

The *Sustainability Report*, enclosing a *Summary Note*, following its approval by the Board of Directors, is available to the supervisory body and submitted for assurance by the independent auditor, with which Acea has no joint interests or other connections and appointed in order to assess the compliance thereof with Legislative

Decree no. 254/2016 and its consistency with the implemented reporting standards⁶ (see *Opinion Letter of the independent auditor*). The document is disseminated through the institutional website at the same time as the *Consolidated Financial Statements* and distributed during the Shareholders' Meeting.

NON-FINANCIAL REPORTING IN ITALY: CSR MANAGER NETWORK SURVEY AND KPMG MONITORING

In 2020 the results of a number of analyses on changes to non-financial disclosure in Italy were published, in the third year since Legislative Decree 254/2016 came into force, which offered indications on the gradual integration of sustainability into Company management.

As part of the **CSR Manager Network**, a working group formed of sustainability managers from various Companies including Acea used an employee-centred approach to prepare a survey on NFD to understand the impact of the entry into force of Legislative Decree no. 254/2016.

Sent to 200 Italian Companies in autumn 2019 with a 28% response rate, the survey was **presented in May 2020**. It found that **73% of Companies published a sustainability report**, which was certified and prepared according to international standards, **before it was made compulsory** by the Decree (in 37% of cases for more than seven years) and almost all Companies had already introduced internal procedures which were reviewed and updated to account for the legislation. The **"negative" impact** of the Decree on producing the document included stricter deadlines often paired with a higher workload, and the need to improve materiality analysis methods and internal control systems. **"Positive" impact** included an **improvement in interactions** between the department in charge of preparing the NFD and the other Company departments, **the integration of sustainability issues into corporate reporting** (both in communication and in economic and financial presentations) and, above all, **the great-**

er involvement of the corporate governance bodies (Committees and BoD) which led to **increased commitment** and a **more informed strategic commitment** to non-financial issues. The arguments brought to the attention of the corporate governance bodies included **stakeholder engagement and the materiality analysis**, as well as the **reporting and internal control system**. Lastly, there was an **appreciation of the multitude of options** provided for by the Decree in relation to the placement of the non-financial disclosure: 76% said that the NFD was created as an independent document (integrated or not into the Sustainability Report) due to its greater visibility to external and international stakeholders and 88% said that they had not established a change towards an integrated report.

In relation to **future outlook**, the survey found that **the main issues where change was expected** in legislation and reporting were **environmental**, specifically **climate change**, and **social**, specifically **impact on society and communities** and the issue of **human resources** (skills, equality and inclusion, safety, etc.).

In October 2020, KPMG published the document *"Informativa extra finanziaria (ESG): Survey sul terzo anno di applicazione del D. Lgs. 254/2016"* [*Non-financial reporting (ESG): Survey on the third year of application of Legislative Decree 254/2016*], analysing the information present in the 2019 NFD of **200 Italian Companies** (16% belonging to the Energy & Utilities sector). Specifically, the analysis found a marked increase in the number of Companies that were committed to

raising sustainability governance as a formal issue at board level (49% of the Companies analysed had appointed a board committee, +86% compared to the first year the Decree was in force); **defining a sustainability strategy** (53%) or structured sustainability planning (38% of all Companies analysed and 72% of those that had defined a strategy, +203% compared to the first year the Decree was in force); **adopting sustainability policies** (82%) and **integrating ESG issues into risk management** (68%, +44% compared to 2017), showing a clear step forward in integrating sustainability into Company governance and management.

77% of Companies published a materiality matrix or a list of relevant issues (23%) and 93% had stakeholders involved in updating the materiality matrix. The percentage of Companies with external stakeholders involved has increased significantly to 64%, though the prevalent method of engagement was questionnaires (58%) while engagement via workshops sat at 17%. 57% of Companies also mentioned the SDGs (with an 88% increase compared to the first year the Decree came into effect). The analysis document distributed by KPMG also confirmed as prevalent (80% of cases) the decision to publish the NFD as a **distinct document**. **100%** of the Companies analysed used the **GRI Standards** and the decision to apply the **core option** (73%) was most common, being more limited in the extent of information provided, compared with the *comprehensive* option (3%), with the remaining 24% opting for a simple reference to the Standards.

MATERIALITY, GRI STANDARDS AND REPORT SCOPE

In 2019, Acea carried out a **round of materiality analysis**, identifying the main economic, governance, social and environmental issues (so-called "material" issues) related to the Company's business, defining their priority based on the assessments expressed by stakeholders and the Company, and displaying them in the **materiality matrix** chart.

The analysis should have taken place **at least every two years**, but the major **discontinuity represented by the Covid-19 emergency** made it necessary to **check the adequacy of the 2019 "material" issues** in light of the change in circumstances.

