to undergo operational testing.

The tests are carried out with the support of the Acea Internal Audit Function and leading consultancy firms.

The Financial Reporting Officer implements a process for sharing the results of the test activities to encourage the relevant management personnel to implement the necessary corrective actions in their own functions.

Group internal certification process

The information resulting from the Entity-level and Process-level analysis is confirmed and/or reviewed periodically by the Management of the Companies through the Group's internal certification process.

In fact, considering the nature of the Group's business consolidation and the consequent legal requirement to produce consolidated financial statements and issue the relative statements to the Market, it is necessary to coordinate effective information flows to Acea. This coordination is based on internal chain certifications issued by the management and delegated administrative bodies of the consolidated Group companies.

The information communicated to the Financial Reporting Officer via the internal "chain" certifications is summarised in the Group Internal Certification Statements, which contain the following information:

- application of appropriate cross-cutting measures/control procedures able to guarantee the adequacy and operation of the internal control system (Entity Level);
- assessment of the design and operation of the controls defined in administrative and financial procedures (Process Level);
- any critical issues identified as well as the relative action plan;
- application of the Group's accounting principles for the formation of the consolidated reporting package;
- reasonableness of the assessment methods and significant assumptions used to determine estimates;
- knowledge of cases of fraud or suspected fraud.

Corrective Action Plan

If areas for improvement are found with reference to the design and/or operation of the controls, the managers of the organisational unit concerned, up to the level of the delegated administrative bodies for Group companies, define and implement a corrective action plan with indication of the timings and responsibilities for implementing the corrective actions. The corrective action plan is submitted to the Financial Reporting Officer, for comprehensive evaluation of the Internal Control System regarding Financial Statements and coordination of the activities to be implemented and is updated every six months by the relevant entities.

Comprehensive evaluation

The Group internal certification process authorises the Acea Financial Reporting Officer and the CEO to issue the certifications pursuant to art. 154-*bis* of the TUF.

Therefore, the comprehensive evaluation of the Acea Group's Internal Control over Financial Reporting system is based on a complex evaluation process that considers:

- results of Entity-level and Process-level analyses carried out by the companies' process & risk owners. The information base that feeds the reporting flow consists of the results of the control activities carried out by each process & risk owner in accordance with the operating methods and timeframes laid down in the administrative and accounting procedures and ELC Reports;
- internal "chain" certifications issued by Acea management and the delegated administrative bodies of consolidated companies;
- results of sample tests carried out by the Financial Reporting Officer, possibly supported by specialised external consultants or by the Internal Audit Function;
- evaluation of any shortcomings detected in the course of monitoring activities.

Any major shortcomings detected by the evaluation process are communicated to the control and supervisory bodies according to the procedures laid down in the Financial Reporting Regulations.

b) Roles and Functions involved

The 262 Model is based on the clear internal attribution of responsibilities in the planning, updating and assessment over time of the ICFR, without prejudice to the responsibilities attributed by law to the FRO and to the CEO.

The evaluation process of the FRO and the CEO upon which, according to the Consob model, the certification of the financial statements is based, therefore considers the internal certifications issued, in particular, by the process & risk owners/the delegated administrative bodies.

The 262 Model identifies the main parties involved in the financial reporting process, in addition to the FRO and the delegated administrative bodies, with the relative responsibilities:

- The Control Owner is the individual entrusted with the responsibility for performing and certifying the controls within their competence to safeguard against the identified risks in accordance with the methods and timeframes set forth in administrative and accounting procedures.
- The Process & Risk Owner is responsible, from an organisational point of view, for a related series of activities necessary for achieving a specific control objective. They are responsible for carrying out the overall assessment of the design and implementation of the control, with reference to the processes within their remit, indicating whether the such processes have been adapted to monitor the risks identified and monitored during the risk assessment. They are also responsible for updating and ensuring the implementation of the corrective action plan.
- The 262 Manager is responsible for guaranteeing oversight for the implementation of the 262 Model within their relative Company by ensuring the flow of information to and from the FRO; they are also responsible for assessing and certifying the Company's overall Internal Control System on the basis of the analyses carried out and the assessment of the design and operations expressed by the Process & Risk Owners.
- The Company's Delegated Administrative Body is responsible for assessing and certifying the Company's overall Internal Control System, also on the basis of the declarations of the Process & Risk Owners and the 262 Manager, and for sending the Internal Certification Letter to the FRO, together with the Entity

Level Control Report, the Company's administrative and accounting procedures, and the duly validated Corrective Action Plan, if any.

Finally, with reference to the other governing and internal and external control bodies for the Group, Acea has established a process to exchange information, to and from the FRO, structured and modulated to foster as broad an overall view as possible of the internal control system on the part of said bodies.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE SUSTAINABILITY REPORTING PROCESS

In 2024, Acea started a process to adapt to the requirements set out in Legislative Decree 125/2024, through the definition and gradual implementation of a risk management and internal controls model on sustainability reporting, aimed at ensuring the reliability of such reporting and its compliance with reporting standards.

The risk management and internal controls model on sustainability reporting also aims to support the CEO and the Financial Reporting Officer of Acea in issuing declarations to the market on the compliance of Acea's Sustainability Reporting with the reporting standards provided at European level (ESRS) and the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 (the EU taxonomy).

In particular, Acea has launched a project to define the internal control system on sustainability reporting ("SCIIS"), which has the following main objectives:

1. define the risk management and internal controls model on sustainability reporting (the "SCIIS Model");
2. define the methodological approach for assessing and prioritising risks and for identifying the scope of analysis of the SCIIS, and apply this methodology to draw up a roadmap for implementation for the coming years;
3. analyse risks, and define and implement controls of the Sustainability Reporting process;
4. conduct a pilot implementation of the SCIIS Model on certain priority indicators (KPIs), based on a benchmarking analysis and the most relevant issues for the Acea Group, aimed at defining a methodological approach that suits the characteristics of the company;
5. define the information flow towards the Chief Executive Officer and the Financial Reporting Officer, as well as towards the administration, management and control bodies.

The SCIIS Model defined within the project activities is developed on the basis of the framework produced by the Committee of Sponsoring Organisations of the Treadway Commission (the "CoSO Report") which, in March 2023, published a specific supplementary guide dedicated to sustainability reporting, entitled "Achieving Effective Internal Control of Sustainability Reporting" (ICSR).

Consistent with the principles of the CoSo Report, the methodology adopted for assessing and prioritising risks on sustainability reporting is based on the following approach aimed at identifying the scope of analysis of the SCIIS:

- Identification of the universe of analysis given by the data points subject to disclosure by Acea within the scope of the Sustainability Report drawn up pursuant to Legislative Decree 125/2024. In particular, the data points feed into the plan of indicators (KPIs) defined by the Sustainability Unit as a result of the double materiality analysis carried out in accordance with ESRS 1 "General Principles". This analysis identifies sustainability issues relevant to Acea Group through the mapping of impacts, risks and opportunities (IRO).
- Assessment and prioritisation of KPIs on the basis of a risk/relevance analysis, carried out by means of assessment drivers representing a combination of external and internal factors, in order to obtain a risk assessment that balances external expectations and the internal connotations and characteristics of the business processes from which the data disclosed in the sustainability report originates. The main drivers adopted concern consistency and relevance to sustainability policies, managerial incentives, sustainable finance instruments and rating agency assessments.

For the KPIs assessed as most at-risk/material and for the Group companies that contribute significantly to them, the approach adopted by Acea involves analysing the business processes from which they originate, identifying the risks and controls aimed at ensuring that the data and information included in the Sustainability Report meet the qualitative characteristics of relevance, faithful representation, comparability, verifiability and comprehensibility. This analysis forms the basis for the procedures adopted to prepare and communicate sustainability data and information.

The project included an analysis of Acea's Sustainability Reporting process, defining the activities and the roles and responsibilities of the actors involved. In this regard, it should be noted that a further specific project was implemented to digitise, with a view to integrated reporting, the Group's sustainability reporting with the same computer application used to prepare Acea's Consolidated Financial Statements. The digitisation of the process of collecting and consolidating sustainability data and information is an enabling factor to optimise and strengthen the control system through accountability, traceability, automated controls and monitoring dashboards.

Since the implementation phase of the SCIIS, carried out in the financial year 2024, the main risks identified, taking into account the "qualitative characteristics of information" governed by ESRS 1 - Appendix B, concerned:

- the completeness and integrity of the data;
- the accuracy of estimates;
- the accuracy and completeness of descriptions;
- the availability and timeliness of data;
- the authorisation of data and information;
- compliance with the relevant legislation.

The following main types of controls are provided for to safeguard against these risks:

- approval and management review controls;
- data reconciliation checks;
- automatic checks to ensure the calculation and correct imputation of data in computer systems;
- controls on logical access to the systems and traceability of operations performed on the system used for Sustainability Reporting;
- consistency checks of sustainability reporting against ESRS reference standards and further regulations;
- analysis of the deviation of the data from the available time series.

Finally, as a further risk mitigation measure within the sustainability reporting process, Acea has implemented an internal control environment consisting of a set of different elements, consistent with each other, which contribute in an integrated manner to establishing the environment Acea's people operate in, directing their activi-

ties within their assigned responsibilities and encouraging the taking of conscious decisions aimed at achieving corporate objectives. The constituent elements of the internal control environment are:

- the adoption of ethical principles and standards of conduct;
- the adoption of regulatory instruments;
- the promotion of a risk management culture to support growth;
- system of delegations and powers and the development of skills among Acea personnel.

Given the current organisational set-up, an internal certification process was defined by the management and delegated administrative bodies of the companies included within the scope of consolidation of the Sustainability Reporting, concerning the correctness and authenticity of the sustainability data and information managed by them and the application of adequate internal control processes. An internal certification on these aspects is also provided by the Chief Risk Management, Compliance & Sustainability Officer of Acea to the Chief Executive Officer and the Financial Reporting Officer.
During 2024, specific information flows were addressed to the Board of Directors, Management and Control Bodies and with the independent auditors in order to illustrate the progress of Acea's programme to comply with Directive 2022/2464/EU (the "Corporate Sustainability Reporting Directive" or "**CSRD Directive**"), including the results and the development activities of internal control and risk management processes related to sustainability reporting.

