



RELATIONS WITH THE STAKEHOLDERS



UTILIZZA I NOSTRI
SERVIZI
ONLINE

DISPONIBILI
24 ORE SU 24
PER GESTIRE DA CASA
TUTTE LE UTENZE

RESTIAMO VICINI A VOI ANCHE DA LONTANO

gruppo
acea

Acea's visual campaign for customers, #iorestoacasa winner of the 17th Press & Outdoor Key Award

CUSTOMERS AND THE COMMUNITY

SCOPE

Data pertaining to the volume of customers, apart from the Companies Acea Energia, Areti, and, in the water segment, to the Companies Acea Ato 2, Acea Ato 5, Gesesa, Gori and AdF also includes data related to other water Companies (Acque, Publiacqua, AdF and Umbra Acque) – that are not included in the NFD scope – highlighting the single contribution for the sole purpose of providing a “global” dimension. Data pertaining to perceived quality, delivered quality, tariffs, customer care and communication activities relates to the operating Companies – Acea Energia, Areti, Acea Ato 2, Acea Ato 5, Gesesa, Gori and AdF – and the Parent Company – as recalled in the text.

ACEA GROUP CUSTOMERS: ELECTRICITY AND WATER SERVICES



AROUND **1.2 million**
CUSTOMERS FOR
ELECTRICITY SALES
AND OVER **212,000**
GAS CUSTOMERS



OVER **1.6 million**
WITHDRAWAL POINTS
FOR ELECTRICITY
DISTRIBUTION



AROUND **2.7 million**
water user accounts
in Italy (MORE THAN
906,500 OF WHICH ARE
IN LAZIO), EQUALLING ABOUT
8.6 million
RESIDENTS SERVES
(**4.2 million** IN LAZIO)



THE **electricity and gas**
AND **water BONUS SYSTEMS**
ALLOWED FOR SAVINGS OF
€ 2.8 million AND
€ 2.5 million,
RESPECTIVELY, FOR BENEFICIARY
CUSTOMERS/USERS

According to the latest data from the Regulation Authority for Energy, Networks and the Environment (ARERA)²¹, **Acea Energia** is **Italy's tenth largest operator** in terms of volumes of electricity sold on the final and **third**, with a 3.3% market share, for **energy sold to**

families (“domestic customers”). The Company was also the **second largest national operator** in terms of volumes sold to customers of **the standard market**, with a 5.2% market share, and 16th in terms of volumes sold to the **free market**, with a 1.9% market share.

²¹ See the *Annual report on the status of services and activities carried out*, 2020 edition (on 2019 data), *Structure, pricing and quality in the electricity sector*, available online on the Authority's (ARERA) website; the Authority specifies that the data are to be considered provisional.

Between the sale of electricity and gas (open market and standard market²²), as of 31/12/2020 **Acea Energy managed over 1,388,000 supply contracts** at (+1.6% compared to 2019). The trend indicates strong growth of the free market perimeter with an increase of 11.2% compared to 2019 (see table no. 15).

Areti, holder of the ministerial concession for the **distribution of electricity** in the territory of Rome and Formello, is Italy's **third**

largest operator in terms of **volumes of energy distributed**, with 3.6% of the market share (4.7% in the "domestic" and 3.3% in the "non-domestic") and Italy's **second largest operator** in terms of **withdrawal points**²³. As at 31/12/2020, it manages **1,629,928 withdrawal points**. The growth of the customer base, which generally shows slight changes, is due both to urban expansion and disposals resulting, for example, from discontinued operations (see table no. 15).

"PROSUMERS" CONNECTED TO ACEA NETWORKS: +8% IN 2020

A "prosumer" is both a **producer** and **consumer of energy**; and is capable of partially or totally ensuring its own energy supply and transferring any surplus produced to the grid. This protagonist of the **new energy model** interacts in new ways with both the distributor and the party responsible for selling/withdrawing energy. Acea is open and proactive with regard to the **forms of innovation** introduced by the

new energy model, and in particular to the **development of the capacity of the connection, transmission and distribution systems**.

As at 31.12.2020, **14,641 prosumers** – an **increase** of almost 8% compared to the 13,591 recorded in 2019 – were active on the energy distribution network managed by Areti; 11,996 of these are qualified as "domestic prosumers", or customers with residential utility

contracts who are also small-scale energy producers, and 2,645 are qualified as "other users", or non-domestic uses (commercial enterprises, professional and artisanal activities). About 8,000 of the prosumers on the Acea network are fed Acea Energia customers. **The energy injected into the grid** by these subjects was 87.48 GWh in 2020, **about 73% photovoltaic**.

USERS OF THE ELECTRICITY AND GAS SOCIAL BONUS

For customers who are **experiencing financial hardship**, also in relation to the size of the household, and for customers who, due to their **state of health**, require energy-intensive medical equipment²⁴ ARERA provides the "**electricity bonus**": a discount applied to the cost of electricity. In 2020 the number of **Acea Energia customers eligible for the bonus**, in the protected and free markets, was **26,053**²⁵ (a decrease of 13% compared to the 29,894 customers accepted in 2019), who benefited with overall economic savings of

almost €2.4 million. In particular, 25,323 bonuses were paid for economic hardship (**97% of the total**) and 780 for physical hardship (state of health), making a total of 26,103, which is higher than the number of beneficiary customers as one customer may be entitled to both bonuses.

Similarly to the electricity bonus, ARERA provides for the "GAS bonus", with similar procedures. **The number of customers eligible for this bonus in 2020 was 6,685**, representing savings exceeding €361 thousand.

Overall, during the year, **the bonus system (both electricity and gas) resulted in savings of around €2.8 million for Acea Energia customers who benefited from it**.

In addition, in the territory served by the **distribution network** managed by **Areti**, **11,649 customers** were eligible for the **electricity bonus** (11,603 for economic hardship, 46 for physical hardship), **about 1% less** than the 11,712 in 2019, served by Companies other than Acea Energia, insofar as the "sale" component.

Acea is also **Italy's leading integrated water service operator** (catchment, supply, purification, wastewater collection and treatment) in terms of population covered, with **approximately 2.7 million connected users** and an overall **base consisting of 8.5 million inhabitants in Italy** (see table no. 15). Within the area of Rome and province alone, managed by Acea Ato 2, there are **over 705,000 users** and a served population equal to about **3.7 million people**. Starting from this area – Ato 2-Central Lazio –

over time the Group has expanded its activities, becoming the reference operator also in the province of Frosinone (Lazio), in the provinces of Pisa, Florence, Siena, Grosseto, Arezzo and Lucca (Tuscany), in the areas from the Sorrento peninsula to the areas around Vesuvius in the provinces of Naples and Salerno and the province of Benevento (Campania) and Perugia and Terni (Umbria). Moreover, the Group operates in a number of South American countries.

SOCIAL SUSTAINABILITY OF WATER SERVICES: ARREARS AND WATER BONUSES

As of 1° January 2020, the integrated water service Delinquency Regulation (REM-SI), annexed to the Authority's Resolution 311/2019/R/ldr, came into force. The measure introduced **greater protection for resident domestic users**, precluding **disconnection of the**

supply with termination of the contract and removal of the meter, **except in a few well-defined cases**, while prohibiting the charging of penalties for reactivation of the supply. It also lists the **categories of end users who cannot be disconnected**, the time frames and pro-

cedures for formal notice, deactivation, suspension, restriction and reactivation of the supply. It introduced provisions **to protect condominium users**, such as the prohibition to activate the procedures of limitation, suspension or deactivation of the water supply

²² The relevant national Authority accurately defines the energy market segments. See the ARERA website.

²³ See the *Annual report on the status of services and activities carried out*, 2020 edition (on 2019 data), *Structure, pricing and quality in the electricity sector*, available online on the ARERA website.

²⁴ For details of the conditions legitimising the request and granting of the electricity bonus, see the specific section of the ARERA website.

²⁵ For customers with financial hardship and health problems reference is made to the number of customers who benefited from the bonus at least once during the year.

when partial payments are made, provided that they are made within the deadline and are equal to at least half of the amount due. The Area Governing Body (EGA) will be responsible for promoting the installation of a meter for each housing unit, functional for selective disconnection. REMSI has introduced automatic compensation, in addition to that provided for contractual quality, in the event of non-compliance with the provisions on the settlement of arrears.

With Resolution 221/2020 of 16 June 2020, in compliance with the 2020 Budget Law (Law 160/19), ARERA introduced a **number of changes to the regulation of arrears**, indicating the **methods** (registered letter with confirmation of receipt) and **time scales** (notice of no less than 40 days) with which to notify the user of the initiation of the procedures for limiting, suspending or deactivating the supply in the event of failure

to settle the payment of the amounts due. By virtue of the user regulations approved by the Conferences of Mayors of their respective ATOs, **Acea Ato 2 and AdF have extended the protection against disconnection to encompass “fragile” users**, including domestic users living under conditions of physical hardship. During 2020 **Gesesa** implemented the systems to enable the application of the rules set by the Authority (Resolution 311/2019). Because of the pandemic situation, reminders for the period March-July 2020 were discontinued and no water supply was limited, suspended or discontinued.

The **social water bonus**, implemented by the Authority since 2017 with the approval of the application methods (TIBSI)²⁶, provides for a **discount for the supply of water to domestic users under ascertained socio-economic hardship**, based on specific thresholds of the ISEE²⁷ indicator. The bonus is calculated by

each operator according to family numbers (per capita basis), applying the discounted tariff to the quantity of water required to satisfy the protected amount (about 50 litres/inhabitant/day). **Area Governing Bodies may introduce or confirm further measures of protection** for users in financially vulnerable conditions, granting a **“supplementary water bonus”**. As of 1° January 2021, social bonuses for economic hardship **will be granted automatically to citizens/family units who are entitled to them**, without requiring submission of an application as established by Decree Law no. 124 of 26 October 2019, converted with amendments by Law no. 157 of 19 December 2019. Determination 11/2020 – DACU of 29 December 2020 provisions for the management of the period of transition from the current system to the new system of automatic recognition of social bonuses for economic hardship.

INFORMATION CAMPAIGNS AND WATER BONUS USERS FOR ACEA GROUP COMPANIES

In 2020, Water Companies launched information campaigns on the water bonus aimed at users. **Acea Ato 2**, which also applies the supplementary water bonus approved by its Ambit Authority on a local basis, **has given ample visibility to the information on the water bonus on its customer communication channels** (dedicated page on its website, information on bills, etc.). In 2020, **the Company disbursed 15,404 national water bonuses** (almost double the 7,910 applications accepted in 2019) **totalling € 626,725 and 746 supplementary (local) water bonuses totalling € 135,298**.

Acea Ato 5 signed joint manifestos with the mayors of the municipalities it manages, which were disseminated with posters and through the institutional websites and social pages

of the local authorities, to inform citizens of the possibility and requirements for access to the water bonus; the Company also carried out a web communication campaign through the main online local information sites in the area it manages and issued press releases and featured special columns in the relevant local newspaper. In 2020, **Acea Ato 5 accepted 3,349 requests** for the bonus, which generated total savings for beneficiaries of around **€ 84,000**.

Every year **AdF** advertises the possibility of applying for the **social water bonus** and the **supplementary bonus** by displaying posters at branches and dedicated sections on the [fiora.it](#) website.

In 2020, **AdF accepted 4,048 applications for the social water bonus**, with an estimated

value of **€ 488,930**. In addition, it disbursed a first tranche of **1,960 applications for a supplementary water bonus**, with an economic value of **€ 419,189**. In the fourth quarter of 2020, 20 municipalities opened the **second call** for the allocation of the remaining funds, and the procedures for certifying the bonuses that can be granted are still ongoing.

In 2020, Gesesa and Gori respectively admitted 1,453 applications for the water bonus, for an economic value of **€ 68,980**, and **20,196 applications, with total savings for the beneficiaries of € 661,452**.

For the five water companies included in the perimeter, **the water bonus system has generated a total economic saving of about € 2.5 million for the beneficiaries**.

In 2020, following the will expressed by its members, **AdF set up a Solidarity Fund for local businesses** amounting to €300,000, to support the economic activities of the area that were affected by the restrictions due to the Covid-19 health emergency. The initiative was dedicated to companies that recorded losses of at least 20% compared to the turnover in the corresponding period of the previous year and that had to close down between

March and June 2020, despite having to continue to consume water to keep the business system running efficiently. After AdF had sent detailed communications, also through the trade associations, to explain the prerequisites for access to the fund, **186 applications** were received, of which 7 did not meet the eligibility requirements and 179 are awaiting assessment by the Commission specifically established for this procedure.

²⁶ Resolution 897/2017, integrated text of the implementing rules for the social water bonus – TIBSI and subsequent amendments and additions in 2019 (resolution 165/2019/R/com and resolution 1/2019 – DACU) to update the measure to the regulatory provisions contained in Law 26/2019 (urgent provisions on national income and pensions), establishing that beneficiaries of universal income/pensions may also apply for the bonus from 20 May 2019.

²⁷ With Resolution 499/2019/R/com, the value of the ISEE threshold allowing access to the discount was updated and increased, starting from 1° January 2020.

TABLE NO. 15 – ACEA GROUP CUSTOMERS (ENERGY AND WATER SECTORS) (2018-2020)

	u. m.	2018	2019	2020
ENERGY AND GAS SALES (Acea Energia)				
standard market service	no. of withdrawal points	832,719	774,823	738,989
free market EE – mass market	no. of withdrawal points	286,714	322,037	364,378
free market EE – large customers	no. of withdrawal points	44,364	76,902	72,195
free market gas	no. of redelivery points	172,755	19,2107	212,234
total	no. of supply contracts	1,336,552	1,365,869	1,387,796
ENERGY DISTRIBUTION (Areti)				
domestic customers, low voltage	no. of withdrawal points	1,319,118	1,326,078	1,330,557
non-domestic customers, low voltage	no. of withdrawal points	307,961	305,925	296,248
customers at medium voltage	no. of withdrawal points	2,894	2,907	3,116
customers at high voltage	no. of withdrawal points	7	7	7
total	no. of withdrawal points	1,629,980	1,634,917	1,629,928
WATER SALE AND DISTRIBUTION (main water Companies of Acea Group)				
Acea Ato 2	no. of users	689,827	692,893	705,685
Acea Ato 5	no. of users	197,821	199,823	200,876
Gori	no. of users	526,808	528,437	531,987
Gesesa	no. of users	57,404	5,7142	57,247
AdF (*)	no. of users	231,529	231,690	232,152
Acque (*)	no. of users	325,595	326,105	327,412
Publiacqua (*)	no. of users	395,635	397,684	399,942
Umbra Acque	no. of users	233,405	233,460	234,185
total	no. of users	2,658,024	2,667,234	2,689,486
Acea Ato 2	population served	3,703,160	3,704,931	3,705,295
Acea Ato 5	population served	469,836	469,836	467,993
Gori (**)	population served	1,446,004	1,456,462	1,398,678
Gesesa	population served	118,044	120,574	116,897
AdF (*)(**)	population served	387,120	386,132	382,724
Acque (*)	population served	738,903	737,455	737,455
Publiacqua (*)	population served	1,247,216	1,247,216	1,244,226
Umbra Acque	population served	502,065	501,186	494,272
total	population served	8,612,348	8,623,792	8,547,540

(*) Some of the data relating to users and/or “population served” in 2018 and/or 2019 have been corrected by AdF, Publiacqua and Acque, thus modifying the totals. The 2020 figures are estimates.

(**) The 2020 figure refers to the resident population in the served areas as of 1° January 2020 for Gori and August 2020 for AdF.

PERCEIVED QUALITY



SURVEYS OF CUSTOMER AND PUBLIC
SATISFACTION WITH SERVICES DELIVERED:
more than 300 people interviewed



THE **overall opinions** ON THE SERVICES PROVIDED FOR
2020 (SCORE 1-10):

ELECTRICITY SERVICE "SALES":	8.0
AND "DISTRIBUTION":	7.9
PUBLIC LIGHTING SERVICE:	6.5
WATER SERVICE IN ROME AND PROVINCE:	8 AND 7.2
IN FROSINONE AND PROVINCE:	6.1
IN SARNESE VESUVIANO:	6.6
IN BENEVENTO AND PROVINCE:	6.6
IN GROSSETO AND SIENA AND PROVINCE:	7.6

The **Stakeholder Engagement and Sustainability** Unit of the Parent Company (Legal, Corporate Affairs and Corporate Services Department) **coordinates the process of measuring customer and citizen satisfaction with the services provided** in the electrical, water²⁸ and public lighting sectors. It works in concert with the operating companies that manage the services and **supports the Top Management in analysing the data collected**. **Customer satisfaction surveys** ("perceived quality") are carried out **twice a year** by an institute specialising in demographic research, selected by tender. In line with previous years, the 2020 half-yearly surveys were conducted using the CATI methodology²⁹, enabling the following main indicators to be processed:

- the **overall judgement** on the general quality of the service (**rating from 1 to 10**), where 1 means very bad and 10 means very good, which expresses an **instinctive evaluation** by customers;
- the **synthetic satisfaction indices** (Customer Satisfaction Index – CSI Satisfied Customers, **index 0-100**), **overall and partial** based on the **percentage of customers who say they were satisfied and the importance attached to each aspect** of the service;
- the **satisfaction intensity indices** (Customer Satisfaction Index – CSI, **expressed as a % of satisfied customers – threshold value 75%**), which measures "to what extent" customers are satisfied or dissatisfied with the service.

Interviews on "**contact channels**" are aimed at selected **customers**, using the "**call back**" method, **from among those who have recently used the services** (toll-free numbers for commercial information or fault reporting, website, branch, technical intervention) who consented to be contacted again. With regard to **the call back for the branch, in the second half of 2020, the interviews that were not carried out** in the first half of the year were recovered. **The specific monitoring had been suspended due to branch closures imposed by the Covid-19 health emergency.**

In 2020, a total of **30,331 people were interviewed** about the quality of services provided by Acea Energia, Areti, Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF. The **overall ratings** received by each service are **all in the area of an intermediate level of satisfaction**, between 6.1 and 8.

The overall and partial Customer Satisfaction Indices for the **electricity service** show, very positive evaluations overall for **sales** handled by Acea Energia. For customers in the protected market, there were slight decreases, compared with last year, in the satisfaction indices for "billing" and "website" and improvements in the "branch" and even more marked for the "toll-free commercial number". For customers in the free market, there were increases in the satisfaction indices for most of the service areas assessed and, in this case too, more markedly for the "toll-free commercial number". The **distribution**, managed by Areti, has a good overall satisfaction index; with regard to the evaluation of the service aspects, the "programmed interruption" has decreased while the "technical intervention" has increased. Residents of the municipalities of Rome and Formello were interviewed about the **Public Lighting service** for all areas. Both overall and partial satisfaction indices are all improving, especially the 'fault reporting' index.

As regards the **water service (sale and distribution of water)**, the satisfaction of customers of **Acea Ato 2** (Rome and province) and **Acea Ato 5** (Frosinone and province), in the Lazio area, customers of **Gori** and **Gesesa**, operating in Campania, and customers of **AdF**, operating in Tuscany, was measured. **The overall satisfaction index** for the service provided by **Acea Ato 2 in Rome and Fiumicino is very high** and has further improved; the partial indices, relating to individual aspects of the service, are all very positive, **with particular increases in "fault reporting" and "technical intervention"**. For **Acea Ato 5**, in the area of Frosinone and the province, **the overall satisfaction index** for the service **has improved**. In particular, the satisfaction indices for "technical aspects of the service", "billing", "technical intervention" and "fault reporting", which were already very high, have increased, while the ratings for "toll-free commercial number" and "branch", although slightly down, remain very high. For **Gori**, which manages the service in the area of the Sorrento peninsula and the Vesuvian areas between the provinces of Naples and Salerno, **the overall satisfaction index**, already positive, **and the indices on individual aspects of the service improved**, with the exception of the "branch", which remained substantially stable and high. There was a more evident increase in the positive

²⁸ As regards water services, the main results of the customer satisfaction surveys carried out by Acea SpA and reported here concern the customers of the companies Acea Ato 2 (Rome and province) and Acea Ato 5 (Frosinone and province) operating in the Lazio area, Gesesa and Gori, both operating in Campania, and AdF, operating in Tuscany.

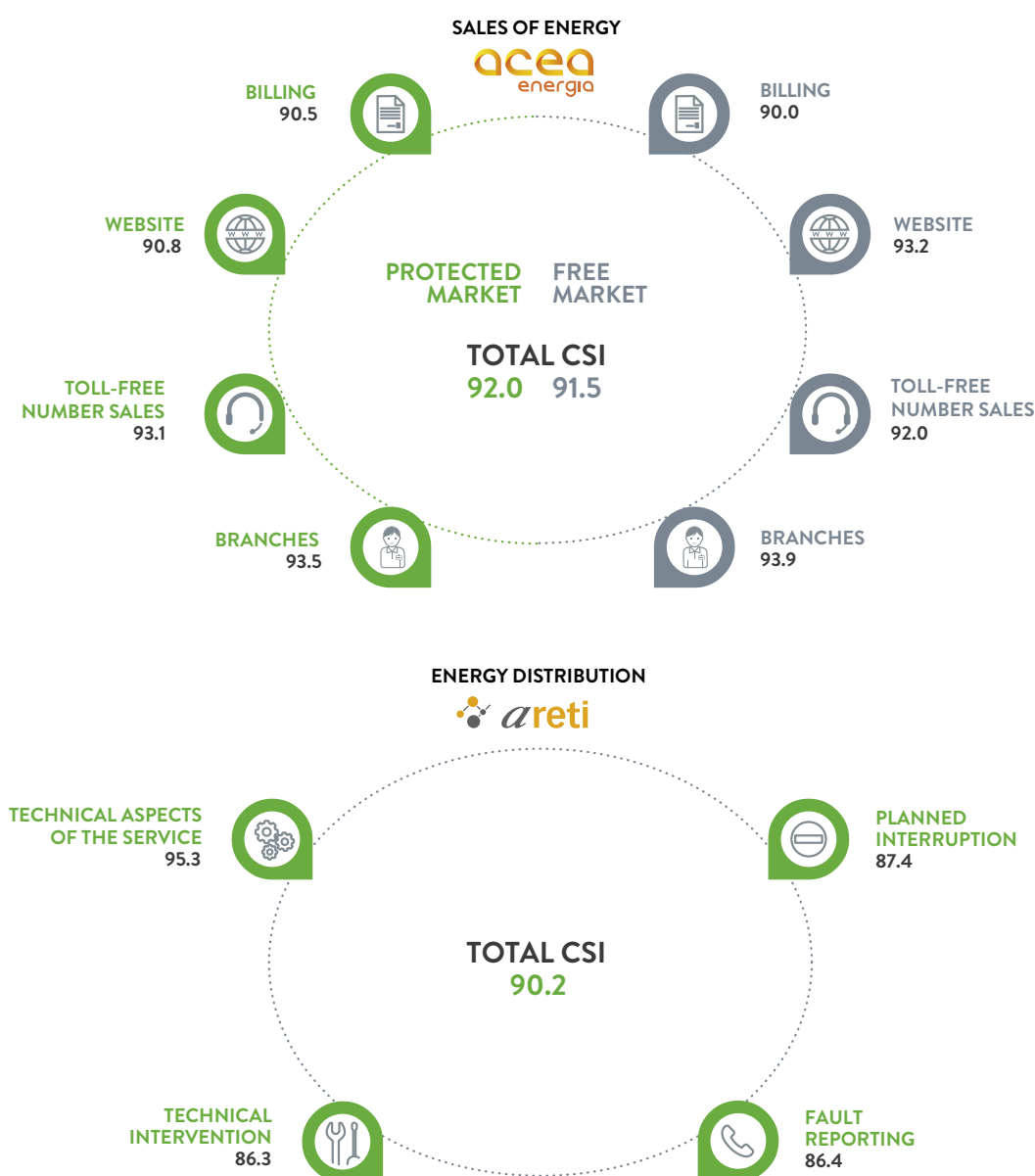
²⁹ Computer Assisted Telephone Interviewing of a stratified sample based on variables and representative of the universe of reference, following a structured questionnaire. Depending on the sample, the statistical error varies between +/- 2.3% and a maximum of +/- 4.4% and the level of significance is 95%.

assessment of “fault” reporting, including the individual quality factors that comprise it, and the “billing” aspect. With regard to **AdF**, which operates in Tuscany in the provinces of Grosseto and Siena, **the overall satisfaction indices and those relating to aspects of the service are all substantially stable and high**, with no significant changes compared to the previous year’s surveys³⁰. Finally, in the case of **Gesesa**, which operates in Benevento and the province, the customer satisfaction survey was carried out only **in the second half of 2020**; the results of the survey are illustrated in the text and are not shown in the table, due to the different evaluation scale (1-10), caused by the smaller sample size of customers interviewed (about 500 per cycle). The **overall rating** for the service provided by Gesesa is stable in the area of “average satisfaction” and equal to **6.6/10**, with 78.4% of respondents satisfied; the **technical aspects** of the service receive a rating of **7/10**, with 83.6% of respondents

satisfied with the quality factor “continuity of service”; for **billing** the rating is **6.7/10**, with 77.8% of respondents satisfied with the “correctness of the amounts in the bill” and 77.2% satisfied with the “clarity and ease of reading the bill”: the two service quality factors considered most important.

The charts below show, for each service, **the 2020 satisfaction indices (CSI – index 0-100)**, as the average of the two surveys for the year, and, for Gesesa, the ratings expressed on a scale of 1-10; **tables nos. 16 and 17** also show the **percentages of satisfied customers** insofar as the most important **quality factors** for the electricity sales and distribution services, the public lighting service and the water service, and the **comparison with the previous year**, with indication of the most significant deviations.

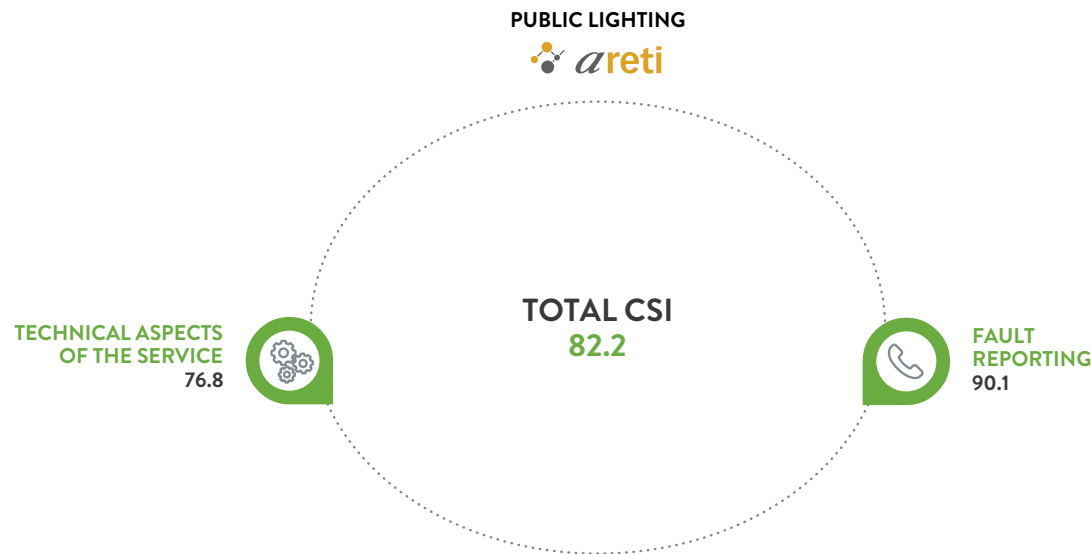
CHART NO. 19 – OVERALL CSI AND ON ELECTRICITY SERVICE ASPECTS – SALE AND DISTRIBUTION OF ENERGY (2020) (INDEX 0-100)



NOTE The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

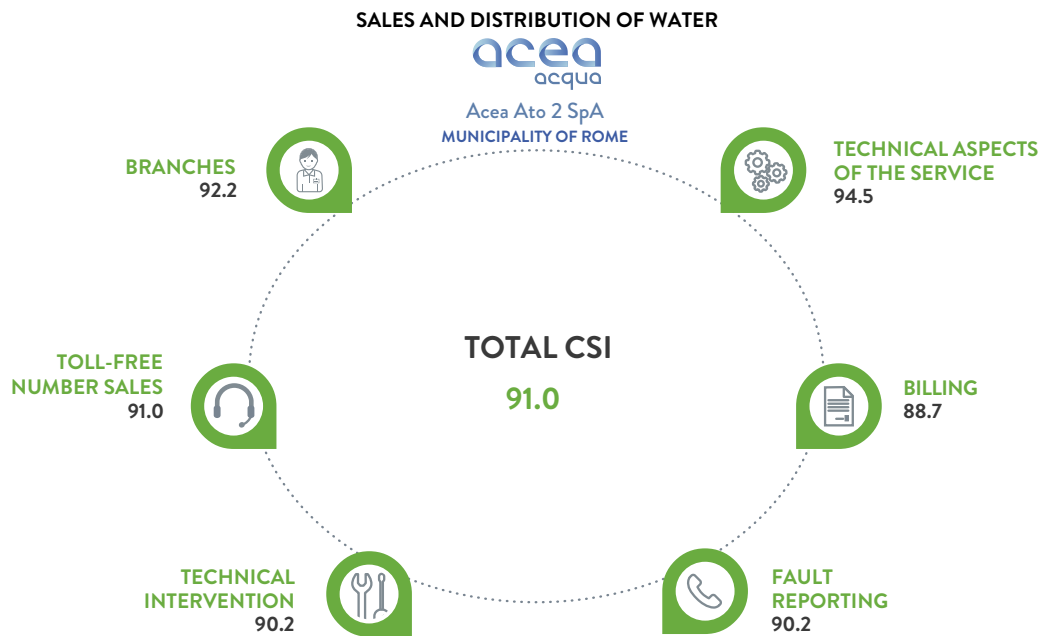
³⁰ For AdF, although it entered the NFD scope in 2020, the data for 2019 is also shown in the relevant table.

CHART NO. 20 – OVERALL CSI AND ON ASPECTS OF THE PUBLIC LIGHTING SERVICE IN ROME AND FORMELLO (2020) (INDEX 0-100)



NOTE The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys. The “technical aspects of the service” include both factors directly dependent on Acea and those that do not depend on the Company, as both contribute to the calculation of the overall CSI.

CHART NO. 21 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN ROME AND FIUMICINO (2020) (INDEX 0-100)

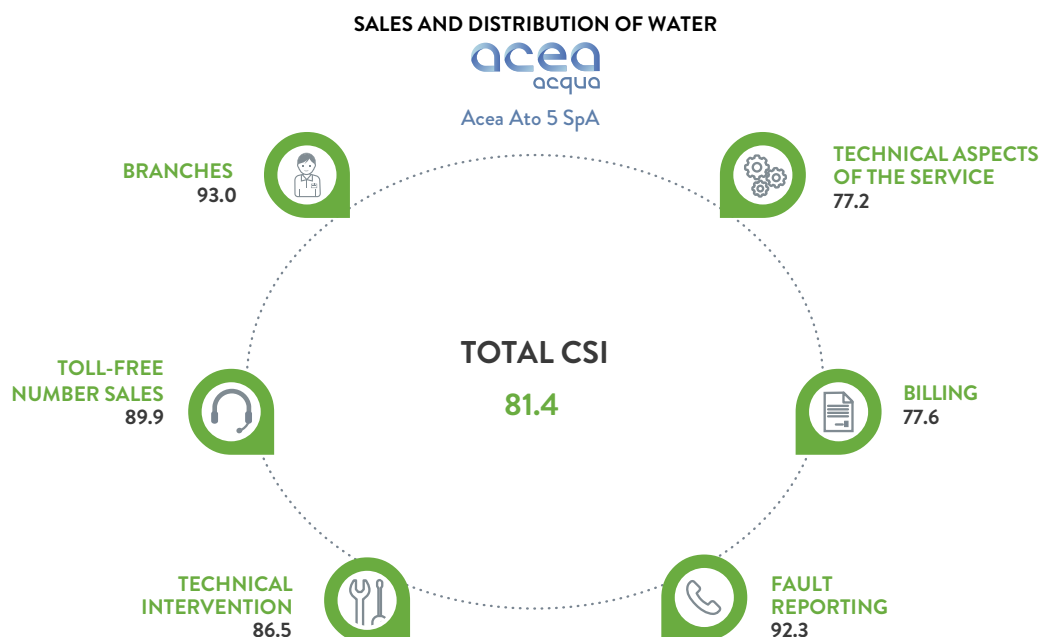


NOTE The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

SURVEYS ON SATISFACTION WITH WATER SERVICE IN OTHER ATO 2 MUNICIPALITIES – CENTRAL LAZIO

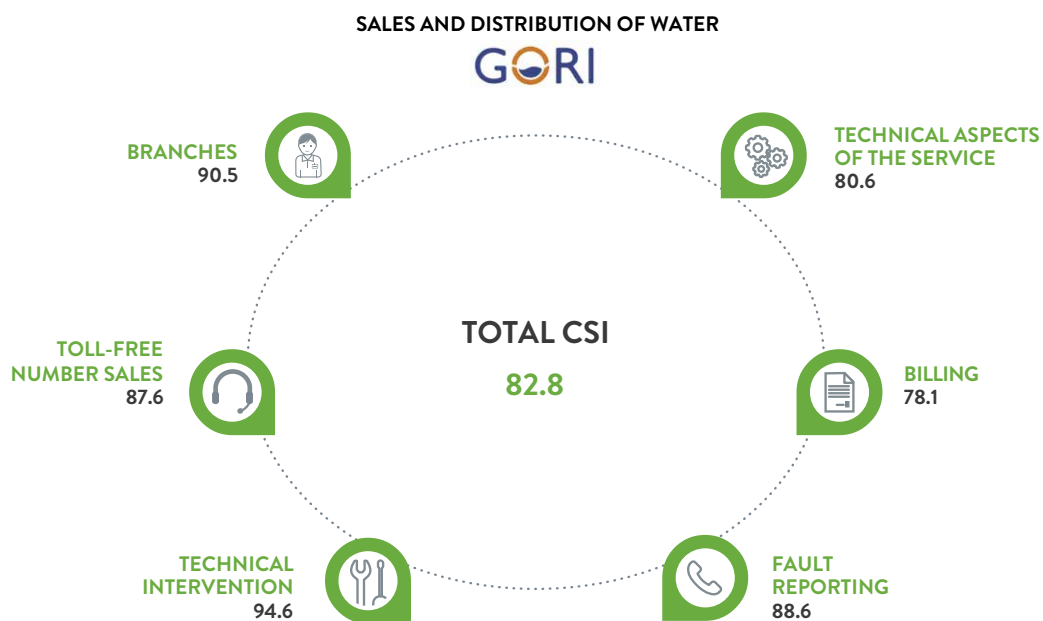
Customer satisfaction surveys were also conducted in some other municipalities in the province of Rome. The two semi-annual surveys in 2020 involved a sample of 1,001 residents, representative of all of the direct or apartment complex accounts present in the four “sentinel” municipalities – **Colleferro, Formello, Palestrina and Velletri** – within Optimal Territorial Area 2, Province of Rome. The **overall rating** recorded was **7.2 out of 10**, in line with the previous reporting cycle. **The overall satisfaction index for the service** (index 0-100), as the average of the two interim figures, **is high and equal to 90.2, an improvement** on the 83.9 reported in 2019; with regard to assessments of **individual aspects** of the service, they also seem to have improved, especially the “technical aspects” (92.2, against 89.3 in 2019) and “invoicing” (90.2, against 88.1 in 2019). As regards the satisfaction indices for the other aspects of the service, which were all positive and higher than in 2019 – “technical intervention” (100, against 83.4), “fault reporting” (88.7, against 75), “sales toll free number” (86.8, against 77.6) and “branch” (86.3, against 82.0) – the institute responsible for reporting has pointed out that the results are not very statistically representative and should be understood as qualitative.