This check was **carried out in 2020** via "ad hoc" updating and analysis with the following main phases:

- **Covid-19 context analysis**, carried out on around 35 documents (at international, European, government, sustainability and sector level) **representative of both the evidence linked to the emergency phase and the guidelines for recovery**, in order to identify the current and prospective trends, including in relation to the post-emergency "new normal". The results of the analysis were also shared with the Administration, Finance and Control Department during **updating of the industrial planning**;
- **«reinterpretation» of the 2019 "material" issues on the basis of the evidence highlighted by the Covid-19 context analysis**, which **confirmed the validity of the 19 "material" issues** for 2019 and showed appropriate **emphasis on details** which help define the significance of 12 "material"

⁶ Legislative Decree no. 254/2016, under art. 3, paragraph 10, provides that: "The subject entitled to perform the statutory audit of the Sustainability Report (...) or another subject entitled to carry out the statutory audit as specifically designated" issues "a certification concerning the compliance of the provided information with the requirements under this legislative decree and the principles, methods and procedures provided under paragraph 3". Namely principles and methodologies: "provided by the reporting standard used as reference (...)".

issues. Specifically: Occupational health and safety; sustainability and circularity along the supply chain; strategic approach to stakeholder relations and the community; customer focus; involvement of the territory and development of skills; protection of territory and biodiversity; decarbonisation and adaptation to climate change; consolidation of sustainability elements in corporate governance; Company well-being, diversity and inclusion; integrated risk management; responsible finance, and innovation as a transversal element;

- the **direct involvement of stakeholders (external and internal)**, through an **online multi-stakeholder focus group, in the final phase of which the Company Chairman took part**, and some **one-to-one telephone interviews**. Overall, the discussion involved **48 people**, including individuals who were previously involved in 2019 and others who were particularly significant for the purposes of further analysis (organisations of social importance, trade unions, etc.), representing **11 stakeholder categories**. Their involvement aimed to collect **stakeholders' thoughts on the pandemic**, both to check that the main context elements had been identified correctly and to learn their expectations of the **role that Acea could play in the recovery** of the local regions it operates in;
- the **direct involvement of Group managers**, through a virtual meeting with **25 Company managers**. After illustrating the main results of the multi-stakeholder consultation, the

managers assessed the most strategic aspects of the “new normal” for recovery, including in consideration of the cases raised by stakeholder involvement.

As mentioned, even after stakeholder and manager involvement, the in-depth analysis did not identify any new “material” issues, **thus confirming the validity and stability of the materiality matrix defined in the past for 2020**.

The major emphasis placed on specific meanings of 12 of the 2019 “material” issues, listed above, is a key topic of the 2020 Sustainability Report.

The two-dimensional chart of the **materiality matrix** shows the distribution of the 19 financial, governance, social and environmental issues of low, medium and high importance (prioritisation). In particular, **16 topics** are located in the **high significance area** (score 68-100) and **3 in the medium significance area** (score 33-67) (see chart no. 1).

All the “material” issues are **consistent with the Group's strategic sustainability planning**, renewed in 2020 in alignment with the industrial guidelines **for 2020-2024**.

In addition to being presented in a report to the stakeholders and managers involved, the review and analysis process of the materiality analysis following the Covid-19 emergency and its results were shared with the Group's top management and explained to the members of the **Ethics and Sustainability and Control and Risk Committees** in joint session with the members of the **Board of Statutory Auditors**.