10.1 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible for establishing and maintaining the internal control and risk management system, pursuant to that indicated in the Corporate Governance Code.
In 2024, the CEO – with the support of the ERM unit within the Chief Risk Management, Compliance & Sustainability Officer Function and referring to the information originating from the second level controls on specialised risks – identified the main business risks, taking into account the characteristics of the activities carried out by Acea and its subsidiaries, and submitted them to the Board for examination. He has put into practice the guidelines drawn up by the Board of Directors, ensuring the planning, execution and management of the Internal Control System through the relevant structures and the constant monitoring of the overall adequacy, effectiveness and efficiency.
He has also provided for the adaptation of the system to the dynamics of the operating conditions and the legislative and regulatory context.
The CEO may request that Internal Audit Function, notifying the Chair of the Board of Directors, the Control and Risks Committee and the Board of Statutory Auditors, conduct verifications on specific operating areas and on the observance of internal rules and procedures in the execution of Company operations.
The Chief Executive Officer also promptly informs the Control and Risks Committee and the Board of Directors of problems and critical situations that arise in the performance of their activities or which come to their knowledge.

10.2 CONTROL AND RISKS COMMITTEE

The Control and Risks Committee was established to assist the Board of Directors, ensuring the latter adequate preliminary investigation and support in the assessments and the decisions related to the Control System, as well as related to the approval of the financial and non-financial reports.

As of the date of this report, the Control and Risks Committee consists of four non-executive directors, all of whom are independent, specifically: Alessandro Picardi (Chairman, independent), Massimiliano Capece Minutolo Del Sasso, Antonino Cusimano and Elisabetta Maggini.
The Committee possesses appropriate expertise in the business sectors in which the Company operates such to enable the effective evaluation of the relative risks. The Board of Directors recognised that Massimiliano Capece Minutolo Del Sasso meets the requirement of adequate knowledge and experience in reporting and financial matters and risk management.
The Committee's secretariat duties are performed by the Board of Director's Secretary or by another subject chosen by the Committee itself.
The Committee carries out its inquiries and issues opinions to the Board of Directors regarding:

1. the definition of the Guidelines for the Internal Control and Risk Management System, so that the main risks that may impact Acea and its subsidiaries – including the various risks which may become significant with a view to medium-long term sustainability – are correctly identified, and adequately measured, managed and monitored;
2. the determination of the degree of compatibility of the main risks with a management consistent with the strategic objectives identified;
3. the assessment, at least once a year, of the adequacy of the SCIGR in respect of the Company's characteristics and the risk profile adopted, as well as the effectiveness of the said system;
4. the appointment and revocation of the Internal Audit Function, defining the remuneration thereof in line with company policies as well as the adequacy of the resources assigned to the Function;
5. the approval, at least once a year, of the work plan drawn up by the Internal Audit Function manager;
6. the assessment, having consulted with the Board of Auditors, of the results explained by the statutory audit in a letter of suggestions, where applicable, and in the report on fundamental issues that have come to light during the audit of the accounts; and
7. a description, within the annual report on corporate governance, of the main features of the SCIGR and the methods of coordination among the persons involved therein, expressing its opinion on the overall adequacy of the same.

Additionally, the Committee assists the Board of Directors by:

- evaluating, having consulted with the Financial Reporting Officer, the independent auditor and the Board of Statutory Auditors, of the proper use of accounting standards and their uniformity relative to preparation of the Consolidated Financial Statements;
- evaluating the capacity of the periodic financial and non-financial reporting to correctly represent the business model, the company strategies, the impact of its business and the performance achieved, in coordination with the Ethics and Sustainability Committee;

- evaluating, together with the relevant Acea Function, after hearing from the independent auditor and the Board of Statutory Auditors, the proper use of the standards adopted for the purposes of preparing the sustainability reporting pursuant to Legislative Decree 125/2024;
- supporting, through adequate research, the assessments and decisions of the Board of Directors with regards to management of risks deriving from prejudicial events of which the Board of Directors has become aware;
- expressing opinions to the Board of Directors on specific aspects inherent to the identification of the main risks for the company;
- reviewing and evaluating the reports prepared by the FRO and expressing an opinion to the Board of Directors regarding the adequacy of the powers and means assigned to the FRPO and the effective application of administrative and reporting procedures, to enable the Board to exercise its supervisory duties provided for by law;
- monitoring, for matters within its competence, the adequacy of the Code of Ethics and its effective implementation;
- examining periodic reports evaluating the SCIGR and those of particular significance prepared by the Internal Audit Function;
- monitoring the autonomy, adequacy, efficacy and efficiency of the Internal Audit Function;
- requesting, where required, that the Internal Audit Function carry out audits in specific operational areas, duly notifying the Chairperson of the Board of Statutory Auditors, Chairperson of the Board of Directors and the Director assigned to the Control System, with the exception of cases in which the subject matter of the audit request specifically concerns the activity of such subjects.

The Committee reports to the BoD, at least every six months, during the approval of the annual and interim financial report, on the activity carried out and the adequacy of the SCIGR;

In 2024, the Committee met on 11 occasions, with an average duration of 2 hour and 29 minutes, with the minutes duly recorded and characterised by the regular attendance of its members. The Chairperson of the Board of Statutory Auditors and/or another Auditor also participated in the meeting and provided valuable contributions to the discussion.
As at the date of this report, 2 meetings have been held.
The attendance of each Director at the Committee meetings is detailed in Table no. 3.
The meetings were also attended, at the invitation of the Chair of the Committee, by representatives of company functions to illustrate certain items on the Agenda, and their attendance was notified in advance to the Chief Executive Officer.
In 2024 the Committee performed the tasks reserved to it by the Corporate Governance Code and, in particular:

- assisted, carrying out the necessary enquiries, the Board of Directors in its decisions and assessments related to the control system, and those related to the approval of the periodic financial reports;
- monitored the progress of the project to adapt the sustainability reporting process and supporting systems to the CSRD Directive, launched by Acea in early 2024;
- shared, with the competent corporate Functions, the results of the double materiality analysis representing the material issues consistent with the ESRS from a multi-stakeholder (Impacts) and managerial (Risks and Opportunities) perspective;
- evaluated, after consulting with the Financial Reporting Officer, the independent auditor and the Board of Statutory Auditors, the proper use of accounting standards and their homogeneity relative to preparation of the Consolidated Financial Statements;
- expressed a favourable opinion on the Plan developed by the Internal Audit Function prior to its presentation to the Board for approval;
- examined the periodic reports from the Internal Audit Function regarding the progress of the Audit Plan, the results of individual audit activities, the implementation status for improvement actions established by management with regards to the issues identified (monitoring and follow-up) and evaluations regarding the appropriateness of the SCIGR issued by the Internal Audit Function Manager;
- monitored the autonomy, adequacy, efficacy and efficiency of the Internal Audit Function;
- it examined and assessed the Reports prepared by the Financial Reporting Officer and the action plan regarding the adequacy of the powers and means assigned to the same Officer and on effective compliance with administrative and accounting procedures;
- it was informed about the results of the audits performed on specific areas;
- expressed a favourable opinion in respect of the Board of Directors' approval of the "*Group Policy - Strategy for proper management of variable and fiscal risk*";
- expressed a favourable opinion with respect to the approval by the Board of Directors of (i) the "*Group Regulatory Compliance Governance Guideline*", (ii) the *"Certified Management Systems Governance Guideline", (iii) the "Group Cyber Security Strategy Policy" and (iv) the "Acea Group Integrated Management and Sustainability Systems Policy";*
- expressed a favourable opinion with respect to the Board of Directors' approval of the proposed update to the "*Policy for the management of relations with Institutional Investors, Shareholders and Bondholders of Acea SpA*";
- reported to the Board, at least once every six months, at the time of the approval of the annual and interim financial reports, on the activity it performed and on the adequacy of the Internal Control and Risk Management System.

The Committee had access to the information and company Functions necessary for the execution of its responsibilities.

The Board of Directors confirmed the allocation of an annual budget for 2025 of €25,000.00 for the Committee so as to allow the latter, should it be deemed necessary, to confer external mandates instrumental to the performance of its duties.

10.3 THE INTERNAL AUDIT FUNCTION MANAGER

On 22 January 2019, the Board of Directors, on the proposal of the Chief Executive Officer, with the favourable opinion of the Control and Risks Committee and after consulting the Board of Statutory Auditors, resolved on the appointment of Mr. Simone Bontempo as Manager of the Internal Audit Function from 1 February 2019 and defined his salary, in accordance with the Company's policies.

On the proposal of the Chief Executive Officer, after receiving the favourable opinion of the Control and Risk Committee, as well as after consulting the Board of Statutory Auditors, the Board of Directors ensures that the Internal Audit Function Manager is pro-

vided with adequate resources to carry out the responsibilities assigned to them.

The Guidelines of the Internal Control and Risk Management System approved by the Board of Directors define the Internal Audit Function's mission and activities, confirming its central role in the coordination of the SCIGR. The Internal Audit Function manager is required to verify the operation and adequacy of the SCIGR and the consistency with the relative guidelines by means of verifications, both continuously and in relation to specific needs, on the operations and suitability of the Control System and the support of the Chief Executive Officer in the activities to identify and establish the priorities of the main risks to which Acea and its subsidiaries are exposed.

At its meeting on 14 December 2023, the Board of Directors approved the Internal Audit Function's work plan and, at the same time, verified the adequacy of the resources allocated to the Function for the performance of its duties.

The Internal Audit Function manager in office had direct access to all useful information for the performance of his mandate, has no responsibility for operational areas, is not hierarchically subordinate to the managers of the operational areas, and reported directly to the Board of Directors.

During the financial year the Internal Audit Function, performing its duties as described, carried out the following activities:

a) verified, both continuously and in relation to specific needs and consistently with the international standards for professional internal auditing, the functioning and the suitability of the Control System, through the activity plan of the Internal Audit Function approved by the Board of Directors;
b) carried out additional audits with respect to the Audit Plan, requested by top management and the control bodies;
c) prepared reports after individual audits and requested the competent Functions/companies, when necessary, to draw up action plans for overcoming the critical issues found, monitoring the implementation and reporting the results to the Control and Risks Committee;
d) constantly informed, by means of drawing up specific reports, the Chair of the Board of Directors, the Chief Executive Officer, the Control and Risks Committee about the activities carried out and related results; it drew up reports on significant events at the request of the Chair of the Board of Directors and the CEO;
e) verified, within the sphere of the Audit Plan, the reliability of the information systems, including those of accounting disclosure;
f) supported the Acea Supervisory Body and those of the subsidiaries in the audits pursuant to Legislative Decree 231/2001;
g) monitored initiatives for overcoming anomalies found in the implementation and functioning of the controls, also through follow up activities;
h) supporting the Ethics Officer, collected and processed, following the guidelines defined in the whistleblowing policy, reports received relating to cases of alleged violations involving failure to comply with the law, internal regulations and the Code of Ethics;
i) internally assessed the compliance of available resources and of the methodology adopted by the Internal Audit Function in the execution of its activities with regards to the Internal Professional Practice Framework issued by the Institute of Internal Auditors;
j) it drafted the final report in which it gave an assessment of the suitability of the Control System and sends it to the Chairperson of the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors, as well as the Chief Executive Officer.