CHART NO. 22 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN FROSINONE AND VICINITY (2020) (INDEX 0-100)



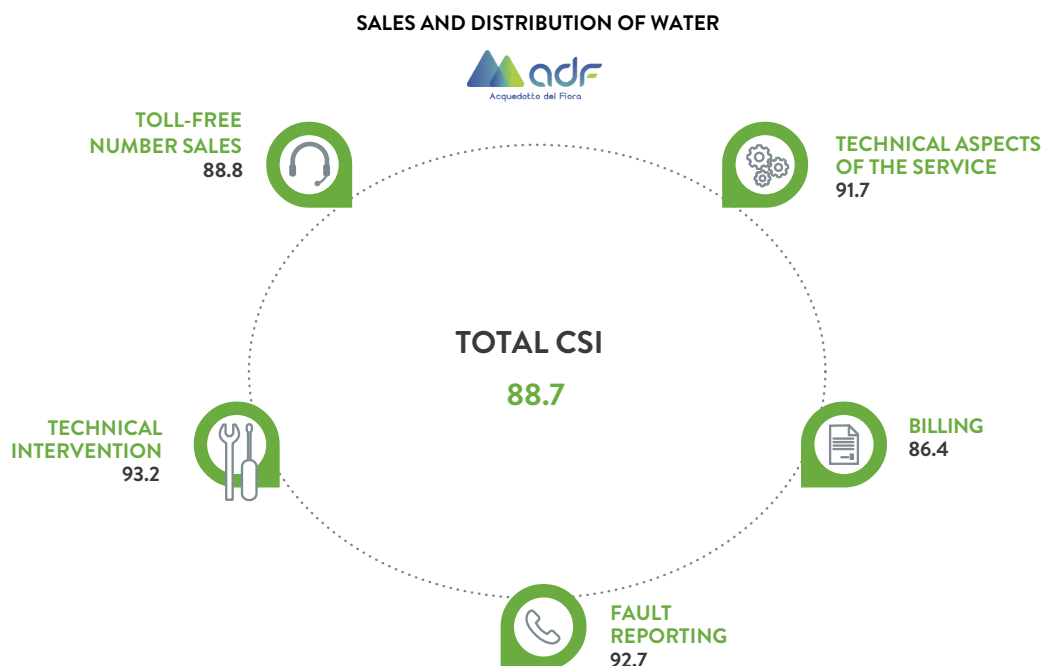
NOTE The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

CHART NO. 23 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN SARNESE VESUVIANO (2020) (INDEX 0-100)



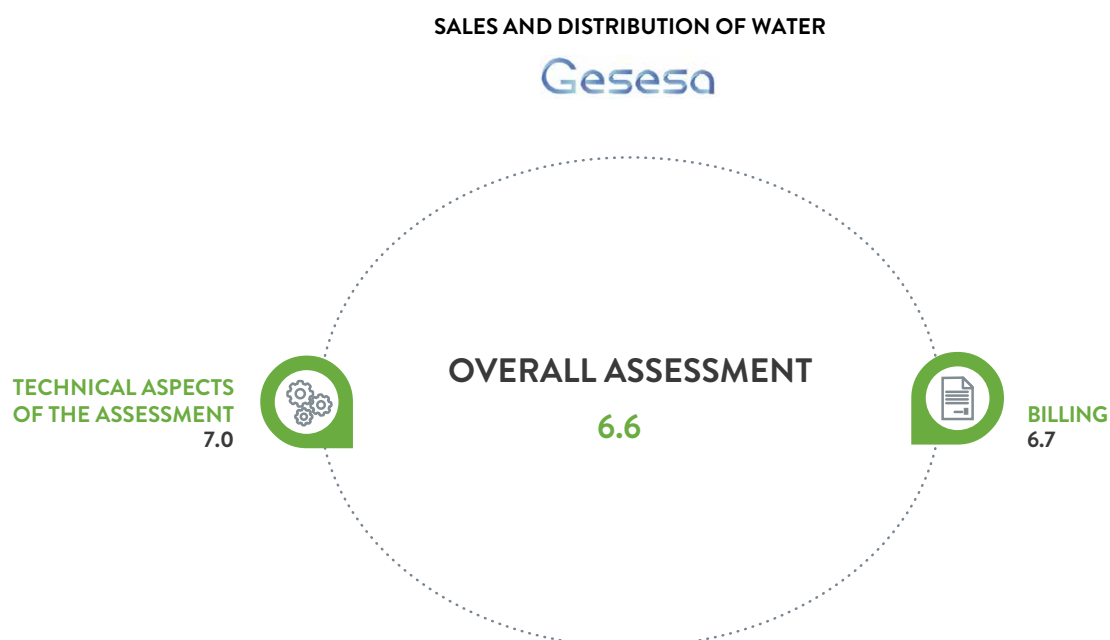
NOTE The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

CHART NO. 24 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN TERRITORIAL CONFERENCE NO. 6 “OMBRONE” (2020) (INDEX 0-100)



NOTE The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys. In 2020, the figures did not include the “branch” aspect of the service.

CHART NO. 25 – OVERALL ASSESSMENT AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN BENEVENTO AND VICINITY (2ND HALF 2020) (SCORE 1-10)



NOTE The opinions expressed on a scale of 1-10 and reported in the chart – on an overall basis and for individual aspects of the service – are the result of a singles survey conducted in the second half of 2020.

TABLE NO. 16 – RESULTS OF CUSTOMER SATISFACTION SURVEYS: ENERGY SALES AND DISTRIBUTION, PUBLIC LIGHTING SERVICE (2019-2020)

average of the two interim reports

	u. m.	2019	2020	
ELECTRICAL SERVICE – SALE OF ENERGY – ACEA ENERGIA				
STANDARD MARKET CUSTOMERS				
sales activity (CIS inclusive)	0-100	90.5	92.0	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
billing	0-100	92.4	90.5	
correctness of the amounts	%	91.6	90.4	
bill clear and easy to read	%	92.7	89.1	
internet website	0-100	95.0	90.8	
range of available operations	%	93.7	92.3	
ease of browsing	%	93.8	87.7	▼
sales toll free number	0-100	87.9	93.1	▲
operator's competence	%	87.4	92.9	▲
clarity of answers provided	%	87.0	92.9	▲
branch	0-100	90.6	93.5	
operator's competence	%	89.6	93.5	
clarity of the information provided	%	90.0	93.1	
FREE MARKET CUSTOMERS				
sales activity (CIS inclusive)	0-100	88.3	91.5	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
billing	0-100	87.2	90.0	
correctness of the amounts	%	85.9	88.7	
bill clear and easy to read	%	86.5	89.8	
internet website	0-100	93.4	93.2	
range of available operations	%	91.6	94.2	
ease of browsing	%	94.1	92.7	
sales toll free number	0-100	86.9	92.0	▲
operator's competence	%	86.8	91.9	▲
clarity of answers provided	%	86.8	92.0	▲
branch	0-100	93.4	93.9	
operator's competence	%	92.8	93.5	
clarity of the information provided	%	92.6	93.6	
ELECTRICAL SERVICE – ENERGY DISTRIBUTION – ARETI (ROME AND FORMELLO)				
distribution activity (CIS inclusive)	0-100	88.5	90.2	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service	0-100	95.7	95.3	
service continuity	%	95.6	95.2	
planned interruption	0-100	93.9	87.4	▼
correctness of information about recovery times	%	92.3	87.7	
prior notice of suspended supply	%	96.3	88.7	▼
fault reporting	0-100	83.5	86.4	
clarity of the information provided	%	83.0	86.7	
operator's courtesy and availability	%	89.2	90.4	
technical intervention	0-100	73.7	86.3	▲
technicians' competence	%	79.0	89.9	▲
intervention speed following the request	%	63.8	80.7	▲
PUBLIC LIGHTING SERVICE – ARETI (ROME AND FORMELLO)				
lighting service (CIS inclusive)	0-100	79.8	82.2	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service (*)	0-100	75.4	76.8	
(directly depending on Acea)				
service continuity	%	72.7	73.5	
(not directly depending on Acea)				
presence/network of the lighting service in the city	%	75.3	76.6	
fault reporting	0-100	85.9	90.1	
clarity of the information provided	%	84.1	89.1	▲
operator's courtesy and availability	%	86.8	91.8	▲

(*) The average of the assessments of the technical aspects dependent on and not dependent on Acea is shown below.

NOTE The table shows only the quality factors indicated as most important by the sample of interviewees in 2020, which may lead to consequent changes in the 2019 column. Furthermore, in the right hand column there are significant differences, equal to 5 points or more. In any case, it must be taken into consideration that the value indicating adequate customer satisfaction is equal or more than 75% (threshold value).

TABLE NO. 17 – RESULTS OF CUSTOMER SATISFACTION SURVEYS: WATER SERVICE (2019-2020)

average of the two interim reports

	u. m.	2019	2020	
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – ACEA ATO 2 (ROME AND FIUMICINO)				
water service (CIS inclusive)	0-100	89.3	91.0	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service	0-100	95.1	94.5	
<i>service continuity</i>	%	96.1	95.3	
billing	0-100	87.3	88.7	
<i>correctness of the amounts</i>	%	86.1	88.9	
<i>bill clear and easy to read</i>	%	87.9	87.4	
fault reporting	0-100	85.6	90.2	
<i>clarity of the information provided</i>	%	82.0	87.6	▲
<i>operator's courtesy and availability</i>	%	89.5	92.9	
technical intervention	0-100	85.1	90.2	▲
<i>intervention speed following the request</i>	%	78.1	84.8	▲
<i>technicians' competence</i>	%	87.8	91.5	
sales toll free number	0-100	88.6	91.0	
<i>operator's competence</i>	%	88.8	90.5	
<i>clarity of the information provided</i>	%	88.0	90.6	
branch	0-100	91.4	92.2	
<i>operator's competence</i>	%	90.7	91.7	
<i>clarity of the information provided</i>	%	90.4	91.1	
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – ACEA ATO 5 (MUNICIPALITIES WITHIN ATO 5 – FROSINONE)				
water service (CIS inclusive)	0-100	80.0	81.4	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service	0-100	74.9	77.2	
<i>service continuity</i>	%	74.8	77.0	
billing	0-100	72.6	77.6	▲
<i>correctness of the amounts</i>	%	71.2	77.0	▲
<i>bill clear and easy to read</i>	%	72.9	77.3	
fault reporting	0-100	90.2	92.3	
<i>clarity of the information provided</i>	%	89.7	93.3	
<i>operator's courtesy and availability</i>	%	93.7	94.6	
technical intervention	0-100	86.3	86.5	
<i>technicians' competence</i>	%	88.2	89.3	
<i>intervention speed following the request</i>	%	82.0	79.9	
sales toll free number	0-100	91.8	89.9	
<i>operator's competence</i>	%	91.3	90.6	
<i>operator's courtesy and availability</i>	%	94.8	92.6	
branch	0-100	94.1	93.0	
<i>operator's competence</i>	%	94.5	92.6	
<i>clarity of the information provided</i>	%	94.7	92.8	
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – GORI (MUNICIPALITIES WITHIN THE SARNESE-VESUVIANO DISTRICT AREA)				
water service (CIS inclusive)	0-100	80.0	82.8	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service	0-100	78.5	80.6	
<i>service continuity</i>	%	79.4	81.2	
billing	0-100	73.6	78.1	
<i>correctness of the amounts</i>	%	70.3	76.9	▲
<i>bills sent regularly</i>	%	79.2	82.8	
fault reporting	0-100	82.2	88.6	▲
<i>clarity of the information provided</i>	%	82.0	88.6	▲
<i>operator's courtesy and availability</i>	%	84.7	90.8	▲
technical intervention	0-100	90.5	94.6	
<i>problem-solving skills</i>	%	92.3	94.7	
<i>technicians' courtesy and availability</i>	%	93.5	96.4	
sales toll free number	0-100	87.3	87.6	
<i>clarity of the information provided</i>	%	89.5	89.8	
<i>operator's courtesy and availability</i>	%	90.7	91.3	
branch	0-100	91.4	90.5	
<i>clarity of the information provided</i>	%	92.2	90.9	
<i>operator's competence</i>	%	87.8	90.4	

TABLE NO. 17 – RESULTS OF CUSTOMER SATISFACTION SURVEYS: WATER SERVICE (2019-2020) (cont.)

WATER SERVICE – SALE AND DISTRIBUTION OF WATER – AdF ^(*) (MUNICIPALITIES FALLING WITHIN TERRITORIAL OPTIMAL CONFERENCE NO. 6 OMBRONE)

water service (CIS inclusive)	0-100	88.1	88.7
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
technical aspects of the service	0-100	90.1	91.7
service continuity	%	90.9	92.0
billing	0-100	84.0	86.4
correctness of the amounts	%	81.9	85.7
bill clear and easy to read	%	84.9	86.4
fault reporting	0-100	92.8	92.7
clarity of the information provided	%	91.4	90.8
operator's courtesy and availability	%	95.3	96.0
technical intervention	0-100	92.9	93.2
problem-solving skills	%	92.5	93.3
technicians' courtesy and availability	%	94.8	95.0
sales toll free number	0-100	90.1	88.8
operator's competence	%	89.8	88.5
clarity of the information provided	%	88.8	87.8

(*) For ease of comparison, data from the 2019 surveys have also been included for AdF, in the NFD perimeter from 2020. The calculation of the overall 2020 CSI for AdF was calculated net of the partial CSI at the branch, which was not surveyed in the year, by re-proportioning the weights of the other factors.

NOTE The table only shows the quality factors indicated as most important by the sample of interviewees in 2020, which may lead to consequential changes in the 2019 column. Furthermore, in the right hand column there are **significant differences, equal to 5 points or more**. In any case, it must be taken into consideration that the value indicating adequate customer satisfaction is equal or more than 75% (threshold value).

QUALITY DELIVERED

Acea oversees the **quality of services provided** with actions aimed at its constant improvement, through the training and updating of people, innovation applied to the management of processes, the renewal, expansion and increase of the resilience of infrastructure (networks and plants), also as a function of the mitigation of failures and timely restoration, the digitization of commercial channels and the improvement of all customer contact and communication channels.

The “quality delivered” is also measured via benchmarks defined by the sector authority or indicated in the service contracts and management agreements with local authorities, in particular:

- for the **Public Lighting** service, the contract between Acea and Roma Capitale regulates the qualitative parameters (performance standards);
- the **technical and commercial quality standards in the energy sector** (for both distribution and sales) and the **contractual and technical quality standards in the integrated water service** are defined and updated by the **Energy, Networks and Environment Authority** (ARERA) and, for the water sector, also by the local authorities.

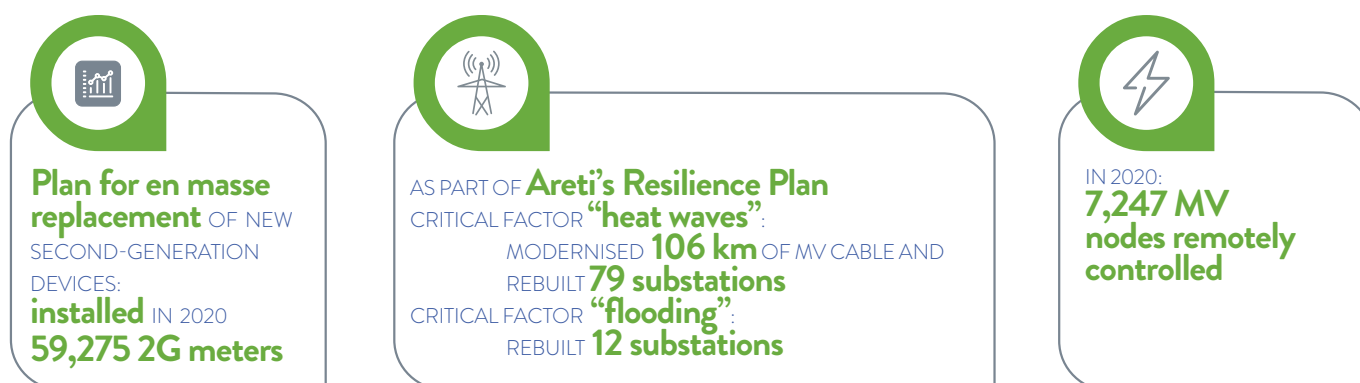
The **main regulatory interventions by ARERA** in 2020 for the electricity and water sectors are summarised in the *Group profile*, in the paragraph *Context analysis and business model*, to which reference should be made.

In addition to complying with the quality standards laid down by the regulation, Group companies operate in accordance with **UNI EN ISO certified management systems** based on a **rational approach of continuous improvement** (see also *Corporate identity*, in the paragraph *Management systems*).

QUALITY IN THE ENERGY SEGMENT

This section illustrates the quality aspects relating to **electricity distribution services** in the municipalities of Rome and Formello, and **public lighting** in the municipality of Rome, both managed by Areti³¹, are, for electricity sales, managed by Acea Energia, and Acea Innovation's entry into the marketing of smart services, see the section on *Customer Care*. The Company operates in compliance with the **QESE** (Quality, Environment, Safety and Energy) **Management System** for both the construction and management of distribution infrastructure and Public Lighting.

THE DISTRIBUTION OF ELECTRICITY



³¹ Areti holds the ministerial concession for the distribution of electricity in the areas indicated and manages public lighting under the Service Contract stipulated between Acea SpA and Roma Capitale.

Areti plans and carries out the **modernisation and expansion works on the electricity distribution network**, consisting of **high, medium and low voltage power lines, primary and secondary substations, and systems for the remote control and measurement of energy** drawn from and fed into the grid. The interventions take into account the objectives established by the national authority (ARERA), the progressive evolution of electricity applications, the increase in “prosumers”, new connections, etc., and **aim to make the infrastructures increasingly resilient, with an adequate and enabling network configuration for future scenarios.**

The **integrated development of the electricity grids** is defined in the **Master Plans** for the HV, MV and LV networks, which Areti implements through construction (and also decommissioning or demolition, and consequent containment of environmental impacts, in specific areas), transformation, modernisation, maintenance, etc. (see

table no. 18). The interventions carried out each year are aimed at **rationalising and upgrading the networks**, increasing transport capacity and margins for further use, **increasing their resilience** and **reducing network losses and voltage drops**, improving **service continuity**.

In 2020, as part of the implementation of the **Resilience Plan**³² **106 km of medium voltage cable at 20 kV** were upgraded and **79 secondary substation renovations** were carried out to **increase their resilience to the critical factor of “heat waves”**, and **12 secondary substation renovations** were carried out to **increase resilience to the critical factor “flooding”**. For the LV networks, **226 km** were put in place as part of the **overall network modernisation programme**, in preparation for the subsequent voltage change from 230 V to 400 V. In addition, **remote control was extended** to additional **secondary substations** and **reclosers**, for a **total of 7,247 remote-controlled MV nodes at 31.12.2020**.

TABLE 18 – MAIN INTERVENTIONS FOR THE MANAGEMENT AND DEVELOPMENT OF ELECTRICITY GRIDS AND SUBSTATIONS (2020)

type of work	HV lines and primary substations (PSs)
demolition of grid and supports	The demolition of the 150 kV Flaminia 2 – East Sorting 2 overhead line (22.58 km long and composed of 74 supports) continued in 2020 as well.
construction of grid and supports	construction of the new section of the new section of the 150 kV Roma Nord – San Basilio overhead line (4.08 km long and comprising 21 supports) and construction of the new section of the 150 kV Roma Nord – San Basilio underground cable line (3.4 km long) began.
station upgrading, expansion, renovation	interventions were carried out in 49 primary substations .
ordinary and extraordinary maintenance on PS station equipment	work was carried out on 126 high-voltage circuit breakers and 809 medium-voltage circuit breakers were serviced; 33 on-load tap changers of power transformers were overhauled and 72 high-voltage measuring transformers were replaced.
	HV and MV protection and measures
remote management	the following were prepared, calibrated and put into operation 48 new MV line bays ; checked 472 posts (51 HV posts and 421 MV posts) and 44 transformers (between HV/MV and MV/MV).
measures	earth resistance measurements were carried out on 2,930 secondary substations ; step and contact voltages and total earth resistance measurements were conducted on 56 substations (15 PSs and 41 SSs).
	MV and LV lines
modernisation and upgrading of MV networks (transformation from 8.4 kV to 20 kV) and LV networks (transformation from 230 V to 400 V)	242 km of 20 kV MV cable (13 km for expansion and 229 km for upgrading), including 106 km to increase resilience to “heat waves”, and 226 km of LV cable (55 km for expansion and 171 km for upgrading in preparation for voltage changeover) were installed .
ordinary and extraordinary maintenance	heloborne inspections were carried out for an extension of the overhead MV network equal to 437 km , in order to carry out specific interventions to replace equipment, supports, conductors, etc. necessary for the preservation and maintenance of the functionality of the systems.
	secondary substations (SSs) and remote control
construction, extension, reconstruction SS	1,174 secondary substations were built/upgraded/rebuilt (124 for new connections or power increases, 1,050 for upgrading to 20 kV, renewing equipment, setting up remote control), of which 91 substations were rebuilt to increase resilience to “heat waves” (79 substations) and “flooding” (12 substations).
ordinary and extraordinary maintenance on SS	503 extraordinary maintenance operations and 2,524 inspections on secondary substations were carried out.
remote control	remote control was extended to 406 secondary substations and 141 reclosers (7,247 MT nodes were remote controlled at 31/12/2020) and 5,990 maintenance operations were carried on TLCs and reclosers.

In 2020, Areti continued the initiatives defined in the plan of interventions to protect the primary and secondary substations, as part of the activities aimed at raising the **levels of security for the protection of infrastructures from cyber risks**, and started **analyses to identify integrated technological solutions to protect field equipment and detect any vulnerability of industrial network protocols**. In addition, **Quick SIEM** and **Blue Team** services were implemented to monitor the network infrastructure and manage incidents, ensuring security oversight in view of the establishment of the **Security Operation Center (SOC)**. See also the chapter

Institutions and Business for an in-depth analysis of research and innovation and the projects implemented.

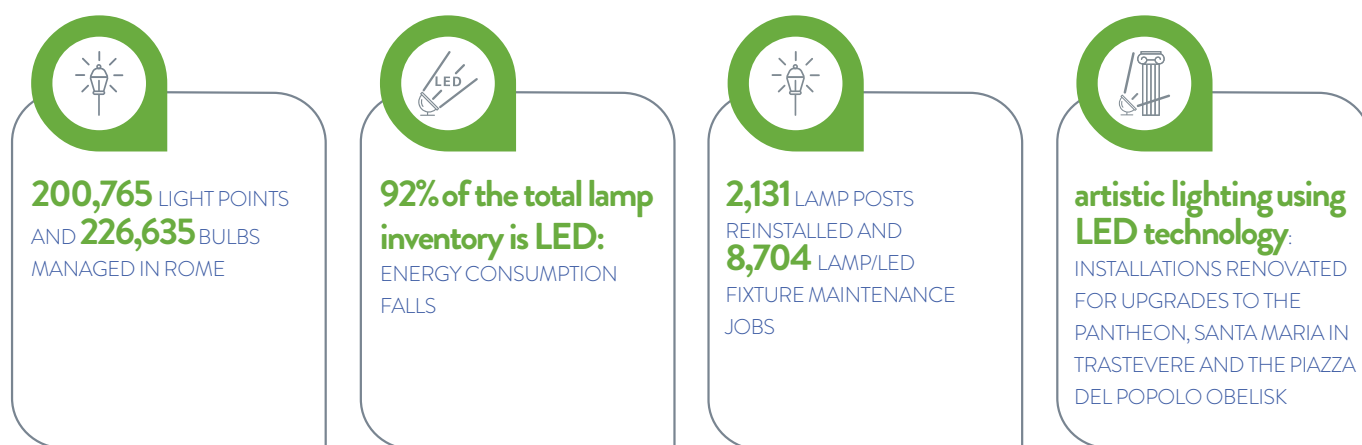
In **September 2020**, Areti launched the plan for the massive replacement of first-generation (1G) meters with second-generation (2G) ones, initially involving the territory of the IX Municipality of Rome and, progressively, the entire managed territory of Rome and Formello, **for an expected total of approximately 1.3 million 2G meters installed by 2024**. The features of the new meters provide customers with data that **promotes greater awareness of their**

³² Areti's Resilience Plan was submitted to ARERA in June 2019.

consumption and the **reduction of estimated billing**. The number of 2G meter installations carried out as of 31/12/2020 was **59,275**. The overall figure for the number of **1st and 2nd generation**

remotely managed digital meters installed at active low-voltage users, as of 31/12/2020, is **1,643,188**, corresponding to 99.72% of the total number of LV meters.

PUBLIC LIGHTING



Areti manages, by virtue of the *Service Agreement*³³ between Acea SpA and Roma Capitale, works on the **functional and artistic-monumental public lighting** infrastructures, for **about 200,700 lighting points** located on a territory with an extension of about 1,300 km².

The Company handles the **design, construction, operation, maintenance and renovation of lighting networks and installations**, and

plans interventions in accordance with the **instructions of the local government departments and supervisory departments**, which are responsible for new urban developments, redevelopment projects and cultural heritage.

In addition to the service provided to Roma Capitale, Areti also makes public and artistic lighting services available to other stakeholders (e.g. ecclesiastical bodies, hotels, etc.).

TABLE NO. 19 – PUBLIC LIGHTING IN ROME IN FIGURES (2020)

lighting points (no.)	200,765
monumental artistic lighting points (no.)	around 9,900
bulbs (no.)	226,635
MV and LV network (km)	8,011

In recent years the trend towards a reduction in consumption for public lighting has continued (see *The relationship with the environment; The use of materials, energy and water*) due, essentially, to the progressive modernisation of the systems with the installation of LED technology lamps; at 31.12.2020 there were **207,870 LED lamps, equal to approximately 92% of the total number of lamps** (see also the *Environmental Accounts*).

In addition, in 2020 the “**POLEDRIC**” project, for the development and implementation of an **innovative technological solution**, aimed at the creation of an “**intelligent pole**”, which will be applied to the public lighting poles of the city of Rome, contributing to the evolution towards the “smart city” (see the

chapter *Institutions and business, Commitment to research and innovation*).

Among the numerous interventions carried out during the year, we would like to mention, by way of example, the **new lighting of a number of parks and gardens** located in peripheral and central areas of the Capital, for the benefit and greater safety of citizens, including the **Don Cadmo Biavati Park**, the **Salvador Allende Park** and the **Piazza Mazzini garden**, including the fountain and the roadway, and among the functional projects, the modernisation and upgrading of the **Lungotevere della Vittoria** and the **Via di Val Gardena** project (see box).

³³ By Resolution of the City Council no. 130 dated 22 December 2010 regarding the *Updating of the Service Agreement between Roma Capitale and Acea SpA*, effective 15 March 2011, the agreement was extended to 31.12.2027.

LIGHTING WORKS IN PARKS AND GARDENS

The new lighting for **Parco don Cadmo Biavati**, located in the **Centocelle** district, was financed with funds from the 2019 Light Quality Plan. The works, carried out in 2020, were completed in thirty days and entailed the laying of **more than 5 km of cable**, the **installation of 90 posts** of different heights, from 6 metres up to 12 metres above ground, and **120 fixtures**, for an overall installed power of 8,750 W. The installation of this lighting in the area of the park, **which was completely devoid of lighting**, is included within a broader project for the **redevelopment of urban and green spaces** in the Centocelle district, to make those spaces increasingly enjoyable for visitors and residents.

The **Tor Vergata archaeological park**, called **Parco Salvador Allende**, with trails covering 11 hectares, was equipped with a new public lighting system made up of **65 posts and garden fixtures** with a total power of 3,500 W and the laying of more than 1.5 km of cable. The new lighting, the work for which was completed in November 2020, has contributed to improving the perception of safety among visitors to the park.

Lastly, the **lighting system for the road and the garden in Piazza Mazzini**, which lies in a central area of the city (Prati district), was **renovated and upgraded** by replacing the existing light points with new ones using LED-technology, and supplementing them

with additional posts. In particular, the old C40-type posts with Roma-type fixtures, dedicated to lighting the street, were redistributed with the addition of 8 new posts of the same type; 15 x 50 W fixtures on the posts present in the central area of the piazza were replaced with new better performing (114W) fixtures. In the garden area, the existing system, made up of 4 old Villa Umberto-type posts with Campidoglio-type LED fixtures, was inadequate and therefore 8 new light points of the same type were added, while **the fountain, which did not have lighting, was equipped with 28 underwater spotlights**. More than 3,500 W of power has been added to the system overall.

FUNCTIONAL INTERVENTIONS ON LUNGOTEVERE DELLA VITTORIA AND VIA DI VAL GARDENA

The project to modernise and upgrade **Lungotevere della Vittoria** arose from the need to fit a **poorly lit and very congested** section of road with adequate installations. The street is bordered by Piazzale Maresciallo Giardino to the west and Piazza del Fante to the east, and is made up of two two-way carriageways separated by a traffic island, two pavements, a cycle lane and a spine-formation parking area. The section is also framed by a high backdrop and thick trees. The work entailed

the replacement of 26 light fixtures with new higher-performing bulbs, the **replacement of 4 posts** with the same number “in style” and **the installation of 20 new light points which made it possible to double the existing availability**: the new posts were in fact counter-positioned, with posts placed on both sides of the road, achieving the goal of adequate lighting.

Via di Val Gardena, located in the Camilluccia district, connects Cassa Antica to

Via dell’Acqua Traversa, where the Navy barracks are located, and the Villaggio dei Cronisti area. Although it is an internal road, it is also rather congested. The work entailed the installation of a **new public lighting system** to replace the pre-existing system; **19 posts** were installed to a height of 8 metres above ground and equipped with functional fixtures pointing to the street, for a total power of about 1000 W.

Areti has **consolidated expertise in artistic and monumental lighting**, and in 2020 its activities focused on the renovation of existing installations at sites of particular importance, including the **Pantheon**, **Santa Maria in Trastevere**, the **Linear Park of the Aurelian Walls**, the **Trofei di Mario** (the monumental archaeological structure located in the garden of Piazza Vittorio Emanuele II) and the **the obelisk in Piazza del Popolo** contributing to enhance its beauty for the benefit of citizens and visitors (see box below). It is also worth mentioning the numerous **special**

illuminations, with **the projection of the highly symbolic national tricolour** on the institutional premises, throughout the period marked by the Covid-19 health emergency, which is still ongoing (see also, in the chapter *Customers*, in the paragraph *Communication, events and solidarity*).

Every year, Areti carries out **efficiency and safety upgrades** at lighting points, as well as **scheduled and extraordinary maintenance** on the installations (see table no. 20).



TABLE NO. 20 – MAIN INTERVENTIONS FOR IMPROVED EFFICIENCY, SAFETY, REPAIRS AND MAINTENANCE (2020)

TYPE OF WORK	(no.)
actions to improve energy efficiency/technological innovation (fixture replacement)	922 light points replaced (not including new LED installations)
safety measures	3,305 lighting points made safe
checking corrosion on lamp posts	33,098 supports verified (functional and artistic)
LED lamp reinforcement/maintenance	8,704 maintenance jobs
reinstalling lamp posts that were corroded or knocked down due to accidents	2,131 lamp posts reinstalled

NOTE The table includes operations carried out for the Municipality of Rome and third parties.

Acea monitors the **quality parameters of the public lighting service** with regard to the **repair time of faults**, calculated from the time the report is received³⁴. The **performance standards** are **expressed by an average allowable restoration time (TMRA)**, within which repairs should be carried out, **and a maximum time (TMAX)**, beyond which a **penalty system** is triggered³⁵.

For the **2020 performance** relating to the **average recovery time (TMR)** of the **functionality of the plants**, for the various types of failure, table no. 21 shows the best estimate available, since at the time of publication of this document, the data are in the process of being consolidated; all the performances are below the average restoration time allowed by the contractual standards.

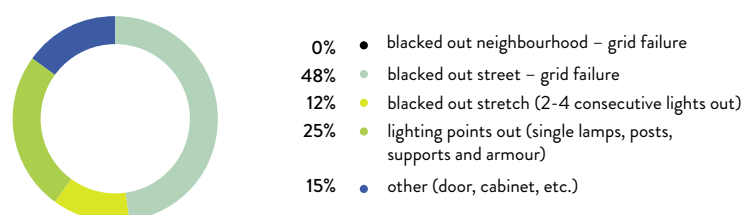
TABLE NO. 21 – PUBLIC LIGHTING FAULT RECOVERY: FINES, STANDARDS AND ACEA PERFORMANCE (2019-2020)

TYPE OF FAULT	DAILY PENALTY FOR DELAYS (euro)	STANDARD CONTRACTUAL SERVICE ^(*)		ACEA SERVICE	
		TMRA (average permitted recovery time) (working days)	TMAX (maximum recovery time) (working days)	TMR (average recovery time) (working days)	
				2019	2020
blacked out neighbourhood – MV grid failure	70	1 day	1 day	< 1 day	< 1 day
blacked out street – MV or LV grid failure	50	5 days	8 days	1.9 days	1.9 days
blacked out stretch (2-4 consecutive lights out)	50	10 days	15 days	8.4 days	8.4 days
lighting points out: single lamps, posts, supports and armour	25	15 days	20 days	11.9 days	8.9 days

^(*) Consistent with previous years, data were monitored in compliance with provisions under Annex D/2 to the 2005-2015 Service Agreement between the Municipality of Rome and Acea SpA.