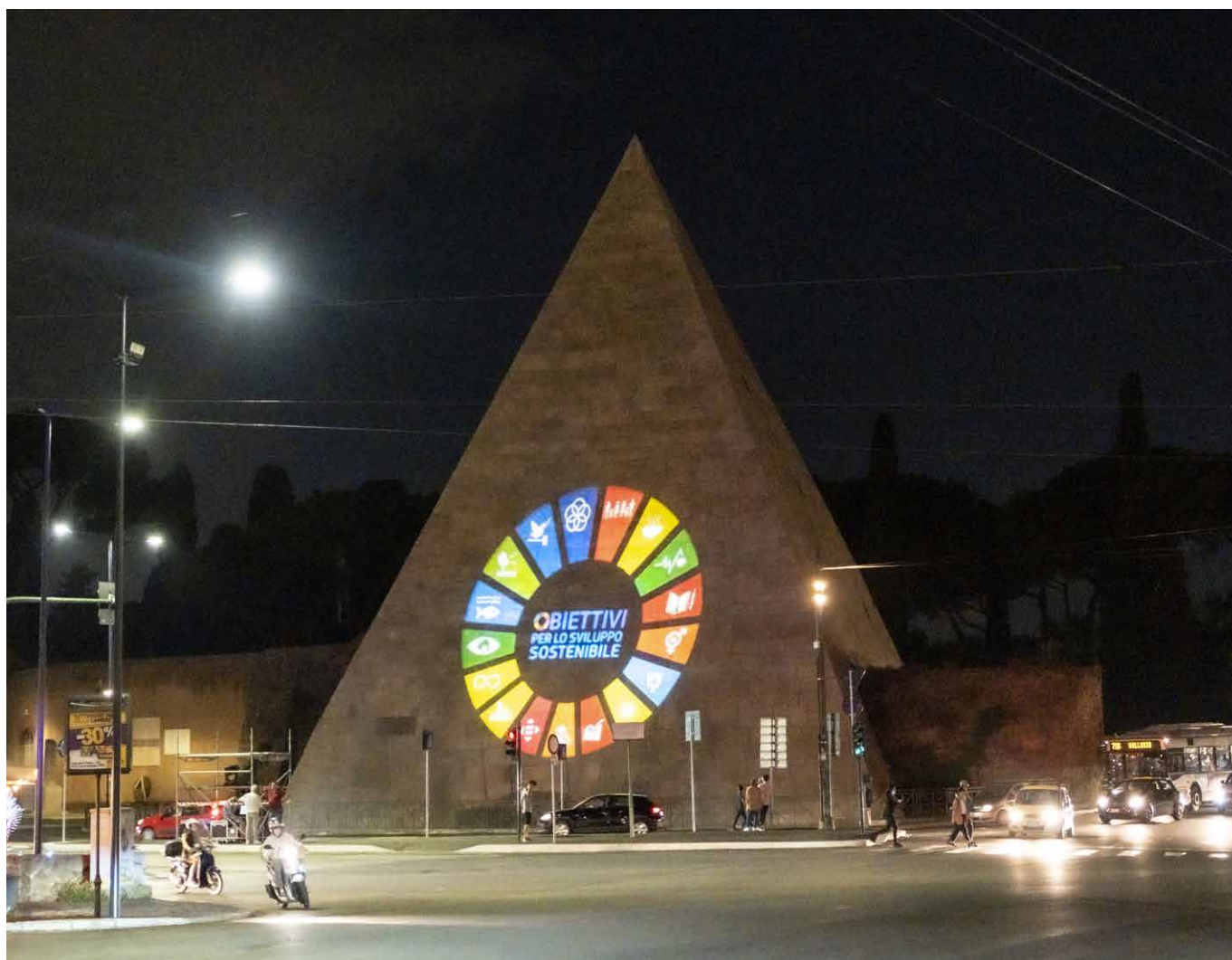
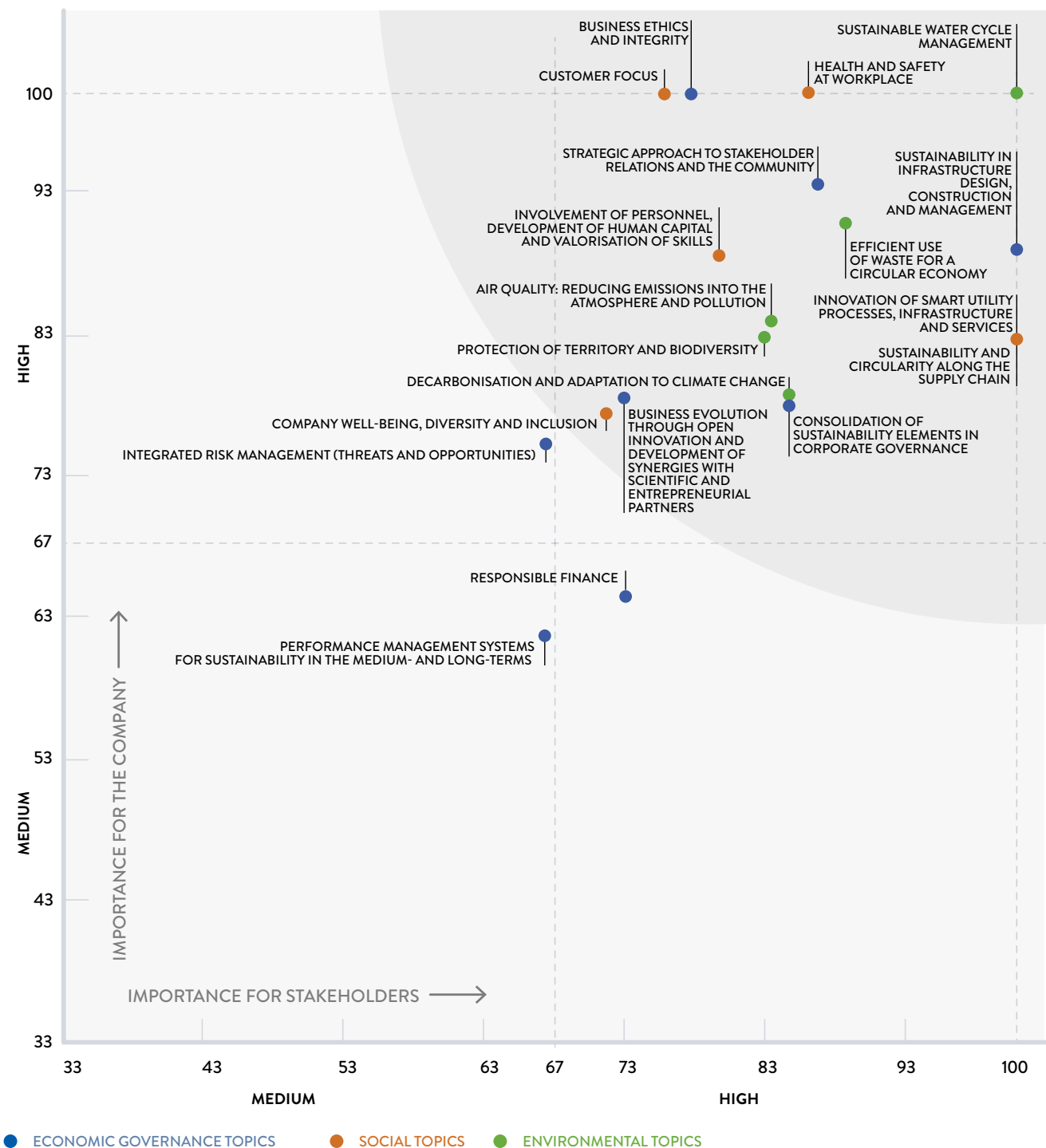