10.4 ORGANISATION, MANAGEMENT AND CONTROL MODEL AS PER LEGISLATIVE DECREE 231/2001

With the adoption of the Organisation, Management and Control Model, pursuant to Legislative Decree 231/2001, Acea has sought to comply with the provisions of the law, conforming to the guiding principles and provisions of Legislative Decree 231/2001 (the "Decree"), the Code and the recommendations issued by the supervisory and control authorities, with the aim of strengthening the control and Corporate Governance systems, in particular to prevent the predicate crimes of the Decree.
With the adoption of the MOG, Acea has set itself the following goals of a general nature:

- understand company processes and activities with a risk of offences under the Decree (risky activities) and understanding, in terms of recipients, of the rules (methods and procedures) that govern risky activities with a view to preventing the risk of offences and illegal administrative actions which could theoretically occur in the context of the Company's business;
- the circulation, personal acquisition and concrete affirmation of a corporate mentality based on legality, in the awareness of the Company's express disapproval of any behaviour contrary to law, the self-regulating provisions, the indications of the supervisory and control authorities and internal provisions;
- the dissemination, personal acquisition and concrete affirmation of a risk and control culture, to safeguard the achievement of objectives;
- implementation of a structured system of powers, procedures and controls that reduces the risk of committing crimes referred to in the Decree and of offences in general;
- raising awareness as regards the sanctions that may be imposed upon perpetrators of the offence or upon the Company as a result of breaches of the law, regulations or the internal provisions of the Company.

In relation to the various types of crime contemplated by Legislative Decree 231/01 and the relative sensitive activities, the MOG identifies functional and instrumental company processes, and the underlying activities at risk of offences, also referencing the behavioural guidelines and control standards which characterise the internal control system and which, consequently, recipients must carry out when performing their duties.
After its first approval in May 2004 by both Acea and its subsidiaries, the MOG was continually updated and improved, based on experience accrued, regulatory developments in the Decree and the evolution of case law, as well as changes in the company's organisation. The new Acea SpA Model was approved by the Company's Board of Directors on 17 December 2024, following a comprehensive risk assessment project.
The MOG of Acea and its subsidiaries is constantly analysed and revised, with the aim of updating the MOG to include all the additional crimes recently added to Legislative Decree 231/2001 and to enhance and reflect in the Model the changes that have taken place in terms of governance and the internal control system during

the period. The general section of the MOG (which illustrates the principles of Italian Legislative Decree no. 231/01, the Acea internal control system, the methodology used to prepare the Model, the establishment and role of the Supervisory Body, the Whistleblowing system and the disciplinary system) and the extract from the Special Section, up to this point structured with a process driven approach, highlighting the main behaviours which Recipients must utilise, is available on the Company's website at **www.gruppoacea.it**, in the "Governance" section", where a section also covering all the MOGs of the Group Companies has also been created.
The Supervisory Body, established pursuant to article 6, paragraph 1, letter b) of Legislative Decree 231/2001, is the body with full and autonomous powers of initiative, intervention and control as regards the proper functioning, effectiveness and observance of the MOG. The SB supervises the effectiveness and adequacy of the MOG, monitoring its state of implementation and proposing any necessary updates to the Board of Directors. It must also report to Acea's competent bodies any breaches of the MOG, ascertained or subject to pending investigations, which could lead to liability bearing on the Company.
With regard to the composition of the SB, a collegial body is appointed by the administrative body, with two external members, one of which is the Chairperson, who are experts on internal control and corporate criminal liability, as well as an internal member represented by the Internal Audit Function manager. The composition of the Supervisory Board was the subject of in-depth examination by the Board of Directors and the Control and Risk Committee pursuant to Recommendation 33, letter e) of the Corporate Governance Code.
The current Supervisory Body, appointed by the Acea Board of Directors at the meeting of 9 May 2024, will remain in office until the approval of the financial statements subsequent to those whose approval will coincide with the expiry of the Board of Directors which appointed it (the approval of the 2026 financial statements).
The Board of Directors provides the SB with a specific annual budget of €25,000.00 (twenty five thousand and zero cents), it being understood that, pursuant to that established in the Acea MOG, the Board of Directors ensures the SB has financial resources available to it for all requirements linked to the proper execution of its responsibilities, in order to guarantee and make concrete its autonomous "power of initiative and control", which the Decree recognises it.

10.4.1 CODE OF ETHICS

With the Code of Ethics, adopted as early as 2001, Acea affirms and explicates the values, principles and behavioural standards that underlie its actions and those of its internal and external stakeholders. Observance of these values is deemed of fundamental importance not only for achieving business development and efficiency objectives, but also to guarantee correctness and transparency in company practices, as well as reliability and reputation for the Company and persons operating on their account.
Specifically, the Code sets out the general ethical principles that all company practices must be linked to, specifying the criteria of conduct towards each category of stakeholder and defining the mechanisms for implementing the principles and controlling the behaviour of the people who work in the Company's interest.
The Code of Ethics is therefore a fundamental element in the control environment of Acea, which circulates the knowledge thereof among personnel, both upon recruitment and in cyclical training activities, also carried out in e-learning mode. Compliance with the Code of Ethics is explicitly required of employees, suppliers and all those contributing in the Company's activity (advisors, collaborators, etc.).
By resolution of their Boards of Directors, the subsidiaries transpose the Acea Code of Ethics, which forms an integral part of the organisational and management models as per Legislative Decree 231/2001.
The current edition of the Code of Ethics was adopted by the Board of Directors on 9 November 2022, replacing the 2018 version.
In addition to reflecting regulatory and organisational developments, the current version aims to make the Code of Ethics more usable and applicable and enable wider dissemination of Acea's principles and values to all Group companies and individuals.
Additionally, the most recent edition includes additional references to principles and standards related to strategic initiatives for the Group, especially with regard to sustainability and, in particular, the valuing of principles related to ESG issues such as:

- the protection of human rights in every operational context, including the supply chain;
- explicit reference to issues related to inclusion, Acea's involvement of people, and organisational well-being;
- commitment to preserving biodiversity;
- the importance of dialogue and discussion with stakeholders;
- interacting with sustainability-conscious suppliers.

In implementing the principles of the Code of Ethics, and in compliance with Legislative Decree 24 of 10 March 2023, Acea has adopted a specific policy to receive, analyse and process notifications of presumed violations of the Code of Ethics and the Organisation and Management Model pursuant to Legislative Decree 231/01, which ensures confidentiality and protects good faith whistle-blowers.
In compliance with regulatory provisions and guidelines issued by ANAC, Acea has adopted a dedicated IT platform, through which internal and external entities can send notifications of suspicious phenomena or behaviour, of irregularities in business actions, events or facts which could constitute a violation of internal or external norms, for Acea and its subsidiaries, with the maximum guarantee of confidentiality.
Responsibility for managing notifications and monitoring compliance with the values of transparency, legality, equity and ethical integrity in relations with employees, suppliers, clients and all stakeholders is entrusted to the Ethics Officer (for more information, see Chapter 10, paragraph 6.2).

10.5 AUDITOR

Pursuant to art. 22-*bis* of the Articles of Association in force, the certified audit of the accounts is carried out by an auditing firm appointed and operating pursuant to law and pursuant to the regulations dictated for issuing companies listed on regulated markets. In particular, it verifies that the accounts have been regularly kept and that the management events have been correctly recorded in the accounts during the period, and it also verifies the Company's financial statements and the consolidated financial statements of the period.

Once specifically appointed, the required certification is also issued concerning the conformity of the information provided in the sustainability report, included in the Report on Operations of the Consolidated Financial Statements, prepared by Acea pursuant to Article 154-*bis*, paragraph 5-*ter*, of Legislative Decree 58/1998.

The Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2016, held on 27 April 2017 in conformity with the provisions of law, by recommendation of the Board of Directors, with recommendations from the Board of Statutory Auditors, conferred PricewaterhouseCoopers SpA the assignment of auditing the Company's financial statements and the consolidated financial statements for a term of nine financial years – specifically 2017-2025, in other words until the approval of the financial statements of the last year of the said mandate – and established the relative fees. The firm was entrusted with the limited assurance of the Consolidated Non-Financial Statement prepared in accordance with Legislative Decree 254/16 and is presently assigned the activity of certifying the compliance of sustainability reporting.

Therefore, with the approval of the financial statements as at 31 December 2025, the engagement for the legal audit of Acea SpA granted to PricewaterhouseCoopers SpA for the financial years ending on 31 December of each year in the period 2017-2025, along with the engagement to certify the compliance of sustainability report, will reach its ninth year, i.e. the maximum period allowed by law, and thus expire.
The Company deemed it appropriate to bring forward by one year, compared to the date of approval of the 2025 financial statements by the Shareholders' Meeting, the selection procedure for the award of the statutory audit assignment for the financial years 2026 to 2034, which also includes, among other things, the audit activities aimed at issuing the compliance certifications concerning the sustainability reporting required by Directive (EU) 2022/2464 of 14 December 2022 (Corporate Sustainability Reporting Directive).
On this basis, the Ordinary Shareholders' Meeting held on 19 December 2024 in conformity with the provisions of law, by recommendation of the Board of Statutory Auditors, conferred to KPMG SpA the assignment of auditing the Company's financial statements and the consolidated financial statements for a term of nine financial years – specifically 2026-2034, in other words until the approval of the financial statements of the last year of the said mandate – and established the relative fees.

For information on the provisions of Recommendation 33, letter f) of the Code, please refer to Chapter 4, paragraph 1 of this Report.