Control systems, such as remote management, detect the fault situation, which can **also be reported** via contact channels (call centre, app, web, fax or letter)³⁶. **In 2020, 19,278 fault reports³⁷ were received** and **96%** of them were followed up within the year. The **percentage distribution of the total number of reports received by**

type of fault is shown in chart 26. The most significant incidents concern “blacked out street”, in relation to a “network fault” (48%) and “lighting point out” (25%), with the lowest impact in terms of safety. “Blacked out stretch” is more contained (12%). During the year there have been no cases of “Blacked out neighbourhood” due to grid failure.

CHART NO. 26 – TYPES OF PUBLIC LIGHTING FAULTS OUT OF TOTAL REPORTS RECEIVED (2020)


³⁴ For the purpose of calculating service levels, reports pertaining to damages caused by third parties are not be considered.

³⁵ Fines are calculated using the following criteria: each repair completed beyond the TMAX will be sanctioned; repairs completed within the TMAX but exceeding the TMRA will be sanctioned only if TMR > TMRA. At the time of publication of this document the data is not yet definitive, therefore the accurate data on 2020 reports subject to fines being calculated is not available.

³⁶ More detailed information on call centre performance and written complaints is provided in the Customer Care section.

³⁷ The data excludes reminders and repeated reporting of the same fault.

As mentioned, **Acea contributes to the enhancement of the monumental heritage of the capital** in agreement with the relevant authorities, with about **9,900 light fixtures** for

artistic lighting. The main **interventions of the year**, already mentioned at the beginning of the paragraph, are illustrated in a separate box.



THE ARTISTIC LIGHTING WORKS INCLUDE: THE PANTHEON, SANTA MARIA IN TRASTEVERE, THE “TROFEI DI MARIO”, THE PIAZZA DEL POPOLO OBELISK AND OTHER SITES OF SIGNIFICANCE

In 2020, the artistic lighting work affected **sites of extraordinary significance** and notoriety. These included the **Pantheon**, for which Areti, with the support of Roma Capitale, renovated the installations in place for the upgrading the monument. The project entailed the **replacement of 83 spotlights** in the system built in the 1990s, now obsolete and difficult to maintain, **with 150 latest-generation LED-technology fixtures**. Notwithstanding the larger number of fixtures used, **the absorbed power fell from around 10 kW to around 5 kW**, with a 50% electricity saving. The semi-grazing lighting, with neutral light in the covered walkway and the spot lighting on pediment and architrave contribute to reconstructing the urban backdrop. The inside of the pronaos was lit with warm light. As regards the roundabout, the uniform light emphasises the division into horizontal bands, while lighting to accent architectural features is added to this technical lighting scheme. The important innovation that was introduced is the **light control system** using DALI-WiFi protocol, which makes it possible to **calibrate the light intensity of each individual light point upon installation and program various lighting scenarios**.

At **Santa Maria in Trastevere** the Basilica's

artistic lighting system was renovated with **57 new LED spotlights**. In addition to the introduction of the **light control system** using the same protocol as mentioned previously for the Pantheon, the novelty of this project consisted of the construction of **a system architecture separate from the light points existing in the piazza** (posts and shelves). In fact, an essential design technical post was built, containing all of the spot lights to be used to light the facade; in terms of the technical lighting, a high level of uniformity was reached on the various perspective planes of the Basilica facade and bell tower, also lit internally with warm light. The new lighting system favours better visual comfort and the achievement of a significant saving in terms of nominal power used: from 6.5 kW previously to 2 kW in the new system.

The works promoted by Roma Capitale also include the Project for the **Mura Aureliane Linear Park** on the Porta Metronia and via Numidia stretch. The existing system had been subject to vandalism and large portions of it had no power supply. Thanks to the **replacement of the existing recesses with LED-technology fixtures and latest-generation high-end components**, the nocturnal urban backdrop provided by the walls was reconstructed, with another energy sav-

ing of more than 60% (from 9,895 W to 3,703 W). In the more extensive project to **upgrade the Piazza Vittorio Emanuele II gardens**, Areti restored and upgraded the existing public lighting installations and also built the **new light designed to improve the monumental archaeological structure known as the “Trofei di Mario”, the Fontana del Glauco fountain and the new Fontana degli Zampilli fountain**. The dedicated Trofei di Mario lighting system was redesigned with smaller LED spotlights installed so they cannot be seen by visitors. The existing system, made up of 21 discharge spotlights was **replaced with 32 LED spotlights**, obtaining a 70% energy saving.

Lastly, **extraordinary maintenance was carried out on the Piazza del Popolo obelisk lighting system**. In particular, the existing spotlights with sodium-vapour lamps were **replaced by 4 LED-technology spotlights and precision optics**. The 3000 K choice of colour temperature and a high colour rendering (CRI 90) enhance the monument by emphasising the chromatic features of the material and making it easier to see the hieroglyphics. Although the number of spotlights used has increased, a considerable energy saving (about 65%) was obtained, with a reduction from 1,000 kW to 360 kW.

THE QUALITY LEVELS REGULATED BY ARERA IN THE ELECTRICITY SECTOR

The **Regulatory Authority for Energy, Networks and the Environment (ARERA)** defines, at a national level, the **commercial quality** standards (i.e. the timing of the technical-commercial services requested by customers, such as estimates, work on connections, activation/deactivation of the supply, response to complaints) and **technical** quality standards (continuity of supply) **of the electricity service; it periodically reviews them**, directing operators to constantly improve performance.

Commercial quality is divided into “**specific**” and “**general**” levels³⁸, for the **distributor** (differentiated for low and medium voltage supplies) and for those of the **seller** (see tables nos. 22, 23 and 24).

Every year **Acea communicates to ARERA the results achieved and includes them in the bill it sends to its customers.**

The **2020 commercial and technical quality results**³⁹ related to the **distribution** and metering, as disclosed herein, represent **the best estimate available**⁴⁰ at the time of writing and may not coincide with those submitted to ARERA as part of the annual reports.

As regards the “**specific**” levels of **commercial quality**, there was a significant improvement in the indicator of compliance in respect of the punctuality of appointments with customers, at all voltage levels, and a worsening in the execution of simple works for the low voltage connections of domestic and non-domestic customers, as well as for the deactivation of the supply on request of medium voltage end customers. The other performances follow last year’s positive trend. Regarding “**general**” levels concerning responses to written complaints/inquiries, there has been a deterioration in performance compared to 2019, due to the effects of the Covid-19 outbreak on field operations, with the reduction or suspension of some activities, such as the collection of measurement data by operators, and the consequent increase in complaints (see table no. 22).

Automatic compensation to customers⁴¹ to be paid in case of non-compliance with “specific” quality levels, start from a basic amount,⁴² which can be doubled (if the timing of the activities exceeds the standard between two and three times) or tripled (if the timing exceeds the standard by three times).

With regard to the quality of the **sales** service, it should be noted that in 2020 **Acea Energia fully aligned the processing of written complaints with the current volumes received**, reducing the occurrence of “backlog” volumes to residual cases characterised by particularly complex resolutions. This resulted in a further increase in the percentages of **compliance with the standards** set by ARERA, already recorded last year, and a compression of the maximum times within which services must be provided (see table no. 23), as well as a significant reduction in the amount of compensation to be paid to end customers.

With **reference** to Areti’s performance relative to the incentive regulation of the **duration** and **number of interruptions without prior notice** for **low-voltage users**, the data relative to the 2020 – summarised in table no. 24 – indicate that in the urban area characterised by the highest degree of concentration of users (so-called high concentration territorial area), the continuity of the service was guaranteed with a better quality compared to last year. There has also been a significant improvement in results in the peripheral and rural areas, except for the average number of interruptions recorded in medium concentration.

In addition to the indicators described above, the electricity distributor is also required to comply with specific levels of service continuity with reference to **medium voltage users** for which automatic compensation will be paid⁴³ in cases where the number of interruptions during the year exceeds a defined standard. Finally, separately for **medium and low voltage users** in the event of failure to comply with the maximum power restoration times, there is an additional reimbursement to be paid by the distribution Company to each user that is disconnected for more than 8 hours.

³⁸ “Specific quality standards” are defined as the deadline within which the service provider must provide a given service and, in the event of non-compliance, they require that automatic compensation is granted to customers; the “general quality standards” are defined as the minimum percentage of services to be provided within a given deadline.

³⁹ Integrated Test on the output-based regulation of electricity distribution and measurement services – Annex A to ARERA resolution 646/2015/R/eel as subsequently amended and supplemented.

⁴⁰ This is due to the misalignment between the delivery times of reports to the Authority and those required by law for the publication of this document.

⁴¹ Where due, automatic compensation is paid to the customer by deduction from the amount charged in the first subsequent bill and if needed in following bills, or paid by direct remittance. In any case, such automatic compensation must always be paid to the customer within 6 months from the date of receipt of the written complaint or the request for reimbursement of double billing, with the exception of customers who are billed quarterly, for which the term is set at 8 months. For distribution activities, automatic compensation is paid by the distributor to the service recipient within 7 months from the date on which the required service is provided.

⁴² The amount set by the Authority for compensation for non-compliance with the specific quality standards for the distribution service starts from a basic amount of € 35 for domestic low voltage customers; € 70 for non-domestic low voltage customers and € 140 for medium voltage customers. In the event of non-compliance with the specific quality standards of the sale, the seller shall pay the final customer an automatic compensation of € 25. Compensation grows in relation to the delay in the provision of the service.

⁴³ In order to be entitled to compensation, medium voltage customers must prove that they have installed protection devices at their plants that can prevent any interruption caused by faults in their utility plants from having repercussions on the Areti network, damaging other customers connected nearby. Furthermore, they must send their own plant adequacy statement, issued by parties with specific technical and professional expertise. Where customers fail to meet the requirements whereby compensation may be sought, that amount is paid by Areti as a fine to the Energy and Environmental Services Fund.

TABLE NO. 22 – MAIN SPECIFIC AND GENERAL LEVELS OF COMMERCIAL QUALITY – ENERGY DISTRIBUTION (2019-2020)
– (ARERA parameters and Areti performance – 2019: data submitted to ARERA; 2020: estimated data)

ENERGY DISTRIBUTION

SPECIFIC LEVELS OF COMMERCIAL QUALITY

SERVICES	ARERA PARAMETERS – maximum time by which the service must be performed	average actual completion time for services	percentage of services carried out within time limit	average actual completion time for services	percentage of services carried out within time limit
		2019		2020	
LOW VOLTAGE (LV) SUPPLIES					
DOMESTIC CUSTOMERS		ARETI'S PERFORMANCE			
estimates for work on LV networks (ordinary connections)	15 working days	7.34	96.95%	8.09	95.38%
completion of simple work (ordinary connections)	10 working days	8.38	85.25%	10.51	73.40%
completion of complex works	50 working days	15.79	96.94%	13.44	96.15%
supply activation	5 working days	1.37	96.71%	1.20	97.38%
deactivation of supply on customers request	5 working days	0.85	98.50%	1.07	97.38%
reactivation of supply following disconnection for late payment	1 working day	0.04	99.69%	0.05	99.56%
resumption of the supply following faults of the metering equipment (requests sent during business days from 08:00 to 18:00)	3 hours	2.18	81.42%	2.80	68.10%
resumption of the supply following faults of the metering equipment (requests sent during non-business days or from 18:00 to 08:00)	4 hours	2.25	89.87%	2.52	87.54%
maximum punctuality band for appointments with customers	2 hours	n.a.	87.37%	n.a.	91.46%
NON-DOMESTIC CUSTOMERS		ARETI'S PERFORMANCE			
estimates for work on LV networks (ordinary connections)	15 working days	7.38	96.66%	8.21	95.51%
completion of simple work (ordinary connections)	10 working days	9.61	83.20%	11.47	72.55%
completion of complex works	50 working days	16.38	94.34%	16.66	94.59%
supply activation	5 working days	2.29	92.74%	2.12	93.97%
deactivation of supply on customers request	5 working days	8.13	94.88%	2.41	95.46%
reactivation of supply following disconnection for late payment	1 working day	0.12	99.57%	0.08	99.42%
resumption of the supply following faults of the metering equipment (requests sent during business days from 08:00 to 18:00)	3 hours	2.52	75.68%	2.90	67.04%
resumption of the supply following faults of the metering equipment (requests sent during non-business days or from 18:00 to 08:00)	4 hours	2.51	89.22%	2.35	86.45%
maximum punctuality band for appointments with customers	2 hours	n.a.	89.75%	n.a.	91.61%
MEDIUM VOLTAGE SUPPLIES (MV)					
END CUSTOMERS		ARETI'S PERFORMANCE			
estimates for work on MV networks	30 working days	16.59	89.19%	13.38	93.20%
completion of simple work	20 working days	5.38	100.00%	17.68	90.91%
completion of complex works	50 working days	19.79	97.62%	18.31	90.63%
supply activation	5 working days	5.45	70.97%	5.44	77.78%
deactivation of supply on customers request	7 working days	8.44	76.00%	12.85	69.70%
reactivation of supply following disconnection for late payment	1 working day	0.76	85.71%	1.00	82.35%
maximum punctuality band for appointments with customers	2 hours	n.a.	84.83%	n.a.	91.50%

TABLE NO. 22 – MAIN SPECIFIC AND GENERAL LEVELS OF COMMERCIAL QUALITY – ENERGY DISTRIBUTION (2019-2020)
– (ARERA parameters and Areti performance – 2019: data submitted to ARERA; 2020: estimated data) (cont.)

GENERAL LEVELS OF COMMERCIAL QUALITY

SERVICES	ARERA PARAMETERS – minimum percentage of services to be performed within a maximum time	average actual completion time for services	percentage of services performed within the maximum time	average actual completion time for services	percentage of services performed within the maximum time
		2019		2020	
LOW VOLTAGE (LV) SUPPLIES					
DOMESTIC CUSTOMERS		ARETI'S PERFORMANCE			
reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	30.76	82.88%	40.03	59.56%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	52.96	65.01%	67.68	53.43%
NON-DOMESTIC CUSTOMERS		ARETI'S PERFORMANCE			
reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	26.95	82.96%	44.87	56.44%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	49.98	63.62%	63.03	53.66%
MEDIUM VOLTAGE SUPPLIES (MV)					
END CUSTOMERS		ARETI'S PERFORMANCE			
reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	11.21	95.09%	23.98	78.59%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	52.05	56.41%	150.08	25.00%

NOTE The symbol “/” is used when services were not requested during the year, “n.a.” means the data are not applicable.

TABLE NO. 23 – MAIN SPECIFIC AND GENERAL LEVELS OF COMMERCIAL QUALITY – ENERGY SALES (2019-2020) – (ARERA parameters and Acea Energia performance – data submitted to ARERA)

ENERGY SALES

SPECIFIC LEVELS OF COMMERCIAL QUALITY^(*)

SERVICES	ARERA PARAMETERS – maximum time by which the service must be performed	percentage of services carried out within time limit	percentage of services carried out within time limit
		2019	2020
MORE PROTECTED SERVICE		ACEA ENERGIA PERFORMANCE	
billing adjustments	60 calendar days	50.0%	50.0%
double billing adjustments	20 calendar days	/	/
reasoned reply to written complaints	30 calendar days	79.0%	90.7%
FREE MARKET		ACEA ENERGIA PERFORMANCE	
billing adjustments	60 calendar days	40.0%	42.9%
double billing adjustments	20 calendar days	/	/
reasoned reply to written complaints	30 calendar days	82.6%	88.7%

GENERAL LEVELS OF COMMERCIAL QUALITY

SERVICES	ARERA PARAMETERS – minimum percentage of services to be performed within a maximum time	percentage of services performed within the maximum time	percentage of services performed within the maximum time
MORE PROTECTED SERVICE		ACEA ENERGIA PERFORMANCE	
reply to written enquiries	95% within 30 calendar days	100.2%	99.6%
FREE MARKET		ACEA ENERGIA PERFORMANCE	
reply to written enquiries	95% within 30 calendar days	99.4%	99.3%

^(*) Free market and more protected service customers with low and medium voltage supplies, and end customers of low-pressure natural gas (predominantly domestic customers and small businesses) receive an automatic compensation calculated on a base value of € 25 if standards are not met. The symbol “/” is used when services were not requested during the year, “n.a.” means the data are not applicable.

TABLE NO. 24 – SERVICE CONTINUITY DATA – ENERGY DISTRIBUTION (2018-2020) – (ARERA parameters and Areti performance – 2018-2019: data certified by ARERA; 2020: provisional data)

ENERGY DISTRIBUTION – CONTINUITY INDICATORS – LV CUSTOMERS

DURATION OF DISRUPTIONS AND PERCENTAGE CHANGES

SERVICES	average cumulative duration of long disruptions without prior notice under the operator's responsibility per LV customer per year (minutes)			percentage changes	
	2018	2019	2020	2020 vs. 2018	2020 vs. 2019
high concentration	43.61	43.81	42.31	-2.98%	-3.42%
medium concentration	50.02	60.15	51.97	3.90%	-13.60%
low concentration	54.44	66.35	47.63	-12.51%	-28.21%

AVERAGE NO. OF DISRUPTIONS AND PERCENTAGE CHANGES ^(*)

SERVICES	average no. of disruptions without prior notice under the operator's responsibility per LV customer per year			percentage changes	
	2018	2019	2020	2020 vs. 2018	2020 vs. 2019
high concentration	1.99	2.02	1.87	-6.03	-7.43%
medium concentration	2.19	2.52	2.59	18.26%	2.78
low concentration	3.01	3.33	3.06	1.66%	-8.11%

(*) The yearly average number of disruptions per low voltage customer considers both lasting disruptions (> 3 minutes) as well as short disruptions (≤ 3 minutes but longer than 1 second).

NOTE The three territorial areas are defined on the basis of the degree of concentration of the resident population: more than 50,000 inhabitants is defined as "high concentration"; between 5,000 and 50,000 inhabitants is defined as "medium concentration"; less than 5,000 inhabitants is defined as "low concentration".


QUALITY IN THE WATER AREA



115 Water Kiosks ACTIVE IN THE COMMUNITIES
MANAGED BY ACEA ATO 2 AND GORI: ABOUT **27.7 million litres of water supplied**, EQUAL TO **554 tonnes of plastic/year saved** AND **968 tonnes of CO₂** NOT EMITTED INTO THE ATMOSPHERE



Water safety plans – WSPs:
ACTIVITIES COMMENCED by all Companies in the water segment



Proteus NB-IoT:
30,000 meters WITH REMOTE READING CAPABILITIES INSTALLED (AS AT 31.12.2020)

Through subsidiaries and investee companies, the Acea Group manages the integrated water service (IWS) in several Optimal Areas of Operations (OTA) or District Areas of Lazio, Tuscany, Campania and Umbria.

Below, in line with the reporting boundary (see *Communicating sustainability: methodological note*), we describe the activities carried out in **Lazio**, **Campania** and **Tuscany** by the following companies:

- **Acea Ato 2**, in OTA 2 – Central Lazio (Rome and 111 other municipalities, of which 79 are managed⁴⁴ by Acea Ato 2, equal to about 94% of the population in the area), the Group's "historical" area of operation⁴⁵ with a pool of residents served, in 2020, of over 3.7 million;
- **Acea Ato 5**, in OTA 5 – southern Lazio – Frosinone (86

municipalities managed⁴⁶ in the area of Frosinone and vicinity, equal to about 95% of the population), for about 468,000 residents served;

- **Gori** operates in the Sarnese Vesuviano district (in 76 municipalities – 59 in the province of Naples and 17 in the province of Salerno – of which 74 are managed), with approximately 1.4 million residents served;
- **Gesesa** operates in the OTA – Calore Irpino (22 municipalities managed, in the area of Benevento and province), with about 117,000 residents served;
- **AdF** – in the reporting perimeter from this year – operating in the OTA 6 Ombrone that includes 55 municipalities (28 in the province of Grosseto and 27 in the province of Siena) with a population of about 383,000.

⁴⁴ In 79 municipalities, equal to about 94% of the population in OTA 2 – Central Lazio, Acea Ato 2 managed the entire IWS (aqueduct, sewerage and waste water treatment), and the IWS was partially managed in another 18 municipalities.

⁴⁵ Acea was entrusted with the running of the capital's aqueduct service since 1937, the water treatment system since 1985 and the entire sewerage system since 2002, effective 1st January 2003.

⁴⁶ Including the management of two municipalities outside the area (Conca Casale and Rocca d'Evandro).

The five companies⁴⁷ represent, cumulatively, **about 71% of the population served in the water sector by the entire Group.**

The integrated water service (IWS) involves **the entire cycle of drinking water and wastewater**, from the collection of water from the springs until its return to the environment, and is regulated by a **management agreement signed between the Company that takes charge of the service and the Area Authority** (AGB – Area Governing Body). ARERA has defined the essential minimum contents that are uniform throughout the country, of the **“Model Convention” which regulates relations between the entrusting bodies and the service operators.** For the main regulatory interventions in the water sector undertaken during the year by ARERA, see paragraph *Context analysis and business model* (Group Profile chapter), and for more details see the Authority’s website.

The **integrated water service charter**, annexed to the Agreement, defines the **general and specific quality standards** that the operator must respect in relation to the users, in compliance with the ARERA Resolutions on **contractual quality and technical quality aspects.** The **User Regulations**, also annexed to the Agreement, govern the **relationship with customers**, establishing the technical, contractual and economic conditions that are binding for the operator **in the provision of services.** For the **contractual quality performance** of water companies, see below the sub-section *Levels of quality regulated by ARERA in the water segment.*

The **management activities** of the integrated water service, though closely related and therefore allowing **an optimal definition of the processes**, must relate to **situations that are very diversified** from the standpoints of sale, demographics, geomorphology and hydrology **of the regions served,**

which also have an impact on the infrastructure to be implemented. The companies operate in compliance with the procedures of the **certified management systems**, in particular, for Acea Ato 2, Acea Ato 5 and Gesesa in the areas of Quality, Environment, Safety and Energy, for Gori in the areas of Quality, Environment and Safety and for AdF in the areas of Quality and Safety (see, for further details, *The corporate identity, The management systems*).

CONSISTENCY, INTERVENTIONS AND REMOTE CONTROL

All companies are progressively **digitising the networks**, with **studies, field surveys and data entry in the georeferenced information system (GIS).** In particular, at 31.12.2020, **Acea Ato 2 has about 85% of the networks traced in the GIS system; Acea Ato 5** has digitised **about 3,800 km** of the water network at 31.12.2020 and has almost completed, in 2020, the surveys on another 1,100 km (22 municipalities), as part of the four-year plan to complete the surveys and mapping in GIS of the networks of all the municipalities managed. **Gori and Gesesa** have georeferenced the stocks shown in table 25 and are continuing to survey and update the data; in particular, Gesesa has already georeferenced the **water sites** (wells, springs, reservoirs/partitions) and the **sewage lifting and treatment plants**, including their functional diagrams.

In 2020, **AdF** completed a **census of the sewerage network** in all the municipalities it manages, surveying 1,731 km and about 30,000 wells during the year; it also started a project to include the P&I (Piping & Instrumentation Diagram) of the plants in the georeferencing system (for 280 new P&Is included in 2020).

TABLE NO. 25 – WATER MAINS AREAS 2020 (georeferenced data)

COMPANY	DRINKING WATER NETWORK (km)	SEWERAGE NETWORK (km)
Acea Ato 2	12,764 (723 km of aqueduct, 1,111 km of supply network and 10,930 km of distribution)	5,958 (more than 4,000 of which for Rome)
Acea Ato 5	5,884 (1,218 km of supply network and 4,666 km of distribution network)	1,619
Gori	5,141 (869 km of supply network and 4,272 km of distribution network)	2,625
Gesesa	1,581 (175 km of supply network and 1,406 km of distribution network)	509 (among outfalls, main and secondary collectors)
AdF	8,271 (1,989 km of supply network and 6,282 km of distribution network)	1,731 (among outfalls, main and secondary collectors)

The networks are connected to a complex system of equipment and plants necessary for the operations of the aqueduct, treatment and sewerage services.

Each year, the Companies carry out:

- **infrastructure interventions** such as **modernisation or strengthening of the plants** the **remote control of infrastructures**, the **completion**, the **extension** or the **drainage of pipelines and networks**, to contain the losses and improve the efficiency and quality of the service provided;
- **interventions to improve utility management** (such as installation and replacement of meters);
- **interventions to protect people and territory**, aimed at ensuring the **quality of the drinking water** distributed and the water returned to the environment (such as Water Safety Plans – WSPs – and laboratory controls; see also the chapter

Institutions and the Company and the section *Relations with the environment*).

For a quantification of the main interventions carried out by the companies during the year and the analytical checks on drinking water and waste water carried out independently or by Acea Elabari, see table no. 26.

Acea Ato 2 continued the activities aimed at rendering **the supply system managed more solid, safe and resilient**, in compliance with the Concession’s capacity. In fact, with the support of Acea Elabari, **Acea Ato 2 has planned two strategically important interventions.** These are the new upper sections of the **Peschiera Aqueduct**, for which the final design has been completed and the authorisation phase has been initiated in preparation for the bidding process, and the new **Marcio Aqueduct**, for which the technical and economic feasibility project was completed in 2020.

⁴⁷ These are the main Companies of the Acea Group, operating in the water sector in Italy and consolidated in the financial statements using the line-by-line method (100% Acea SpA). The other notable operational companies that are owned by Acea and consolidated using the equity method, are not included in the NSF 2020, with the exception of certain global data aimed at representing the general dimension of the Group, as specified in the text from time to time (see also *Relations with the environment* and the *Environmental accounts*, as well as the chapter, outside of the scope of the NFD pursuant to Legislative Decree 254/2016, *Water Company data sheets and overseas activities*).

During 2020, Acea Ato 2 continued with **the installation of instruments that optimise pressures in the distribution network, managing their control in a dynamic and effective way** (hydraulic valves, pressure reducers, etc.). In particular, **92 hydrovalves** were installed to optimise the operating pressures of the networks, and **136.2 km of the water network** were reclaimed. Acea Ato 2 has started activities for the commissioning of a plant (Casa del Guardiano) in the mu-

nicipality of Santa Marinella, in order to **increase water availability** in the municipalities of Allumiere and Tolfa, completed new tanks serving the municipalities of Guidonia and Ciampino (Albuccione tank – Preziosa tank) and activated the degassers serving the Peschi and Camporesi wells in the municipalities of Grottaferrata and Ciampino. In addition, the programme to install flow-limiting devices on rural utilities was continued in order to limit non-drinking consumption.

TABLE NO. 26 – MAIN INTERVENTIONS ON THE DRINKING WATER AND SEWERAGE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER (2020)

INTERVENTIONS ON DRINKING WATER NETWORKS, METERS AND WATER TESTS

TYPE OF WORK	
ACEA ATO 2	
interventions due to network failure/leak detection	32,630 interventions (33,446 due to faults, 816 leak detection)
meter installations (new installation and replacement)	15,294 interventions (11,626 new installations and 3,668 replacements) and 131,684 mass replacements under contract
network extension	7.8 km of expanded network
network reclamation	136.2 km of reclaimed network
drinking water quality control	11,875 samples collected and 365,633 tests performed
ACEA ATO 5	
interventions due to fault	11,110 interventions of repair
planned interventions	43 interventions (9 on the supply network and 34 on the water distribution network)
meter installations (new installation and replacement)	26,611 interventions (2,911 new installation and 23,700 replacements)
network extension	0 km of expanded network
network reclamation	43.4 km of reclaimed network
drinking water quality control	2,751 samples collected and 116,327 tests performed
GORI	
interventions due to network failure/leak detection	16,538 interventions (14,517 due to faults, 2,021 leak detection orders)
planned interventions	12,733 interventions
meter installations (new installation and replacement)	65,461 interventions (11,030 new installation and 54,431 replacements)
network extension	1.23 km of expanded network
network reclamation	49.03 km of reclaimed network
drinking water quality control	4,653 samples collected and 141,288 tests performed
GESESA	
interventions due to network failure/leak detection	5,010 interventions (4,649 due to faults, 361 leak detection)
planned interventions	24 interventions
meter installations (new installation and replacement)	3,273 interventions (including new installation and replacements)
network extension	1.0 km of expanded network
network reclamation	5.52 km of reclaimed network
drinking water quality control	448 samples collected and 9,372 tests performed
ADF	
interventions due to network failure/leak detection	9,405 interventions (total, for faults and leak detection)
planned interventions	153 interventions
meter installations (new installation and replacement)	41,698 interventions (including new installation and replacements)
network extension	0 km of expanded network
network reclamation	47 km of reclaimed network
drinking water quality control	3,987 samples collected and 137,268 tests performed
INTERVENTIONS ON SEWERAGE NETWORKS AND TESTS	
TYPE OF WORK	
ACEA ATO 2	
interventions due to network failure	4,931 interventions
planned interventions	823 interventions
network extension	10.9 km of expanded network
network reclamation	19.04 km of reclaimed network
wastewater quality control	7,495 samples collected and 124,625 tests performed

TABLE NO. 26 – MAIN INTERVENTIONS ON THE DRINKING WATER AND SEWERAGE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER (2020) (cont.)

ACEA ATO 5	
interventions due to network failure	877 interventions
planned interventions	10 interventions
network extension	1.3 km of expanded network
network reclamation	3.8 km of reclaimed network
wastewater quality control	3,155 samples collected and 43,812 tests performed
GORI	
interventions due to network failure	489 interventions
planned interventions	6,431 interventions
network extension	5.64 km of expanded network
network reclamation	6.94 km of reclaimed network
wastewater quality control	1,192 samples collected and 25,499 tests performed
GESESA	
interventions due to network failure	232 interventions
planned interventions	8 interventions
network extension	0 km of expanded network
network reclamation	0.1 km of reclaimed network
wastewater quality control	410 samples collected and 5,736 tests performed
ADF	
interventions due to network failure	654 interventions
planned interventions	73 interventions
network extension	0 km of expanded network
network reclamation	4.85 km of reclaimed network
wastewater quality control	7,326 samples collected and 52,488 tests performed

In **Acea Ato 2** aqueducts and the supply network are equipped with **remote control** systems for collection of quantitative and qualitative data on the infrastructure. The data that the **central system acquires from the meters and sensors connected to the field devices** provide useful information on the state of the network, such as the plant set-up, the status of pumps and valves, hydraulic, chemical, physical and energy measurements, and on its operation, highlighting any alarms and offering the possibility of carrying out remote operations, such as turning pumps on or off, opening, closing or adjusting valves. In view of its complexity and strategic nature **Rome's distribution network is supplied by water centres, where remote control has been implemented in a particularly extensive and capillary manner**, by installing a large number of sensors and measurements of flow and/or pressure and/or level and/or quality. Thanks to the progressive implementation of the remote control system, the **water centres and the points of the distribution network that are partially or fully remote controlled** in 2020 will total **1,230** including also **297 installations** (including Water Kiosks), equipped with remotely controlled quality measurements, and **768 network points** (including 117 water valves). For the **sewage system** the progressive remote control of the entire sector is at an advanced stage **through synergic interventions on both central systems and plants** (large and small treatment plants and sewage lifting plants): **the main treatment plants are already remotely controlled through on-site rooms** and further work is in progress to upgrade the technology and connect them to the central room; the work for rendering the sewage lifting plants remote controlled is also continuing. Some of the water sites managed by **Acea Ato 5** – including supply sources, distribution plants, sewerage lifting plants and treatment plants – **are remotely controlled**. In particular, both **telemetry**

and command and control activities are carried out and hydraulic parameters are recorded (water flow, network pressure, reservoir levels, operating status of the electric pumps, **with relevant electrical parameters and qualitative parameters** like clearness and residue colour. At 31.12.2020, there were **322 plants with a remote control system installed** (equipped with hydraulic measurements – flow rates, pressure and levels –, 16 of which were also equipped with **water quality control**) and **111 network points** (with continuous pressure or flow monitoring systems).

The plants managed by **Gori**, relating to the drinking water, sewage and purification systems, **are all equipped with remote control systems**; as at 31.12.2020, there were a total of **536 plants**, of which 340 water sites, 186 sewage sites and 10 purification sites, at which the same activities as indicated above for Acea Ato 5 are carried out. Based on a **rationale of energy efficiency and resource saving management**, **Gori** has equipped the plants with a **local control** system for the automatic management of electric pumps and valves, with human intervention required only in cases of emergency. **Flow control valves** have been installed and remotely controlled **at all major reservoirs**, to dynamically adjust the amount of resource supplied **according to different scenarios related to water crisis situations**. In addition a project based on the use of **IoT technologies** continued in 2020, with the aim of monitoring essential network parameters (pressures and flow rates) **at points where electricity is absent**, for the remote control of nodes in the water and sewage networks that will improve the quality of service and the efficiency of network pressures and leak detection, for which 95 IoT peripherals were installed on the water and sewage networks.

Gesesa is planning **the gradual installation of the remote control system at managed water sites**. In 2020, the Company has updated

and reprogrammed the PLCs (Programmable Logic Controllers) of the existing sewage lifting stations and started implementing remote control on 4 stations; this activity will continue in 2021 as well. AdF continued to implement the remote control system for its plants in 2020, **extending the system to another 52 sites**. The Company has set itself the objective of improving the monitoring of networks (district flow measurements and control valves) and minor reservoirs, with a view to **reducing inefficiencies** and increasing plant control. AdF has also set up automatic tools to facilitate predictive maintenance on sewer lift pumping systems, frequency analysis of alarms, and the status of priority process meters for management and budgetary purposes. Finally, it has launched projects to **implement automatic network regulation methods** depending on pressure conditions, and **testing of innovative battery-powered** pressure and flow rate sensors with NB-IoT technology and the related management and measurement analysis platform.

Sustainable water management is also achieved by **limiting losses** from distribution networks. **All Group companies are fully committed** to this issue, also thanks to the creation of **organisational structures dedicated to protecting resources and limiting losses**. The Water Resources Protection Unit of Acea Ato 2, for example, includes among its responsibilities *“the promotion of the sustainable use of water resources through the protection of sources and the achievement of objectives to reduce water losses; the identification of areas of protection of water sources, the development of mathematical models for the prediction of water availability and quantitative monitoring of sources”*. The companies carry out districtisation, inspection and reclamation of the networks, installation of automatic valves and other pressure control instruments, as well as verification and calibration of meters, identification of abnormal consumption and also initiatives to combat illicit connections and improper use of the resource. The specific activities undertaken in 2020 by each Company are illustrated in the dedicated paragraph (*Water losses*) of the chapter *Water Segment* in the section *Relations with the environment*, to which reference should be made.