CHART NO.1 – RELEVANT TOPICS FOR THE COMPANY AND ITS STAKEHOLDERS: THE ACEA “MATERIALITY MATRIX” – 2020



- 1 SUSTAINABLE WATER CYCLE MANAGEMENT
- 2 SUSTAINABILITY IN INFRASTRUCTURE DESIGN, CONSTRUCTION AND MANAGEMENT
- 3 OCCUPATIONAL HEALTH AND SAFETY
- 4 INNOVATION OF SMART UTILITY PROCESSES, INFRASTRUCTURE AND SERVICES
- 5 SUSTAINABILITY AND CIRCULARITY ALONG THE SUPPLY CHAIN
- 6 RECOVERY OF WASTE FOR A CIRCULAR ECONOMY
- 7 STRATEGIC APPROACH TO STAKEHOLDER RELATIONS
- 8 BUSINESS ETHICS AND INTEGRITY
- 9 CUSTOMER FOCUS
- 10 AIR QUALITY: CONTAINMENT OF POLLUTING EMISSIONS INTO THE ATMOSPHERE
- 11 INVOLVEMENT OF PERSONNEL, INVESTMENT IN HUMAN CAPITAL AND DEVELOPMENT OF SKILLS
- 12 PROTECTION OF THE COMMUNITY AND BIODIVERSITY
- 13 DECARBONISATION AND ADAPTATION TO CLIMATE CHANGE
- 14 CONSOLIDATION OF SUSTAINABILITY ELEMENTS IN CORPORATE GOVERNANCE
- 15 BUSINESS EVOLUTION THROUGH OPEN INNOVATION AND DEVELOPMENT OF SYNERGIES WITH SCIENTIFIC AND ENTREPRENEURIAL PARTNERS
- 16 COMPANY WELL-BEING, DIVERSITY AND INCLUSION
- 17 INTEGRATED RISK MANAGEMENT (THREATS AND OPPORTUNITIES)
- 18 RESPONSIBLE FINANCE
- 19 PERFORMANCE MANAGEMENT SYSTEMS FOR SUSTAINABILITY IN THE MEDIUM AND LONG-TERM.

Besides being a strategic reference, the “Acea Materiality Matrix” is necessary to identify which **aspects to include in greater or lesser detail** depending on the results of prioritisation and to **select the indicators required by the adopted standards**.

To prepare the Sustainability Report **in accordance with the 2019 GRI Standards: Comprehensive option**, it is necessary to illustrate performance according to:

- the “**Universal Standards**”, which include the **reporting principles** (GRI 101: Reporting Principles) and the **56 general standards** (GRI 102: General Disclosures);
- the “**Topic-Specific Standards**” referring to the economic, environmental and social dimensions (GRI 200: Economic, GRI 300: Environmental, GRI 400: Social) **considered to be material topics and related indicators selected from among the 34 topics envisaged** in the specific standards;
- the **management approach** (GRI 103: Management approach) **for each of the specific topics considered material**.

In order to select GRI Material Topic-Specific Standards, consideration is given to⁷ their **correlation with “Acea’s Materiality Matrix”**

and the meaning thereof conferred by international standards, in some cases tracing them back to the corporate context and, in others, establishing their non-applicability⁸.

Following the assessments described above, **26 Specific Standards⁹** were identified out of a total of 34, **as consistent with Acea material topics of high significance** (see table no. 1). Furthermore, among all the **indicators** envisaged in the Specific Standards considered as “material”, **only 3 were considered not applicable** and excluded from the analysis¹⁰.

Only one Acea material topic of high significance is not correlated to the Specific Standards, this being the **Consolidation of elements of sustainability in corporate governance**, which however, is **fully consistent with the general standards** dedicated to aspects of **governance** (GRI 102: General Disclosures).

Lastly, also regarding Acea material topics of medium significance present in the report on a less descriptive basis, consistencies were found, albeit not highlighted in the table, with both the material specific Standards and the standards of the General information.

TABLE NO. 1 – CONSISTENCY WITH GRI “MATERIAL SPECIFIC STANDARDS” AND ACEA “MATERIAL TOPICS” OF HIGH SIGNIFICANCE

GRI 200: ECONOMIC	ACEA MATERIAL TOPICS	GRI 300: ENVIRONMENTAL	ACEA MATERIAL TOPICS
ECONOMIC PERFORMANCE 2016	2, 4, 7, 8, 10, 11, 13	MATERIALS 2016 (301-1 and 301-2)	1, 4, 6, 12
INDIRECT ECONOMIC IMPACTS 2016	2, 4, 5, 6, 7, 9, 15	ENERGY 2016 (from 302-1 to 302-4)	1, 4, 10, 12, 13
PROCUREMENT PRACTICES 2016	2, 5	WATER AND EFFLUENTS 2018	1, 4, 12
ANTI-CORRUPTION 2016	8	BIODIVERSITY 2016	1, 10, 12, 13
ANTI-COMPETITIVE BEHAVIOR 2016	8	EMISSIONS 2016	1, 10, 12, 13
		EFFLUENTS AND WASTE 2016	1, 6, 12
		ENVIRONMENTAL COMPLIANCE 2016	1, 8, 10, 12, 13
		SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	5

GRI 400: SOCIAL	ACEA MATERIAL TOPICS	ACEA MATERIAL TOPICS	ACEA MATERIAL TOPICS
EMPLOYMENT 2016	11, 16	NON DISCRIMINATION 2016	8, 16
		MARKETING AND LABELING 2016	8, 9
LABOR/MANAGEMENT RELATIONS 2016	11, 16	LOCAL COMMUNITIES 2016	7, 15
		CUSTOMER PRIVACY 2016	8, 9
OCCUPATIONAL HEALTH AND SAFETY 2018 (from 403-1 to 403-6; from 403-8 to 403-10)	3, 5	SUPPLIER SOCIAL ASSESSMENT 2016	5
		SOCIOECONOMIC COMPLIANCE 2016	8, 9
TRAINING AND EDUCATION 2016	11	PUBLIC POLICY 2016	8
DIVERSITY AND EQUAL OPPORTUNITY 2016	11, 16	CUSTOMER HEALTH AND SAFETY 2016	1, 8, 9

NOTE The economic, environmental, and social GRI “Topic-Specific Standards” shown in the table are only those deemed “material”. When indicators are placed in brackets next to a GRI topic this means that only the indicators shown in the table apply, or, where not specified, all the indicators related to the topic apply (also see the *GRI Content Index*). For “Acea material topics” as identified in the table by a number, reference should be made to the figure showing the materiality matrix (chart no. 1).