10.6 FINANCIAL REPORTING OFFICER AND OTHER CORPORATE ROLES AND FUNCTIONS

10.6.1 THE FINANCIAL REPORTING OFFICER

At the meeting of 31 August 2024, after receiving a favourable opinion from the Board of Statutory Auditors and effective immediately, the Acea Board of Directors appointed Pier Francesco Ragni – currently Chief Corporate Officer and Chief Financial Officer (CFO) – as Financial Reporting Manager, responsible for preparing the corporate accounting documents pursuant to article 154-*bis* of Legislative Decree 58/98.
As required by the Articles of Association, the Financial Reporting Officer has a number of years of experience in the performance of managerial duties in administration and control activities at capital companies of significant size and is responsible for establishing and maintaining the Internal Control System regarding Financial Statements and to issue a specific certificate according to the model published by Consob, together with the CEO.
The figure of the Financial Reporting Officer, introduced by Law 262/05, was adopted by Acea with an amendment to the Articles of Association of 13 November 2006, which requires this figure to be appointed by the Board of Directors.
In line with the provisions of art. 22-*ter* of the Articles of Association of Acea and the Regulation of the FRO, the FRO is vested with the following powers and means:

- to request, within Acea and the companies included with the scope of consolidation of the Group, all information of an administrative and accounting nature that may facilitate the evaluation of the design and operation of the control system that oversees the process to prepare the financial reports and the consolidated financial statements, including interim reports;
- to request, within Acea and the companies included with the scope of consolidation of the Group, all information of an operational nature regarding events that may in any way significantly influence the performance of the Company and the Group;
- to access the data of Acea Functions as well as those of Group companies, the archives and the company assets whenever deemed necessary;
- to propose, to the Board of Directors and to the Delegated Administrative Body of Acea, guidance aimed at all companies included with the scope of consolidation of the Group on the methodologies to be applied, as well as on the organisational structure of the administrative and control system;
- to draft, with the support of the Function responsible for the organisation of the operational functions, the corporate procedures representative of the processes, including those of a cross-cutting nature, associated with areas under the direct control of the Financial Reporting Officer;
- to propose changes to company processes and procedures for which the Financial Reporting Officer is not the Process Owner, including IT processes, which have an impact on the preparation of the financial statements;
- to conduct controls on any company process that has a direct or indirect impact on the preparation of the financial statements;
- to analyse the design of the Internal Control System and, in particular, the general entity level controls including general IT controls "IT General Controls";
- to request assistance from other company functions and qualified external consultancy firms for the performance of risk assessments and to evaluate the design and functionality of the controls in place;
- to request certifications regarding the correct application of company procedures and their functionality in the reference period from other Acea Functions and Group Companies;
- to request changes to the Internal Control System on Financial Reporting (understood as the combination of people, tools, information and rules established to mitigate risks) of Acea and of the companies included within the Group's scope of consolidation;
- to request, after receiving the advice of the Function responsible for legal affairs, opinions on questions relating to its activities and responsibilities;
- to act with financial independence and to operate in accordance with the general guidelines of the Company and in line with existing procedures, shared by the Financial Reporting Officer with the Delegated Administrative Body at the approval of the annual budget.

Pursuant to art. 154-*bis* of the TUF, the Board of Directors ensures that the Financial Reporting Officer has adequate powers and means to perform the tasks assigned to him or her, as well as effective compliance with the administrative and accounting procedures. At the meeting held on 13 March 2025, the Board of Directors confirmed the adequacy of the powers and means available to the Financial Reporting Officer, as well as compliance with the administrative and accounting procedures prepared thereby.
The Financial Reporting Officer pursuant to Law 262/2005 is entrusted with issuing the certification of Sustainability Reporting to the market.
As already described in this Report, Acea has started a process to ensure compliance with Legislative Decree 125/2024, through the definition and progressive implementation of a risk management and internal controls model on sustainability reporting.

10.6.2. ETHICS OFFICER

Pursuant to the Code of Ethics and implementing Legislative Decree 24 of 10 March 2023, the Ethics Officer is the Group collegial body with the responsibility for managing the system of reporting alleged violations for non-compliance with the law, internal regulations and the Code of Ethics (Whistleblowing System), as well as monitoring compliance with the values of transparency, legality, fairness and ethical integrity in relations with employees, suppliers, customers and all stakeholders. Its responsibilities also include promoting communication programmes and activities intended to further disseminate the principles of the Code of Ethics within the companies of the Group, as well as any updates made to the Code of Ethics, and issuing guidelines and operating procedures to reduce the risk of violations of the Code.
The Ethics Officer is supported by a Technical Secretariat consisting of the Acea Internal Audit Function to carry out its tasks and send the Chairperson, the CEO and Acea's control bodies (Control and Risk Committee, Ethics, Sustainability and Inclusion Committee, Board of Statutory Auditors and Supervisory Body), as well as and the senior management and control bodies of the subsidiaries, periodic reports on the notifications received, the studies carried out and the initiatives agreed to on training and communications inherent to the Code of Ethics and the whistleblowing system.

10.6.3. CHIEF RISK MANAGEMENT, COMPLIANCE & SUSTAINABILITY OFFICER

In consolidating the governance and management tools of the SCIGR, the company integrated the Risk Management, Compliance & Sustainability Function into the Group's macrostucture with a view to:

- planning, implementing and monitoring the Group's Risk Governance model, identifying, describing and measuring the main risk factors that could compromise the achievement of the Group's strategic and business objectives, defining and proposing risk management and mitigation policies, guiding the implementation and evolution of the Group's Enterprise Risk Management (ERM) framework, with a view to integrating various risk sectors;
- guaranteeing the effective and continuous implementation of the ERM process, also by coordinating and cooperating with other internal control structures, and ensuring reporting is provided to senior management and corporate and control bodies on the evolution of the Group's overall risk profile, possible impacts on strategic and business objectives and on the implementation and monitoring of actions to respond to risks;
- serving a preventive and proactive role in the before the fact assessment of non-compliance risks for company actions relative to reference regulations (antitrust, Legislative Decree 231/01, anti-corruption, fraud prevention and privacy), examining the efficacy of processes with the objective of preventing violations of norms and rules, both internal and external, and suggesting, in the case of discrepancies, the most appropriate solutions;
- assessing the most appropriate measures to incorporate compliance requirements into the current privacy legislation for business processes, developing proposals and actions for changes and updates to policies, procedures and security measures, and verifying the actual effective implementation of the governance policies for the risks related to the processing of personal data;
- ensuring the design, implementation, monitoring and updating of the process-related risks system, in accordance with the Group governance model, verifying the consistency of the contents of the regulatory instruments issued by Acea SpA in relation to the rules and principles relating to the Compliance matters falling within the Function's competence, as well as the consistency and adequacy of the controls put in place to monitor the main risks, within the scope of competence;
- ensuring that ESG aspects are valued within the Acea Group, integrating sustainability standards and issues with business and financial aspects, promoting the Group's ranking in international sustainability ratings and also preparing relative reports (including the Sustainability Report).

10.7 COORDINATION AMONG SUBJECTS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In order to allow the various subjects involved in the SCIGR to adequately perform the role assigned in relation to such system, specific informatory flows are defined among the various levels of control and the competent management and control bodies, duly coordinated in terms of content and timing.

Acea's Guidelines contemplate the definition of a series of activities for the coordination between the various subjects involved in the Control System, in order to ensure continuous monitoring of the adequacy and its operation, and to facilitate the efficient exchange of information. These methods briefly consist of:

- periodic coordination meetings regarding, in particular, the processing of the financial information and the assessment, monitoring and mitigation of the risks (economic-financial, operational and compliance risks);
- information flows between the subjects involved in the Control System;
- coordination meetings and joint meetings between the Board of Statutory Auditors, Control and Risk Committee, audit firm, Financial Reporting Officer and the Internal Audit Function Manager;
- information flows between the second level control entities, top management, the Internal Audit Function, the Chief Risk, Management, Compliance & Sustainability Officer and the control bodies;
- communication flows between the Internal Audit Function and

the Chief Risk Management, Compliance & Sustainability Officer to support the specific activities of competence. In particular, the Chief Risk Management, Compliance & Sustainability Officer informs the Internal Audit Function about the main corporate risks useful for preparing the risk-based Audit plan proposal and receives the results of the internal audit activities where relevant to performing its task;
- structured information flows between the Supervisory Bodies of Acea's subsidiaries and the issuer's Supervisory Body;
- periodic reports to the Board of Directors;
- support from the Internal Audit Function for Acea Supervisory Body activities and for those of the subsidiaries;
- communication flows within each Group company between the Board of Statutory Auditors and the Supervisory Body;
- information flows between the Board of Statutory Auditors and the Control and Risks Committee for the exchange of information necessary to the completion of the respective duties.

11. Directors' interests and related parties transactions

In the course of 2024, the Board of Directors conducted an in-depth study on the advisability of revising its rules of operation in order to introduce specific provisions aimed at regulating, in a predetermined manner, the participation of directors in board and committee meetings and access to documentation in cases of direct or indirect conflicts of interest, with the aim of dealing specifically with situations that are particularly delicate.

That said, during the year, pending the definition of such specific provisions, prior to the discussion of each item on the agenda of the board and/or committee meeting, each director reported any interests, on their own behalf or on behalf of third parties, that they might have in relation to the matters or issues to be discussed, specifying their nature, terms, origin and scope. In such circumstances, as a rule, the Directors abstained from participating in the illustration and discussion phase of the relevant topic and requested not to have access to the documentation made available and any further information that could been subsequently been given, as well as the minutes for the part that acknowledged the relevant board investigation.

It should be noted that at the board meeting held on 13 February 2025, the Board of Directors unanimously approved the amendments to the board's rules of operation aimed, *inter alia*, at introducing clear and precise rules to regulate cases of conflict of interest for directors.

In particular, the guidelines state that in the event that a Director ("Interested Party") has, on their own behalf or on behalf of a third party, an interest in a transaction or decision to be examined by the Board, they shall promptly notify the Board thereof in accordance with the procedures specified therein. A Director who declares that they have, on their own behalf or on behalf of third parties, an interest in conflict with that of the Company in relation to certain acts, operations and/or facts, shall abstain from taking part in the discussion and voting on resolutions relating to said acts, operations and/or facts. The Board may decide, with the abstention of the person concerned, that, in the interest of the Company, the director in question may participate in the discussion, without prejudice to the obligation to abstain from voting. In the case of transactions with related parties, the provisions of the relevant regulations also apply.

The exclusion of a Director shall apply in the event of situations that would entail the disclosure to them of information in any form relating to acts, operations and/or facts concerning the Company or other companies of the Group whose sharing may constitute a source of involvement and/or liability of the Company in relation to potential violations of mandatory regulations ("Relevant Matters"), or their participation in meetings of the Board of Directors or of internal board committees on Relevant Matters.

As a rule, the exclusion is therefore limited to specific types of information that have characteristics of precision, determinacy and confidentiality such to entail the above-mentioned risks.

Exclusion is at the discretion of the Chair of the Board of Directors or of the competent Committee or, where the Interested Party is the Chair, by the most senior Director, if the Relevant Matter is discussed at a meeting of the Board of Directors or of a Committee, respectively (the body competent for exclusion in the Regulation is also identified as the "Procedure Manager").

Exclusion shall be promptly communicated to the Secretary of the Board of Directors, who shall see to its execution and promptly notify the Directors and Statutory Auditors as well as the Interested Party, adopting, where necessary, procedures compatible with the requirements underlying the exclusion.