UTILITY MANAGEMENT AND SERVICE CONTINUITY

The companies continued in 2020 with the **installation of new meters and the replacement of old ones** (see figures in table no. 26). As part of the **mass replacement of meters** activities, Acea Ato 2 has pursued the **IoT pilot project, Development of Water Meter Remote Reading** carried out in collaboration with Areti, which has led to the development and testing of a patented product called **Proteus**, which logs the impulses communicated by the device installed on the meter and transforms them into readings to be sent to the Management Centre, which is connected to the billing systems. The radio module is equipped with an integrated battery and a non-removable SIM card with GPRS or NB-IoT connectivity. Around **13,000 Proteus NB-IoT** will be installed and **deployed** in 2020 on as many water utilities and “nasoni” (drinking fountains) in Rome, and **development of the system** to maximise its effectiveness and efficiency continued. The objective of the project is to develop increasingly effective remote reading solutions and install them on all managed water accounts. At 31/12/2020, Acea Ato 2 had about **30,000 remote reading meters installed**. AdF has massively implemented remote meter reading in the territory through drive-by and walk-by reading, **installing more than 41,000 meters in 2020 that cover around 35% of the entire meter fleet**. This made it possible to increase the frequency of the readings while facilitating data collection and minimising interactions with users, given the risks related to the Covid-19 pandemic. AdF is also testing other systems for collecting readings and data, through the use of concentrators, in battery-powered and mains-powered versions.

The **continuity of the water supply** is one of the fundamental service parameters for customer satisfaction, which has been subject to regulation by the ARERA. Table no. 27 shows the data of the last three years relating to **disruptions and water reductions, urgent** (due to accidental breakdowns of pipelines or plants, energy interruption, etc.) **or planned**, for the Companies in question.

TABLE NO. 27 – NUMBER, TYPE AND DURATION OF DISRUPTIONS IN THE SUPPLY OF WATER (2018-2020)

TYPE OF DISRUPTION	2018	2019	2020
ACEA ATO 2 ^(*)			
urgent disruptions (no.)	1,721	1,304	1,359
planned disruptions (no.)	269	204	212
total disruptions (no.) ^(**)	1,990	1,508	1,571
suspensions lasting > 24hrs (no.)	199	170	178
ACEA ATO 5 ^(*)			
urgent disruptions (no.)	552	428	532
planned disruptions (no.)	149	338	568
total disruptions (no.) ^(**)	701	766	1,100
suspensions lasting > 24hrs (no.)	2	0	0
GORI ^(*)			
urgent disruptions (no.)	5,431	1,755	3,340
planned disruptions (no.)	91	218	105
total disruptions (no.) ^(**)	5,522	1,973	3,445
suspensions lasting > 24hrs (no.)	0	0	0

TABLE NO. 27 – NUMBER, TYPE AND DURATION OF DISRUPTIONS IN THE SUPPLY OF WATER (2018-2020) (cont.)

GESESA (*)			
urgent disruptions (no.)	106	107	90
planned disruptions (no.)	30	31	57
total disruptions (no.) (**)	136	138	147
suspensions lasting > 24hrs (no.)	18	3	1
ADF (*)			
urgent disruptions (no.)	3,814	1,978	2,535
planned disruptions (no.)	51	179	693
total disruptions (no.) (**)	3,865	2,157	3,228
suspensions lasting > 24hrs (no.)	237	175	178

(*) The 2018 and 2019 figures for Acea Ato 2 and Gori have been consolidated. The 2020 figures for Acea Ato 2, Gori, AdF and Gesesa are still being consolidated. Any adjustments, after data consolidation, will be reported in the next reporting cycle.

(**) As envisaged by the Authority, total disruptions include both shutdowns (due to damage to pipes/pipelines and network changes) and interruptions due to disruptions and system anomalies. The number of total "out of service" cases is therefore used for the calculation.

WATER DISTRIBUTED AND RETURNED TO THE ENVIRONMENT

The quality of the drinking water distributed mainly safeguards aspects related to health and safety and is therefore an essential element of the service. The same approach also applies, however, to the water returned to the receiving water bodies, as regards safeguarding ecosystems. Consequently, all the Companies independently carry out controls on drinking and wastewater using internal laboratories or with the support of the Acea Elabori Group Company (see table no. 26).

In particular, tests on water intended for consumption are carried out on samples collected from springs and wells, supply plants, reservoirs and along distribution networks, as well as samples collected for extraordinary testing (users, local health authority requests, etc.) and specific parameters (e.g. radioactivity). Test frequency and sampling points are defined taking into consideration the volumes of water distributed, population served, network and infrastructure conditions and specific characteristics of local springs (see also *Environmental relations*).

All the Water Operations Companies have started preparations or begun to implement Water Safety Plans (WSP), aimed at preventing and reducing the risks inherent to the drinking water service; the activities in question, conducted in 2020, are illustrated in the dedicated (*Water Safety Plans – WSP*) section of the *Water Segment* chapter in the *Environmental relations* section, to which reference should be made.

The spring water collected to supply the Rome and Fiumicino

area starts from levels of excellence, while in the Castelli Romani area and other areas of northern Lazio the volcanic nature of the terrain adds mineral elements to the aquifer such as fluorine, arsenic and vanadium, in concentrations exceeding those envisaged by the law. Acea Ato 2 has been working for some time to resolve these issues, such as by decommissioning some local sources of supply and replacing them with higher quality springs. In 2020, Acea Ato 2 built new drinking water plants and upgraded/expanded existing plants in the municipalities of Marino, Grottaferrata, Castel Gandolfo, Tolfa, Ariccia, Velletri, Rignano Flaminio, Fiano Romano, Civitavecchia and Pomezia. Plants and reservoirs were also commissioned to increase mixing and thereby ensure the resilience of water distribution systems.

To ensure effective and proactive monitoring of the quality of water collected and distributed, in 2020 AdF developed a plan for the installation, by 2022, of online measurement instrumentation to monitor the quality of sources (see in-depth box). The Company also carried out a major project on the Isola del Giglio desalination plant in order to innovate the plant technology, guarantee operational continuity and optimise production both in terms of quantity and quality. The process applied consists of reverse osmosis achieved with a "two step" system, generally applied in the production of ultra-pure water. Lastly, in 2020 AdF continued its systematic monitoring activities regarding the presence of arsenic, hexavalent chromium, and thallium in water, the latter not envisaged by current regulations but included following a contamination phenomenon that occurred in Tuscany, in the municipality of Lucca.

ONLINE MONITORING OF THE QUALITY OF SUPPLY SOURCES AT ADF

The quality of supply sources may be subject to more or less sudden variations which may not be intercepted in time by laboratory analysis, while they are measured effectively through the installation of online measurement systems. This method of reading "indicator-parameters" does not constitute an alternative to laboratory analysis, which provides precise and certified results, but rather it is a supplementary system.

The installation of online measurement systems and the uptake of remote control

makes it possible to continuously monitor the quality of the water and activate early warning systems as provided for in the new quality guidelines for the safety of drinking water specified by the recent EU Directive 2020/2184.

The plan drawn up by AdF is based on the quantitative incidence of the resource drawn from every supply source, the qualitative significance of the monitored parameters, the qualitative basin to which the sources pertain, and the specific features of each in-

dividual application. With the update, scheduled for before the end of 2022, it will be possible to control up to around 75% of the resource collected from the environment, leaving the remaining 25% to a "case by case" assessment.

The plan includes the advanced monitoring of the arsenic parameter for "trace" concentrations in water from the Galleria Alta di Santa Fiora source, carried out through an high-tech online analyser, activated in testing during the course of 2020.

Gori supplies its users with quality water, collected from deep wells. The qualitative characteristics of the water distributed are verified by the “Francesco Scognamiglio” internal laboratory, located in Pomigliano d’Arco, which uses cutting-edge instrumentation. In 2020 the laboratory **optimised the analytical process for the determination of metals**, using a single piece of equipment (inductively coupled plasma mass spectrometer, ICP-MS), instead of the three previously required, able to perform determinations of all metals indicated by current legislation on water for human consumption. Optimization has also reduced the time required to perform analyses and, above all, reduced laboratory consumables, reagents, the quantity of technical gas and electricity consumption.

In 2020, **Gesesa** continued to implement an **extraordinary control plan** for the detection of tetrachloroethylene in the wells (Campo Mazzoni and Pezzapiana) serving the city of Benevento; the values found were below the threshold set by regulations on the suitability of water for drinking. The Company also **participates in the technical round table**, together with the Ente Campania Water Authority, local, provincial and regional institutions, Arpac and the Local Health Authority, **for the monitoring and characterisation of the aquifer in question**.

In 2020, **115 Water Kiosks** were in operation (**95 owned by Acea Ato 2**, 29 installed in Roman Municipalities, 66 in the province of Rome, and **20 owned by Gori**), dispensing chilled natural or

sparkling water to the public and tourists free of charge in the areas where Acea Ato 2 operates and at minimal cost where Gori operates. The water distributed is the same as the aqueducts and the quality is **certified by strict regular checks** conducted by Acea and the relevant local health authorities. The water dispensers have a **flow rate of 180 l/h**, allowing a 1-litre bottle to be filled in 20 seconds. Each Water Kiosk is fitted with a **monitoring device** linked to the Acea Ato 2 remote control systems and is also equipped with USB power supply sockets for recharging devices such as mobile phones and tablets, as well as screens for transmitting Company/local council information. **The initiative continues to be highly popular: in 2020**, the “Kiosks” **supplied a total of 27,682,000 litres of water** (of which 23,382,000 litres from Acea Ato 2 Water Kiosks), with a percentage of sparkling water of around 57%. In addition to the **social benefits**, the **environmental benefits** are also worth noting: **the litres dispensed in fact account for around 554 tons less plastic over the year**, 6.7% more than the 2019 figure (amounting to around 18.5 million 1.5-litre bottles) and to **around 968 tons of CO₂ not emitted into the atmosphere (up by 3.9%)**, from the bottles not produced⁴⁸ and net of emissions due to the energy consumption of the Kiosks and the CO₂ added to obtain sparkling water.

Acea Ato 2 is also responsible for water up to the “point of supply” for the **drinking water fountains** in the territory of Rome. In 2020 Acea launched the **Waidy app**, which allows users to identify the water supply points located in the city (see the *Communication, events and solidarity* section in the *Customers* chapter).

THE PERCEIVED QUALITY OF DRINKING WATER, RESULTS OF THE 2020 SATISFACTION SURVEYS

Acea measures customer habits and perceptions regarding the quality of the drinking water supplied. Customer satisfaction surveys conducted twice yearly call for an in-depth review of this topic.

For **Rome and Fiumicino**, the opinion on taste, smell and clearness of the water to drink expressed by the sample of interviewees was stable compared to 2019, and the average of the two surveys was equal to **7.7/10**. Global satisfaction in the province was **6.7/10** (6.9 in 2019). In addition, **46% of the interviewees in the Capital state they normally drink tap water at home** whereas **28% state they never drink it** (in 2019 they were 50% and 31%, respectively). These percentages in the suburban areas were **16%** for those regularly drinking tap water (in line with the figure for 2019) and **50%** for those who do not (45% in previous surveys). Among the reasons given by those who never drink tap water, in the Capital the habit of drinking mineral water is still prevalent in **48%** of cases. The same reason is given in the province in **47%** of cases. For **Acea Ato 5** customers in Frosinone and

vicinity, in 2020 the overall opinion expressed on drinking water came to **6/10** (it was 6.1/10 in 2019). **The percentage of respondents** stating that they **habitually drink** tap water remains limited and in a slight downward trend at **21%** (it was 24% in 2019), while the percentage of those stating that **they never drink it**, equal to **59%** is still high (slightly lower than in 2019). For the latter, the main reasons given are “it is not good for my health (too much calcium, presence of minerals)” for **34%**, while **32%** have the habit of drinking mineral water. In the Sarnese Vesuviano district, the overall opinion on drinking water expressed in 2020 by **Gori’s** customers was **6.1/10** (a slight increase on the 5.9/10 reported in 2019). The number of **interviewees** stating that they **habitually drink** tap water fell slightly, going from 25% in 2019 to **23% in 2020**, while the percentage of those stating that they **never drink it** increased slightly from 52% in 2019 to **53%** in 2020. The main reason cited by those who do not drink tap water is “it is not good for my health”, equal to 30% in 2020 (it was 32% in 2019).

For customers of **Gesesa**, in Benevento and province, the overall opinion expressed on the quality of drinking water is **6.6/10** (same value as in 2019); **there was a slight increase** in the percentage of customers who **say they drink tap water regularly, which was 13% in 2020** (against 11% in 2019) and a decrease in the percentage of those who state that they never drink it, which came to **56%** (against 64% in 2019); the prevailing reason was also “it is not good for my health” in this area, as reported by **34%** of respondents. For customers of **AdF**, a Company operating in the province of Grosseto and Siena, which entered the reporting scope in 2020, the overall opinion expressed on drinking water was **7/10** (compared with 6.9/10 in 2019). The percentage of respondents stating that **they habitually drink tap water** was **35%**, while the percentage of those stating that they **never drink it**, was **45%**. For the latter, the main reasons given are “I don’t like the taste”, for **34%**, while **33%** have the habit of drinking mineral water.

The collection of wastewater and its treatment prior to being returned to the environment takes place through a complex system and a configuration **organised by “areas”** comprising **wastewater**

treatment plants, sewerage networks connected thereto and the associated **pumping stations**. **Acea Ato 2** manages 645 sewage lifting plants, 164 treatment plants and about 6,852 km of sewer

⁴⁸ The figure, although significant, is certainly underestimated because it does not take into account the emission savings induced by not transporting the bottles by road/rail.

networks (of which about 6,000 km mapped on GIS). The Company has launched an important **project to centralise its treatment plants** (see the box in the *Water Segment* chapter of the *Environmental relations* section).

The **Acea Ato 2 Environmental Operations Centre** constantly **monitors data recorded remotely using cutting-edge technology** relating to **hydrometric and rainfall information** for the Rome area, shared with the Rome Hydrographic and Tide Gauge Operations Office, as well as data on the **quality of water** of the water bodies: In 2020, **321 samples were taken at 27 sampling points** on the Tiber and Aniene rivers and on Lake Bracciano.

In the municipality of Rome, Acea Ato 2 also manages the lifting plants and tanks for the watering network and the non-drinking water network **supplying the water features of the most important artistic fountains**, in particular **9 of the main artistic and monumental fountains of the capital**: the Triton Fountain, the three fountains in Piazza Navona – the Fountain of the Four Rivers, the Moor Fountain and the Fountain of Neptune – the Trevi Fountain, the Fountain of Turtles, the Fountain of Moses, the Fountain of the Naiads.

For the watering network of the Municipality of Rome and the Vatican, currently supplied by the Grottarossa plant, in the future the water coming out of the CoBis treatment plant – about 250 l/s – will be used, treated to make it suitable for reuse.

The infrastructure of the water treatment and sewerage service managed by **Acea Ato 5** includes, as at 31.12.2020, **225 sewage lifting plants, 131 purification plants and approximately 1,775 km of dedicated networks** (of which approximately 1,600 georeferenced). **Gori** manages 2,625 km of network serving the water treatment and sewerage system and **10 purification plants** some serving individual municipalities and others serving inter-municipal areas of the Sarnese-Vesuvius agriculture. Wastewater entering and leaving the plants is constantly monitored in order to limit its environmental impact; in support of this activity, wastewater, both domestic and non-domestic, from industries in the area that discharge into the sewer system or into surface water bodies in the managed area is monitored. As at 31.12.2020 the infrastructure of the water treatment and sewerage service **managed by AdF** included **288 sewerage lifting plants, 148 purification plants and over 1,731 km of sewage networks**. In the OTA in which **Gesesa** operates, the infrastructure managed by the Company includes **19 sewerage lifting plants, 32 treatment plants and 509 km of dedicated networks**. For the city of Benevento, the Municipality of Benevento is planning the design of a centralised treatment plant, including connection outfalls. **In 2020, Gesesa completed the revamping of two plants** (serving the municipalities of Castelpagano and Morcone) and planned the revamping of other treatment plants.

QUALITY LEVELS REGULATED BY ARERA IN THE WATER SECTOR

The Regulatory Authority for Energy Networks and Environment (ARERA) defines the **specific and general levels of contractual quality for the water sector**⁴⁹. With resolution 547/19, issued at the end of the year, **the Authority amended and supplemented the current regulations with effect from 1st January 2020, establishing**

an incentive system divided into bonuses and penalties to be attributed **from 2022** based on operators' performance. With Resolution 235/2020 of 23 June 2020, **ARERA adopted an "Emergency Regulation"** on various aspects, in order to **mitigate**, with the introduction of some of flexible elements, **the effects of the Covid-19 health emergency on the economic and financial balance of the management of the IWS** and on the **conditions of performing the services**. In this sense, as far as contractual quality is concerned, **for the first two years of application of the performance assessment mechanism**, the 2020 objective is assumed as having been pursued (for the purposes of determining the class and the related objective for the year 2021) and the quality objectives for the two-year period 2020-2021 are assessed cumulatively. Consequently, for the purposes of applying the bonus or penalty factors in 2022, with reference to the years 2020 and 2021, the level reached cumulatively **at the end of 2021** will be the element assessed.

Again for 2020, therefore, **Acea Ato 2** presents its performance **according to levels of improvement of the contractual quality standards defined by the Authority**. In fact, in 2016 ARERA accepted the request from the Area Governing Body (Mayors' Conference of OTA 2 – Central Lazio) requesting the recognition of bonuses related to meeting **more challenging standards**. The improvement standard concerns **43 indicators out of the 47 established by the resolution**. **The tariff related recognition of the award** intervened in the year after that of the communication on performance, as far as the limits that the proposed improvement levels were reached and aggregated (see also the box relating to prizes and sanctions in the chapter *Institutions and the Company*). In order to allow the Operational Technical Secretariat of the Area (STO) to verify performance, each year Acea Ato 2 must produce Lists containing data on performance for the previous year. Having completed the appropriate assessments, the Technical Secretariat proceeds with quantifying the award of economic competence to the year of reference⁵⁰.

The table illustrating the performance of Acea Ato 2 shows the improvements implemented by the Company next to the standards provided by the ARERA, as well as, where pertinent, the average actual completion time for the services and, as prescribed, the degree of compliance of the improvement standard. **Acea Ato 2's performance in 2020** (see table no. 28), although not yet consolidated and to be understood as indicative of performance trends, shows **average compliance of over 90%**; in particular, excellent results were achieved for the following services: transfers, response to complaints/requests, response to emergency calls, punctuality of appointments, estimate and execution of water connections with simple work, estimate of sewer connections with inspection.

For certain services envisaged by the Service charter annexed to the Convention Agreement, **Acea Ato 5 also achieved results that were higher than the standards imposed by the Authority** (see table no. 29). In some cases, **Acea Ato 5's 2020 performance estimates**⁵¹ show improvements compared to the final performance data for 2019, such as the execution of

⁴⁹ For most of the services the regulation of contractual quality aspects is in force from July 2016 according to resolution 655/15/R/Idr or RQIWS (*Regulation of the contractual quality of the integrated water service*).

⁵⁰ In January 2020 Acea Ato 2 sent the STO the 2019 data related to the performance of contractual quality, and following verification the Secretariat calculated a bonus of about € 33.1 million.

⁵¹ The deadlines for delivering data to the authority are later than the deadline for publishing this document. Therefore, on this occasion the best estimations available for all companies at the time of publication are presented, and should be understood as indicative of the trends in the services; the consolidated data is published in the subsequent reporting cycle.

water connection with simple work, responses to written requests for information, transfers and execution of complex sewer connections and complex work; for other indicators, the percentage degree of compliance fell, for example for estimates for water connection with inspection, reactivation and deactivation of the supply. For **Gori**, the 2020 contractual quality performance estimates (see table no. 30) showed improvements compared to the previous year, particularly for services related to the execution of simple works, the execution of complex connections, both water and sewer, and the response to complaints and written requests for information; most of the remaining compliance percentages remain high, with the exception of performance related to the execution of complex works, which fell. Also with regard to **Gesesa**, the 2020 performance estimates (see table no. 31) indicate improvements, for example, for the execution of water connections with simple work, estimates for work with an inspection, execution of simple work, responses to complaints and written requests for information and execution of complex work, while for other services the percentages of compliance fell, for example, for arrival at the location of the emergency call and activation

of supply. For **some of the services** envisaged in the Service charter, **AdF is pursuing higher standards than those imposed by the Authority** (see table no. 32). AdF's 2020 performance estimate, with the exception of performance related to the execution of simple work and execution of complex sewer connections which have lower compliance percentages compared to 2019, all show very high compliance rates.

Resolution 655/2015 provides for a mechanism of **automatic indemnities to be granted to customers** in the event of off-standard services related to the "specific" indicators. The unit value of the compensation varies according to the delay in the execution of the service⁵² (see box on investigations, bonuses and penalties in the *Institutions and the Company* chapter).

The water companies, as required by the Authority, **communicate commercial performance data to users in their bills once a year**⁵³, Acea Ato 2, Acea Ato 5 and AdF also publish them online, and all publish **information on the quality of the drinking water distributed** on their websites.

TABLE NO. 28 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ACEA ATO 2 – (ARERA parameters, Acea Ato 2 improvement standards and performance – 2019 data are consolidated, 2020 data are estimated)

ACEA ATO 2 – CONTRACTUAL WATER QUALITY SEGMENT

SPECIFIC LEVELS OF QUALITY

SERVICES	ARERA STANDARDS	ACEA ATO 2 IMPROVEMENT STANDARD	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
			ACEA ATO 2 PERFORMANCE			
			2019		2020	
estimate for water connection with inspection	20 working days	15 working days	7	95.4%	5.7	98.0%
estimate for sewage connection with inspection	20 working days	15 working days	/	/	3.5	100.0%
execution of the water connection with simple work	15 working days	10 working days	5.3	95.8%	6.7	95.9%
execution of the sewage connection simple work	20 working days	15 working days	/	/	/	/
supply activation	5 working days	3 working days	4.7	90.4%	5.8	88.0%
reactivation or takeover of the supply without changing the meter rate	5 working days	3 working days	1.8	95.7%	2.3	95.6%
reactivation or takeover supply with changes to the meter rate	10 working days	6 working days	3	100.0%	2	100.0%
reactivation of supply following disconnection for late payment	2 working days	1 weekday	0.7	94.2%	0.7	92.6%
deactivation of supply	7 working days	3 working days	2.6	95.8%	3.1	95.7%
transfer of registration	5 working days	3 working days	0.1	99.9%	0.2	99.6%
estimates for works with inspection	20 working days	15 working days	8.2	93.0%	4.9	98.7%
completion of simple work	10 working days	6 working days	3.6	100.0%	13.4	77.8%
punctuality band for appointments	180 minutes	120 minutes	1.2	99.0%	0.7	99.0%
reply to complaints	30 working days	20 working days	12.1	97.4%	6.2	99.5%
reply to written enquiries	30 working days	20 working days	9.4	98.1%	5.6	99.8%
billing adjustment	60 working days	55 working days	5.2	100.0%	6.3	100.0%

⁵² The unit value indemnity is € 30, € 60 or € 90 according to whether the service is completed in a time less than double the standard, in a time ranging between double and triple the standard, or in triple or more than triple time with respect to the standard.

⁵³ The obligation to notify all end customers of the levels of quality achieved in the previous year in the bill by 30 June is in force (article 78.1 Resolution 655/2015).

TABLE NO. 28 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ACEA ATO 2 – (ARERA parameters, Acea Ato 2 improvement standards and performance – 2019 data are consolidated, 2020 data are estimated) (continued)

GENERAL LEVELS OF QUALITY

			ACEA ATO 2 PERFORMANCE			
			2019		2020	
completion of complex water connection	90% of the services within 30 working days	90% of the services within 20 working days	20.2	78.7%	27.6	84.6%
completion of complex sewage connection	90% of the services within 30 working days	90% of the services within 25 working days	/	/	1	100.0%
completion of complex works	90% of the services within 30 working days	90% of the services within 20 working days	30.4	63.5%	43.1	76.2%
maximum time for the agreed appointment	90% of the services within 7 working days	90% of the services within 5 working days	2.8	97.5%	2.5	95.2%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	90% of the services within 2 minutes from the telephone conversation with the operator	3.3	91.0%	2.6	97.9%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	95% of the services within 20 working days from receipt of the request	9.7	98.5%	6.9	99.7%
reply to the emergency call (EC)	90% of the services within 120 seconds	90% of the services within 110 seconds	48	98.1%	55	96.2%

NOTE The 2020 data are being consolidated and have still not been submitted to the STO or reported to ARERA. The symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

TABLE NO. 29 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ACEA ATO 5 – (ARERA parameters, improvement standards from the Service charter, and Acea Ato 5 performance – 2019 data are consolidated, 2020 data are estimated)

ACEA ATO 5 – CONTRACTUAL WATER QUALITY SEGMENT

SPECIFIC LEVELS OF QUALITY

SERVICES	ARERA STANDARDS	ACEA ATO 5 IMPROVEMENT STANDARD (from SC)	ACEA ATO 5 PERFORMANCE			
			average actual completion time for services		degree of compliance	
			2019		2020	
estimate for water connection with inspection	20 working days	10 working days	9.9	81.5%	10.8	72.5%
estimate for sewage connection with inspection	20 working days	10 working days	10.3	94.5%	18.3	94.5%
execution of the water connection with simple work	15 working days		5.2	93.9%	3.1	100.0%
execution of the sewage connection simple work	20 working days		31	66.7%	-	-
supply activation	5 working days		9.5	56.2%	11.2	55.5%
reactivation or takeover of the supply without changing the meter rate	5 working days		2.6	94.1%	5.2	73.3%
reactivation or takeover supply with changes to the meter rate ^(*)	10 working days		n.a.	n.a.	n.a.	n.a.
reactivation of supply following disconnection for late payment ^(*)	2 working days		n.a.	n.a.	1.0	99.5%
deactivation of supply	7 working days	5 working days	4.3	86.9%	6.7	77.4%
transfer of registration	5 working days		0.6	98.9%	0.4	99.6%
estimates for works with inspection	20 working days		6.7	81.5%	10.2	80.0%
completion of simple work	10 working days		140	50.0%	-	-

TABLE NO. 29 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SEGMENT (2019-2020) – ACEA ATO 5 – (ARERA parameters, improvement standards from the Service charter, and Acea Ato 5 performance – 2019 data are consolidated, 2020 data are estimated) (continued)

punctuality band for appointments	180 minutes		2.6	99.3%	1.5	99.7%
reply to complaints	30 working days	20 working days	12.6	96.7%	13.0	94.7%
reply to written enquiries	30 working days	10 working days	13.6	92.5%	11.4	97.0%
billing adjustment	60 working days		15.5	97.8%	9.0	95.0%
GENERAL LEVELS OF QUALITY						
			ACEA ATO 5 PERFORMANCE			
			2019		2020	
completion of complex water connection	90% of the services within 30 working days	90% of the services within 20 working days	8.1	93.5%	9.4	91.3%
completion of complex sewage connection	90% of the services within 30 working days	90% of the services within 20 working days	13.7	45.5%	11.0	75.0%
completion of complex works	90% of the services within 30 working days		15.5	93.3%	11.9	95.6%
maximum time for the agreed appointment	90% of the services within 7 working days		5.5	84.2%	5.8	76.3%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	90% of the services within 70 minutes from the telephone conversation with the operator	53.2	90.0%	61.1	89.9%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	95% of the services within 10 working days from receipt of the request	16.3	76.5%	18.3	74.5%
reply to the emergency call (CPI)	90% of the services within 120 seconds		53.1	98.0%	83.0	85.8%

(*) In this case there were no services found that were the subject of a resolution.

(**) In 2019 the standard did not apply as the Company did not provide for “reactivation”, but rather the termination and creation of a new contract. From 2020, these were adjusted to the REMSI resolution.

NOTE the symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services are on/off.

TABLE NO. 30 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GORI – (ARERA parameters and Gori performance, 2019 data are consolidated, 2020 data are estimated)

CONTRACTUAL QUALITY WATER SECTOR – GORI

SPECIFIC LEVELS OF QUALITY					
SERVICES	ARERA STANDARDS	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
GORI PERFORMANCE					
		2019		2020	
estimate for water connection with inspection	20 working days	6.7	99.5%	12.1	96.2%
estimate for sewage connection with inspection	20 working days	7.6	98.0%	14.9	95.9%
execution of the water connection with simple work	15 working days	17.5	77.0%	24.5	77.8%
execution of the sewage connection with simple work	20 working days	44.0	66.7%	-	-
supply activation	5 working days	6.3	84.3%	21.3	84.4%
reactivation or takeover of the supply without changing the meter rate	5 working days	2.8	93.7%	2.7	92.9%
reactivation or takeover of the supply with changes to the meter rate	10 working days	/	/	/	/
reactivation of supply following disconnection for late payment	2 working days	0.5	99.5%	0.7	95.4%

TABLE NO. 30 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GORI – (ARERA parameters and Gori performance, 2019 data are consolidated, 2020 data are estimated) (continued)

deactivation of supply	7 working days	4.3	92.2%	4.9	92.8%
transfer of registration	5 working days	0.4	98.3%	0.8	97.5%
estimates for works with inspection	20 working days	6.0	99.7%	8.6	97.4%
completion of simple work	10 working days	39.3	66.7%	11.5	74.4%
punctuality band for appointments	180 minutes	1.7	99.0%	1.6	98.9%
reply to complaints	30 working days	16.7	89.8%	11.7	91.5%
reply to written enquiries	30 working days	8.5	96.3%	4.3	99.6%
billing adjustment	60 working days	18.0	100.0%	17.0	100.0%

GENERAL LEVELS OF QUALITY

		GORI PERFORMANCE			
		2019		2020	
completion of complex water connection	90% of the services within 30 working days	27.5	75.2%	34.11	76.5%
completion of complex sewage connection	90% of the services within 30 working days	39.5	57.7%	33.48	74.0%
completion of complex works	90% of the services within 30 working days	29.0	70.1%	49.69	59.8%
maximum time for the agreed appointment	90% of the services within 7 working days	4.3	92.7%	5.4	83.0%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	1.7	94.3%	1.44	96.3%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	9.1	97.7%	5.9	97.5%
reply to the emergency call (EC)	90% of the services within 120 seconds	67.5	92.4%	65.0	91.6%

NOTE The symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

TABLE NO. 31 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GESESA – (ARERA parameters and Gesesa performance, 2019 data are consolidated, 2020 data are estimated)

CONTRACTUAL QUALITY WATER SECTOR – GESESA

SPECIFIC LEVELS OF QUALITY

SERVICES	ARERA STANDARDS	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
		GESESA PERFORMANCE			
		2019		2020	
estimate for water connection with inspection	20 working days	7.2	97.0%	4.2	98.8%
estimate for sewage connection with inspection	20 working days	/	/	/	/
execution of the water connection with simple work	15 working days	16.1	58.4%	10.9	85.2%
execution of the sewage connection with simple work	20 working days	/	/		
supply activation	5 working days	19.1	44.4%	70.6	34.8%
reactivation or takeover of the supply without changing the meter rate	5 working days	1.4	97.8%	2.5	97.7%
reactivation or takeover of the supply with changes to the meter rate	10 working days	/	/	/	/
reactivation of supply following disconnection for late payment	2 working days	0.6	97.3%	2.2	60.0%
deactivation of supply	7 working days	2.3	94.1%	2.7	98.7%
transfer of registration	5 working days	0.6	99.1%	0.6	98.9%
estimates for works with inspection	20 working days	16.2	77.6%	9.1	97.0%

TABLE NO. 31 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GESESA – (ARERA parameters and Gesesa performance, 2019 data are consolidated, 2020 data are estimated) (continued)

completion of simple work	10 working days	18.3	64.0%	1.8	100.0%
punctuality band for appointments	180 minutes	96	92.4%	108	97.4%
reply to complaints	30 working days	26.6	75.8%	11.2	99.7%
reply to written enquiries	30 working days	25.2	94.4%	10.4	99.5%
billing adjustment	60 working days	/	/	16.2	100.0%

GENERAL LEVELS OF QUALITY

		GESESA PERFORMANCE			
		2019		2020	
completion of complex water connection	90% of the services within 30 working days	19.82	81.5%	28.4	84.3%
completion of complex sewage connection	90% of the services within 30 working days	/	/	/	/
completion of complex works	90% of the services within 30 working days	12.81	92.5%	3.04	96.4%
maximum time for the agreed appointment	90% of the services within 7 working days	2.06	98.9%	2.5	98.9%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	-	75.0%	16.5	51.3%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	16.8	99.4%	11.2	99.6%
reply to the emergency call (CPI)	90% of the services within 120 seconds	-	85.4%	85	82.5%

NOTE The symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

TABLE NO. 32 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ADF – (ARERA parameters, improvement standards from the Service Charter, and AdF performance – 2019 data are consolidated, 2020 data are estimated)

CONTRACTUAL QUALITY WATER SECTOR – ADF

SPECIFIC LEVELS OF QUALITY

SERVICES	ARERA STANDARDS	AdF IMPROVEMENT STANDARD (from SC)	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
			ADF PERFORMANCE			
			2019		2020	
estimate for water connection with inspection	20 working days		4.2	98.8%	n/a	96.8%
estimate for sewage connection with inspection	20 working days		4.8	99.5%	n/a	95.8%
execution of the water connection with simple work	15 working days		5.4	100.0%	5.9	95.8%
execution of the sewage connection simple work	20 working days		n.a.	n.a.	n.a.	n.a.
supply activation	5 working days		4.2	93.7%	5.3	94.1%
reactivation or takeover of the supply without changing the meter rate	5 working days		1.8	98.2%	2.5	97.6%
reactivation or takeover supply with changes to the meter rate	10 working days		n.a.	n.a.	n.a.	n.a.
reactivation of supply following disconnection for late payment	2 working days		0.3	99.8%	n/a	97.6%
deactivation of supply	7 working days	5 working days	2.5	97.3%	n/a	99.1%
transfer of registration	5 working days		0.5	99.6%	0.1	99.9%
estimates for works with inspection	20 working days		4.5	99.5%	n/a	98.0%
completion of simple work	10 working days		6.1	90.9%	8.3	83.3%

TABLE NO. 32 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ADF – (ARERA parameters, improvement standards from the Service Charter, and AdF performance – 2019 data are consolidated, 2020 data are estimated) (cont.)

punctuality band for appointments	180 minutes		1.3	99.3%	1	99.1%
reply to complaints	30 working days	25 working days	15.1	98.8%	13.3	98.7%
reply to written enquiries	30 working days	25 working days	17.0	99.3%	13.7	99.1%
billing adjustment	60 working days		15.9	100.0%	13.3	100.0%
GENERAL LEVELS OF QUALITY						
			ADF PERFORMANCE			
			2019		2020	
completion of complex water connection	90% of the services within 30 working days		13.5	90.9%	14.2	94.2%
completion of complex sewage connection	90% of the services within 30 working days		10.9	100.0%	21.7	81.0%
completion of complex works	90% of the services within 30 working days		18	90.4%	15.5	93.8%
maximum time for the agreed appointment	90% of the services within 7 working days		2.6	99.5%	3	99.8%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator		1.7	93.8%	6	95.1%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request		16.5	100.0%	15.8	100.0%
reply to the emergency call (CPI)	90% of the services within 120 seconds		45	97.2%	50	95.2%

PRICING

As a result of the **social and health crisis caused by Covid-19**, in implementing ARERA's provisions, **Acea Energia** interrupted the suspension of electric power and natural gas supplies for late payment during the period of maximum emergency and **voluntarily adopted extraordinary measures** with regard to payments by its customers throughout Italy: **all debt collection measures were suspended and exceptional instalment plans were introduced**. With regard to the water service, Group companies also **suspended** debt collection activities, especially **disconnection of service**, well before ARERA's provisions, as well as introducing the opportunity for users in financial difficulty to request **the deferment of payment terms or payment in instalments** of bills due or about to fall due.