⁷ It is important to consider that both the specific GRI Standards – each of which includes a description of the management method and a number of indicators – and Acea material topics both refer to contents that are far more complex and detailed than their brief name may suggest which, given their level of detail, cannot be presented at this time. See the GRI Standards – *Consolidated set of GRI Sustainability reporting standards for 2016* – on the website www.globalreporting.org, also in Italian: *Raccolta consolidata dei GRI Sustainability Reporting Standards 2019*.

⁸ This led, for example, to the exclusion of the Specific Standards related to *Market Presence, Tax and Human Rights* which, according to the meaning given to them by the GRI, are more pertinent to multinational enterprises and not suited to the reality of the Group’s most significant operations.

⁹ In 2018, with the obligation to apply them to financial year 2020, the specific standards “Water and Effluents 2018” and “Occupational Health and Safety 2018”, both reported, were updated. Specifically, the updated edition of the Water and Effluents standard also superseded some indicators previously provided for under the “Effluents and Waste 2016” standard.

¹⁰ See the *GRI Content Index*.

The **principle of materiality** or significance was also applied to the **definition of the “report scope”**, as envisaged both by the GRI Standards and by Legislative Decree no. 254/2016. The latter, indeed, under art. 4, states: *“To an extent necessary for ensuring an understanding of the group’s business, its performance, results and the impact it produces, the consolidated declaration includes data about the parent Company, its fully consolidated subsidiary Companies and covers the topics pursuant to article 3, paragraph 1”*.

The **adequacy of the qualitative and quantitative criteria** necessary to identify the Companies that ensure an understanding of the Group’s business, performance, results and the impact it produces, was **verified**. **Qualitative** criteria highlight the significance of the role carried out by the Companies for the Group’s qualifying business (namely, Companies carrying out a relevant and current role in the main businesses, or due to the services they provide, and in implementation of the industrial and sustainability plans) and territoriality (namely, the operations in the geographic area in which **almost all of the turnover is generated**, the **majority of the stakeholders are located** and **a large part of the managed assets are located**). **Quantitative** criteria concern, for all Companies included according to the qualitative criteria, correspondence to a

minimum value over 80% of the entire scope of consolidation with reference to specific data (revenue, investment, assets, costs for materials and services, energy consumption in TOE).

Both types of criteria were **applied to the Companies included in the scope of consolidation** of the Parent Company in 2020 (see table no. 2) resulting in a proposal of scope, initially shared with Top Management, the Board of Statutory Auditors and the relevant board committees. After further verification of the data, the **scope was defined** and, having heard the opinion of the Head of the Legal and Corporate Affairs Department and the CFO, was **shared with the Chief Executive Officer and the Chairperson** and **explained to the Ethics** and Sustainability and Control and Risk Committees, in the presence of the supervisory body.

The Companies **that are representative for the purposes of reporting the 2020 non-financial information** (in accordance with Legislative Decree no. 254/2016 and the GRI Standards) include, in addition to all those present in the previous edition of the document¹¹, Acquadotto del Fiora SpA, Acea Innovation Srl, Acque Industriali Srl and the Companies with photovoltaic plants (distributed by Acea Sun Capital Srl)¹², see table no. 3.

TABLE NO. 2 – COMPANIES INCLUDED IN THE PARENT COMPANY’S FULL CONSOLIDATION AREA (2020)

COMPANY	REGISTERED OFFICE
Acea Ambiente Srl	Via G. Bruno, 7 – Terni
Aquaser Srl	P.le Ostiense, 2 – Rome
Bioecologia Srl	Via G. Bruno, 7 – Terni
Iseco SpA	Loc Surpian, 10 – Saint Marcel (AO)
Berg SpA	Via delle Industrie, 38 – Frosinone
Demap Srl	Via Giotto, 13 – Beinasco (TO)
Acque Industriali Srl	Via Bellatalla, 1 – Ospedaletto (PI)
Ferrocarril Srl	Via Vanzetti, 34 – Terni
Cavallari Srl	Via dell’Industria, 6 – Ostra (AN)
Acea Energia SpA	P.le Ostiense, 2 – Rome
Acea8cento Srl ^(*)	P.le Ostiense, 2 – Rome
Cesap Vendita Gas Srl	Via del Teatro, 9 – Bastia Umbria (PG)
Umbria Energy SpA	Via B. Capponi, 100 – Terni
Acea Energy Management Srl	P.le Ostiense, 2 – Rome
Electric Drive Italia Srl	Via Mario Bianchini, 51 – Rome
Acea Innovation Srl	P.le Ostiense, 2 – Rome
Parco della Mistica Srl	P.le Ostiense, 2 – Rome
Acea Dominicana SA	Avenida Las Americas – Esquina Mazoneria, Ensanche Ozama – Santo Domingo, Dominican Republic
Aguas de San Pedro SA	Las Palmas, 3 Avenida 20 y 27 calle – San Pedro, Honduras
Acea International SA	Avenida Las Americas – Esquina Mazoneria, Ensanche Ozama – Santo Domingo, Dominican Republic
Acea Perú SAC	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Consorcio Acea-Acea Dominicana	Avenida Las Americas – Esquina Mazoneria, Ensanche Ozama – Santo Domingo, Dominican Republic

¹¹ With the exception of Acea8cento, which, after selling the business units (customer care) to the operating Companies Acea Ato 2, Acea Energia and Areti, enacted its dissolution without liquidation and was removed from the Companies Register on 1st August 2020.