The Procedure Manager, having obtained the opinion of the Secretary of the Board of Directors and, if deemed necessary, of an external lawyer, may in particular take one or more of the following measures against the Interested Party:

a) exclusion from pre-meeting information related to agenda items on Relevant Matters;
b) transmission of a copy of the Meeting Notice duly redacted in the part concerning the items on the agenda relating to the Relevant Matters;
c) exclusion from participation in board proceedings concerning the discussion of and voting on items on the agenda relating to Relevant Matters;
d) transmission of minutes duly redacted in those parts dealing with agenda items on Relevant Matters.

The rules also provide that in the event that a Significant Matter is dealt with during a meeting of the Board of Directors, even if only for mere information or discussion purposes, without it having been included in the agenda of the meeting, the Interested Party, if they do not do so autonomously, shall be invited, at the instigation of the Chair and after hearing the opinion of the Chair of the Board of Statutory Auditors or, in their absence, the Statutory Auditors present, to leave the meeting until the conclusion of the related discussion.

For further details, please refer to the document available on the Company's website at **www.gruppoacea.it**.

With regard to related party transactions, the Procedure for Related Party Transactions ("RPT Procedure") defined pursuant to article 2391-*bis* of the Civil Code was adopted in compliance with the principles established by the RPT Regulation, and was last amended by the Board of Directors on 14 June 2023.
The RPT Procedure applies to transactions conducted directly by Acea, or by its direct or indirect subsidiaries, with related parties.

Based on amount, transactions are divided up as follows:

- transactions of Major Relevance: transactions in which at least one of the indices of relevance, indicated in Annex 1 of the RPT Regulation, is above the threshold of 5%, which must be approved by the Acea Board of Directors;

- transactions of negligible amount: transactions for which the value, calculated on the basis of the indicators set out in Annex 1, does not exceed, in relation to the described type of transaction, the following thresholds:
  1. Natural Person:
     1.a) €30,000 for sponsorships and other similar initiatives;
     1.b) €150,000 for the remaining types of transactions.
  2. Legal Entity:
     2.a) €120,000 for sponsorships and other similar initiatives;
     2.b) €200,000 for the remaining types of transactions;
- transactions of Minor Relevance, which includes all the transactions with related parties that cannot be classified as of major relevance or of negligible amount.

The procedure does not apply to certain types of related party transactions, with the main ones involving ordinary operations carried out on an arm's length basis and operations with or between subsidiaries, also jointly by Acea, as well as transactions with associates of Acea, on the condition that in the subsidiaries or associates involved in the transaction there are no significant interests (as identified in the procedure) for other Acea related parties.

According to the RPT Procedure, before the approval of a transaction with a related party, whether of Major or Minor Relevance, the Transactions with Related Parties' Committee expresses an opinion on the Company's interest in the execution of the transaction and on the convenience and on the substantial correctness of the related conditions.

To that end, note that prior to the current Board of Directors taking office, the Board of Statutory Auditors was identified as the entity called on to serve as the "equivalent internal control", pursuant to the Regulation adopted by Consob with resolution 17221, as amended, as well as the Procedure for Related Party Transactions in effect at the time, for the purposes of expressing opinions on Acea's interest in the execution of certain related party transactions, as well as the expediency and substantial correctness of the conditions of the same.

Subsequently, on 14 June 2023, the Procedure for Related Party Transactions was amended also to identify specific equivalent internal controls, which are to be adopted in cases in which, with reference to a specific transaction on the agenda, there is a concrete correlation with one or more members of the RPT Committee.

Note that, as indicated in the guidance on the quantitative and qualitative composition of the Board of Directors, the increase in the number of Directors approved by the Shareholders' Meeting on 18 April 2023 allowed for better distribution of responsibilities and supported the work of the Committee for Related Party Transactions, taking into account the internal regulations which Acea has established on the subject.

Due to the fact that Director Rutigliano no longer meets the independence requirement, she ceased to be a member of the Committee for Related Party Transactions and, consequently, the Board of Directors resolved in its meeting of 6 November 2024 to appoint, in her place, Dr. Elisabetta Maggini as a member of the RPT Committee (for further details see Chapter 4, paragraph 7 of this Report).

As of the date of this Report, the Committee for Related Party Transactions was composed of 5 directors, all of which were independent, specifically Angelo Piazza (Chair), Antonella Rosa Bianchessi, Massimiliano Capece Minutolo Del Sasso, Luisa Melara and Patrizia Rutigliano.

The RPT Committee Chairperson convenes and chairs the meetings. The RPT Committee Secretariat is coordinated by the Secretary of Acea's Board of Directors.

The Committee held 12 meetings in 2024, duly recorded in minutes and regularly attended by all the members as well as the members of the Board of Statutory Auditors, with an average duration of approximately 1 hours 33 minutes each.

In its role as the Equivalent Internal Control, the Committee held 8 minutes, duly recorded in minutes and regularly attended by all its members, as well as the members of the Board of Statutory Auditors with an average duration of around 1 hour and 37 minutes.

During 2024, the Committee provided its preparatory and investigative activities and issued opinions in relation to related party transactions involving Acea, in particular with reference:
- the public/private partnership project with Roma Capitale for public lighting;
- the project promoted by the Municipality of Rome to construct a new waste to energy plant.

In 2025, as at the date of the Report, one Committee meeting had been held.

The attendance of each Director at the Committee meetings is detailed in Table no. 3.

The Board of Directors confirmed the allocation of an annual budget for 2025 of €50,000.00 for the Committee so as to allow the latter, should it be deemed necessary, to confer external mandates instrumental to the performance of its duties.

For more information, please refer to the "Governance" section on Acea's website www.gruppoacea.it.

12. Board of Statutory auditors

12.1 APPOINTMENT AND REPLACEMENT

In compliance with the provisions of the law and of the Articles of Association, the Board of Statutory Auditors is composed of three standing auditors and two alternative auditors, appointed by the Ordinary Shareholders' Meeting for a term of three financial periods, and they can be re-elected on expiry of their mandate.

There must be a gender balance in the composition of the Board of Statutory Auditors, as governed by the applicable laws in force from time to time.

The Board of Statutory Auditors is appointed, in compliance with art. 22 of the Articles of Association, by the methods illustrated in Chapter 4.2 on the appointment of the Directors.

The appointment of the Board of Statutory Auditors is regulated by art. 22 of the Articles of Association, according to which members are appointed on the basis of the lists presented by the Shareholders who - individually or together with other Shareholders - represent, at the date on which the lists are filed - at least 1% of the share capital, or the minimum portion of the share capital determined by Consob pursuant to art. 144-*quater* of the Issuers' Regulation. In this regard, please note that the portion requested by Consob under Executive Determination no. 123 of 28 January 2025, for the presentation of the lists is 1%.
In particular, half plus one of the standing auditors to be elected will be drawn from the list that has obtained the majority of votes, in the progressive order in which they are placed on the list, rounded down to the nearest whole number in the case of a fractioned number, and one alternative auditor.

For the other members of the Board of Statutory Auditors, the standing auditor and alternate auditor will be respectively those who have obtained the first and second highest quotient in the minority list; in case of equal percentage, the standing auditor will be the one on the minority list that has obtained most votes. In any case, at least one standing auditor must be elected by the minority shareholders. If an auditor leaves office during a financial period, the alternative auditor on the same list as the outgoing auditor will take his/her place.

The appointment of Auditors who, for any reason, are not elected according to the above-illustrated procedure, must be approved by a Shareholders' Resolution passed with the majority required by law. The Chairperson of the Board of Statutory Auditors will be chosen from those effectively elected from the minority list.

12.2 COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (PURSUANT TO ART. 123-BIS, PARA. 2, LETT. D, TUF)

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting of 27 April 2022 and its mandate will expire on the approval of the financial statements for 2024.
Three lists were presented at the shareholders' meeting: i) List 1 presented by Roma Capitale, holder of a total of 108,611,150 shares equal to 51% of the share capital, with three candidates, Claudia Capuano, Leonardo Quagliata and Rosina Cichello; ii) List 2 presented by the shareholder Fincal SpA, holder of 6,800,000 shares equal to 3.193% of the share capital of Acea SpA, with two candidates, Maurizio Lauri and Mario Venezia, and iii) List 3 submitted by a group of asset management companies and institutional investors, collectively owners of a total of 3,184,144 shares equal to 1.49515% of the share capital of Acea SpA, with two candidates, Vito Di Battista and Diana Rizzo. List no. 1 was voted by 67.69%, List no. 2 by 20.53% and List no. 3 by 11.55% of voters.

Please note that the minority list declared the absence of any relationship or connection, including of an indirect nature, with the majority list.

All Auditors declared themselves to meet the requirements of professionalism, integrity and independence required by applicable law and by the Corporate Governance Code.

According to the appointments at that Meeting, the Board of Statutory Directors is formed, as described in Table 4, by the individuals below, for which, pursuant to art. 144-*decies* of the Issuers' Regulation, a short professional description of each is provided:

- **Maurizio Lauri, Chairperson.** Born in Rome on 16 August 1962. Degree in Economics from LUISS, Master of Laws (LL.M.) – London School of Economics and Political Science, University of London. He has served as a director, also with top positions, for companies, including listed and public, as well as serving as a member of the control bodies for various companies and non-commercial entities.
  A Chartered Accountant and Auditor, he is a member of the Commission to Establish Behavioural Guidelines for the Board of Statutory Auditors of Listed Companies, within the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Council of Chartered Accountants and Accounting Experts).
- **Leonardo Quagliata, Standing Auditor.** Graduated with honours in Economics and Business from the University of Rome "La Sapienza". A certified public accountant and auditor, he is the founder and owner of Studio Commercialista Quagliata.
  He was awarded the honour of Knight of the Order of Merit of the Italian Republic.
  He is a corporate law expert with specific expertise in corporate governance and internal control systems in equity companies, including companies in the electricity production and distribution sector and those constructing and operating infrastructure

networks.
Current and previous roles include Chair of the Board of Statutory Auditors and Standing Auditor, as well as Chair of the Supervisory Board pursuant to Legislative Decree 231/2001, in large complex companies operating both nationally and abroad, including both listed companies and Public Interest Entities.
He is the Chair of the Board of Auditors of a number of national Foundations and Scientific and Cultural Associations and serves as Chair of the Investment Committee of a listed Real Estate Fund.
He has lectured in teaching courses and participated as a speaker in conferences and seminars concerning the duties and responsibilities of the Board of Statutory Auditors.
He has worked for many years with the Civil and Criminal Courts and the Court of Appeal of Rome as a consultant and court official.