ELECTRICITY SERVICE PRICING

In Italy, with regard to the electricity sector, there are two main types of market (net of the residual safeguard segment): the *standard market* and the *free market*. For the protected market service, the operator offers the customer standard services at fixed prices based on the ARERA regulations and the quantities supplied wholesale by the Sole Purchaser. In the free market the services offered and related prices are the result of free competition among all operators. In this context,

customers can choose their own suppliers based on their preferences. The **costs** of supplying electricity are made up of **four items of expenditure**: **energy** (supply and retail marketing), **transport and meter management** (costs for delivery to customers and reading consumption), **system charges** (costs for activities in the general interest of the electricity system, borne by all end customers) and **taxes** (consumption tax and VAT).

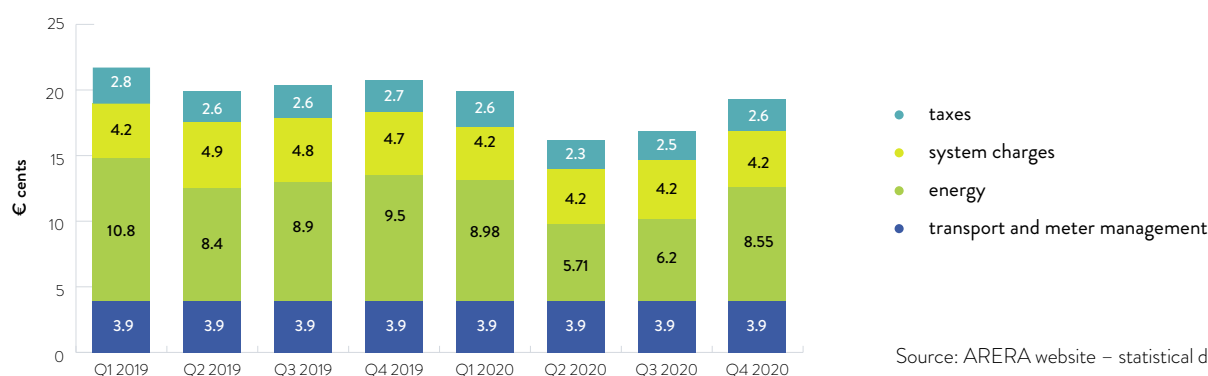
The **protected market** service, confirming the constant downward trend in favour of the free market, currently has a participation rate of 47.7% of Italian customers (domestic and non-domestic) (53.6% the previous year).

The expansion of the **free market** is evident observing the volumes of electricity sold: free market customers consume **82.7% of the energy comprehensively sold** to the end market (80.6% in the previous year)⁵⁴.

In this segment, with **"standard" consumption** – amounting to **2,700 kWh/year**, with 3 kW power – the overall annual expenditure for electricity amounted to about **€ 483 in 2020** (17.9 € cent/Wh), **a decrease** compared to the previous year (with an average cost of 20.6 € cent/Wh, about € 557 per year), with a generalised reduction of all the items except transport and meter management, which remained the same.

⁵⁴ Based on the number of served collection points and the volumes sold in 2019 (ARERA, *Annual report 2020*).

CHART NO. 27 – ELECTRICITY PRICE TREND FOR A STANDARD DOMESTIC CUSTOMER (€ CENT/kWh) (2019-2020)



WATER SERVICE PRICING

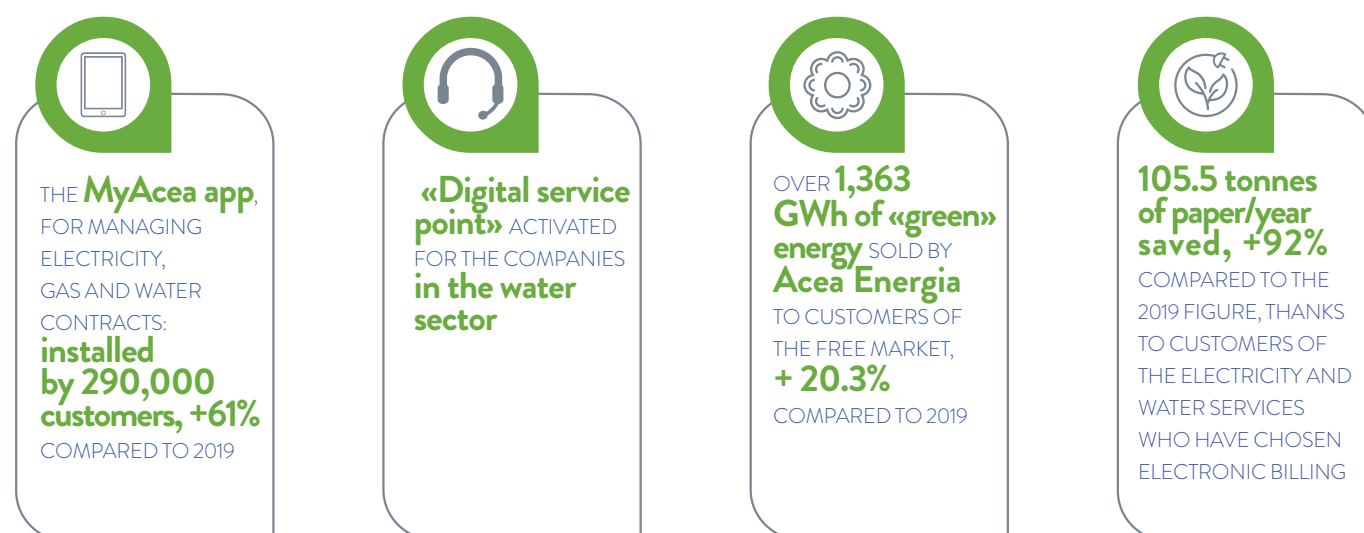
By Resolution no. 580/2019/R/IDR of 27 December, the Energy, Networks and Environment Regulatory Authority approved the **Water Tariff Method (WTM-3) for the period 2020-2023**, the guiding principles of which are to overcome the Water Service Divide, making operating and management

costs more efficient, promoting environmental sustainability and increasing the public's awareness of their water consumption habits. Moreover, the added tools and checks envisaged ensure that any **tariff increases are only possible as a result of investments actually made or certified improvements in management.**

TABLE NO. 33 – AVERAGE WATER PRICES APPLIED (2020)

Company	€/mc
Acea Ato 2	1.68
Acea Ato 5	2.68
Gesesa	1.65
Gori	2.35
AdF	3.77

CUSTOMER CARE



CUSTOMER CARE POLICY

The customer is one of Acea's key stakeholders, to whom the Company pays the utmost attention. The aim is to improve customers' experience when they come into contact with Group companies (so-called "customer journey").

The operating companies pursue this objective in their daily relations with customers, while in the Holding Company the Data

Driven Management Unit (ITS) ensures integrated management of the monitoring of customer/end-user relations in the Group, identifying actions aimed at optimising customer experience in agreement with Industrial Segments and Companies.

Using a dedicated unit within the Executive Assistant and Board Relationship Function of the Parent Company, Acea monitors

how **requests made by consumer associations are handled**. Although, due to the Covid-19 health emergency, the Holding Unit was unable to organise the usual face-to-face meetings with the main consumer associations, **it continued to gather requests from local communities through special meetings organised remotely** and continued to raise awareness of the use of **exclusively dedicated** digital and telephone channels, **implemented by the companies to respond adequately to the new needs** emerging during the lockdown period.

The Consumer Associations recognised by the National Consumer and User Council (CNCU) also support and represent customers who intend to resort to a **joint settlement procedure** for the out-of-court settlement of **commercial disputes**, used by Acea for several years. Following the Memorandum of Understanding for ADR (Alternative Dispute Resolution) settlement, signed back in 2016 by **19 Consumer Associations** and the **Companies Acea Energia, Areti, Acea Ato 2 and Acea Ato 5**, the ADR Body⁵⁵ was set up, **joined by Gesesa on 1° December 2020**. The Body allows customers of the signatory companies of the Protocol⁵⁶ access to the **out-of-court resolution of disputes via the ADR procedure**. In 2020 the Authority received a **total of 419 requests for procedures** (327 deemed acceptable, in accordance with the rules and regulations, and 92 not applicable), **of which 279 for the water sector and 140 for the energy sector**.

Some time ago **Gori** also signed a **Memorandum of Understanding** for the settlement of disputes with local consumer associations, and **handled 116 settlement requests** during the year. In addition, **178 requests for ARERA settlement were completed**. In 2020, Gori proposed campaigns aimed at customers, for example on the correct protection of meters and systems from frost or on the quality of water distributed, transmitting them on various channels and using videos and other media for the web and the press. The Covid-19 emergency did not affect this activity, instead, it broadened this action.

At the beginning of the year, **Acea Ato 5** launched a phase of discussion with the consumer associations that are members of the OTUC (Organismo di Tutela dei diritti degli Utenti e dei Consumatori [Consumers Rights Association]) and trade associations to verify and **reorganise the consumer service points** and the mem-

oranda of understanding signed for the activation of dedicated service points. This activity was interrupted with the onset of the health emergency and relations with Consumer Associations were managed through digital channels. Activities to encourage user regularisation also continued in 2020, based on a memorandum of understanding signed in November 2019 by Acea Ato 5, the Segreteria Tecnica d'Ambito (STO) of OTA 5 – Southern Lazio and by the OTUC. Lastly, thanks to the agreement signed at the Chamber of Commerce of Frosinone **with the Trade Associations** (Federlazio, CNA, Confindustria, Unione Artigiani Italiani and Unindustria), **a dedicated email channel** for companies and small entrepreneurs continues to be active, as well as the possibility of resolving **procedures by appointment, simplifying and accelerating administrative procedures**. In collaboration with municipal administrations, Acea Ato 5 also developed **information campaigns**, through posters and promotion on the institutional web channels and media of local authorities, to raise awareness of **the protocol** already signed with STO and OTUC **to remedy abusive practices** and promote the **water bonus** and the **possibility of access to payment in instalments in case of economic difficulties** related to the emergency situation and according to the relevant ARERA provisions. The Company publishes a weekly column called **“Acea Ato 5 Informs”** in the most widely read provincial newspaper, distributed through a **Newsletter** to consumer and trade associations, in which it addresses issues related to the management of the water service, users' rights and new developments in the sector, providing **accurate information to the public and promoting the main initiatives undertaken**.

AdF has a **relationship of collaboration and direct and constant discussion with the Consumer Associations active in the area**. During 2020, as a result of the provisions related to the Covid-19 health emergency, it was not possible to organise meetings in person, but the discussion of individual cases with the representatives of local Associations took place regardless via online meetings. These included cases such as the suspension of debt collection activities in the lockdown period, changes in the timing of the procedure to obtain recognition of the supplementary water bonus, etc.

The **judicial disputes that took place during the year** between Acea and the customers is explained in the dedicated box.

DISPUTES WITH CUSTOMERS 2020

Legal proceedings **brought by customers** against companies of the Acea Group mainly concerned disputes relating to **charges for service supply, adjustments, pricing structures and service activation delays**.

Disputes in **2020** totalled **576**, slightly **decreased** compared to 2019 (1,000 disputes

began in 2019, mainly due to challenges to payment orders relative to companies Acea Ato 5 and Gori).

As at **31 December 2020**, the **total number of disputes pending with customers** (including disputes initiated in previous years) **amounted to 2,181**. The situation was affect-

ed by the overall slowdown imposed on activities, including those of a legal nature. This type of litigation is, in any case, the one that can be resolved most quickly and with a less costly procedure.

As part of the **measures to combat the phenomenon of “disputed activations/contracts”** and **“unsolicited supplies”**⁵⁷, Acea Energia has defined and applies **specific procedures**, depending on the channel used. For customers of the free market, in the event of a

contract proposal signed using door-to-door sales or by telephone, **the Company carries out procedures to verify the correct behaviour of the sales operator**, the clear presentation of the content of the contract signed, and, above all, the customer's awareness of

⁵⁵ Since February 2017 the ADR Body has been included by resolution in the list maintained by the Authority.

⁵⁶ It should be noted that three other Group companies active in the water sector, not included in the scope of the NFD, are signatories of the Protocol, and have received a total of 16 requests for ADR procedures, 10 of which are considered eligible.

⁵⁷ In compliance with ARERA resolution 228/17 and article 66 quinquies of the Consumer Code.

having made a choice by means of a confirmation call aimed at limiting the risk of misunderstanding and belated exercise of the right of withdrawal. Acea Energia **checks the completeness and absence of alterations of all printed contracts and listens to all the telephone records produced by the sales reps.** In the event of issues being detected, **the IT systems stop activation of the new offer.**

The **digital sales channel envisages elements**, such as signing the contract with a **biographometric signature using a tablet and an app**, the digital acquisition of pre-contractual and contractual documents and their transmission to the Company's back-end systems, **aimed at eliminating the risk of errors and/or tampering.** However, Acea Energia has found evidence of possible **additional risk factors of misuse of the tablet** by agents, such as photographic scanning of non-compliant identity documents and various other instances; consequently, in **February 2020**, Acea Energia **suspended door-to-door sales** with biographometric signatures as a precautionary measure **to implement specific risk monitoring and mitigation tools**, which came into operation in March. Door-to-door sales activities were then suspended due to the health emergency and use of the tablet remained suspended throughout 2020. The Company has, however, **reintroduced the systematic execution of confirmation calls**, previously considered unnecessary, **also for acquisitions with a digital process**, to ensure second-level monitoring of the process.

Since **September 2020**, Acea Energia has implemented a **new digital sales process** with electronic signature based on a **one-time password (OTP)** for the telemarketing channel, and on an experimental basis, for physical networks. The customer contacted, who has expressed interest in receiving a contract proposal, **can receive in advance**, at his/her e-mail address, **all the pre-contractual and contractual material in digital format** and proceed only later, if desired, with the digital signature of the contract, by entering the OTP received via SMS on the mobile phone number indicated. Signing of the contract by digital signature is the only method envisaged for acceptance of the proposal and this **reduces the risk of persuasive phenomena** induced by the sales network.

As part of **the Agency Mandate** regulating the relationship with the sales reps. network, Acea Energia, as mentioned, **verifies performance**; in 2020, it **analysed 762 contract proposals, which were the subject of complaints** for cases of "disputed activations/contracts" or "unsolicited supplies" (with an increase, compared to the 468 cases in 2019, which was less than proportionate to the overall production increase of the sales network). As a result of the verification activities, intensified in 2020, **401 cases of "unfair commercial practices"**, 53% of the cases analysed, **were reported** to the Agencies. As is customary and consistent with the provisions of its agency agreements, Acea Energia carried out a **mandatory training programme for sales representatives** (see the *Suppliers* chapter) and maintained, in the aforementioned agreements, **bonus/malus mechanisms related to the quality of the contracts acquired.**

Acea Energia's **commercial action on the free market** aims to meet the **different needs of customers**, from households to large industrial customers. The offer of **new commercial products**, launched in 2020, was carried out, in some cases, **in partnership with other companies**, as a strategic and commercial lever, capable of creating value over time and of benefiting from the positive values associated with partner brands (see box on commercial offers). In this regard, mention should also be made of the two Power Purchase Agreements (PPA) signed by Acea Energia and ERG (through its subsidiary ERG Power Generation) for the supply of a total of 1.5 TWh of energy from renewable sources in the period 2020-2022. *"The contracts we have finalized with ERG,"* – said the Chairman of Acea Energia – *allow us to diversify the supply of energy for our end customers and ensure more stable price dynamics, using a tool such as the PPA that promotes development and production from renewable sources and thus supports the energy transition process which Acea Group is committed to."*

In 2020, **confirming the trend of recent years, the "green" energy sold to free market customers increased (20.3% compared to 2019 volumes)** – see the box on commercial offers – while **the incidence of this item on the total energy sold in the year to free market customers by Acea Energia** (approximately **4,572 GWh**, see also the *Environmental report*) **stood at 30%.**

Acea Energia paid particular attention to the acquisition of highly reliable **"multi-site customers"** in various industries, from banking to services to ensure a **multi-year customer base** and launched initiatives to offer **value-added services** to employees of this type of customer, proposing "welfare" commercial offers for the supply of electricity and gas.

As part of its direct marketing and caring activities, in 2020 Acea Energia **added to the reserved area available on its website and the related online services** that customers can use to manage their supply independently. **Autonomy, time saving, respect for the environment and safety:** these are the pillars of communications to customers. Online services were the subject of the cross channel campaign **"We stay close to you, even from afar"**, launched in March 2020 to coincide with the closure of branches and physical offices following national safety provisions related to the Covid-19 emergency. The campaign, via print, posters, DEM, social and BTL on site, was "customised" to the target customer market. The Company has also launched a campaign on various channels to **increase brand awareness** in areas where commercial action has particular development potential. The main visual shows an illuminated city which the "pin", the distinctive symbol of the Acea Energia brand, stands out on. The communication plan was designed from a cross-media perspective with presence in the press and on digital, social and TV channels, as well as billboards in the city of Rome.

In 2020 Acea Energia reshaped its commercial offer, maintaining some offers launched in 2019 and introducing new electricity and gas products. It has also started selling (in a pilot phase) **new value-added products (VAS)**.

New products:

- **Acea Insieme:** an electricity and/or gas offer created during the lockdown period to give customers the opportunity to activate a value for money offer by fixing the price of the Energy and Gas Components for 12 months.
- **Acea Assicura** (systems insurance): together with its partner Axa, Acea Energia began selling insurance policies to cover failures of electricity and natural gas systems for customers who have activated supplies with Acea Energia in the free-market. The activity was launched in a pilot phase on a limited number of sales channels and will be extended and confirmed in 2021.
- **Light Boiler and Special Climate** (boilers and air conditioners): Acea Energia has started selling value-added products such as high energy efficiency boilers and air conditioners. With the purchase or replacement of obsolete equipment with that offered by Acea Energia, the customer can

take advantage of the transfer of credit in accordance with current regulations. The offer proposed by Acea Energia consists, in addition to the physical asset, of services such as consulting, installation and assistance, aimed at ensuring a “turnkey” solution. The “pilot” trial started in 2020 and will be consolidated in 2021.

Acea Energia has also prepared offers, limited in time, for customers who have signed **Acea Open** with Amazon coupons and **Acea Giga Extra** with gigs of Wind3 network usage as a gift.

Offers launched in 2019 and confirmed in 2020:

- **Acea Come Noi:** electricity and/or gas offer allowing the customer to buy electricity and gas at wholesale prices, **variable over time**, for a small monthly contribution.
- **Acea FastClick:** an electricity and/or gas offer for **more digitized customers; subscription is online** with web billing and domiciliation of bills.
- **Acea Viva:** offer supplying “green” energy produced from renewable sources with a Guarantee of Origin responding to the needs of **customers who are more attentive to the environment** and linked to the activation of the web bill. The offer **is also formulated for large business clients** and

constitutes an asset of strategic positioning, strengthened by personalized communication solutions offered by Acea Energia.

The total volume of “green” energy sold⁵⁸ by Acea Energia in 2020 is estimated at 1,363 GWh, with an increase of 20.3% compared to the final⁵⁹ 2019 figure (1,133 GWh), **confirming the growth trend noted in recent years.**

Finally, in compliance with the provisions of the Authority, Acea Energia has prepared the differentiated **PLACET offers** – Free Price at Equivalent Protected Conditions – for families (domestic use) or small businesses (non-domestic use). This type of offer is included in the package of commercial proposals at freely determined prices but **with contractual conditions defined by the Authority.** The economic conditions are decided by the seller and renewed every 12 months; the price structure and the contractual conditions (e.g. guarantees, instalments) are determined by the Authority. The uniformity of the price structure and contractual conditions, the exclusion of any additional service and the possibility of activating energy supplies (electricity and gas) only separately and with two separate contracts make PLACET offers **easily comparable with each other.**

See also the website: www.acea.it, dedicated to customers on the free market.

The “**Acea con Te**” [Acea with You] **loyalty program**, for domestic customers on the free market, recorded a **51% increase** in registered customers in 2020 compared to 2019, confirming the upward trend. During the year, the limitations of activities caused by the health emergency did not allow tickets to events to be given away; however the **Emozioni da Prima Fila** [Front Row Excitement] competition continued throughout. Acea Energia has continued this activity (the heart of the programme) by offering prizes to registered customers in the home, kitchen, children, hi-tech, personal and voucher categories. **All customer engagement initiatives carried out in 2020 were marked by a particular attention to the needs of families:** for example, Acea Energia made available free discounts on goods and services used in the daily management of the family budget. In addition, with a view to improving customer experience, in the second half of the year, the Company interviewed customers to get a better idea of their expectations and define an action plan.

It should also be noted that **Acea Innovation**, which joined the Commercial industrial area in 2020, has completed the preparation phase for developing services, sales and staff structures and in 2021 will launch the so-called “**smart services**” offer, marketing of insulation systems for thermal insulation, energy efficiency services, residential photovoltaic and solar thermal systems and

local composting systems for the transformation of organic waste (SmartComp).

Water companies have also undertaken communication initiatives aimed at customers. Given the health emergency situation and a particularly dry summer, **Acea Ato 2** deemed it appropriate to propose communication actions aimed at raising awareness among users for a more conscious use of water resources, with particular focus on the municipalities of the Province of Rome. The communication campaign called “**Preserviamo il futuro**” [Let’s save the future], conducted with the Parent Company, was published in June in the main web and press media and involved putting up around 7,000 posters; between the end of August and September the campaign was given a recall in the press and on the web with greater use of the latter which can be adapted to the various formats (including social) to allow for greater coverage.

Acea Ato 5 wanted to make customers aware of specific issues, such as communicating meter readings and mitigating the risk of meters freezing, and inform them about the planned replacement of the meters. In addition, the Company launched the “**Water Identity Card**” project to raise awareness of the quality of the water it supplies. The project envisages the creation of a fully-fledged water ID (available digitally or in a printable version) indicating the values of the main analytes that characterise it in each area of the

⁵⁸ Like the 2019 figure, the figure for G.O. certified green energy sold in the year also includes the main Group companies’ internal consumption, which contributes approximately 425 GWh (424 GWh in 2019) out of an estimated total of 1,363 GWh. The final calculation is expected in March 2021, and the consolidated data will be updated in the next reporting cycle.

⁵⁹ The figure not yet published in 2019 was slightly higher, equal to 1,144 GWh.

centres served, enabling users to access relevant data and information by indicating their residential address. **AdF** has strengthened communication within its social channels by introducing the concept of the “**AdF Community**”, creating a virtual space for sharing useful information and providing support, especially in the changed context caused by the Covid-19 health emergency.

CONTACT CHANNELS AND PERFORMANCE

In all customer relations, Acea is committed to **guaranteeing the respect of privacy in the management of personal data**. In particular, Acea has adapted its organisation to better respond to the evolution of the relevant legislation, updated⁶⁰ in line with the new European regulations (**General Data Protection Regulation – GDPR**)⁶¹ on the protection of personal data (see in-depth analysis in *Corporate Identity, The Internal Control and Risk Management System*)

In addition to **traditional contact channels** (call centre and branches), Acea makes **digital contact channels** available to customers. The **crisis resulting from the Covid-19 health emergency** has, in fact, **made it even more important to spread the use of remote channels** to ensure continuity of service and customer support.

On this basis, **Acea**, during the period of national lockdown, **launched a communication campaign** with the hashtag **#IORESTOACASA**, present on the main national and local newspapers, online and in print. The campaign aimed to raise public awareness on compliance with the prevention measures imposed during the lockdown and at the same time remind them how they could independently manage their own water, electricity and gas supplies, 24 hours a day via digital channels, in particular through **the customer area MyAcea** (see also, the Customers, *Communication, events and solidarity* chapter).

To further strengthen communications in this area, a promotional **video was made with the aim of presenting the MyAcea customer area** and the main services available online, promoting them in an original and engaging manner as a valid alternative to traditional channels. **The video was also uploaded to the screens of all Acea water kiosks in Rome and the Province of Rome.**

The **MyAcea** self-care platform, also available in the form of an app for mobile devices, allows the customer to **manage all the water, electricity and gas user accounts active with the Group companies through a single account**, seeking to **facilitate the User Experience** and simultaneously **add to the available operations**, while the processing of documents continues to be ensured by the Companies that manage the various services. **The MyAcea app, installed by about 290,000 people**, saw further growth of the user base, with **an increase of 61% in 2020** compared to the previous year (180,000 people in 2019).

In addition, in order to meet the needs of **water customers** spread over a large area where many physical service points have been closed, the **Digital Service Point was launched**. The initiative, referred to below, began in October with Acea Ato 2, followed in November and December by Gori and Acea Ato 5; similar implementation projects have already been planned for 2021 for the other Group companies.

Throughout 2020, in order to better respond to customer needs, particularly in light of the restrictions related to the health situation, **Group companies implemented initiatives aimed at improving remote contact channels and increasing the digitisation of commercial procedures.**

In 2020 **Acea Energia** implemented a new portal for **large customers** to access all the information relating to supplies, payments, contracts, invoices and consumption data. The project will continue in 2021, with the introduction of features that will, for example, allow customers to access data from energy markets. The Company has also separated the reserved areas dedicated to its customers, **maintaining the free market on MyAcea** and creating a **new reserved Customer Area for the protected market**. About 135,000, **Acea Energia customers** have installed the MyAcea app and about 40,000 the Rome Electricity Service app. 146,941 customers logged in at least once to the reserved area on MyAcea (free market, about 40% of the customer base) in the last 12 months and 224,867 to the Customer Area (protected market, 33.5% of the customer base).

In January, **Acea Ato 2** activated new features for instalment payments, **with digital acceptance by e-mail**, in accordance with ARERA's requirements⁶². **From June**, the head office branch was opened exclusively for customers with a **reservation via the Ufirst app**, which allows them to schedule an appointment date and time using a smartphone or a **call centre**. In September, **provision of the e-mail address was made mandatory** when changing or creating new customer information, verified by sending an e-mail to the customer with a link that, if clicked, checks the address as “verified”. In **October**, Acea Ato 2 introduced the **Digital Service Point, which provides customers with all the services offered at the branch via a video call system with the assistance of an operator**. To access the Digital Service Point, after booking, all the customer needs is a computer with a webcam or a smartphone and an internet connection. **In just three months of activation in 2020, the service proved very popular, with over 2,370 video calls made**. Lastly, in December, the Company introduced the new digital transfer service, which enables the transfer procedure to be managed by telephone, with digital acceptance by e-mail of the contractual conditions. In 2020, Acea Ato 2 added further to the features of the MyAcea customer area, with **the new “Digital mailbox”**, a simple and immediate way of **viewing all the communications relating to the supply contract**, such as contractual documentation, reminders and service limitation or suspension notices. The increased offer and the improved usability of online services led to an **increase of about 53% in the number of subscribers to the MyAcea customer area pertaining to Acea Ato 2**, equal, as at 31/12/2020, to **307,885 associated user accounts** (201,309 in 2019).

Acea Ato 5 has been particularly committed to the **innovation of relationships with users**, encouraging the adoption of increasingly effective systems and solutions to improve the ability to communicate and manage customers through **digital channels**, and at the **end of 2020**, it also activated the **Digital Service Point**, with video calling by appointment and assistance from an operator, to add to the other remote channels, such as toll-free numbers, the MyAcea app, e-mail and the web portal. The Company carried out information campaigns through traditional press channels and innovative channels (email marketing, text messaging) to promote **the use of remote contact channels** (toll-free number, dedicated numbers, MyAcea platform and app, website and email) and **web bills** and replicated the Group's **#IORESTOACASA** communications campaign, adapting it to its area of reference. The new digital services and information campaigns activated by **Acea Ato 5** led to an **increase in the number of subscriptions to the relevant MyAcea area**, for a total of **43,829**

⁶⁰ Legislative Decree no. 196/2003 as amended and supplemented by Legislative Decree no. 101/2018 and subsequent amendments and additions.

⁶¹ Regulation EU 679/2016 (GDPR).

⁶² Resolution 311/19 (Remsi).

associated user accounts (+33% compared to the 2019 figure of 32,853 user accounts), equal to about 22% of total contracts.

In 2020 AdF promoted the use of the MyFiora reserved area through the advertising campaign **“MyFiora ti semplifica la vita”** [MyFiora makes your life easier]. The initiative focused, among other things, on raising awareness of the advantages for customers of using the online service point MyFiora and the dedicated app. The campaign was distributed through traditional media (print, TV, billboards) and digital media (web and social). In particular, for digital activities, new ways of “targeting” audiences were introduced through “re-marketing” campaigns on web and social channels. Overall, these initiatives led to an increase in **MyFiora subscriptions of 41,761 log-ins**, for a total of **53,329 associated user accounts** (+39% compared to 2019), approximately **23% of total active contracts**. In July 2020, AdF also activated the **video call** service-by-appointment, enabling customers to handle requests remotely. The Company has also invested in developing the telephone channel, implementing fully digitalised management of certain types of requests. Starting in the last quarter of 2020, a number of tools were activated to optimise call centre performance and offer customers the experience of a state-of-the-art digital service increasingly in line with expectations; among the new features, the digital transfer has brought particular benefits, thanks to the considerable reduction in processing times.

Gori increased its communication activities aimed at participation in digital services (MyGori and Bolletta Web) and recorded a very substantial increase in customers registered to the **MyGori** reserved area in the year, reaching, as at 31/12/2020, **119,370 registered subscribers**, **47%** more than the 2019 figure (81,388 registered users). **Gesesa** promoted the use of remote channels, with information campaigns on toll-free numbers, through social media and traditional media (posters), and created two specific campaigns – **“4 Modi per Inviare l'Autolettura”** [4 Ways to Send the meter-reading] and **“In Contatto con Te”** [In Contact with You] – on how to send the meter-reading via the app and the online area MyGesesa, the toll-free number, and the mobile phone number via SMS. As at 31.12. 2020, **the MyGesesa reserved area** had reached **7,400 subscribers** (4,000 in 2019).

Acea8cento provided management services for the Group's **main operating companies** for a number of **remote channels** – telephone, fax, webform, mail, social networks – used mainly for commercial purposes and consolidated the **Net Promoter Score (NPS)** on the service dedicated to Acea Ato 2 and Acea Energia customers, which guarantees an objective measurement of the level of customer satisfaction. The activities of Acea8cento were absorbed by the operating companies in mid-2020⁶³. **Acea Ato 2** internalised **management of the call centre service contract with the external supplier**; the contact centre service is managed

on a One Call Solution (OCS) basis, in order to promptly meet the needs expressed by customers in a single managed contact. The **quality of the telephone service is constantly monitored** by means of anonymous questionnaires provided to customers by specialist companies. All contact personnel are periodically given training updates both in terms of procedures and methods of interaction with the end customer. Acea Ato 2, also manages **the chat service** to help customers browse the website and, after registration, use the services available in the customer area MyAcea. Similarly, **Acea Energia** has taken over the activities previously provided by Acea8cento. It manages the **social channel** (Facebook) for free market customers and the dedicated **chat channel** internally, while for the protected service (Rome Electricity Service) the chat channel is managed by the external supplier, via use of SnapEngage Live Chat software, the toll-free commercial numbers for the free market and the protected market, outbound campaigns, back office customer care activities, the toll-free number for scheduling appointments at the branch, the Padius toll-free number and the Premium toll-free number.

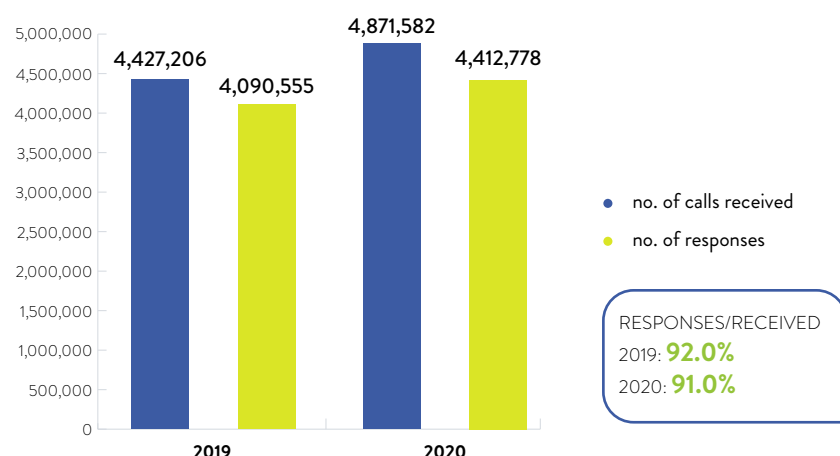
The Parent Company performs **mystery customer surveys** to **check the quality of the telephone channels and the branches**. The results are shared with Service Managers and contact operators and facilitate the identification of areas for improvement in each contact channel to take any necessary corrective measures. In 2020, a **mystery survey trial** was also conducted **on the chat channel** – which became increasingly important in the pandemic phase – with satisfactory results.

In 2020, **Acea toll-free numbers** – according to two-year data recalculated with the inclusion of AdF – **received more than 4.8 million calls, an increase of 10% compared to 2019** (approximately 4.4 million calls). The greater use of remote contact channels by customers (toll-free numbers, apps, web) is also to be considered in relation to branch closures in compliance with the measures introduced to counter the spread of the Covid-19 epidemic. The **overall level of service**, represented by responses to total calls received, despite the increase in calls received in the year under review, **was 91%** (see chart no. 28 and tables nos. 34 and 35 for individual Company performance, at the end of this section).

Through its collaboration with Padius, a startup committed to facilitating communication for people with hearing impairments, **Acea Energia** has provided customers with the **Padius app** (free and available for all devices), by means of which it is possible to contact the call centre – on a phone line with a dedicated and priority queue – by writing text messages in chat that are read to the operator by a computerized voice, while the operator's answers are returned to users in written form, **facilitating access to all the commercial services**.