¹² In light of the applied criteria, the following Companies are outside of the scope of the 2020 Consolidated Non-Financial Disclosure: Berg, Bioecologia, Iseco, Demap, Ferrocarril, Cavallari, Cesap Vendita Gas, Umbria Energy, Acea Energy Management, Electric Drive Italia, Parco della Mistica, Acea Dominicana, Aguas de San Pedro, Acea International, Acea Perú, Consorcio Acea-Acea Dominicana, Consorcio Servicios Sur, Consorcio Agua Azul, Consorcio Acea, Acque Blu Arno Basso, Acque Blu Fiorentina, Acea Molise, Crea, Ombrone, Pescara Distribuzione Gas, Sarnese Vesuviano, Umbriadue Servizi Idrici, Alto Sangro Distribuzione Gas, Notaresco Gas, Acea Liquidation and Litigation, KT4, Solaria Real Estate, Acea Solar, Acea Sun Capital, Trinovolt, Marche Solar, Fergas Solar, Euroline 3, IFV Energy, TF Power of Future, SIMAM and Technologies for Water Services.

TABLE NO. 2 – COMPANIES INCLUDED IN THE PARENT COMPANY’S FULL CONSOLIDATION AREA (2020) (continued)

Consorcio Servicios Sur	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Consorcio Agua Azul SA	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Consorcio Acea	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Acea Ato 2 SpA	P.le Ostiense, 2 – Rome
Acea Ato 5 SpA	Viale Roma, snc – Frosinone
Acque Blu Arno Basso SpA	P.le Ostiense, 2 – Rome
Acque Blu Fiorentina SpA	P.le Ostiense, 2 – Rome
Acea Molise Srl	P.le Ostiense, 2 – Rome
Crea SpA (in liquidation)	P.le Ostiense, 2 – Rome
AdF SpA	Via A. Mameli, 10 – Grosseto
Gesesa SpA	Corso Garibaldi, 8 – Benevento
Gori SpA	Via Trentola, 211 – Ercolano (NA)
Ombrone SpA	P.le Ostiense, 2 – Rome
Pescara Distribuzione Gas Srl	Via G. Carducci, 83 – Pescara
Sarnese Vesuviano Srl	P.le Ostiense, 2 – Rome
Umbriadue Servizi Idrici Scarl	Strada Sabbione zona ind.le – Terni
Alto Sangro Distribuzione Gas	Via L. Galvani, 17/A – Forlì
Servizi Idrici Integrati ScPA	Via I Maggio, 65 – Terni
Notaresco Gas	Via Padre Frasca, s.n. – Chieti
Areti SpA	P.le Ostiense, 2 – Rome
Acea Produzione SpA	P.le Ostiense, 2 – Rome
Acea Liquidation and Litigation Srl	P.le Ostiense, 2 – Rome
Ecogena Srl	P.le Ostiense, 2 – Rome
KT4 Srl (*)	Viale SS. Pietro e Paolo, 50 – Rome
Solaria Real Estate Srl (**)	Via Paolo da Cannobio, 33 – Milan
Acea Solar Srl	P.le Ostiense, 2 – Rome
Acea Sun Capital Srl	P.le Ostiense, 2 – Rome
Trinovolt Srl	Via T. Columbo, 31 d – Bari
Marche Solar Srl	Via A. Grandi, 39 – Concordia sulla Secchia (MO)
Fergas Solar Srl	Via Pietro Piffetti, 19 – Turin
Euroline 3 Srl	P.le Ostiense, 2 – Rome
IFV Energy Srl	P.le Ostiense, 2 – Rome
PF Power of Future Srl	P.le Ostiense, 2 – Rome
Acea Elabori SpA	Via Vitorchiano, 165 – Rome
SIMAM SpA	Via Cimabue, 11/2 – Senigallia (AN)
Technologies for Water Services SpA	Via Ticino, 9 – Desenzano del Garda (BS)

(*) Acea8cento implemented its own dissolution without liquidation and was removed from the Companies Register on 1° August 2020.

(**) The Companies Luna Energia, Sisine Energia, Urbe Cerig, Urbe Solar and Bersolar were merged by incorporation, on 1° December 2020, into the Company KT4 Srl.

(***) The Companies Acquaviva, Compagnia Solare 2, Compagnia Solare 3, Brindisi Solar and Spes were merged by incorporation, as of 1° January 2020, into the Company Solaria Real Estate.