- **Claudia Capuano, Standing Auditor.** A Chartered Accountant and Auditor, Managing Partner of Studio Capuano Legale e Tributario.
  He serves as standing auditor for various companies, is on supervisory and serves as judicial administrator for assets seized and as M.P. (appointed by the Court of Rome and Viterbo), an insolvency liquidator and liquidator commissioner in arrangements with creditors and liquidations in general. She holds positions as Expert and Court Appointed Consultant in criminal and civil trials and Technical Consultant of the Public Prosecutor.
- **Rosina Cichello Alternate Auditor.** Chartered Accountant and Auditor.
  She provides corporate consultancy for tax and fiscal matters, for extraordinary transactions, and tax and fiscal coordination and control directly for companies. She has served as a technical consultant and member of the Board of Statutory Auditors for entities of public interest and in companies working in the industrial, commercial and services sectors. She currently holds positions on Boards of Statutory Auditors, in particular in the multi-utility and healthcare sectors.
- **Vito Di Battista Alternate Auditor.** Born in Lecce, Italy on 10 January 1952, Vito Di Battista holds a degree in business administration from the Luigi Bocconi University. A Chartered Accountant and Auditor, he provides tax advice to industrial and financial companies, including listed ones. He currently serves as Chair and Chief Executive Officer of Angelini Finanziaria SpA, Chairperson of the Board of Statutory Auditors of Avio SpA and Chairperson of the Board of Directors of IBL Real Estate Srl, as well as Standing Auditor of Net Holding SpA, Net Insurance SpA and Net Insurance Life SpA - company subject to management and coordination by Poste Vita SpA. He has served as a member of the Supervisory Committee of Banca Popolare Andriese (limited partnership), Banca di Credito Cooperativo di Pachino (limited partnership) and Banca di Credito Cooperativo "S. Apollonia" di Ariccia (limited partnership). He has served, among other roles, as Chairperson of the Board of Statutory Auditors of Bancaperta SpA and Cassa di Risparmio di Fano SpA, as member of the Board of Directors of Istituto Bancario del Lavoro SpA and Cuki Group SpA, as Chairperson of the Board of Directors of Atlantide SpA, and as Standing Auditor of the supplementary pension fund Fondenergia. He also served as a board member of the Ned community.

The auditors have been chosen amongst people who can be qualified as independent and they must act with autonomy and independence, also as regards the shareholders that have elected them.

Soon after her appointment, the Board of Statutory Auditors verified and confirmed that she met the independence requirements envisaged by law and the Code and communicated the result of this verification to the Company's Board of Directors. The outcome of the checks carried out was communicated to the market with a press release.

Subsequently, the Board in office has regularly verified the existence of the independence requirements (for more details see Chapter 4, paragraph 7 of this Report) pursuant to the law and the Code regarding its effective members, verifying their existence and submitting the outcome of such verifications to the Board.

The remuneration of statutory auditors is commensurate with the commitment required, the importance of the role held and the company's size and sectorial characteristics.

In particular, the Shareholders' Meeting determined the annual lump sum fees due to the Chairperson of the Board of Statutory Auditors and for each Standing Auditor in the amount of, respectively, €150,000.00 and €100,000.00. These fees are also to be considered as remuneration for any further activities that may be assigned to them.

Each member of the Board of Statutory Auditors is required to promptly and comprehensively inform the other members and the Chairperson of the Board of Directors of the nature, terms, origin and extent of any potential interest in a certain operation of Acea, both on their own behalf or on behalf of third parties.

During the period, the Board of Statutory Auditors held 19 meetings, with an average duration of 2 hours 6 minutes, regularly attended by the statutory auditors.

In 2025, as at the date of this Report, the Committee had met on five occasions.

DIVERSITY CRITERIA AND POLICY

The information regarding the diversity criteria and policies applied in relation to the composition of the control bodies with regard to aspects such as age, gender balance and professional and educational background pursuant to art. 123-*bis*, paragraph 2, letter d-*bis* of the TUF is illustrated in the section of the Report devoted to the Board of Directors (Chapter 4, paragraph 30).

SELF-ASSESSMENT OF THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors conducted its Self-Assessment for 2024 in accordance with the recommendations of the Corporate Governance Code and as set forth in Rule of Conduct Q.1.7. contained in the Rules of Conduct for the Board of Statutory Auditors of Listed Companies published in December 2024 by the National Council of Chartered Accountants and Accounting Experts (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*

– CNDCEC). The Self-Assessment process focused mainly on composition, exercise of powers, and function.

The self-assessment process was conducted by having the auditors complete an ad hoc questionnaire.

In light of the information in its possession, at present, the Board of Statutory Auditors of the Company has assessed how adequate its composition is, having regard to the requirements of experience, diversity, expertise, integrity and independence required by law.

12.3 ROLE

The Board of Statutory Auditors exercises the powers and performs the duties contemplated by the provisions in force.

In carrying out its duties, in 2024 it coordinated with the Internal Audit Function mainly through periodic meetings to illustrate the work plan for independent monitoring activities and results of the main actions carried out during the year. It also cooperated with the Control and Risks Committee through the attendance of the Chairperson and/or the Standing Auditors at the meetings.

During the reporting period, the Board of Statutory Auditors participated in committee meetings and was, among other things, updated on the progress of the Company's compliance activities with the provisions of the CSRD, as well as on the results of the double materiality analysis representing the material topics consistent with the ESRS from a multi-stakeholder (Impacts) and managerial (Risks and Opportunities) perspective.

Moreover, during the year, the Board of Statutory Auditors participated in the training programme, prepared for the Board by the Chair, in accord with the Chief Executive Officer, aimed at providing adequate knowledge of the sectors of activity in which the Company operates, of corporate dynamics and their evolution, also with a view to the sustainable success of Acea itself, as well as the principles of proper risk management and the regulatory and self-regulatory framework of reference. The induction initiatives carried out during 2024 concerned, among other things, issues related to the evolution of the business, in the context of the definition of the Business Plan, as well as special in-depth sessions, organised with the support of external experts, focused on the Corporate Sustainability Reporting Directive and the relative compliance process, as well as the impact on the Acea Group.

Finally, a training session was held focused on topics such as regulatory compliance in the areas of 231, antitrust and privacy, in which, among other topics, possible scenarios regarding the 231 Model, Antitrust and Data Protection related to Acea's business were examined.

The Chair and the Secretary ensured that the Directors and Auditors were able to participate in the induction sessions in person or remotely.

The Board of Statutory Auditors receives from the administrative body, at the Board of Directors' meetings, information on the activity performed by the Board of Directors, by directly participating in the Board of Directors' meetings and by examination of the material which illustrates the items on the agenda, which it receives in advance in the same format and within the same terms as the documentation received by the Directors.

For further activities performed during the 2024 financial year, please refer to the Report of the Board of Statutory Auditors to the Shareholders' Meeting prepared pursuant to Article 153 of the Consolidated Law on Finance and published on the Company's website www.gruppoacea.it.

13. Relations with shareholders and other relevant stakeholders

Information regarding the Company is precisely and immediately disclosed to the market and to the relative Supervisory Authorities. This information is made available in the "Investors" section of the company website www.gruppoacea.it and is constantly updated.

Acea's organisational structure includes the Investor Relations Function, headed by Dr. Dario Michi, who reports to the Chief Corporate Officer.

On the approval of the annual, six-monthly and quarterly results of the Business Plan and of the execution of possible extraordinary price sensitive transactions, the Company organises special conference calls/webcasts/presentations with institutional investors and financial analysts. In this context, Acea engages with investors according to the principles of propriety and transparency in compliance with EU and national regulations on market abuse and international best practices.

In 2024, Acea had approximately 790 interactions with Institutional Investors, Analysts and Bondholders by participating in several events, also held virtually, including one-on-one meetings and broader presentations promoted by the Investor Relations Function or requested by the market, Investor Conferences organised by Borsa Italiana and leading Commercial Bank, as well as national and international roadshows. Furthermore, conference calls and webcasts were held for the approval of the company's interim and annual results and the 2024-2028 Business Plan. There were also numerous contacts with Analysts/Investors through e-mail exchanges.

RELATIONS WITH SHAREHOLDERS

From 10 November 2021, the Board of Directors of Acea adopted the "Policy for the management of relations with Institutional Investors, Shareholders and Bondholders of Acea" ("Relations Management Policy"), in line with the provisions of Principle 4, Recommendation 3 of the Corporate Governance Code. On 14 November 2024, Acea's Board of Directors approved the update of the Relations Management Policy in order to incorporate the change in the name and mission of the Functions in line with Acea's new Macrostructure.
The Relations Management Policy is published in the "Investors" section on the Company's website **www.gruppoacea.it**.
Acea believes that promoting constant and constructive dialogue with the financial community can contribute to achieving company goals, strengthening the generation and sharing of value and ensuring the principles of transparency, timeliness, correctness and reliability which are the foundation for all the activities in the Group's mission.
The Relations Management Policy of Acea defines:

- the topics to be discussed with Institutional Investors/Shareholders/Bondholders;
- the corporate entities and departments responsible for engagement;
- the channels of communication through which the financial community can engage with the Company (Shareholders' Meeting, meetings with analysts, industry conferences, investor days, webcasts, company website, press releases, etc.);
- the methods and deadlines for reporting to the Board of Directors.

The implementation of engagement activities is entrusted to the CEO and the Chairperson.
The Chair ensures that the Board of Directors is informed about the development and significant contents of market engagement activities, also with reference to any communications received by the company's Top Management from investors, within the first useful meeting following the end of the quarter within which the engagement activity took place.

The Investor Relations Function coordinates and manages dialogue with Institutional Investors, Shareholders and Bondholders, operating as a point of contact and an internal link for reactive and proactive engagement.

The main issues discussed when engaging with institutional investors, shareholders and bondholders included: the operating performance of the Company and Group, the strategy and key principles and pillars of the 2024-2028 Business Plan, the investment plan, and updates to/introductions of regulatory aspects in the water and electricity distribution sectors.

ENGAGEMENT WITH RELEVANT STAKEHOLDERS

The Acea Group is committed to promoting the development of more sustainable and resilient cities and communities, reducing environmental impacts and enabling advanced solutions for efficient management of water and energy resources, accompanying the evolution in lifestyles and consumption habits. In fact, Acea's business is built upon more than one hundred years of experience in managing infrastructure and public utilities, which have made it aware of its responsibilities towards all stakeholders and of the impacts that its activity produces on the local area at an economic, social, and environmental level. These values are also reflected in the Group's approach to corporate governance and stakeholder relations, with the aim of generating long-term value for the communities served, in synergy with business objectives, and actively contributing to the ecological transition in line with the 2030 Agenda.

For these reasons, building and developing trusting relationships with stakeholders and adopting an inclusive proactive approach to them, aimed at optimising engagement, dialogue and mutual understanding of different perspectives and expectations, is of major importance for the Acea Group and its stakeholders when generating and sharing value, with an eye to continuity and the reciprocal achievement of interests. In fact, strategic stakeholder engagement allows for a more effective achievement of corporate objectives, better risk management, and improved brand reputation.