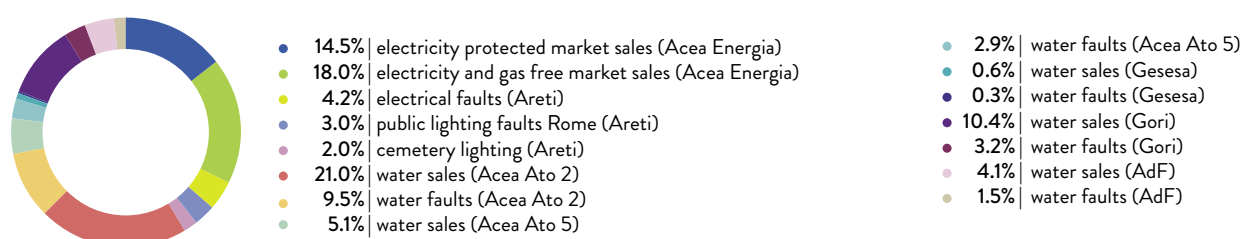
⁶³ After having sold business units (customer care) to operating companies, Acea8Cento performed its own dissolution without liquidation and was removed from the companies register on 1^o August 2020.

CHART NO. 28 – TOTAL TELEPHONE CALLS TO ACEA TOLL-FREE NUMBERS (2019-2020)



NOTE The data for the two-year period has been recalculated to include AdF, included in the reporting scope from 2020, to ensure comparability.

CHART NO. 29 – PERCENTAGE BREAKDOWN OF INBOUND CALLS TO ACEA TOLL-FREE NUMBERS (2020)



As a result of the provisions issued by the Government, caused by the health emergency, **commercial branches were closed to the public for extended periods**, from March onwards. **All performances for the year, therefore with the marked decrease in attendance at branches, were affected by the particular circumstances.** The Companies have reopened as permitted, with the end of the lockdown, taking care to **reorganise access to ensure maximum safety for users and staff**, and only by appointment. Customers were able to **arrange appointments** by e-mail and via telephone channels, or via the web, and later, for some companies, such as Acea Ato 2 and Acea Ato 5, through a **dedicated app** (Ufirst). In the last quarter of 2020, as mentioned, the digital service point, which will be progressively expanded, was launched. **For all companies**, the specific circumstances of the year also provided **an opportunity to implement important changes in the way they manage their points of contact with customers**; as already mentioned, not only were the functions of the digital channels enriched to ensure a full response

to customer requests, but the management procedures were also redesigned with a view to greater “clustering” and improvement of the ability to respond to specific customer needs.

The branches at Acea’s headquarters in Rome, in Piazzale Ostiense, for the electricity, gas and water services managed by **Acea Energia** and **Acea Ato 2**, received a total of **88,723 customers** in 2020 (last year’s figure was 204,542 customers), with high levels of service. At the branches managed by **Acea Ato 2 outside Rome** (12 branches – Ostia and the province of Rome), 16,963 customers were received (the figure was 79,691 total visits in 2019), with a **service level** (customers served/tickets issued) of **99.8%**, an average waiting time of 7’43” and an average service time of 7’32”. If the overall figures for **all the companies in the scope** of consolidation are considered, 163,527 customers were received at the branches (the same figure for the previous year was 555,496 customers received). See table nos. 34 and 35 for the performance over the last two years of the individual Companies.

NEW ACEA ENERGIA POINTS

Acea Energy confirmed its commitment to the optimisation of its physical network and in 2020, despite the limitations caused by the Covid-19 health emergency and in compliance with all the relative safety measures, it opened **new “Acea Energia Points”**, in Rome and outside Rome using a

Shop in Shop formula, i.e. setting them up in pre-existing multi-brand stores.

In the Acea Energia Points, a point of reference for customers who want to activate an electricity and gas account on the free market, activities **aim to digitalise procedures as much as possible**, guaranteeing **reduced**

waiting times, quality of service and an improved customer experience. During the year the services offered were broadened, **including post-sales activities as part of the supply procedure.** The total Acea Energia Points as at 31.12.2020 **were 90**, and in 2021 these will continue to grow, even outside Lazio.

Operating Companies also handle **written complaints, following up the processing of cases using information systems: from reporting to resolution.**

For the **energy service**, the “replies to written complaints/enquiries” both by the sales Company and the distribution Company, are services included among the **levels of commercial quality** subject to regulation by the national Authority (see sub-paragraph *Quality levels regulated by ARERA in the electricity sector*). Likewise, for the **water service, the contractual quality levels**, specific and general, introduced by the Authority, also provide for management procedures and response times to enquiries, written complaints and requests for billing corrections (see sub-paragraph *Quality levels regulated by ARERA in the water sector*).

For the **Public Lighting service**, responses to **written complaints/requests** are handled directly by Areti. In 2020 a total of **3,462 complaints/requests** were received, a **reduction** compared to the 3,715 recorded in 2019. The Company **replied to 93%** of them by 31 December.

On the website www.acea.it dedicated to the **free market** and on the website www.servizioelettricoroma.it dedicated to the **protected market of Acea Energia** there are **guides to reading the bill**. Guides for reading bills are also available for customers of the **water service**, found in the **Water** section of the Acea Group website www.gruppo.acea.it.

A major project to **restyle and review the bills of all Acea Group water companies** was launched and implemented in 2020. In brief, the project consisted of the following phases:

- a graphic restyling of the water bill **simplifying and rationalizing the contents by: introducing a brand new, modern and attractive graphic layout**; introducing new symbols and using colours to help customers read and understand them;
- the new e-mail template for the web bill, designed with the intention of giving users an impression of a Company that is digitally ready and aware of sustainability issues;
- the new interactive bill, designed as a navigable dashboard available to the customer, which will be released in January 2021 and will start on a pilot of 7,000 domestic users of Acea Ato 2.

The new layout of the printed bill was communicated to customers by means of a flyer attached to the bill and on the website, with an update to the section entitled “Guide to reading your bill”.

Following the #IORESTOACASA communications campaign, in May 2020 **Acea Ato 2** launched a communication campaign dedicated entirely to the **web bill service and smart**

payment channels. The campaign was heavily featured in major web and printed media publications. As at **31/12/2020**, the number of **Acea Ato 2 users with digital billing** was **230,049 (174% more** than the figure of 83,909 users with web billing in 2019); thanks to electronic billing, **the paper savings in the year** generated by the Company amounted to **29.6 tons**.

AdF promoted the use of digital channels through the “**AdF Digital**” communication campaign, which focused in particular on three narrative strands: **web bill, MyFiora app and digital payments**. The campaign was broadcast through traditional media (print, TV, billboards) and digital media (web, newsletter and social) with the aim of reaching as wide a target of customers as possible and led to **76,759 users with active web bills**, an increase of **172% compared to 2019**, equal to about **33% of total users**, with a paper saving in 2020 of **9.9 tons per year**.

In 2020 **Gori** launched the campaigns “**Un click solidale**” and “**Un click per il Sarno**”, thanks to which subscription of the **web bill service reached 114,469 (+96.5%** compared to 58,515 users with web bills in 2019), with a saving of **10.6 tons/year of paper**.

Acea Ato 5 has promoted the use of digital channels and the **activation of the web bill service**, emphasising, among the other benefits of the combination, the prompt receipt of the bill. As at 31.12.2020, the Company reached **34,654 users with the active service** (approximately **144% more** than the 14,218 users in 2019); this generated a saving of **4.2 tons of paper per year**. **Gesesa has contacted users** with a telephone number in their records to encourage subscription of the web bill, illustrating all the benefits in terms of time, security and environmental impact. As at 31.12.2020, the number of users with an active web bill reached **7,690 (210% more** than the 2,482 users who had the service active last year), **equal to 13% of total users, with a saving of 0.5 tons/year of paper**.

Thanks to the awareness and communication initiatives implemented by **Acea Energia**, already mentioned above, the **number of people opting for the “electronic bill”** has increased. As at 31.12.2020, there were **344,946 active supplies with the BollettaWeb [web bill] option** (184,726 in the free market and 160,220 in the protected market), an increase of **31%** compared to the 2019 figure (263,244 supplies with a web bill). **In terms of environmental protection, this equates to 50.7 tonnes/year of paper saved.**

Overall, therefore, thanks to the web bill service and the customers who activated it, **105.5 tonnes of paper were saved in the year, around 92% more than the 2019 figure** (55 tonnes of paper).

TABLE NO. 34 – ENERGY: TOLL-FREE NUMBER AND BRANCH PERFORMANCE (2019-2020)^(*)
TOLL-FREE NUMBERS

	u. m.	2019	2020
COMMERCIAL TOLL-FREE NUMBER (Acea Energia) – MORE PROTECTED SERVICE			
total calls received	no.	900,450	704,705
total answers	no.	827,230	669,300
service level (% of answers to calls received)	%	91.9%	95.0%
average waiting time before answer	min. sec.	2'50"	2'03"
average conversation time	min. sec.	6'38"	6'06"
COMMERCIAL TOLL-FREE NUMBER (Acea Energia) – FREE MARKET (Energy and Gas)			
total calls received	no.	784,997	874,990
total answers	no.	705,154	790,935
service level (% of answers to calls received)	%	89.8%	90.4%
average waiting time before answer	min. sec.	1'54"	1'36"
average conversation time	min. sec.	6'08"	7'18"
FAULT TOLL-FREE NUMBER (Areti)^(**)			
total calls received	no.	291,538	202,639
total answers	no.	285,962	200,612
service level (% of answers to calls received)	%	98.1%	99.0%
average waiting time before answer	min. sec.	1'15"	0'51"
average conversation time	min. sec.	3'10"	3'08"
PUBLIC LIGHTING SERVICE – FAULT TOLL-FREE NUMBER (Areti)^(**)			
total calls received	no.	143,158	147,878
total answers	no.	140,249	146,399
service level (% of answers to calls received)	%	98.0%	99%
average waiting time before answer	min. sec.	0'53"	0'44"
average conversation time	min. sec.	2'42"	2'49"
CEMETERY LIGHTING – COMMERCIAL/FAULT TOLL-FREE NUMBER (Areti)			
total calls received	no.	103,473	96,183
total answers	no.	98,995	89,874
service level (% of answers to calls received) ^(***)	%	95.7%	93.4%
average waiting time before answer	min. sec.	0'54"	0'49"
average conversation time	min. sec.	4'52"	4'34"
BRANCHES^(****)			
ACEA ENERGIA – BRANCH FOR ENHANCED PROTECTION SERVICE			
tickets issued	no.	88,127	34,258
customers served	no.	83,632	32,369
service level (% customers served/tickets issued)	%	94.9%	94.5%
average waiting time	min. sec.	12'10"	8'40"
average service time	min. sec.	11'34"	11'34"
ACEA ENERGIA – FREE MARKET BRANCH (Energy, Gas and offers)			
tickets issued	no.	65,884	32,880
customers served	no.	64,215	32,250
service level (% customers served/tickets issued)	%	97.5%	98.1%
average waiting time	min. sec.	4'42"	4'46"
average service time	min. sec.	11'46"	11'44"

(*) The volumes of channels subject to sector regulation are consistent with the calculation methods envisaged for reporting to ARERA.

(**) Calls handled by the automatic system or terminated by the customer during navigation within the interactive voice responder are also considered as answers.

(***) The figure relative to the level of service in 2019 was modified to correct typing errors.

(****) The figures relative to the branches were heavily affected during the year by the closures implemented by the Covid-19 health emergency, which moved their customer contact mainly to digital channels.

TABLE NO. 35 – WATER: TOLL-FREE NUMBERS AND BRANCH PERFORMANCE (2019-2020) ^(*)
TOLL-FREE NUMBERS

	u. m.	2019	2020
COMMERCIAL TOLL-FREE NUMBER (ACEA ATO 2 – Rome and province) ^(**)			
total calls received	no.	723,198	1,021,728
total answers	no.	652,776	905,658
service level (% of answers to calls received)	%	90.3%	88.6%
average waiting time before answer	min. sec.	2'15"	2'22"
average conversation time	min. sec.	4'42"	4'25"
FAULT TOLL-FREE NUMBER (ACEA ATO 2 – Rome and province) ^(***)			
total calls received	no.	454,441	462,063
total answers	no.	453,871	460,352
service level (% of answers to calls received)	%	99.9%	99.6%
average waiting time before answer	min. sec.	0'15"	0'16"
average conversation time	min. sec.	2'34"	2'34"
COMMERCIAL TOLL-FREE NUMBER (ACEA ATO 5 – Frosinone and province)			
total calls received	no.	199,789	248,266
total answers	no.	181,530	210,167
service level (% of answers to calls received)	%	90.9%	84.7%
average waiting time before answer	min. sec.	1'36"	2'19"
average conversation time	min. sec.	3'59"	3'56"
FAULT TOLL-FREE NUMBER (ACEA ATO 5 – Frosinone and province) ^(****)			
total calls received	no.	94,285	138,916
total answers	no.	92,223	128,190
service level (% of answers to calls received)	%	97.8%	92.3%
average waiting time before answer	min. sec.	1'06"	0'40"
average conversation time	min. sec.	1'54"	2'20"
COMMERCIAL TOLL-FREE NUMBER (GESESA – Benevento and province)			
total calls received	no.	19,232	27,078
total answers	no.	17,521	211,66
service level (% of answers to calls received)	%	91.1%	78.2%
average waiting time before answer	min. sec.	0'49"	2'34"
average conversation time	min. sec.	3'23"	4'38"
FAULT TOLL-FREE NUMBER (GESESA – Benevento and province)			
total calls received	no.	13,919	15,814
total answers	no.	10,267	13,046
service level (% of answers to calls received)	%	73.8%	82.5%
average waiting time before answer	min. sec.	0'35"	1'25"
average conversation time	min. sec.	2'06"	2'17"
SALES TOLL-FREE NUMBER (GORI – provinces of Naples and Salerno)			
total calls received	no.	332,248	505,439
total answers	no.	293,015	389,950
service level (% of answers to calls received) ^(****)	%	88.2%	77.2%
average waiting time before answer	min. sec.	3'20"	4'52"
average conversation time	min. sec.	4'55"	5'33"
FAULT TOLL-FREE NUMBER (GORI – provinces of Naples and Salerno)			
total calls received	no.	153,309	153,900
total answers	no.	133,640	141,000
service level (% of answers to calls received)	%	87.2%	91.6%
average waiting time before answer	min. sec.	1'08"	1'03"
average conversation time	min. sec.	3'23"	3'08"

TABLE NO. 35 – WATER: TOLL-FREE NUMBERS AND BRANCH PERFORMANCE (2019-2020) ^(*) (continued)
COMMERCIAL TOLL-FREE NUMBER (ADF – Provinces of Grosseto and Siena) ^(**)**

total calls received	no.	152,922	200,699
total answers	no.	139,543	178,239
service level (% of answers to calls received)	%	91.2%	88.81%
average waiting time before answer	min. sec.	2'18"	3'02"
average conversation time	min. sec.	4'45"	5'10"

FAULT TOLL-FREE NUMBER (ADF – provinces of Grosseto and Siena) ^(**)**

total calls received	no.	60,247	71,284
total answers	no.	58,579	67,890
service level (% of answers to calls received)	%	97.2%	95.2%
average waiting time before answer	min. sec.	45"	50"
average conversation time	min. sec.	3'34"	3'32"

BRANCHES ^(***)**
ACEA ATO 2 (Rome – head office branch) ^()**

tickets issued	no.	50,531	21,585
customers served	no.	50,440	21,536
service level (% customers served/tickets issued) ^(****)	%	99.8%	99.8%
average waiting time	min. sec.	5'19"	4'00"
average service time	min. sec.	14'16"	17'35"

ACEA ATO 5 (2 branches in Frosinone and province)

tickets issued	no.	93,598	23,945
customers served	no.	91,888	23,945
service level (% customers served/tickets issued)	%	98.0%	100%
average waiting time	min. sec.	22'00"	10'00"
average service time	min. sec.	7'59"	9'50"

GESESA (1 branch in Benevento and province) ^(***)**

tickets issued	no.	13,755	n/a
customers served	no.	13,755	n/a
service level (% customers served/tickets issued)	%	100%	n/a
average waiting time	min. sec.	6'48"	n/a
average service time	min. sec.	9'25"	n/a

GORI (6 branches in provinces of Naples and Salerno)

tickets issued	no.	202,209	42,609
customers served	no.	190,650	40,397
service level (% customers served/tickets issued) ^(****)	%	94.3%	98.4%
average waiting time	min. sec.	14'11"	14'32"
average service time	min. sec.	10'27"	10'21"

AdF (7 branches in provinces of Grosseto and Siena) ^(***)**

tickets issued	no.	41,392	8,250
customers served	no.	38,033	7,647
service level (% customers served/tickets issued)	%	91.8%	92.7%
average waiting time	min. sec.	10'00"	6'00"
average service time	min. sec.	13'00"	15'00"

^(*) The volumes of channels subject to sector regulation are consistent with the calculation methods envisaged for reporting to ARERA.

^(**) Some 2019 figures relative to the Acea Ato 2 toll-free numbers were adjusted after consolidation. The 2020 figures, both for free-toll-free numbers and the branches, are currently being consolidated and have still not been submitted to the Authority.

^(****) Calls handled by the automatic system or terminated by the customer during navigation within the interactive voice responder are also considered as answers.

^(****) The data on levels of service published in 2019 for Acea Ato 2 and Gori were modified to correct typing errors.

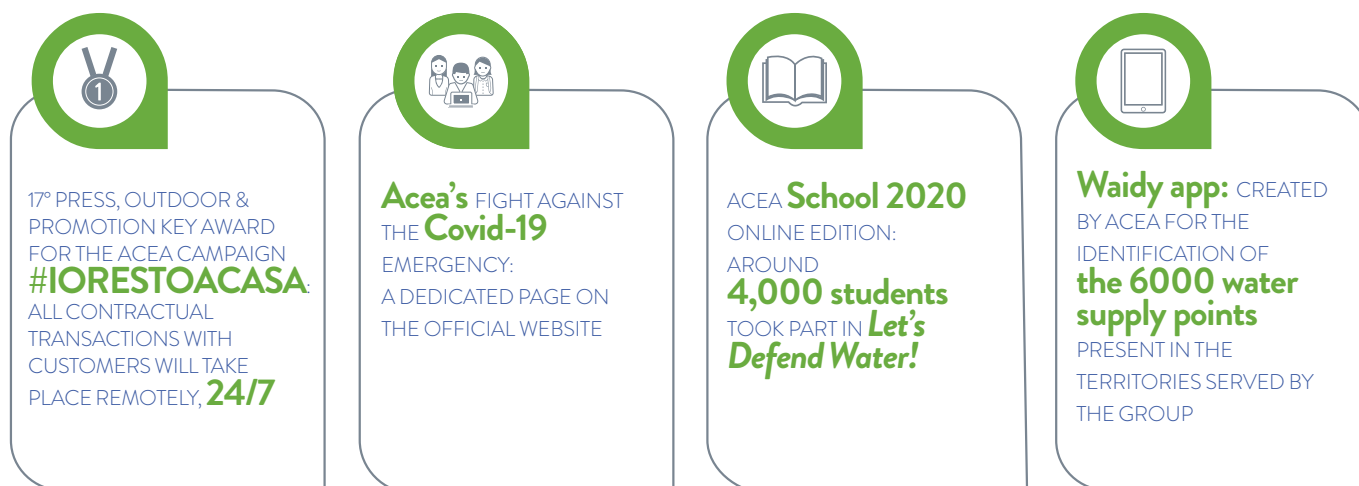
^(*****) Estimated data.

^(*****) The figures relative to the branches were heavily conditioned, during the year, by the closures implemented by the Covid-19 health emergency, which moved their customer contact mainly to digital channels.

^(*****) The branch closures and a technical issue with the queue management system led to a lack of sufficient data to monitor the performance of waiting times.

^(*****) Estimated data. The values in relation to the branches refer to 7 branches in the first two months and 2 branches, with appointment-based access, in the second half of the year, after the lockdown.

COMMUNICATIONS, EVENTS AND SOLIDARITY



COMMUNICATION

The **Communication Function** of the **Holding directs and coordinates communication and information strategies and initiatives**, defining **the development of the Group image**.

The Function monitors **journalistic information**, ensures the management of **relations with the mass media**, including the drafting and distribution of press releases, the preparation of press reviews and the organisation of press conferences for the various business areas. It also coordinates communication activities and internal dissemination of documents, news and editorial content, **brand enhancement, management of corporate identity**, creation of **institutional, advertising and commercial campaigns**, organisation of **public or institutional events**, development and management of **environmental education and solidarity projects**, as well as special projects and external events aimed at **strengthening the bond between Acea and the territory**.

In-house expertise also covers the design and production of **photographic and video services**, management of the **Group's modern and historic documentary and photographic archives**, and the **promotion of Acea sites/plants for educational and cultural purposes**.

The Communication Function also defines **digital strategy** and **digital identity**, in line with the strategic guidelines defined by Top Management, the positioning of the Group in the digital ecosystem, through the design, development and management of **the institutional website** and the websites of the Companies that align with the corporate identity. It is responsible for the operational management **of social channels** to **disseminate and promote brand awareness, the Group's values and mission** and the initiatives it carries out.

In 2020, **the Group's advertising was heavily influenced by the Covid-19 emergency**. With the closure of its branches to the public, ordered in accordance with the guidelines on prevention measures published by the Italian Ministry of Health, **in mid-March, as part of the #IORESTOACASA initiative**, Acea launched a campaign in the main national and local newspapers, online and in print, aimed at **informing customers about the possibility of managing all the operations relative to their water, electricity and gas supply contracts from home** (see the dedicated box).

#IORESTOACASA. ACEA'S COMMITMENT TO CUSTOMERS

As a way to respond immediately to the restrictions implemented as a result of the unexpected pandemic, Acea, as part of the #IORESTOACASA initiative, **created and developed**, using only internal resources, **an informational campaign for its customers**, that was featured in major national and local Italian newspapers, online and in print. Its aim was to **promptly inform all customers** that they could now **manage all**

their energy supply contracts, for water, electricity and gas, online, from home, 24 hours a day.

The volume of the communication was indeed large, comprising a total of **113 press releases** in major daily Italian newspapers and **online for a month on over 30 Italian information sites**. The campaign was also used by the Group Companies: Acea Ato 5, Gesesa, Gori, Umbra Acque

and Acquedotto del Fiora, appearing both online and in print in local press.

With this initiative, **that was already aired on 15 March**, Acea became the first Company in its field to create an *ad hoc* campaign in response to the emergency pandemic.

In September, **the campaign was awarded the 17° Press, Outdoor & Promotion Key Award** for the Transport and Energy category.

In May, again with the aim of encouraging customers to use digital channels, Acea Ato 2 and Acea Ato 5 conducted a **communication campaign on web bills** broadcast in the press and digital reservations, and between July and September **an important campaign on saving water** was launched by the same companies operating in the water sector, using various forms of communication (press, digital and posters). In **October 2020**, a campaign started for **Acea Energia**, aimed at **highlighting the valuable**

relationship with customers, improving **brand reputation** and extending awareness in Lazio and outside the region, also involving Tuscany, Campania, Lombardy and Puglia in the target reached. The campaign, which had a significant media response, was developed through targeted, transverse actions that involved various media (print, digital programmatic and reservation, TV on demand, billboards and events) and continued until January 2021. Also in October, Acea **continued its commitment of many years**

to schoolchildren, involving many schools and thousands of children, **creating a fully digital event: Acea Scuola – DifendiAMO l'acqua!** [Acea School – Let's Defend Water!], dedicated to sav-

ing water and sustainability; the event was advertised with a **communication campaign on air on digital programmatic**, registering **10 million impressions on 200 websites** (see the box for details).

"ACEA SCHOOL – LET'S DEFEND WATER!" 2020 DIGITAL EDITION

Despite the health emergency situation, **Acea wanted to implement this educational project**, which was already active for many years and involved thousands of young people, to raise awareness around environmental sustainability.

To this end, the 2020 edition, focussing on protecting water resources, was created through **three virtual events, accessible throughout the country**. Young people and their families were able to access the event through the dedicated page on the Acea website. The 3D event took place over **three days in October**, from 4-9 p.m.,

each dedicated to different elements of the water cycle: ***The journey of water, environment and water quality, sustainability and saving water***. The project was **followed by around 4000 people** and aimed at **providing them with a multimedia experience** which, guided by the young talent Valeria Vedovati, considered the journey of water, from its source to our homes, and explained Acea's work and the technologies used by the Company to ensure the protection and quality of our natural resources and water service.

During the 2020 edition, Acea introduced

"Waidy", the new app, created by the Company, used to identify the 6000 water supply points active in areas served by the Group, inviting everyone to use water more responsibly and reduce their use of single-use plastics.

In December, the educational projects were only offered to schools in Rome and the Metropolitan city as support to educational activities, and came with the possibility to enter into a contest, pertaining to the same themes, to win three vouchers that for use by winning schools to purchase materials to aid distant learning.

Other campaigns went on air to draw attention to particularly important events organised by Acea, such as, **in November**, the second edition of **Sustainability Day, entirely digital this year too**, with a debate between representatives of the institutions, research and experts in the sector on sustainable development strategies (see the box in the *Strategy and Sustainability* chapter of *Corporate Identity*).

Lastly, two other important campaigns were carried out between the end of November and December to support initiatives of the operating companies. In particular, **the information campaign on the advantages of Areti's new 2G meters**, aimed at customers of the IX Municipality of Rome, the area where replacement is ongoing, and the campaign to promote the **digital service point and new MyAcea services of Acea Ato 2 and Acea Ato 5**.

Visits to Acea plants were affected by measures for the Covid-19 pandemic emergency and were **suspended at the end of February**. In the first two months of the year, Acea's facilities received **a total of 3 visits**, two from Italy and one from abroad, **for a total of 54 visitors**, recording data not comparable to attendance in the previous year, in a situation of normality (35 visits, for a total of 2,323 people in 2019).

The **Digital and Corporate Media Unit**, within the Communication Function, defines the digital strategy and digital identity and manages communication on digital channels of the Acea Group. The corporate website www.gruppo.acea.it expresses **the Group's values, mission and industrial positioning**.

In line with the 2020-2024 Industrial Plan, **the Group's website tells the story of the Company**, highlighting its commitment to sustainability and innovation, transversal elements that increasingly characterize its method of operating to ensure greater efficiency in the services provided to customers, thanks in part to the quality of work of its people. The site **shows corporate content**, offers an **area dedicated to services** and stands out for its **transparency-based approach**. The corporate website is the result of an in-depth **analysis of positioning and digital strategy**, with particular focus on **visual communication** and a clear organisation of content, facilitating smooth and intuitive browsing, thanks to original layout and graphics, consistent with the Group's brand identity.

By employing an effective, engaging language and the use of **images and videos**, Acea promotes its people, skills and **daily commitment to the regions it operates in**.

The result of the work on the corporate website and on the Group's entire digital ecosystem has led Acea to enter **the top 10 of Webranking Italy 2020-2021**, the survey conducted by Lundquist and Comprend that assesses **the transparency of communication on the digital channels** of the main Italian listed companies, confirming its position **among the "4-star" companies and thus further improving its position** compared to 2019, the year in which it was ranked best improver, i.e. the best listed Company by score increase at global level. The ranking also enhanced the Wikipedia entry, citing Acea as best practice. Lastly, **the Company was included in the "silver class" of .trust**, the analysis conducted by Lundquist that assesses the ability of Italian listed companies to **tell their story in a clear, engaging way**, positioning themselves in the most virtuous quadrant corresponding to **"narrators"**, including *"the companies that provide complete content built following the narrative and proactive involvement of the user stakeholder, balancing information and stories, rational and emotional elements, website and social media"*.

During the year, the **Acea website highlighted the initiatives put in place to respond to the Covid-19 health emergency**, ensure essential services in the area and safeguard its people. **A dedicated page was created** and constantly updated with information on the initiatives undertaken to express closeness to the community. Press releases and service notices were issued to update users promptly and communication campaigns were carried out to encourage the use of digital contact channels.

The website publicised the main 2020 events, organised by the Company or in which the Group took part, such as the second edition of Sustainability Day, **the Ecomondo and Maker Faire Rome** events (see the box for details). The Company also promoted the **events which it has long associated its brand with** through sponsorship (see the dedicated paragraph below), such as the Film Festival. With regard to activities aimed at schools, particular emphasis was placed on the **DifendiAMO l'acqua!** [Let's defend water] educational programme, dedicated to raising awareness of the responsible use of water (see the dedicated box).

In November, Acea participated in **Ecomondo**, the biggest trade show dedicated to *green economy* and to promoting a development model promoting transition to a **sustainable industrial ecosystem**. The trade-show presented the various initiatives implemented to plan and build **smart city through technical innovations and a green and circular economy** and, since it took place **on a digital platform**, it was extended **by two weeks**, giving the public a better opportunity to learn about the participating companies' profiles, innovations, participate in conventions, workshops and one-to-one meetings (see also in *Relationships with the environment, Environmental sustainability and its main challenges*, analyses of Acea Ambiente projects, presented at the event). **Acea's CEO was also present at the digital event**, and took part in the International Plenary Session "Governments and Green Enterprises in the new global context", **along with the Chairman**, representing Utilitalia in the In-depth Thematic Session "Financing Climate Neutrality- Italy for Climate Roadmap to steer the funding of the Recovery Plan". The Chief Executive Officer highlighted Acea's growing commitment to sustainable success, stating that: *"For Acea, growth and creating values are closely related to achieving sustainability goals that increasingly characterise their performance indicators. The Business Plan we presented last week signif-*

icantly increases the importance of sustainability in relation to our business choices and in the Group's operational management".

In December, Acea, who this year was awarded the **"Premio Imprese per Innovazione"** (Enterprise Award for Innovation), promoted by Confindustria and dedicated to companies that have successfully invested in R&I (see chapter *Institutions and the Company*, for more information), renewed its participation in the **Maker Faire Rome – The European Edition**, a point of reference for new technological trends and innovations. The event took place online for four days, attracting thousands of virtual visitors, including makers and start uppers who, connected from all over the country, were able to appreciate contributions made by participating companies. Acea, in particular, presented the most innovative industry 4.0 solutions, which it applies to its industrial sectors, especially the water and environment sectors.

Acea introduced the **Waidy** app for the water sector, downloadable from any app store (Apple and Android) or using the dedicated QR code on the water supply points, which, through the **geolocation of around 6000 drinking water supply points** in areas served by the Group, allows you to view, in real time, the points nearest to you and learn about their history. The app also, through a smart water grid system, enables

you to report faults, in case of water fountain malfunctions, and to request qualitative and quantitative water parameters, provided through a direct link to the MyAcea portal. With the Waidy app, you can also track your daily water consumption and become a part of the *"water community"*, a new interactive channel used for communication with other users. In relation to the Environment sector, Acea presented the new release of **Acea SmartComp**, created in collaboration with Enea and the University of Tuscia to promote the widespread, authorised, local processing of organic waste produced by large public service utilities such as can- teens, hospitals, shopping centres, airports, and stations. With SmartComp you can transform your organic waste into compost locally, through an aerobic process that produces **ready to use fertiliser** in around 90 days. The project guarantees less waste production and continuous savings on management costs for the entire waste management system throughout Italy, for the recovery procedures of individual consumers, and a positive impact on the environment, thanks to reduced greenhouse gas emissions from removing waste transport. *"The annual Maker Faire Rome event – stated Acea's CEO, who was present at the event – is an opportunity to confirm our commitment and attention to innovation and new technologies"*.

Over the year, the area of the **corporate website dedicated to innovation was broadened** to give greater emphasis to the Group's commitment and projects in this area. In addition, **the section dedicated to "stories" was redesigned** to include initiatives for the community and territory and business activities, using different narrative strands **to involve all stakeholders and illustrate the Company's life and commitment** to them., combining the human dimension, technology and sustainability.

On all the pages of the site, **sustainability** is highlighted as a key element for the growth and creation of value of the Group. Indeed,

in addition to being discussed in the section **"Our commitment"**, sustainability becomes a **cross-cutting value**, with references to initiatives and projects dedicated to each area.

Also worth mentioning is the communication which focused on the **artistic lighting of monuments** and the main **symbolic lighting** concerning the usual activities of raising **public awareness** on the prevention of diseases such as breast cancer or other events with high social impact, but also **the special lighting with the Italian flag colours of some institutional offices, to express closeness to the community following the Covid-19 health emergency** (photo gallery on the corporate website).



As happens every year, for the **Shareholders' Meeting**, the “Browseable Reports” of the Acea Group were published, which make the **Consolidated Financial Statements** and **Sustainability Report** accessible interactively, with open data and multimedia content. The online reports present Acea’s results, values and projects and provide the possibility of **capturing the multiple threads that link the two annual reports in a single frame**.

The website also performs a **service function**, with the **timely publication of notices** about any water stoppages affecting the areas where the Company operates. For several years, it has provided data about **emissions**, monitored in real time, from the Group’s two **waste-to-energy facilities** and the **Tor di Valle power plant**, and the **main parameters of the quality of the water** supplied by companies that operate in the water industry can be consulted online.

Lastly, in 2020, **the project for the creation of the new Areti website was launched**, which will present informative content aimed at electricity distribution users and will go online in 2021.

The new Group website, active on the www.gruppo.acea.it domain, has been online since June 2019, so the 2020 statistical data are not fully comparable with those of the previous year, while from the next reporting cycle a clear comparison of the two-year period focused only on visits to the corporate pages will be possible⁶⁴. In the year, there were about **29.8 million page views**, equal to **7.4 million accesses**; although, in absolute terms, the **desktop** connection mode prevails with **60.3%** (4,517,158 accesses) and **tablet** connection remains limited, at **2.5%** in the

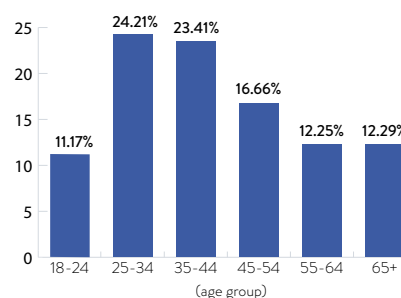
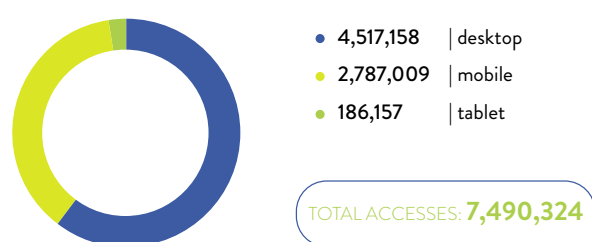
year (186,157 accesses), the increase in **mobile** phone access to the site was confirmed, at **37.2% in 2020** (2,787,009 accesses), as well as the concentration of visitors in the age range between 25 and 44 years.