TABLE NO. 3 – SCOPE OF THE 2020 ACEA GROUP CONSOLIDATED NON-FINANCIAL DISCLOSURE (PURSUANT TO LEGISLATIVE DECREE NO. 254/2016 AND GRI STANDARDS)

COMPANY	REGISTERED OFFICE
Acea SpA	P.le Ostiense, 2 – Rome
Acea Ambiente	Via G. Bruno, 7 – Terni
Aquaser	P.le Ostiense, 2 – Rome
Acque Industriali (*)	Via Bellatalla, 1 – Ospedaletto (PI)
Acea Energia	P.le Ostiense, 2 – Rome
Acea8cento (**)	P.le Ostiense, 2 – Rome
Acea Innovation	P.le Ostiense, 2 – Rome

TABLE NO. 3 – SCOPE OF THE 2020 ACEA GROUP CONSOLIDATED NON-FINANCIAL DISCLOSURE (PURSUANT TO LEGISLATIVE DECREE NO. 254/2016 AND GRI STANDARDS) (continued)

Acea Ato 2	P.le Ostiense, 2 – Rome
Acea Ato 5	Viale Roma, snc – Frosinone
AdF ^(**)	Via A. Mameli, 10 – Grosseto
Gesesa	Corso Garibaldi, 8 – Benevento
Gori	Via Trentola, 211 – Ercolano (NA)
Areti	P.le Ostiense, 2 – Rome
Acea Produzione	P.le Ostiense, 2 – Rome
Ecogena	P.le Ostiense, 2 – Rome
Acea Sun Capital and associated PV Companies ^(*)	P.le Ostiense, 2 – Rome
Acea Elabori	Via Vitorchiano, 165 – Rome

(*) For Acque Industriali, as well as the Companies with photovoltaic plants, mainly environmental data will be reported.

(**) As of July 2020 the business unit is split between Acea Energia, Acea Ato 2 and Areti.

(***) AdF, newly added to the NFD scope, will provide data pertaining to sustainability aspects gradually.

The scope of the *Acea Group's 2020 Sustainability Report*, albeit wider, guarantees **continuity and comparability** with the year before, as well as coverage of the Companies **that ensure full understanding of the Group's activities** and **most significant sustainability performance**.

Lastly, in compliance with the principle of completeness required under **GRI Standards**, the *2020 Sustainability Report* includes qualitative and quantitative information regarding corporate and

environmental matters of certain Companies that are **not included within the scope of the Consolidated Non-Financial Disclosure**. Specifically, this concerns foreign activities and the following Companies operating in the water area: Acque, Publiacqua and Umbra Acque, which were **included in some Group data** and **described in a dedicated chapter** (*Water Companies data sheets and overseas activities*), giving clear evidence of their individual contribution.

DOCUMENT STRUCTURE AND DISSEMINATION

The *2020 Sustainability Report*, in line with previous years, is divided into three sections: **Corporate identity, Relations with the stakeholders** and **Relations with the environment**, supplemented by the **Environmental Budget**. The latter **comprises about 450 items and parameters** monitored which quantify the physical flows generated by the activities: the products, factors used (resources), outbound outputs (rejects and emissions) and some performance indicators. References to the main economic-financial data and corporate governance are consistent with those given in the *Consolidated Report* and the *Corporate Governance Report* and which may derive from the latter.

The published data and information are provided by the Industrial Areas, Companies and responsible Functions (data owner), they are processed – and possibly reclassified in compliance with the

reference Standards – by the internal workgroup which draws up the document and then submitted it once again to the Areas/Companies/Functions responsible for final validation, formalized by the issuing of a specific certificate.

Downstream of the audit activities by the appointed independent auditor, the report is distributed by means of storage on SDIR 1Info, **publication on the institutional website** – www.gruppo.acea.it – **and the Company intranet**, as well as **the other formats provided under Legislative Decree no. 254/2016** and the implementing Consob Regulation (implemented by Resolution no. 20267 of 19 January 2018). It is also distributed together with the consolidated financial statements to the shareholders during the annual Shareholders' Meeting upon closure of the financial year.

For further information about the Sustainability Report and its contents, it is possible to write to the following email address: RSI@aceaspa.it.

Irene Mercadante

SUSTAINABILITY PLANNING & REPORTING UNIT



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INVESTOR RELATIONS & SUSTAINABILITY DEPARTMENT







JOINING THE UNITED NATIONS GLOBAL COMPACT

In 2007 Acea joined the **United Nations Global Compact (UNGC)**, finding **consistency between the ten principles** of the “Global Pact”, launched and supported by the United Nations¹³, **the UN’s Sustainable Development Goals** (“Agenda 2030”, to which the UNGC expressly refers), **the value guidelines, expressed in the Acea Code of Ethics, and the Group’s strategic guidelines.**

The **advanced level Communication on Progress (CoP)**, is included in *this Sustainability Report (Consolidated Non-Financial Disclosure)* through a **combined statement of the GRI Standards’ indicators and the principles of United Nations Global Compact**, pursuant to the understanding reached between the two organisations.

TABLE NO. 4 – THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

	<p>HUMAN RIGHTS</p>	<ol style="list-style-type: none"> 1. Companies are required to support and respect the protection of internationally proclaimed human rights 2. Companies should ensure that they are not partners, even indirectly, in human rights abuses
	<p>WORK</p>	<ol style="list-style-type: none"> 3. Companies are required to uphold the freedom of association and the effective recognition of the right to collective bargaining 4. Companies should uphold the elimination of all forms of forced and compulsory labour 5. Companies should uphold the effective abolition of child labour 6. Companies should uphold the elimination of discrimination in respect of employment and occupation
	<p>ENVIRONMENT</p>	<ol style="list-style-type: none"> 7. Companies are required to support a precautionary approach to environmental challenges 8. Companies are required to take initiatives to promote greater environmental responsibility 9. Companies are required to encourage the development and dissemination of environmentally friendly technologies
	<p>FIGHTING CORRUPTION</p>	<ol style="list-style-type: none"> 10. Companies should work against corruption in all its forms, including extortion and bribery

ADVANCED LEVEL COMMUNICATION ON PROGRESS AND ITS CORRELATION WITH GRI STANDARDS

The *Sustainability Report* contains **the elements that respond to the advanced level of the Communication on Progress** envisaged by the United Nations Global Compact.