To this end, the Group also analyses and monitors the context in

which it operates, identifying and interpreting factors that may be relevant to its business and that may affect the pursuit of its strategic objectives. There is also a constant focus on developing personnel and protecting their health and safety, as well as to the sustainable and responsible management of the supply chain.

Acea cultivates stable and long-lasting relations with its stakeholders based on the principles of integrity, transparency, fairness, impartiality and inclusiveness in line with the provisions enshrined in its Code of Ethics, in the Management and Sustainability Systems Policy, in the Human Rights Policy and in the Principles and Values of Stakeholder Engagement in the Acea Group, which represent an expression of the Group's strategic direction and underpin the widespread and consistent integration of stakeholder engagement into the management of its activities.

Acea's organisational structure is based on the Principles and Values of Stakeholder Engagement and serves as a centre of specialist competence and know-how on stakeholder engagement at Group level. This is also facilitated through awareness-raising actions and the development of methodological models and tools to promote the implementation and management of stakeholder engagement activities by the functions of Acea and its subsidiaries, which are responsible for managing their own stakeholders, ensuring effective reporting at Group level.

The methods adopted also include the Stakeholder Tree, a map of relevant stakeholders, developed through an in-depth analysis of the Group's relational network and the involvement of both senior figures and those with operational responsibilities. The Stakeholder Tree is divided into categories (e.g. customers, suppliers, new generation representatives, etc.) and sub-categories (e.g. customers in the water sector, suppliers of goods, work/study programme students, etc.), which are then further subdivided according to matters of relevance to the business.

The stakeholder engagement process, regulated by a specific Group procedure and in accordance with the Global Reporting Initiative and AA1000 Standards on Stakeholder Engagement (AA1000 SES), is initiated with the definition of the topic and the objectives to be achieved through the engagement by the functions of Acea and its subsidiaries, which are responsible for managing their own stakeholders. The identification of the topic of engagement is aimed at pinpointing the specific issues that will be addressed during the stakeholder engagement process.

Stakeholders are thus identified through the use of pre-defined criteria and a mapping process that makes it possible to understand their degree of relevance and to define their priorities in terms of engagement, always taking into account the topic and objectives of engagement.

Once the stakeholders to be involved and the priorities have been identified, the forms of engagement (e.g. information, consultation, etc.) and the operational tools (e.g. invitations to working tables or other specific communication, etc.) that will be used to implement the stakeholder engagement process are defined, with reference to each sub-category of stakeholder, always taking into account the topic and objectives as well as the reference context.

Engagement tools are identified to best target the needs, opinions and expectations of stakeholders.

Next, an engagement plan is drawn up for relevant stakeholders, consistent with the Group's strategy, to facilitate the implementation of the engagement process itself.

In this context, operational tools are prepared with all useful information, including any correlation with relevant sustainability issues, references to objectives of the Sustainability Plan, etc., for the implementation, realisation and operational management of the stakeholder engagement plan.

Once the engagement has been planned, the defined activities are operationalised. Stakeholders are then involved in the manner envisaged by the defined tool(s).

At the end of the engagement process, the implemented activities are reviewed to provide feedback, following the principle of inclusiveness and accuracy, to the stakeholders involved.

In order to integrate stakeholder engagement within the Group's strategies, processes and business activities, also for the purpose of reporting and optimising the best practices implemented, since 2023 Acea has prepared a Report on the status of stakeholder engagement activities in the Group, which summarises the main projects and initiatives implemented during the previous year.

14. Shareholders' meeting (pursuant to art. 123-bis, para. 2, lett. c, TUF)

The regulations governing the operation of the Shareholder's meeting are defined in the Articles of Association of Acea, making reference to applicable law.

In particular, with regard to the methods of convocation of the Meeting, art. 10 of the Articles of Association states that, without prejudice to the powers of convocation contemplated by specific provisions of law, the Shareholders' Meeting, whether ordinary or extraordinary, is called by the Board of Directors by a notice indicating the date and place of the meeting and the list of items on the agenda.

The meeting may also be held in a place other than the registered office, as long as the alternative location is within Italy. The relative notice is published on the Company's website, in the *Official Journal of the Italian Republic* and in the daily newspaper *Il Sole 24 Ore* within the terms laid down by the laws in force, if necessary also calling subsequent meetings.

The ordinary Shareholders' Meeting is called at least once a year for the approval of the financial statements, within 120 days of the end of the financial year or within 180 days of the said end of the financial year if the conditions set out in Article 2364 of the Italian Civil Code are fulfilled, while the extraordinary shareholders' meeting is called whenever it needs to make a decision reserved to it by the law.

The Shareholders' Meeting, whether ordinary or extraordinary, is also held when requested by as many shareholders as represent the percentages contemplated by the laws in force, and the request must specify the items to be discussed, or when requested by the Board of Statutory Auditors or members of the same in the cases contemplated by law. Additionally, shareholders representing the percentages envisaged by the law in force may request, in full compliance with the ruling regulation, a supplement to the published agenda, indicating on the request the additional subjects proposed. The Shareholders' Meeting may not be convened nor the supplement request to the published agenda considered upon the request of the Shareholders to transact business in respect of which the passing of resolutions may only take place according to the law and upon the proposal of the Directors or on the basis of a project or a report to be prepared by them.

The majorities necessary for the Meeting, whether ordinary or extraordinary, and its resolutions to be quorate are those contemplated by law.

Entitlement to participate in the Shareholders' Meeting and to exercise the right to vote is testified by a communication to the issuer made by the intermediary, in conformity with the accounting evidence, in favour of the subject holding the right to vote, according to the procedures and terms laid down by the laws in force (the so-called record date). Shareholders entitled to participate in the Meeting may be represented pursuant and according to the procedures of law.

As indicated in Chapter 2, letters b) and f) of the Report, with the exception of Roma Capitale or its subsidiaries that have become shareholders, voting rights cannot be exercised, even by proxy, in a measure in excess of 8% of the share capital. For more information on this matter, refer to the aforementioned Chapter 2, letter f) of this Report.

As noted in Chapter 2, letter e) of this Report, pursuant to article 13.3 of the Articles of Association, and without prejudice to the provisions of paragraph 5 of the said article 13, in order to facilitate the collection of proxies from shareholding employees of the Company, its subsidiaries and affiliates and shareholders' associations that meet the requirements contemplated by the relative legal provisions in force, specific spaces are made available for the communication and the collection of the proxies according to terms and methods set by the Board of Directors directly or through its proxies. If a proxy is conferred electronically, according to the procedures contemplated by the regulations in force at any moment, said proxy maybe communicated via the Company's Internet site according to the procedures specified in the notice of convocation. Pursuant to article 13.5 of the Articles of Association, the Board of Directors may provide in the notice of call of the Shareholders' Meeting that the participation in the Shareholders' Meeting and the exercise of voting rights shall take place exclusively through the representative designated by the Company pursuant to the laws and regulations in force at the time.

Where recourse is made to this option, the Board of Directors may provide that participation in the Shareholders' Meeting by the entitled parties (designated representative, directors and auditors) may also or only take place by means of telecommunication that guarantee their identification.

The Articles of Association also provide, as permitted by Art. 2365(2) of the Civil Code, that the powers provided for therein shall be vested in the administrative body.

The methods of the Shareholders' meetings are regulated by law, by the Articles of Association, and by a specific Regulation published in the "Shareholders' Meeting" section of the website **www.gruppoacea.it**.

In particular, article 7.3 of the Regulation concerning the methods in place to guarantee the right of shareholders to take the floor on the topics under discussion, establishes that the request to speak on the individual items of the agenda may presented to the Chairperson of the Shareholders' Meeting from the moment that the Meeting is validly constituted and until the Chairperson of the Meeting declares the discussion on the relative item closed.

In giving the floor, the Chairperson of the Shareholders' Meeting normally follows the order of the presentation of the requests for the floor. Each shareholder may take the floor only once on each item on the agenda, and for no more than ten minutes.

The meeting is chaired by the Chairperson of the Board of Directors or, in the case of their absence or impediment, by another person appointed by the same. In the absence thereof, the meeting elects its own chairperson.

The Chairperson, having been appointed by the meeting, appoints a Secretary, who is responsible for preparing the minutes, to be signed by the Chairperson and the Secretary, which document the resolutions taken by the meeting. In the cases set forth by the law or when the meeting's chairperson so requires, the relevant minutes shall be prepared by a notary public.

The Chairperson of the meeting, *inter alia*, verifies that the meeting is quorate, ascertains the identify and legitimacy of those present, regulates the execution of the works and verifies the results of the voting, which must be recorded in the relative minutes.

During the financial year 2024, two meetings were held, on 12 April and 19 December.

In both cases, the Company opted to take the option provided under article 106 of Decree Law 18/2020 converted by Law 27/2020, the effectiveness of which was last extended by article 11, paragraph 2, of Law 21 of 5 March 2024, which postponed the deadline to 31 December 2024, establishing that participation in the Shareholders' Meeting by those entitled to attend could take place exclusively through the Company's Designated Representative, pursuant to article 135-*undecies* of Legislative Decree 58 of 24 February 1998 of the Consolidated Law on Finance, without the physical participation of the shareholders.

The Board reports to the Shareholders' Meeting on the activities performed and planned through the Report of Operations. It also endeavours to provide adequate information on the elements necessary for the Shareholders' Meeting to make informed decisions, in particular by ensuring that the Directors' reports and other documents are made available within the timeframe envisaged by the applicable laws and regulations.

With regard to the Shareholders' Meeting of 12 April 2024, 7 directors attended, including the Chair, and the following items on the agenda were the subject of resolutions:

1. Separate Financial Statements at 31 December 2023; Board of Directors' Report on Operations and reports of the Board of Statutory Auditors and of the Independent Auditing Firm. Presentation of the Consolidated Financial Statements at 31 December 2023 and information on the consolidated non-financial disclosure under the terms of Italian Legislative Decree no. 254/2016 (2023 Sustainability Report). Resolutions on the approval of the Separate Financial Statements at 31 December 2023.
2. Resolutions on the allocation of the result for financial year 2023.
3. Report on the Remuneration Policy and the remuneration paid (Section I): 2024 Remuneration Policy.
4. Report on the Remuneration Policy and the remuneration paid (Section II): remuneration paid in 2023.
5. Appointment of a Director.

At the Shareholders' Meeting of 19 December 2024, there were no directors other than the Chair present, and the following items were on the agenda:
Ordinary session: 1. Appointment as external auditor for the financial years 2026 to 2034.

Extraordinary session:

1. Amendment of the Articles of Association. Pertaining and consequent resolutions.
   1.1. Amendment of Article 13.
   1.2. Amendment of Article 17.