As regards the **Acea Energia website** (www.acea.it), **more than 2.6 million accesses were recorded in 2020**, an **increase of more than 30%** compared to the 2019 figures (more than 2 million accesses), **in part related to the Covid-19 emergency** and the campaigns to raise awareness on the use of digital channels. Accesses were predominantly from desktop (59%), followed, by mobile phones, (39%) up from 2019 and tablet (2%). The website, dedicated to the sale of electricity and gas on the free market and constantly updated with commercial offers, provides quick, user-friendly navigation with original, innovative user features to facilitate customer journeys and interactions with all touchpoints.

In addition to the “stories” section where topics related to sustainability and innovation in the energy sector are discussed, **a new guides section was created** in 2020 to provide useful information to users on topics such as **wind energy**, **spending simulators**, **energy saving** and other topics related to our market, which contributed to the increase in accesses.

On the website www.servizioelettricoroma.it, **dedicated to protected market customers**, **400,237 accesses** were recorded in 2020, a figure **that more than doubled** compared to 2019 (about 182,000 accesses), with 70% connecting via desktop, 28% via mobile and 2% via tablet.

CHART N. 30 – ACEA 2020 CORPORATE SITE: HOW TO ACCESS AND AGE RANGES



In 2020 Acea **consolidated and strengthened its presence on social media** (see the dedicated box), thanks to a storytelling strategy in line with the communication and the “tone of voice” of the Group’s institutional website.

The editorial plan **focused on content for each channel**, aimed at enhancing Acea’s commitment in the area, including in the context of the Covid-19 health emergency. The main events of the year were followed through *ad hoc* planning and supported with influencer marketing projects.

ACEA NUMBERS ON SOCIAL MEDIA

After their debut on social media last year, Acea **reinforced its presence on all the main networks**. The key 2020 figures are:

Acea Group’s **Facebook** page gained a fanbase of around 4689 followers (100% more than in 2019) and had a total of around 48300 interactions. Posts have been predominantly focussed on corporate content and cultural events sponsored by the Group. Thanks to continued moderation, user requests received on the page are directed to dedicated support channels; the **Instagram** account had around 3633 followers (+134% compared to 2019) and 16388 interactions. Through

direct and informal communications, the channel aims at involving users through stimulating images and content, to raise awareness around the work carried out by the Company at the national level and for communities.

The **Twitter** profile had over 4,503 followers (+4.7 compared to 2019) who interact with Acea through comments and sharing (8,780 interactions); it’s one of the main touchpoints for **updates on corporate content and Group results**, as well as for interaction with various **institutional stakeholders**.

⁶⁴ In fact, in order to maintain the best comparability with the data published in 2019, the 2020 data on this occasion still includes visits to MyAcea pages. For the 2020-2021 period, however, it will be possible to compare standardised periods and separate the data from visits to commercial pages

The **LinkedIn** profile, which has been active for the longest, increased in popularity since the previous year, with **46,964 followers, increased by nearly 40%** compared to 2019; this also led to an increase in conversations and interactions, which amounted to around 19,798. Acea uses this channel to confirm its presence and reinforce the importance of multiutility, also in attracting new talent and skills.

The **YouTube** profile is active as well, with 944 subscribers and collects all Acea's videos.

In addition to the corporate profiles, the Company is present on **Facebook** and **Instagram** with **Acea Energia**. Both channels were used for the promotion of electricity and gas offers and for the dissemination

of commercial initiatives on the free market, also with the support of **special influencer marketing projects**. Facebook and Instagram respectively reached 14,034 (+3% compared to 2019) and 701 followers (+35% compared to 2019) and both have become important touch-points for **managing customer requests**, also by inviting customers to use online services available in the MyAcea customer area of the website www.acea.it. During the year, the Group **also used social media to enhance more institutional communications**, thanks to their media partnership and the CEO's involvement in national events on sustainability and green energy efficiency.

The **Media Relations Unit**, part of the Communications Function, monitors **relations with national and local media**, in a spirit of mutual respect for roles and cooperation, with the aim of conveying the correct corporate image and position of the Group through the media.

Press releases and press conferences in 2020 disclosed **the economic results achieved, the initiatives carried out** by the Group and **information of public interest** relating to the provision of services. In coordination with other Functions/Departments of the Holding Company, such as Investor Relations & Sustainability, Legal and Corporate Affairs and Administration, Finance and Control, the Media Relations Unit prepares **press releases on the main corporate appointments**, such as the **Shareholders' Meeting**. Through press articles, television, radio and web reports, the Unit ensured media coverage of the main events and initiatives carried out by Acea, with particular focus on improving **corporate communication content, such as business operations and the Industrial Plan**. Thanks to a constant **exchange of information with the operating companies**, the Unit **provides feedback on reports of inefficiencies** arriving via emails and direct telephone contacts and those published in newspapers, interacting with the press offices that are available to publish the Company's replies.

Media Relation manages the national and local **press review** on a daily basis, making it **available through the Company's Intranet**. This activity is complemented by the transmission of additional and timely information about the Group or relevant to the business managed, thanks to the regular **monitoring of press agencies and the web** (web news, social media and blogs).

The **communications** that accompanied **Acea initiatives of particular importance in 2020** included, by way of example:

- the January press releases relating to the **placement of a € 500 million bond** issued under the nine-year EMTN Programme;
- **communication on the "PlatOne" project**, funded by the European Union, as part of the "Horizon 2020" Framework Programme for Research and Innovation, for which **Acea is responsible for coordinating the "pilot" in Italy**;
- **communications relating to the Covid-19 emergency**, which took place over the course of the year, starting **with the suspension of the disconnection of water and electricity supplies in March 2020 and branch closures**, through to the symbolic lighting of institutional offices with the Italian colours – in collaboration with the institutions involved – and the **"Biosafety Trust" certification**, obtained thanks to the

actions taken by Acea in managing the risk of infection, such as smart working, hours of training provided and insurance policies for employees;

- communications, in April and May, on the consolidation of Acea's position in **the waste recycling and treatment** industry, with **completion of the acquisition of 70% of the capital of Simam and 60% of the capital of Ferrocarril and Cavallari**;
- the event and the communication, in collaboration with the Municipality of Rome, about the **launch**, in August, of the **Waidy app**, recommending responsible use of water and contributing to the reduction of plastic;
- the communication on **the 2020-2024 Business Plan approved in October**;
- the events and communications related to **projects, implemented throughout the year, to upgrade lighting, in artistic and functional terms**, in collaboration with the Municipality of Rome, of places such as the Basilica of Santa Maria in Trastevere, the Pantheon, the Arch of Constantine, Piazza del Popolo, the Borgo di Ostia Antica and the gardens of San Basilio;
- communications on approval of **the plan for the replacement of electricity meters** with the new **2G meters of Areti** and the launch, in November, of the information campaign;
- communications and press **releases in December on the agreement between Acea and the Carabinieri** for the supply of the **Smart Comp mini-composting plant** and approval of the project for the installation of **the first 100 Acea recharging stations for electric vehicles in Rome**, which effectively ratified the Group's entry into the electric mobility sector.

Media Relations also provided media coverage of the **main events and initiatives in which Acea participated or which it held** through press articles, television, radio and web services, including those in the field of value liberality and sponsorship.

EVENTS AND SOLIDARITY

The **economic value distributed to the community** in 2020 was **€ 7 million⁶⁵** (€ 6 million in 2019). Of which about 1 million was allocated to sponsoring cultural, social and sporting events. The appropriations in the form of **donations** for major initiatives were equal to **€ 1.97 million** (1.36 in 2019).

Acea offers its services, such as the **supply of electricity and water** or the **switching on/off of public lighting**, at cultural or sporting events with large publicor also in **special circumstances at events demonstrating solidarity or of a symbolic nature**, such

⁶⁵ This item also includes costs borne for "fairs and conventions" but not "technical" sponsorships.

as, for example, the special switching on or off of lighting of the Colosseum, Palazzo Senatorio or other symbolic buildings, on the occasion of special anniversaries, such as the World Day against violence to women, the World Day for children's rights, the City against the death penalty and many others. In 2020, dramatically **marked by the Covid-19 pandemic emergency**, in addition to the projects mentioned above, **Acea stood by the institutions**, emphasizing, by **projecting the colours of the Italian flag on the main government offices**, Italy's sense of unity and solidarity. For this activity, which continued throughout the year and beyond, these services, referred to as **"technical sponsorships"**, reached **a total economic value of approximately € 1.2 million⁶⁶, a significant increase compared to the previous year** (approximately € 241,000 in 2019).

The Company participates in the main events related to its business activities and supports, every year, **including with sponsorships**,

initiatives considered of high cultural and social value for the **development of the areas it operates in and for the benefit of the community** (see also the boxes at the end of the section). The **Sponsorship and Value Liberality Function advises on and manages requests** from the entire region and from the Group's corporate structures, **to submit them to the Executive Committee**, a body with responsibility for Institutional Relations, Sponsorships and Donations. The sponsorship initiatives approved by the Executive Committee are subject to an Integrity Due Diligence, for an ethical and reputational assessment of the proponents, according to best practices.

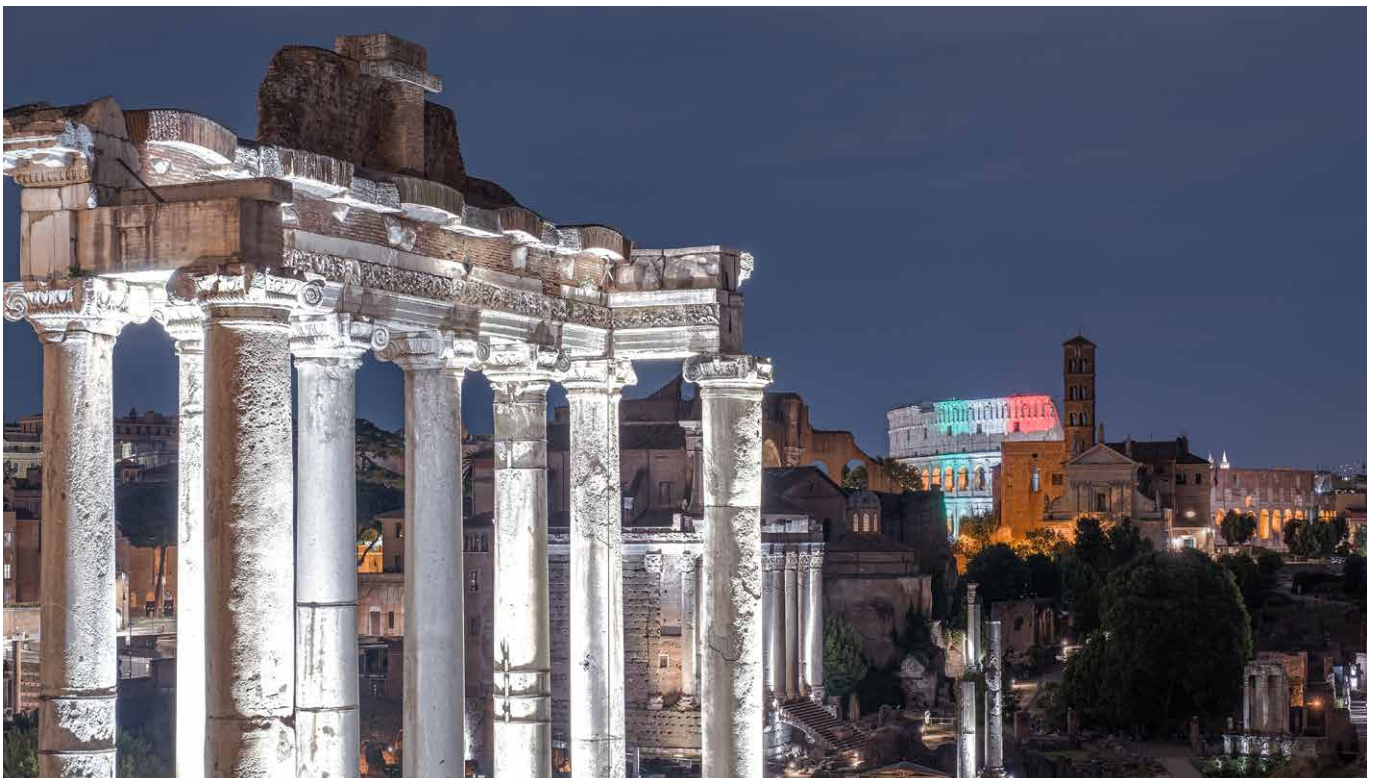
In the months of March, April and May, Acea decided to **allocate a portion of the sponsorship funds to support hospitals and facilities engaged in the management of the social and health emergency offering assistance to the public**, including the more disadvantaged (see the dedicated box).

ACEA'S FIGHT AGAINST THE COVID-19 EMERGENCY

In consideration of the current climate, which is particularly complicated, ongoing in Italy and the rest of the world, **Acea wanted to support the local authorities that worked on the front line**, by offering ample technical and financial support. It therefore approved a budget allocated for the purchase of **ICU equipment**, for structures included in the Covid-19 network receiving critical patients, including **important hospitals** such as the Gemelli University Polyclinic, the National Institute for Infectious Diseases "L. Spallanzani" (INMI), Istituto Dermatologico dell'Immacolata (IDI) of Rome and San Pio di Benevento Hospital. During the period of greatest need, **electricity was supplied free of charge to the mobile hospital** set up by the Rome Palidoro Mobile and Specialised Carabinieri Unit Command. In the following months, at the end of lockdown, the main focus was on **prevention, protection and primary needs**,

particularly with respect to the country's most at-risk categories. To this end, contributions have been made to associations (the Italian Multiple Sclerosis Association (AISM), Community of Sant'Egidio) for the **procurement of medical equipment** (FPP2 and FPP3 masks, disinfectant gel, single-use downs and gloves, thermoscanners), and for purchasing and **distributing food** (Caritas Onlus [NP Charity Organisation] in Florence, S. Anna Pastoral Centre in Rome, the Italian Red Cross).

Granting the requests received from the major institutions – the Presidency of the Republic, the Presidency of the Council of Ministers, the Constitutional Court and the Capitol – wanting to send a strong signal to Italians and to express a sign of solidarity and hope, the Acea Group illuminated their respective institutional buildings with the Italian colours.



⁶⁶ The figure of precisely € 1,179,025 includes an estimated € 221,100 that have still not been invoiced at the time this document is published.

With the easing up of the most restrictive measures, in late spring, the support of cultural events and events of social interest resumed, including some sporting events, which were held adopting strict safety measures in compliance with the regulations in force, with the aim of **helping to relaunch the territory and provide the public physical or virtual places to meet**, after the long period of isolation.

Among the main events supported in 2020, two major exhibitions stand out: the exhibition dedicated to the **centenary of the birth of Alberto Sordi**, which retraced the life and artistic career of the actor, while offering a picture of Italian history, against the backdrop of his house-museum in Rome opened to the public for the first time. The art exhibition “**Ecce Homo – the encounter of the divine and the human for a different anthropology**”, set up at Villa D’Este in Tivoli and included in the celebrations for the centenary of the birth of Pope John Paul II.

Thanks to the partnership of Acea with the **Fondazione MAXXI**, from October and for the following six months, **the public were offered free admission to the Museum’s Permanent Collection** every Friday of the month, to rediscover the works of art of Italian masters at the turn of the millennium.

During the year, the **Teatro dell’Opera di Roma** continued to be

supported to promote culture and in particular opera music and ballet, as was the **Festa del Cinema**, the international event held at the Auditorium Parco della Musica in Rome, which this year also involved cinemas in order **to relaunch the sector**.

Alongside young business initiatives and the **promotion of innovation**, Acea, together with the National Association of Young Innovators, **presented the ANGI Award**, the bearer of a message and a commitment to technological development, **to the best innovation leaders and launched the national competition of ideas Italian Smart Design** in collaboration with the University of Florence.

Among the main sporting events that took place during the year, Acea associated its brand with the Golden Gala, the international athletics meeting, the *Six Nations* rugby event and the **Italian Paralympic championships** organised by FISPE. As every year, the initiatives aimed at children, **Acea Volleyball School** and **Acea Camp**, were also supported.

In addition to the **lighting of monuments and buildings** aimed at enhancing the artistic heritage or with a strong symbolic value already mentioned, **Christmas lights** were put up as usual in various points of the Capital, from the centre to the suburbs.

The following boxes describe the **main events supported by the Acea Group in 2020**, through sponsorships or donations.

2020: ACEA FOR CULTURE, INNOVATION AND SUSTAINABILITY

sponsor of the “**Ecce Homo**” exhibition, organised at Villa d’Este (Tivoli) to celebrate 100 years since the birth of Papa Giovanni Paolo II (Centro Europeo del Turismo Srl)

main sponsor of the **Alberto Sordi 1920-2020** exhibition, organised in the Casa-Museo in Rome to celebrate 100 years since the actor’s birth (C.O.R. Srl)

technical sponsorship in **tribute to actor Gigi Proietti**, with special lighting of the Senate Palace and Colosseum (Rome)

partnership for **free entry**, every Friday of the month from October 2020 for six months, to the **Fondazione MAXXI** permanent collections

sponsor of the **International Festival of Jewish culture**, conversations and events in the fields of science, current affairs, literature, cinema and extraordinary visits to the Synagogue (Atrix cooperative)

partner sponsor of 30 nights of film and special events at the **Floating Theatre** from 24 August to 24 September 2020 (Playtown Roma Cultural association)

contributed as private partner and sponsor of the 2019/2020 Theatre Season at the **Rome Opera House Foundation**

sponsor of the **2020 Ostia Antica theatre performances** (I Borghi Srl)

sponsor of the 2020 theatre season at the **Argentina Theatre** and made contributions to the “Acea ti porta al Teatro” (Acea brings you to the theatre) initiative, which included a Christmas greetings video created for Acea employees with readings by actors combining poetry and sustainability (Rome Theatre Foundation)

sponsor of the 31st edition of the **Mariso Bellisario Award, “Women at High Altitude”**, promoted by the Bellisario Foundation, which for years has promoted the talent and merit of women

sponsor of the **Concert for the commemoration of Holocaust victims** that took place at the Parco della Musica Auditorium on 23 January 2020 for Remembrance Day, under the aegis of the Presidency of the Republic (Euroforum Srl)

sponsor of various cultural initiatives and summer events outside Rome, such as the **Tolfa Jazz Festival 2020** (ETRA cultural association), the **Civitavecchia Summer Festival 2020** (Stazione Musica Cultural Association), the International Terra di Siena Film Festival (All Star Agency Srl), the **Geothermal Hills Festival** (Municipality of Monterotondo Marittimo)

partner sponsor of the 15th edition of the **Rome Film Festival**, that took place from 15-25 October 2020 (Cinema Foundation for Rome)

sponsor agreement with LUISS – Free International University of Social Studies “Guido Carli” on **renewable energy, sustainable solutions, technological innovations and circular economy**. Of all the collaborative projects on electric mobility, the electric cars and shuttles provided to the university and their charging columns, installed by the Company, were branded with the Acea logo (LUISS)

sponsor of the **ANGI Prize**, rewarding the best initiatives of young Italians, and participated in the Innovation Technical Table at the Chamber of Deputies (National Association of Young Innovators)

sponsor of the **Italian Smart Design national competition** for students and recent graduates of architecture and design, on the development of smart urban system sustainable designs (Casa della Creatività Srl)

sponsor of the organisation of two webinars on **Digital Web** that took place in July and November on the smart use of technological innovation, including experiences and solutions)

technical sponsorship of the “**Mi illumino di meno 2020**” [I use less light 2020] initiative, involving switching-off the Colosseum and the Senate Palace to raise awareness around energy saving

technical sponsorship for the **2020 Sustainable Development Festival**, involving the projection of the **UN SDG logo on the Pyramid of Cestius**

technical sponsorship for the 5th anniversary of the **Paris Climate Agreement**, involving special lighting of the Senate Palace

2020: ACEA FOR SOLIDARITY

welfare contributions related to the **Covid-19 emergency to support situations of social hardship**, including purchases of health equipment, PPE and food (Community of Sant'Egidio, the Italian Multiple Sclerosis Association (AISM), Caritas Onlus (NP Charity Foundation) in Florence)

welfare contributions related to the **Covid-19 emergency, including donations from employees**, for the purchase of medical equipment, or used to improve or set-up healthcare infrastructures etc., for hospital groups in Rome, such as the Agostini Gemelli University Polyclinic, IDI Hospital, INMI "L.Spallanzani" and S.Pio di Benevento Hospital

participated at the **International Day against violence to women**, the **International Day of children's rights** with **technical sponsorships**, such as the red lighting of the piezometric tower in the Octavia area, the special lighting of the Senate Palace, and in the **19th Edition of the City against the Death Penalty, Rare Disease Day, European "Fragile-X" Awareness Day, the Childhood Cancer Awareness Campaign**, with lighting interventions/switching-off lights at the Colosseum or special projections on the Monument

technical sponsorship involving lighting the Senate Palace pink, as part of initiatives for the **2020 Pink Ribbon** (LILT – Italian Cancer League), and, again, lighting the facade of Palazzo Montecitorio pink for the metastatic **breast-cancer awareness-raising campaign**

contributions for the purchase of a **mammary ultrasound system** (Susan G. Komen Italy)

contributions to support **social services for LGBT youths and group homes** (Gay centre/Gay Help Line)

technical sponsorship involving **projecting the Italian flag colours** over the entire Baths of Caracalla archaeological complex, on the facades of the Senate Palace, Chigi Palace and the Consulta Palace, on the Clock tower of the Quirinale Palace, on the facade of the Spallanzani Hospital of Rome

2020: ACEA FOR SPORT AND YOUNG PEOPLE

official partner of the **Golden Gala 2020** that took place at the Olympic Stadium in Rome, in September 2020 (FIDAL)

sponsor of the **"2020 Six Nations Rugby"** tournament that took place between February and March of 2020 (FIR)

hospitality package, championships series A of the **A.S. Roma** and **S.S. Lazio** for the 2019/2020 sports season (Soccer Sas and Infront Italy SpA)

main sponsor for sports activities in the 2019/2020 season of **S.S.D Santa Lucia**, the **wheelchair basketball** society, activities in relation to sports in Rome since the 1960s (S.S.D. Santa Lucia Srl)

support to **sports activities and events** operating in areas outside Rome: basketball (ASD Virtus Basket Siena), football (Frosinone Calcio), running (ASD Filippide D. LF Chiusi Avis Castiglione del Lago, Amatori Podistica Terni, Athletic Terni)

title sponsor of the 2020 edition of the **School Volleyball Tournament – Acea Trophy**, for **high school students in Rome and province**, managed by Fipav Lazio (Fipav Lazio)

main sponsor of **Acea Camp**, for students between the ages of 6 and 16, to raise-awareness around and encourage the practice of sports activities. The event took place in Rome between June and July 2020 (Beside Management Srl)

sponsor of the **project for schools "Differenzio anch'io"** [I can make a difference] in 2020 for the school year 2019/2020 that combines sports activities with educational activities on circular economy (ASD Virtus Basket Aprilia)

sponsor of an **inclusive pedagogy project**, that took place between June and July 2020, at the Basilio, Centocelle, and Marconi schools, with the purpose to combat, through artistic workshops, exclusion and social hardship in public primary schools, sponsored by the Department of People, School and Community Solidarity of the Municipality of Rome (Mus-e Roma NPO)

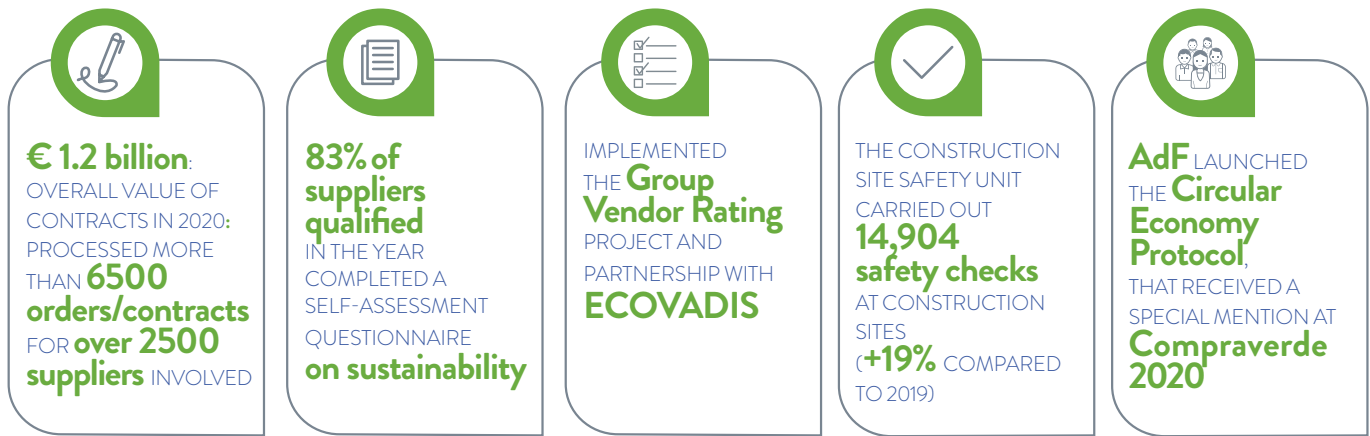
contributions for the project **"Scuola in sicurezza"** [Safety at school] for the provision of safety equipment and prevention systems (sanitising gels, masks, thermoscanners) to all the schools in the municipal territory of San Vittore del Lazio (Municipality of San Vittore del Lazio)

contributions for the purchase of individual desks to improve safety in 4 schools in Frosinone (Municipality of Frosinone)

contributions for expanding the project **"Aula verde Lab – Outdoor education"** [Green Classroom Workshop – Outdoor Education], an open space bordering two schools, by installing two gazebos equipped with eco-sustainable materials, to house the students on rotation (Municipality of Terni)

donation of 5000 bottles to students to take advantage of the water kiosk installed previously at the University's DEMM (Law, economics, management and quantitative methods) department (University of Sannio)

SUPPLIERS



CONSOLIDATED EXTERNAL COSTS

In 2020, the Group's **consolidated external costs** totalled about **€ 1.99 billion** (+2.6% compared to 2019). This change was due to the effects of opposing trends, including, on the one hand, the reduction in costs for the purchase and transport of energy component, and the increase in certain procurement costs brought about by the change in the scope of consolidation.

Procurement of goods, services and works related to the Group Companies subject to reporting are managed centrally by the **Purchases and Logistics Function** of the Parent Company, with the exception of Gori, AdF and Gesesa, which independently manage their business⁶⁷. The **total value** recorded in 2020, also including the amounts of the water companies that are not centrally managed, came to **over € 1.2 billion**, a slight drop compared to the previous year (over € 1.3 billion, including Gesesa and Gori)⁶⁸. Regarding the centrally-managed companies, the value of 2020 procurement was approximately € 1.1 billion in 2020, compared to the € 1.2 billion in 2019.

PROCUREMENT POLICIES

The Purchases and Logistics 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. To perform its duties, it **values the technical skills of the buyers**, handles the **requests of "internal customers"** (Functions/Companies in the Group) and develops a **transparent relationship with suppliers**.

The Function also oversees the centralized management of

the Group's **materials, logistics and warehouses**, managing the **operations of the central warehouse** and the **local warehouses** to serve operating staff in the field. In 2020, the project for the **expansion of the S. Palomba Logistics Hub** was completed and a **new warehouse** was constructed, which increased the **storage capacity by an additional 5,000 m² on the ground** and **2,100 pallet racks** and where the Company Acea Elabori built a **measurement laboratory to check water meters**, which is currently being tested.

The same year saw the **supply of new-generation electricity meters**, whose logistics flows are entirely managed through the use of **palmtops, which track their movement** between the Company's own internal warehouses and the external warehouses of its contractors.

DEALINGS WITH SUPPLIERS AND PROCUREMENT MANAGEMENT

The **Acea Code of Ethics** recalls the reference principles⁶⁹ that should guide **relations between Acea**, as a contracting authority and its suppliers (contractors and subcontractors):

- compliance with **rules and procedures**, including processes of due diligence aimed at assessing any **risks of corruption**;
- the principles of **transparency** and **protection of competition**;
- principles of **good faith, loyalty, professional propriety**;
- **promotion of ethical and sustainability aspects**, such as respect for the protection and safety conditions of workers, the quality of goods and services, respect for the environment and the pursuit of energy savings.

Suppliers issue a **declaration of acceptance and commitment to comply with the prescriptions contained in the Code of Ethics**, attached to the documents produced for participation in tender procedures for the awarding of works, goods and services. Any violation of the principles contained therein revealed by audits will result in the **exclusion from the tender or cancellation of the award**.

⁶⁷ For the NFD scope, see *Disclosing sustainability: methodological note*.

⁶⁸ It should be noted that the value of orders for Gori and Gesesa in 2019 came to a total of € 156 million (€ 144 million attributable to Gori, according to data adjusted after consolidation, and € 12 million attributable to Gesesa). In 2020, the total amount of orders for Gori, Gesesa and AdF, included for the first time in this reporting cycle, was € 177 million (about € 60 million for AdF, about € 101 million for Gori and about € 16 million for Gesesa).

⁶⁹ The *Acea Code of Ethics*, approved by the Board of Directors, is shared on the Company intranet and is available online at www.gruppo.acea.it, "Governance" section. The Code devotes article 15 to suppliers, as well as numerous other references in the text. Particular attention is paid to social safeguards in higher-risk contexts: "In supply contracts with 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)" (Code of Ethics, art. 15.2).

Acea mainly uses tenders⁷⁰ to identify suppliers, adopting transparency criteria: during 2020, **76% of procurements, managed centrally⁷¹, were assigned through a tender procedure**, a figure that is slightly down on 2019 (81%).

For centrally-managed Group companies, the Purchases and Logistics Function has **published on the website⁷²** – “Supplier” Area – **the documentation relating to purchases** regulated by the *Public Procurement Code*⁷³. **Operators who are interested in participating in tenders** can **freely access the portal of the Qualification Systems** and the portal for **participation in online calls for tenders**. The **web portal** is based on the same operational procedure as traditional tenders: it checks the adequacy of the supporting document, acknowledges possession of the el-

igibility requirements, discloses the bids and displays the ranking.

The Administration, Finance and Control Function **monitors the payment times of suppliers**. In 2020, for companies in the scope⁷⁴, the average delay of payments made was 42 days⁷⁵. The same figure, if weighted based on the amounts, decreases to approximately 23 days⁷⁶. This occurred for about 35% of the value of payments made during the year, while the **percentage of amounts paid on a regular basis was 65%, an improvement** compared to the 57% recorded in 2019.

Disputes⁷⁷ between the Company and suppliers mainly concern litigation due to failure to pay invoices and legal action concerning tender contracts.

COLLABORATION BETWEEN THE PARTIES FOR THE PROTECTION OF EMPLOYMENT AND MEASURES TO COMBAT COVID-19

The Joint Committee, set up by virtue of the **Protocol on Water Tender Contracts** between Acea SpA, Acea Ato 2, the Trade Unions and the Trade Federations, in recent years, by means of collaborative discussions, facilitated the transparency of information and reduced the number of critical issues regarding the safety and organisation of the work of contractor Company personnel. In an agreement with the Parties, Acea also confirmed its commitment to promote the **employment protection of workers**, combating forms of undocumented work or labour that does not comply with the applicable collective bargaining agreements. From 2019, in fact, the Labour-Management Relations Unit contributed to the drafting and application of the **social clause**, to safeguard employment levels **in the event of a change of contract**, for both water contracts and those for the electrical and water contact centre, guaranteeing the **transfer of staff from the outgoing companies to the incoming companies**, without repercussions in terms of employment.

The signing of the Protocol, shared for the regulation of Covid-19 containment and prevention measures in Water Tender Contracts,

on **19 June 2020** was particularly important. The Parties constituted an **“Advisory Committee for the analysis and proposal of improvement actions for safety in construction sites”** pursuant to the provisions of the “shared protocol for the regulation of measures for the prevention and containment of the spread of the Covid-19 virus in workplaces”.

The Committee was composed of the Head of the Acea Ato 2 Procedure, the Head of Labour-Management Relations of the Acea Group, Employers of the Contracting Companies and their Representatives and RSPP, Territorial RLS and RLS and RSA of the Companies and by a representative from the territorial Trade Union Organisations Feneal-UIL, Filca-CISL, Fillea-CGIL.

The **duration of the Protocol depends on the permanency of the risk of contagion** from Covid-19 defined by the Authorities and the Relevant Bodies. Pursuant to the provision contained herein, the Committee carried out **systematic meetings on a weekly basis throughout 2020**. The meetings will continue also in the future, when necessary, and at least monthly.

DISPUTES WITH SUPPLIERS IN 2020

With regard to **non-payment of invoices** for supplies of goods, services and works, there has been a decrease in the number of disputes that have arisen: **12 in 2020** (compared to 22 in 2019). These are injunctions concerning invoices that were not paid for reasons of a formal nature and are quickly resolved by settlement proceedings.

With regard to the remaining litigation relating to **procurement contracts**, which mainly concerns the registering of reserves by contractors, contract terminations and compensation for damages, in **2020 8 legal actions** were initiated, with a decrease in the number of disputes (20 in 2019).

We point out, moreover, that **15 disputes were lodged for administrative reasons** (23 in the previous year) on the matter of **calls to tender**.

As at 31 December 2020, the **total number of disputes pending with suppliers** (including disputes initiated in previous years) **amounted to 137**, an increase compared to 2019, when there were 112 disputes, due to the scope of reporting being smaller.

The dispute situation outlined above was affected by the overall slowdown imposed on activities, including those of a legal nature.

⁷⁰ Acea issues tender procedures for the procurement of works, goods and services in compliance with current legislation (Legislative Decree no. 50/2016), with reference to the ordinary and special water and energy sectors. In particular, for tenders in special areas involving amounts below the EU threshold, Acea applies Internal Regulations consistent with the principles of the EU Treaty for the protection of competition. Finally, for tenders that do not fall within the scope of application of the *Code on public contracts* (so-called “extraneous or private law”), selection procedures are used which comply with the principles of free competition, equal treatment, non-discrimination, transparency and proportionality.

⁷¹ Equivalent to 86% of overall volumes, including companies that are not centrally managed.

⁷² In compliance with what is required by the National Anti-corruption Authority (ANAC) and envisaged by the so-called “Anti-corruption Law” (Law 190/2012).

⁷³ Legislative Decree no. 50 of 18 April 2016 and subsequent amendments and additions. *Code of Public Contracts*.

⁷⁴ The 2020 analysis produced by Administration, Finance and Control also included the companies Gori, AdF and Gesesa, which have provided data even though they are not managed at the centralised level. Apart from the data of these three companies, in direct comparison to 2019 performance, 2020 performance would have been an average delay of 42.5 days and a weighted average delay of 22 days, and 67% of amounts paid on time.

⁷⁵ The calculation of the data is the result of the simple average of the difference between the expiry date of the bill in the system and the date of actual payment.