The table below shows these elements according to the 21 criteria defined by the United Nations Global Compact and states their **correlation¹⁴ with the GRI Standards** (GRI 102 – General Disclosures for 2016 and Topic-Specific Standards, series GRI 200: Economic, GRI 300: Environmental, GRI 400: Social, **identified as “material”**), applied in the sustainability reporting according to the “Comprehensive” level of compliance. The *GRI Content Index* specifies the pages of the document where the relevant data and information can be found.

¹³ The United Nations Global Compact is an initiative launched by the Secretary General of the United Nations upon the conclusion of the World Economic Forum of 1999. In its appeal, it invites the leaders of the world economy to uphold and circulate nine universal principles related to human rights, labour and the environment, added to which was the tenth in 2004: anti-corruption.

¹⁴ Acea has autonomously updated the proposed scheme, linking elements of the Communication on progress and GRI Standards, maintaining the approach of the document referred to the previous version of the GRI G4 Guidelines, the result of the collaboration of GRI and UNGC. See *Making the Connection: Using the GRI G4 Guidelines to Communicate Progress on the UN Global Compact Principles*, on the website www.unglobalcompact.org.

TABLE NO. 5 – THE ELEMENTS OF ADVANCED COP AND GRI STANDARDS

UNGC – ADVANCED CRITERIA	UNGC – MATCHING SCOPES	CORRELATION WITH GRI STANDARDS (GRI 102 – General Disclosures and Material Topic-Specific Standards GRI 200: Economic, GRI 300: Environmental, GRI 400: Social)
CRITERIA 1-2 implementation of the ten principles in the strategies and operational management of the business	integration of sustainability in corporate functions and business units implementation of sustainability in the value chain	from GRI 102-18 to GRI 102-39 GRI 102-9 – GRI 102-10 – GRI 102-25 – GRI 204-1 – GRI 103 (1-3) by GRI 308 <i>Supplier Environmental Assessment</i> – GRI 302-2 – GRI 305-3 – GRI 308-1 – GRI 308-2 – GRI 403-9 (2018) – GRI 103 (1-3) by GRI 414 <i>Supplier Social Assessment</i> – GRI 414-1 and GRI 414-2
CRITERIA 3-5 robust human rights policies and procedures management	HUMAN RIGHTS commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	The Human Rights aspect and indicators related to it, as proposed by the GRI Standards, are relevant for multinational enterprises. Acea has therefore considered such aspects non-material. Whereas, in the meaning that the United Nations Global Compact gives to aspects relating to human rights (such as employment protection, freedom of association, non discrimination, health and safety in the workplace, training and education and supplier social assessment), they are included in other GRI Topic-Specific Standards, deemed “material”, as well as in the “material topics” identified by Acea, and are therefore listed herein.
CRITERIA 6-8 robust labour policies and procedures management	WORK commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	GRI 103 (1-3) and indicators of the following specific standards (series GRI 400: Social 2016/2018): <i>Employment</i> (from GRI 401-1 to GRI 401-3) <i>Labor/Management Relations</i> (GRI 402-1) <i>Occupational Health and Safety</i> 2018 (from GRI 403-1 to GRI 403-6; from 403-6 to 403-10) <i>Training and Education</i> (from GRI 404-1 to GRI 404-3) <i>Diversity and Equal Opportunities</i> (GRI 405-1 and GRI 405-2) <i>Non discrimination</i> (GRI 406-1) <i>Supplier Social Assessment of suppliers</i> (GRI 414-1 and GRI 414-2)
CRITERIA 9-11 robust environmental policies and procedures management	ENVIRONMENT commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	GRI 103 (1-3) and indicators of the following specific standards (series GRI 300: Environmental 2016/2018): <i>Material</i> (301-1 and 301-2) <i>Energy</i> (from GRI 302-1 to GRI 302-4) <i>Water and Effluents</i> 2018 (from GRI 303-1 to GRI 303-5) <i>Biodiversity</i> (from GRI 304-1 to GRI 304-4) <i>Emissions</i> (from GRI 305-1 to GRI 305-7) <i>Effluents and Waste</i> (from GRI 306-1 to GRI 306-5) <i>Environmental compliance</i> (GRI 307-1) <i>Supplier Environmental Assessment</i> (GRI 308-1 and GRI 308-2)
CRITERIA 12-14 robust anti-corruption policies and procedures management	FIGHTING CORRUPTION commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	GRI 102-16 – GRI 102-17 GRI 103 (1-3) and indicators of the following specific standards (series GRI 200: Economic and series GRI 400: Social): <i>Anti-corruption</i> (from GRI 205-1 to GRI 205-3) <i>Public Policy</i> (GRI 415-1)
CRITERIA 15-18 actions aimed at upholding wider development objectives of the United Nations	strategies, business activities, actions of promotion and engagement with the stakeholders to uphold the Sustainable Development Goals (SDGs)	GRI 103 (1-3) of all the material topic-specific standards included in series GRI 200: Economic, GRI 300: Environmental 2016/2018 and GRI 400: Social 2016/2018 (except for the topic <i>Customer Privacy</i>)
CRITERIA 19-21 Governance and leadership of sustainability	commitment of the CEO engagement of the BoD involvement of the stakeholders	GRI 102-14 – GRI 102-15 from GRI 102-18 to GRI 102-39 from GRI 102-40 to GRI 102-44
high level of transparency and reporting	use of GRI Standards	from GRI 102-1 to GRI 102-10
external audit		GRI 102-56