For each of the items on the agenda, the illustrative reports pursuant to article 125-*ter* of the Consolidated Law on Finance were made available to shareholders within the terms and according to the procedures set forth by law.

15. Other corporate governance practices (pursuant to art. 123-bis, para. 2, lett. a), TUF)

N.A.

16. Changes since the closure of the financial year

From the end of the financial year to the date on which this Report was approved, no additional changes occurred in the Company's corporate governance structure.

17. Considerations on the letter of 17 December 2024 of the Chairperson of the Corporate Governance Committee

On 17 December 2024, as part of the monitoring of the implementation of the Code by issuers, the Chairperson of the Corporate Governance Committee sent a communication that identifies a series of areas where it would be best to improve compliance with the recommendations of the Code itself.

At the meeting on 13 February 2025 the Company's administrative body examined the text of the letter and the points made, and with the support of the relevant corporate functions it noted that, without prejudice to further improvements, Acea's Corporate Governance system is substantially aligned with the indications contained in the letter.

The pertinent recommendations made in the letter were also submitted to the Control and Risks Committee at the meeting of 5 February 2025, and to the Acea Board of Statutory Auditors at the meeting of 12 February 2025.

For further details, please refer to the relevant sections of the Report and in particular to Chapter 4, paragraph 4 on"*Pre-meeting information*", Chapter 4, paragraph 6 on "*Executive Directors*" and Chapter 8 on "*Directors' Remuneration*".

For the Board of Directors

The Chairperson
Barbara Marinali

Tables

TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE AS AT 13 MARCH 2025

SHARE CAPITAL STRUCTURE

	No. of shares	No. of voting rights	Listed on Borsa Italiana's online stock exchange	Rights and obligations
Ordinary shares (shares with increased voting rights are not permitted)	212,964,000	212,964,000	100%	
Preferential shares	-			
Multiple voting shares	-			
Other share categories with voting rights	-			
Savings shares	-			
Convertible savings shares	-			
Other share categories without voting rights	-			
Other	-			
Ordinary shares (shares with increased voting rights are not permitted)	212,964,000	212,964,000	100%	

OTHER FINANCIAL INSTRUMENTS (GRANTING THE RIGHT TO SUBSCRIBE NEWLY ISSUED SHARES)

	Listed (indicate the markets) /unlisted	No. of instruments in circulation	Category of shares for conversion/ operation	No. of shares serving conversion/ exercising
Convertible bonds	-	-	-	-
Warrant	-	-	-	-

RELEVANT STAKES IN SHARE CAPITAL

(taken from the Consob website on 13 March 2025)

Declarant	Direct shareholder	% stake of capital ordinary	% stake of capital voting
Roma Capitale	Roma Capitale	51%	51%
Suez International SAS	Suez International SAS	23.333%	23.333%
Caltagirone Francesco Gaetano	Capitolium Srl	0.141%	
	Caltagirone SpA	1.174%	
	Fincal SpA	3.052%	
	FGC SpA	1.085%	5.452%

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT YEAR-END

Position	Members	Year of birth	Date of initial appointment*	In office from	In office to
Chairperson	Barbara Marinali	1964	17/02/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
CEO/DG	Fabrizio Palermo	1971	26/09/2022	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Antonella Rosa Bianchessi	1969	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Antonino Cusimano	1964	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Patrizia Rutigliano	1968	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Alessandro Caltagirone	1969	27/04/2017	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Yves Rannou	1971	12/04/2024	12/04/2024	Approval of the financial statements as at 31/12/2025
Director	Massimiliano Capece Minutolo Del Sasso	1968	23/04/2015	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Luisa Melara	1970	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Alessandro Picardi	1977	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Elisabetta Maggini	1982	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Angelo Piazza	1955	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Director	Nathalie Tocci	1977	18/04/2023	18/04/2023	Approval of the financial statements as at 31/12/2025
Directors leaving office during the financial year					
Director	Francesca Menabuoni	1969	10/11/2023	10/11/2023	12/04/2024

- Quorum required for the submission of lists by minorities for the election of one or more members (per art. 148 TUF): 1% of the shares with voting rights;
- no. meetings held in 2024: 20.

TABLE 3: STRUCTURE OF THE ADVISORY COMMITTEES AT YEAR-END

		Committee for the Region	
Members	**Office/Classification**	*	**
Barbara Marinali	Chairperson non-executive, independent under TUF and Code		
Fabrizio Palermo	CEO		
Antonella Rosa Bianchessi	Director non-executive, independent under TUF and Code		
Antonino Cusimano	Director non-executive, independent under TUF and Code		
Patrizia Rutigliano (b)	Director, non-executive, non-independent	9/9	P
Massimiliano Capece Minutolo Del Sasso	Director non-executive, independent under TUF and Code	9/9	M
Alessandro Caltagirone	Director non-executive, independent under TUF and Code		
Luisa Melara	Director non-executive, independent under TUF and Code		
Alessandro Picardi	Director non-executive, independent under TUF and Code	9/9	M
Yves Rannou	Director, non-executive, non-independent		
Elisabetta Maggini	Director non-executive, independent under TUF and Code		
Angelo Piazza	Director non-executive, independent under TUF and Code		
Nathalie Tocci	Director non-executive, independent under TUF and Code		
Directors leaving office during the financial year			
Francesca Menabuoni	Director, non-executive, non-independent	2/2	P

(a) it should be noted that the Committee, in its capacity as Equivalent Internal Control, held 8 meetings in the year 2024
(b) At its meeting of 14 October 2024, the Board of Directors acknowledged that Director Patrizia Rutigliano no longer met the independence requirement; on 6 November 2024, the Board of Directors resolved to appoint Elisabetta Maggini as a member of the RPT Committee, thus replacing Patrizia Rutigliano.

* This column indicates the member participation in the meetings of the Committee.
** This column indicates the office of each component (P: Chair, M: Member).

	List **	List (M/m) ***	Exec.	Non-Exec.	Indep. under Code	Indep. under TUF	No. other positions ****	Attendance at meetings *****
	A	M		X			n.a.	20/20
	A	M	X				n.a.	20/20
	A	m		X	X	X	n.a.	20/20
	A	m		X	X	X	n.a.	18/20
	A	m		X			1	18/20
	A	m		X	X	X	6	19/20
	A	m		X			2	9/16
	A	m		X	X	X	2	20/20
	A	m		X	X	X	n.a.	19/20
	A	m		X	X	X	n.a.	17/20
	A	M		X	X	X	1	19/20
	A	M		X	X	X	2	18/20
	A	M		X	X	X	n.a.	18/20
	A	m		X				4/4

* The date of first appointment refers to the date on which the director was appointed for the (very) first time as a member of Acea's BoD;
** This column indicates whether the list from which each director was taken was presented by Shareholders ("A") or by the Board of Directors ("C")
*** This column indicates the list from which each director was taken ("M": majority list; "m": minority list).
**** This column indicates the number of offices that directors or statutory auditors hold in other companies listed on regulated markets, even abroad, in financial, banking and insurance companies or large companies. The offices are explained in full on the last page of the Report.
***** This column indicates the directors' participation in the meetings of the BoD.

RPT Committee (a)		Control and Risks Committee		Appointments and Remuneration Committee		Ethics, Sustainability and Inclusion Committee	
*	**	*	**	*	**	*	**
12/12	M					8/8	M
		11/11	M				
9/9	M			12/13	M	6/8	M
12/12	M	11/11	M	13/13	P	8/8	M
12/12	M					6/8	M
		11/11	P				
	3/3	M	11/11	M			8/8
	12/12	P			11/13	M	
					13/13	M	
		2/2	M			3/3	M

TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT YEAR-END

Board of Statutory Auditors

Position	Members	Year of birth	Date of first appointment*
Chairperson	Maurizio Lauri	1962	2019
Standing auditor	Leonardo Quagliata	1953	2022
Standing auditor	Claudia Capuano	1968	2022
Alternate auditor	Rosina Cichello	1967	2022
Alternate auditor	Vito Di Battista	1952	2022

* The date of first appointment refers to the date on which the auditor was appointed for the (very) first time as a member of the issuer's Board of Auditors.
** This column indicates the list from which each auditor was taken ("M": majority list; "m": minority list).
*** This column indicates the participation of the auditors in the meetings of the Board of Auditors.
**** This column indicates the number of offices held as directors or auditors by the subjects concerned, pursuant to art. 148-bis of the TU F and of the relative implementation provisions contained in the Consob Issuers Regulations. The full list of offices is published by Consob on its website pursuant to art. 144-*quinquiesdecies* of the Consob Issuers' Regulations.

- Quorum required for the submission of lists by minorities for the election of one or more members (per art. 148 TUF): 1% of shares with voting rights
- No. meetings held in 2024: 19

TABLE 1. COMPOSITION OF THE ACEA BOARD OF DIRECTORS AND OFFICES HELD BY DIRECTORS IN OTHER COMPANIES AS AT 31 DECEMBER 2024

Position	Name	Position	Other offices (*)
Chairperson	Barbara Marinali		N.A.
Chief Executive Officer/GM	Fabrizio Palermo		N.A.
Director	Antonella Rosa Bianchessi		N.A.
Director	Antonino Cusimano		N.A.
Director	Patrizia Rutigliano		Poste Italiane SpA
Director	Yves Rannou		Sweetch Energy Sanko Energy
Director	Massimiliano Capece Minutolo Del Sasso		Fincal SpA FGC SpA
Director	Alessandro Caltagirone		Aalborg Portland Holding A/S (VP) Cementir Holding NV (VP) Caltagirone SpA Caltagirone Editore SpA (VP) Fincal SpA (P) Banca Monte dei Paschi di Siena
Director	Luisa Melara		N.A.
Director	Alessandro Picardi		N.A.
Director	Elisabetta Maggini		ASP Asilo Savoia Azienda Pubblica di Servizi alla persona
Director	Angelo Piazza		Banca Akros SpA La Villata SpA Immobiliare di Investimento e Sviluppo
Director	Nathalie Tocci		N.A.

* List of director or statutory offices held by each Director in other companies listed on regulated markets, also abroad, in financial, banking and insurance companies and companies with shareholders' equity exceeding €1 billion.

In office since	In office to	List (M/m)**	Independence from Code	Attendance at meetings	Number of other offices
27/04/2022	31/12/2024	m	X	19/19	3
27/04/2022	31/12/2024	M	X	19/19	n.a.
27/04/2022	31/12/2024	M	X	19/19	4
27/04/2022	31/12/2024	M	X		5
27/04/2022	31/12/2024	m	X		5

ACEA SPA

Registered office
Piazzale Ostiense 2
I-00154 Rome

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