⁷⁶ The calculation of the figure is the result of the average of the difference between the expiry date of the bill in the system and the date of actual payment weighted according to the amount of the bills.

⁷⁷ The figures for the 2020 dispute refer to all the Companies within the NFD scope (see *Disclosing Sustainability: Methodological Note*).

SUSTAINABILITY CRITERIA IN TENDERS

In 2020, for the Group Companies under analysis, including the three companies in the water segment that are not managed centrally, **over 6,500 orders/contracts** were processed, for a total of **more than 2,500 suppliers** involved (please see the *Order Analysis* below). Within the centralised management of tenders, which covers 86% of the total value of procurement within the 2020 scope of consolidation, amounting to around 3,000 orders/contracts managed, as a **requirement for participation**, for **100% of tenders for the award of works contracts** and for numerous contracts for the purchase of goods and services, Acea requires **UNI EN ISO 9001 quality management system and the UNI ISO 45001:2018 occupational health and safety certifications**. Furthermore, for **the 149 product categories subject to tender** and relating to the purchase of goods, services or works, **evaluation criteria of the technical offer based on the following systems are included during the tender process, when applicable: UNI EN 14001 – UNI CEI 50001 – ISO 37001 – FSC Chain of Custody**.

In 2020, these criteria were included in **potentially eligible tenders, awarded on the basis of the most competitive bid criterion** (57 eligible tenders out of a total of 102 tenders awarded with OEPV, equal to 56%). Specifically, for some tenders for water, electrical and civil engineering works awarded with the method indicated, **rewarding criteria** were also included regarding the use of **ecological vehicles, additional training of workers in the area of safety**, and the possession of **certifications** (where not already participation requirements) in the following areas: **environment, health/safety, energy efficiency, the use of environmentally sustainable materials and corruption**. Furthermore, sustainability criteria on materials, such as recycling, reuse and the reparability index, were also added to the Technical Specifications for Group Company procurement.

Out of the companies that are not managed centrally, Gesesa also required UNI EN ISO 9001, UNI EN ISO 50001 and UNI ISO 45001 certification as a requirement for an **electromechanical tender**. In May 2020, **the first tender** under the Procurement Code **dedicated to innovative start-ups and SMEs** registered on Acea's registers for innovative Start-ups and SMEs was launched, specifically in the "Robotics" and "Digital Infrastructure" categories. The tender included a technical proof-of-concept trial as part of the awarding of the contract, in order to test the effectiveness of the solutions proposed by the participants.

With attention to the "green" criteria in procurement practices, in its tender documents Acea includes as binding parameters or rewards the regulatory references to the **Minimum Environmental Criteria (MEC)** adopted by Decree of the Ministry for the Environment, Protection of Land and Sea⁷⁸. In 2020, the reference to CAMS was applied in tenders related to the rental services for generators, ordinary and extraordinary maintenance contracts for lifting systems, the purchase of computers and printer cartridges, thus expanding the product categories already covered by the CAMS in the event of a tender (such as paper, office furnishings, public lighting – supply and design of LED lighting fixtures – work clothes, cleaning of buildings, maintenance of green areas, vehicles), and confirming, also for the year in question, the application of **9 CAMs out of the 10 applicable to the Group's supply types**.

It should also be noted that, as part of its circular procurement approach, Gesesa has focused heavily on **recycling the material used** at the end of its life, as part of a project to revamp the Santa Lucia purification plant, which was carried out in 2020. Other projects will be carried out in 2021, implementing the same approach.

ANALYSIS OF PROCUREMENTS AND THE SUPPLY CHAIN

SCOPE

The information and data presented in the paragraph in an aggregated manner, for 2020 data, concern all companies included in the scope – please see *Disclosing Sustainability: Methodological Note* – including the three companies operating in the water sector, Gesesa, Gori and AdF, which are not managed centrally, whose data, where available, have been aggregated for ease of comparison with 2019 data. The two-year period was also illustrated according to the new division by business areas, which come into place in 2020. Some more detailed data related to the 2019 supply chain analysis, and for which full aggregation could not be performed, instead refer only to the centrally-managed scope (accounting for 88% of the 2019 order value). This is specified in the text.

2020 tenders for the supply of **goods**, the performance of **services** and the completion of **works**, as indicated above, were managed centrally by the Holding Company for all Companies subject to analysis, with the exception of Gesesa, Gori and AdF, although **the aggregate data for the year are presented here**. As initially mentioned, **contracts awarded** had a **comprehensive financial value** of over **€ 1.2 billion**⁷⁹, down slightly down from the aggregate figure

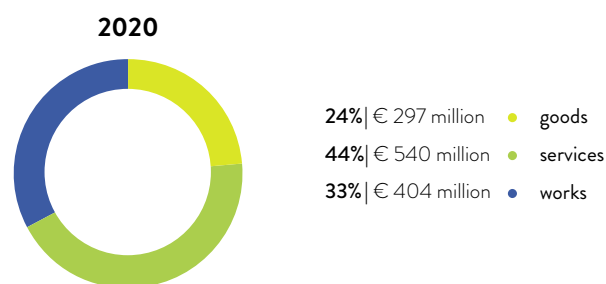
for 2019 (around € 1.3 billion). In absolute terms, the largest reduction in amounts compared to the previous year was recorded for goods (-36%), while services and works increased by 4% and 7% respectively (see table no. 36).

By analysing **the value of procurement** for the **macro-areas of business**, reorganised in accordance with the new macro-structure – Network Operations (electricity grids), Generation,

⁷⁸ From the website www.minambiente.it: "Minimum Environmental Criteria (CAM) are the environmental requirements defined for the various phases of the purchasing process, aimed at identifying the best design solution, product or service from an environmental point of view throughout the life cycle, taking into account market availability. [...] Their systematic and uniform application makes it possible to spread environmental technologies and environmentally preferable products".

⁷⁹ The amount of purchases managed at the centralised level refers to tenders awarded during the year, without any distinction between investments and operating cost, annual and multi-annual contracts. Purchases of commodities, regularisation orders and interCompany orders are excluded. The figures for the three water companies that are not centrally managed, for a total of € 156 million, do include all purchase types.

CHART NO. 31 – VALUE OF PROCUREMENT OF GOODS, SERVICES AND WORKS AND PERCENTAGE ON TOTAL (2020)

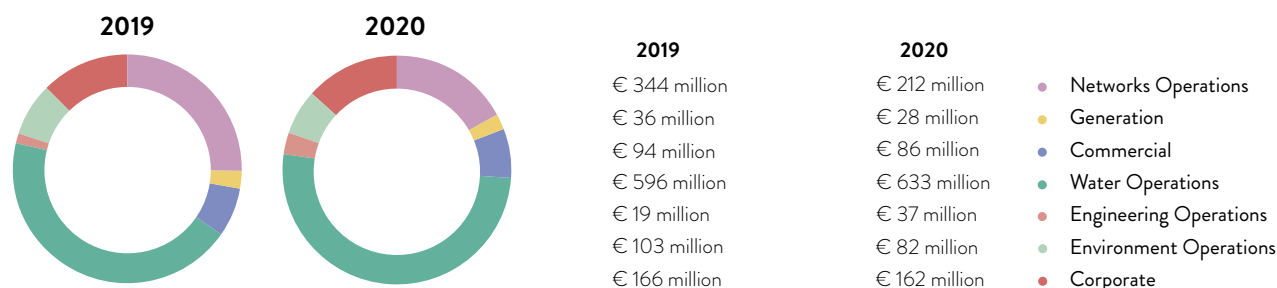


NOTE Figures are rounded off to the nearest unit.

Commercial, Water Operations, Engineering Operations, Environment Operations (waste-to-energy and environmental services) and Corporate (Acea SpA) – we find a general **decrease** in the **overall numbers**, which correlate with the decrease in the “goods and services” item in particular, regarding

the **Generation, Commercial, Corporate, Environmental Operations** areas, and to a greater extent **Network Operations**. On the other hand, there was an **increase** in procurement for the **Water** and **Engineering** segments (please see chart no. 32 and table no. 36).

CHART NO. 32 – ORDERS (GOODS, SERVICES, WORKS) BY BUSINESS AREA (2019-2020)



NOTE Figures are rounded off to the nearest unit and the 2019 figures, to which the figures for Gesesa and Gori were also added, were reclassified according to the new macro organisational structure introduced in 2020, to facilitate the comparison of the two years. The **Network Operations** Department includes the Company Areti, the **Generation** Department includes companies Acea Produzione, Ecogena and, from 2020, all the FTV companies borne by Acea Sun Capital. Included in **Commercial** are: Acea Energia, Acea8cento (until July 2020) and, from 2020, Acea Innovation. The **Water Operations** Department includes the companies: Acea Ato 2, Acea Ato 5, Gori, Gesesa and, from 2020, also AdF. The **Engineering Operations** Department includes Acea Elabori. **Environment Operations** includes: Acea Ambiente, Aquaser and, from 2020, Acque industriali. Present in the **Corporate** segment is only Acea SpA.

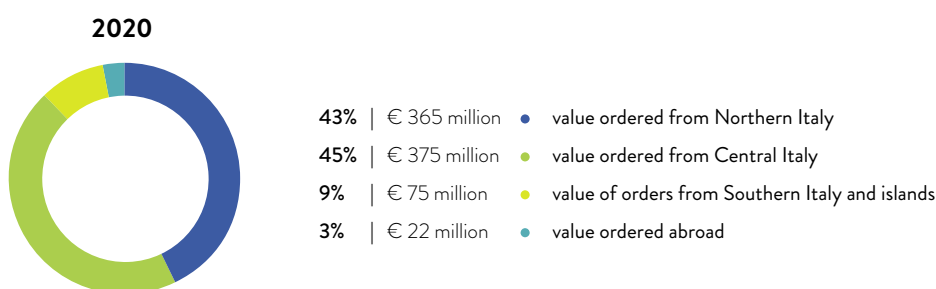
The Group Companies included in the scope of consolidation, as mentioned previously, made a total of **6,552 Purchase Orders** during the year, involving **2,529 suppliers**. The figures are not directly comparable with those of the previous year⁸⁰, due to the expansion of the scope of consolidation and, specifically, to the entry of AdF which, alone, accounted for over 1,700 orders/contracts and about 400 suppliers during the year. Taking **only centralized data** into consideration, in **2020 around 3,000 orders/contracts were managed**, compared with the more than 2,800 in 2019, indicating an increase that is reflected in the number of suppliers, which increased from 1,462 to 1,573.

The **geographical distribution of suppliers** for the year in question was relatively balanced, with **33% in the macro-area of northern Italy, 45% in central Italy**, of which 30% in Lazio and **20% in southern Italy and the islands**⁸¹, with the remainder abroad, at 2%. The **geographical distribution of the value of procurements among the macro-regions**, in terms of percentage of the total amounts (837 million for goods and services and 404 million for works), was more concentrated in northern and central Italy, which account for 89% of “goods and services” and 81% of “works”. During the year, 30% of the value of “goods and services” and **44% of the value of “works”** were concentrated in **Lazio** (charts nos. 33 and 34 and table no. 37).

⁸⁰ To obtain a comparison, if one removes the 2020 orders/contracts data for the AdF contribution (1,735 orders/contracts), the largest in the new scope, a total of 4,817 orders/contracts is obtained, and this can be compared with the 2019 figure, which includes the contribution from Gori and Gesesa (1,068 orders/contracts for Gori and 756 for Gesesa), and comes to 4,667, with evidence of a slight increase. Similarly, by removing the 2020 figure for the number of suppliers from AdF's contribution (421 suppliers), one obtains a total of 2,103 suppliers which, when compared to the 2019 figure of 2,062, including Gori and Gesesa (414 and 186 suppliers, respectively), it would mirror the slight increase.

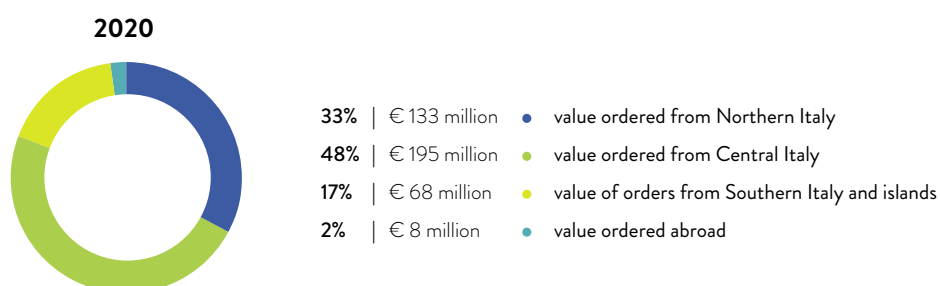
⁸¹ For the 2019 figures managed at the centralised level, equivalent to 88% of the supply, supplier distribution was equivalent to 33% in northern Italy, 57% in central Italy and 8% in southern Italy and the islands, although this is not directly comparable with 2020.

CHART NO. 33 – GEOGRAPHICAL DISTRIBUTION OF THE AMOUNTS USED FOR THE PURCHASE OF GOODS AND SERVICES IN ITALY AND ABROAD (2020)



NOTE Figures are rounded off to the nearest unit.

CHART NO. 34 – GEOGRAPHICAL DISTRIBUTION OF THE AMOUNTS OF WORKS AWARDED IN ITALY AND ABROAD (2020)



NOTE Figures are rounded off to the nearest unit.

The macro-data for 2020 procurement presented in table no. 36 relate to all the companies within the scope of consolidation, including Gori, Gesesa and AdF, which are not centrally managed by the Holding Company. In order to facilitate comparison between the two-year period, 2019 data were integrated with the data for Gori and Gesesa (in the 2019 NFD scope) and broken down according to the new division of business areas,

which came into place in 2020. The regarding 2020 procurement nationwide, shown in table no. 37, also refer to all the Companies within the scope however, unlike the previous table, 2019 data have not been combined with the data of Gori and Gesesa and therefore refer only to the centrally-managed scope (amounting to 88% of total procurement during the year in question).

TABLE NO. 36 – PROCUREMENT NATIONWIDE (2019-2020)

	u. m.	2019 ^(*)	2020	Δ % 2020/2019
VALUE OF CONTRACTS				
goods	million €	461	297	-36
services	million €	518	540	4
works	million €	378	404	7
total	million €	1,357	1,241	-9
GOODS, SERVICES AND WORKS AS A PERCENTAGE OF TOTAL ORDERS				
goods	%	34	24	-30
services	%	38	44	15
works	%	28	33	16
VALUE OF ORDERS BY BUSINESS AREA ^(**)				
Network Operations	million €	344	212	-38
Generation	million €	36	28	-21
Commercial	million €	94	86	-9
Water operations	million €	596	633	6
Engineering Operations	million €	19	37	95

TABLE NO. 36 – PROCUREMENT NATIONWIDE (2019-2020) (continued)

Environment Operations	million €	103	82	-20
Corporate	million €	166	162	-2
NUMBER OF PURCHASE ORDERS MANAGED				
POs for goods, services and works	no.	4,667	6,552	40

(*) In 2019, figures for Gori and Gesesa were also included; the comparability of data from 2020 and 2019 was only affected by the wider scope of DNF 2020, mainly impacted by the entry of AdF (that accounts for around 60 million procurements and 1,735 POs, for example).

(**) The distinction by business area reflects the new macrostructure which came into force in 2020; to ensure comparison of the general figures of the procurements, the 2019 figures were reclassified according to the same subdivision of the areas.

NOTE All the figures in the table are rounded off to the nearest unit.

TABLE NO. 37 – PROCUREMENT NATIONWIDE (2019-2020)

	u. m.	2019 (*)	as % of total/year	2020	as % of total/year
NUMBER OF SUPPLIERS OF GOODS, SERVICES AND WORKS NATIONWIDE					
suppliers north Italy	no.	484	33%	819	33%
suppliers central Italy	no.	836	57%	1147	45%
suppliers Lazio	no.	654	45%	757	30%
suppliers south Italy and islands	no.	110	8%	516	20%
foreign suppliers	no.	32	2%	47	2%
total suppliers	no.	1,462	100%	2,529	100%
GEOGRAPHICAL BREAKDOWN OF AMOUNTS FOR GOODS AND SERVICES					
value ordered from Northern Italy	million €	287	33%	365	43%
value ordered from Central Italy	million €	505	57%	375	45%
value ordered from Lazio	million €	385	44%	252	30%
value of orders from southern Italy and islands	million €	53	6%	75	9%
value ordered abroad	million €	33	4%	22	3%
total value of orders for goods and services	million €	878	100%	837	100%
GEOGRAPHICAL BREAKDOWN OF AMOUNTS FOR WORKS					
value ordered from Northern Italy	million €	49	15%	133	33%
value ordered from Central Italy	million €	249	77%	195	48%
value ordered from Lazio	million €	242	75%	177	44%
value of orders from southern Italy and islands	million €	25	8%	68	17%
value ordered abroad	million €	0	0%	8	2%
total ordered for works	million €	323	100%	404	100%

(*) The 2019 figures do not include Gori and Gesesa (for a total of €156 million), for which all the information represented in the table was not available, and therefore cannot be directly compared with the 2020 column, that comprises all the companies within the scope of DNF 2020 (see *Communicate sustainability: methodological note*).

NOTE All the figures in the table are rounded off to the nearest unit. The “northern Italy” geographical area includes Valle d’Aosta, Piedmont, Lombardy, Veneto, Trentino-Alto Adige, Friuli Venezia Giulia, Emilia-Romagna and Liguria; “central Italy” includes Tuscany, Umbria, Marche, Lazio, Abruzzo and Molise; “southern Italy and islands” includes Campania, Basilicata, Apulia, Calabria, Sicily and Sardinia. The geographical area “abroad” includes suppliers that are mainly European.

SUSTAINABILITY IN THE SELECTION AND ASSESSMENT OF SUPPLIERS: FROM QUALIFICATION TO ONGOING CONTRACTS

Various **systems for qualifying suppliers of works, goods and services** are active in Acea in observance of principles of competition and equal treatment.

The **Supplier Qualification Unit**:

- coordinates working groups to identify the **qualification requirements**;
- draws up the **Qualification Regulations**;
- establishes **Qualification Systems** of European significance⁸² and **Supplier Lists** for so-called “below threshold” or private contracts.

During the year, the product tree shared among the centrally-managed Group Companies⁸³ included **537 product groups** and, as at 31 December 2020, the responsible Unit had managed **147 qualification Lists/Systems**.

Companies can access a portal for qualification via Acea’s corporate website (www.gruppo.aceait.it, “Suppliers” section), which is integrated with the supplier database, and enter directly **online applications for registration in the Qualification Systems/Lists** related to the product groups of interest. The designated Unit examines them, **verifying that they meet the requirements and managing communications with the supplier**. During 2020, a **total of 798 applications for registration in the Qualification Systems/Lists** were **processed** (+14% compared to the 700 applications in 2019), amounting to **616 successful applications** in total. Specifically:

- **164** qualification applications processed for “works” Qualification Systems;
- **452** qualification applications processed for Qualification Systems/Suppliers’ Lists for “goods and services”.

In June 2020, the **Acea Group’s new purchasing portal was launched, “Jagger-one”**; to this end, during the first half of the year, the modules for the **integrated management of tenders, supplier data and qualification** were designed and developed, which were preparatory activities for the **implementation of the Group’s Vendor Rating**, which was launched in the last quarter of the year and shown below in the relevant box.

The **qualification requirements** requested of suppliers to register on the Qualification System are “**standard**” – these include **requirements of a moral nature envisaged by the laws in force** in the sector – and “**specific**”, i.e. they refer to the product group or groups included in each Supplier List.

Among the specific requirements, in some cases **Acea requires its potential suppliers** to have **certain Authorisations and/or certifications**:

- **UNI EN ISO 9001 certification** (binding requirement for all the “works” product groups and for almost all the “goods and services” Qualification Systems);
- **UNI EN ISO 14001 certification** (for inclusion in Qualification Systems 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 Waste Management Systems);

- **OHSAS 18001/UNI ISO 45001 certification** (for inclusion in the Qualification System for the electro-mechanical maintenance of industrial plants and cleaning services);
- **UNI EN 15838:2010 certification** (for inclusion in the “Call Centre and Back Office” Qualification System);
- **SA8000 certification** (for inclusion in the “Cleaning services” Qualification System);
- **UNI 10891 certification** (for inclusion in the “Armed surveillance service and concierge/reception” Qualification System).

For admission to the Qualification Systems of Community-wide significance, **companies wishing to qualify must declare their availability to undergo an audit at the administrative head office**, aimed at assessing the truthfulness and adequacy of the documentation provided, **and at the operating plants** or product warehouses, in order to assess the implementation and application of the active management systems.

The **assessment of suppliers** involves different types of controls that are implemented **depending on the List and the different “statuses” that the supplier acquires** with respect to Acea:

- **during the qualification phase**;
- **qualified**;
- **qualified with contract in progress**.

In order to be able to register for the Qualification Systems relating to the **Single Regulations for Goods and Services and Works** which, for 2020, were **110 out of 147 total Qualification Systems/Lists** (“qualification phase”), on the Vendor Management platform suppliers must complete a **self-assessment questionnaire on the Quality, Environment, Safety, Energy and Social Responsibility management systems** that are considered important for sustainability.

In 2020, **363 suppliers completed the self-assessment questionnaire** (245 for goods and services and 118 for works), a **5% increase** compared to the 345 of 2019. They represent over **83% of the total number of qualified suppliers in the year** (equal to 438)⁸⁴.

As mentioned above, the **platform was updated** during the year and only part of the questionnaires received could be tracked by the online system, which is why the precise results of the analysis are not shown here. During 2020, the Manage Systems Unit commissioned **60 Desktop Audits** from a specialised Company to verify the compliance of the declarations made by suppliers in the self-assessment questionnaire, which was completed during the qualification phase.

Furthermore, in continuity with a practice that has been consolidated for several years, **Purchasing and Logistics**, in synergy with the Sustainability Planning & Reporting Unit, sent a panel of **79 Group suppliers** (117 in 2019) an **in-depth questionnaire** to assess their commitment on **environmental issues**, with a particular focus on energy consumption. **37 companies responded to the questionnaire in full** and the results of the survey are shown in the **Relations with the environment** section, in the chapter on **The Use of Materials, Energy and Water** (Energy consumption paragraph), to which reference is made.

⁸² Pursuant to article 134 of Legislative Decree no. 50/2016 as amended.

⁸³ Therefore, all companies within the NFD scope, as per the Methodological Note, with the exception of Gesesa, Gori and AdF, the latter falling within the scope as of this reporting cycle.

⁸⁴ The number of qualified suppliers does not coincide with the 616 successfully processed applications for registration in Qualification Systems, as suppliers can also register in more than one Qualification System.

AdF also applies **preferential sustainability criteria**, where relevant, when **registering operators on the Suppliers List** and when qualifying them in one or more of the product categories contained within it. For example, by requesting ISO 14001:2015 certification from operators applying for qualification in the product category: drain

cleaning services – waste disposal. Furthermore, AdF launched the **Circular Economy Protocol** in 2020, aiming to **protect local suppliers and enhance the quality and socio-environmental sustainability of the supply chain**, which was **drafted with the involvement of stakeholders** (please see the box for more details).

ADF'S CIRCULAR ECONOMY PROTOCOL RECEIVED A SPECIAL MENTION AT COMPRASVERDE 2020

The Company AdF, that operates in the management of SII in OTA 6 Ombrone, in Tuscany (in particular in the provinces of Grosseto and Siena), created, with the objective to support development in the area of reference and increase the sustainable performance of said area, the **Circular Economy Protocol**, entrusting part of the goods, services and works, not subject to Procurement Code provisions, to less local economic operators. To that end, AdF implemented a Qualification System suitably dedicated to the “non core business” contracts, creating an “*ad hoc* Register”, available online from November, and accessible only to local businesses.

The companies interested in enrolling should meet the requirements of quality, price and reliability, and also **share the same ethic on innovating procedures and committing to reducing environmental and social risks and impact**, and committing to a transparent and responsible work relationship. In the assessment of services, social and environmental responsibility will also be considered and the suppliers will be subject to assessment on these aspects. To enrol on the register, in addition to stating that you are compliant with the corporate principles of the *Code of Ethics* and the MOG 231/2001, there are also “**incentivising criteria**”, such as, for example, the hiring of personnel belonging to “protected categories” as well as regulatory provisions, good safety practices on work sites, as well as regulatory compliance, vehicles with low environmental impact, etc. The number of incentivising criteria included, as specified in the Circular Economy Regulations adopted by AdF, and which can be viewed at www.fiora.it, is relative to the bracket required.

The supply procedure will continue to be based on principles of free competition, equal treatment, non-discrimination, transparency, economy, correctness, health and safety, inclusion and diversity and social security compliance. In that view, AdF has focussed attention also on the issue of financial support to its suppliers, who may have difficulty finding resources, by signing two **Agreements with local credit institutions**, to offer **low-interest financial facilities to companies that enrol in the AdF registers on circular economy**.

The initiative was well received and, though the *ad hoc* Register was only online from November, 29 suppliers had already enrolled by 31.12.2020. The Protocol is the result of activities of **sharing and comparison between AdF and its stakeholders**, including the institutions and local actors, such as Tuscany Region and local bodies, AIT, ARERA, Trade Unions, Trade Union Organisations, the University of Siena and the University Hub of Grosseto, local Credit Institutions and Associations, that participated in the preparation of the document, providing methods that were fundamental in obtaining the final version.

The Protocol, **the first initiative of its type in the water sector Italy**, received – on 9 October 2020 – significant recognition at the national level, by the **Compraverde Buygreen Forum 2020**, dedicated to public and private Green Procurement politics, projects, goods and services, for a fairer and more sustainable economy, receiving a **special mention at the Compraverde awards**, in the “**Vendor Rating and Sustainable Purchases**” section of the large enterprises category, for its “*great care dedicated to the territory, demonstrated through the creation of a dedicated register for local sustainable suppliers*”.

Once qualified, the supplier's headquarters can be subjected to a second-party **Audit on Quality, Environment, Safety, Energy and Social Responsibility (QESER) Management Systems** to verify the **actual application** of active certified Management Systems and the management methods of **other areas relevant to sustainability**. In 2020, **the situation related to the Covid-19** pandemic prevented audits being carried out at suppliers' headquarters, which were partly replaced by **audits on the Teams platform** and the **remote** sharing of documentary evidence. Although the number of audits in the year does not allow for a comparison with previous years, nor does it allow for significant statistics to be compiled, this method **made it possible to maintain an active relationship with the supply chain on quality, environmental, safety, energy and**

social responsibility issues and allowed for a more in-depth documentary analysis.

Each supplier was sent feedback indicating the degree of compliance per scheme and overall, as well as **a report with recommendations for improvement**.

Over the year, Acea also continued with the **TenP working group** as part of the **Global Compact Network Italy** to raise awareness around the supply chain.

Furthermore, **Acea Ato 2**, during a recent procurement of Granular Activated Carbon used for water purification, add a provision to its purchase specifications to conduct **Audits at manufacturing plants located abroad**, especially in “at-risk countries” (please see the relevant box).

ACEA ATO 2 AUDIT ACTIVITIES AT PRODUCTION SITES OF GOODS SUPPLIED ABROAD

The Acea Group's *Ethics Code*, as already recalled, “*in compliance with the Universal Declaration of Human Rights, the ILO Conventions and principles issued by the United Nations Global Compact, to which Acea formally and sustainably complies*”, regulates, in article 15, relationships with supplies and also covers cases of contracts with suppliers from “at-risk countries”, as defined by the Organisations acknowledged.

In compliance with this principle, **Acea Ato 2**, in cases of the **provision of Granular Activated Carbon**, materials mainly used in water treatment procedures for water for human consumption, **included in its Chapter on purchases provisions on the performance of Audits** at production plants, in order to verify the level of compliance with

specific local regulations or even simply with social and environmental recommendations.

To that end, the Company composed a dedicated work group that, during 2020, implemented the **preparatory activities for the development of the Audits** to be carried out at the relevant plants, identifying and contacting **local organisations specialised in social and environmental due-diligence issues**. These local consultants were **identified in conjunction with the Ministry of Economic Development**, that **follows with interest the initiative**. For 2021, the first Audit will be carried out at the **two plants located in India** that manufacture Granular Activated Carbon for Acea Ato 2.

In order to **assess suppliers during the contract execution stage**, Acea implemented the **Group Vendor Rating** during the year, which will run on the new e-procurement platform and **monitor various performance indicators**,

including a **composite sustainability indicator**. For the latter's calculation model, the **Company ECOVADIS was involved in the project** (please see the relevant box for more details).

IMPLEMENTED THE GROUP VENDOR RATING PROJECT AND PARTNERSHIP WITH ECOVADIS

The implementation of the new purchases portal of the "Jagger-one" Group, as indicated in the chapter, was also in preparation of the second part of the project, with the aim to **activate the Group's Vendor Rating**, and was launched in September 2020.

The Group's Vendor Rating system, that will be implemented on expiry of the other Vendor Models previously applied, by Areti, for example, aims to analyse, **evaluate and monitor the performance of the suppliers to increase the level of competition and quality of the services provided and products supplied**. The model was defined for goods, services, works and for the combined product supplier/group, using criteria that was objective (non-discretionary) and as automatic as possible. The **Vendor Rating index** is calculated on the basis of the weighted combination of detail indicators that monitor the main aspects relative to the **execution phases of the contract: punctuality, quality and safety**. The model includes an **additional rewarding indicator** that monitors **aspects related to social and environmental sustainability**.

In the final quarter of the year, the following phases were carried out:

- assessments and in-depth analyses of single indicators and their calculation methods;
- integration of the model with new indicators aimed at monitoring any faults in the strategic components in the execution phase and any technical non-compliance in the works execution phase;
- implementation of the **"Phase 1 indicators"**; these are automatic

indicators, whose data required for the calculation are extracted directly from the source systems (response to invitations, suspensions/Black List, inspection, penalties for tardiness and technical penalties).

The Group Companies were actively involved in the project, especially the **Units designated to the management of contracts, works, assessments on levels of safety at the construction sites and management of safety at work**, to define holders, methods of collecting and transmitting the relevant data, recorded using templates needed to calculate the **"Phase 2 indicators"**, used for monitoring the **performance of the supplier in the contract execution phase** (reserves, appeals, safety assessments at construction sites and accidents). All the data will be received in the system automatically and objectively, so as to guarantee that the evaluation of the supplier is transparent and impartial.

The indicator relative to monitoring the levels of sustainability of supplier practices will be calculated by **ECOVADIS**, the most important European platform for evaluating CSR companies, whose contract was finalised in December 2020. The model covers the evaluation of the Company services in order to calculate the sustainability rating according to **21 CSR criteria related to the environment, work and human rights, ethics and sustainability in purchases**. The project will continue in 2021 and will integrate sustainability indicators into the Vendor Rating model.

HEALTH AND SAFETY ALONG THE SUPPLY CHAIN: AWARENESS RAISING AND AUDITS

Acea considers **occupational safety** a key element of its strategy and has adopted a **safety management model for managing safety along the supply chain** at Group level. Specifically, the Group has structured multiple activities to assess and control the management of safety by suppliers, which are overseen by dedicated organisational structures within the Holding Company and the Operating Companies.

The **Site Safety Unit, in Acea Elabari, is the structure of reference at Group level** and manages the **safety of works and services contracted out** by Group companies (mainly Acea Ato 2, Acea Ato 5, Areti and Acea Ambiente), **ensuring compliance with the highest standards** and with regulations⁸⁵. To this end, it offers:

- **support and assistance to the Works Manager** and general Safety Coordination;
- **Coordination of Safety in the design phase and during execution** at specific sites;
- **safety inspections** for works and services that do not require coordination during execution;
- **services ancillary** to safety inspection activities.

Site safety inspections are mainly related to the **main works** that are the subject of **maintenance contracts for networks and ser-**

vices in the water and electricity sectors, but also concern minor contracts⁸⁶.

Activities are distinguished into works requiring **Safety Coordination during the Execution phase** (Coordinators appointed as needed by the Works Director) and works **with random safety inspections**.

The inspections are managed with computer systems to facilitate the operations of the organisational structure. Indeed, the adopted management model provides timely support for the technical and professional audits of contractors, subcontractors and self-employed workers. It makes **on-site controls more efficient**, assigning to safety inspectors **work orders to be verified based on a "rating" higher than a certain threshold**. It allows a Safety Coordinator to be appointed during execution or design, where required.

For the interventions carried out during the year the following people were involved:

- **19 Safety Coordinators** in the Execution and Design phase, assigned to specific worksites as needed;
- **18 Safety Inspectors**, who assessed and verified the safety standard through random inspections;
- **5 Planners**, who followed the planning and dispatching of the safety inspections to the sites of the contractors;
- **13 Technical Support resources**, who managed the technical and professional audits of the companies engaged in the contracts.

⁸⁵ Legislative Decree no. 81/08 "Consolidated Act on Safety", as amended.

⁸⁶ Such as electrical or electromechanical maintenance work carried out on plants, meter changes, road repairs, video-inspections and sewerage pumping, etc.

In 2020, the Site Safety Unit:

- carried out the activities in **support of the technical and professional audits of 617 companies** (38% of contractors and 61% of subcontractors and “operated equipment rentals”⁸⁷), about **70% more** than in 2019 (360 companies);
- activated **Safety Coordination in the Execution phase for 286 tasks** and carried out **Safety Coordination in the Design phase for 76 tasks**;
- **carried out 14,904 on-site safety**⁸⁸ **inspections** (+19% compared to 2019).

Following **occupational health and safety audits**, carried out during the **Site Safety Unit’s** inspections, a **total of 1,457 non-conformities were found**⁸⁹ (962 “minor”, 337 “medium” and 158 “major”), **down compared to the 2019 figures**⁹⁰ **despite the increase in the number of visits carried out**. During the execution of the contract, any conduct that **infringes the current regulations are also corrected** and specific problems that emerge during the work are thoroughly investigated. **During the verification** of the staff of contractor and subcontractor companies, the Site Safety Unit **ascertains that the Employer has provided basic health and safety training** and, where applicable, **specific training**.

SAFETY CHECK PROJECT

The Innovation Unit of the Parent Company and Acea Elabori launched an experiment to test a solution that enables remote assessments of the safety conditions of personnel that carry out their work in construction sites, as well as the level of compliance with provisions issued by the Employer on Health and Safety.

The Safety Check system, that uses sensors aimed at the safety of operators, enables the identification of potentially dangerous systems and creates an alert system using suitable IoT sensors on site, represents a valid auxiliary instrument to further improve the Company’s safety standards.

The Site Safety Unit and all Group Companies that independently manage site audits, either in whole or in part, also contribute to **protecting the safety of contractors working on the construction sites**, by meeting the employers of the companies before the start of work to **inform them of the standards adopted**. In fact, **all contractors are informed in accordance with the relevant Operational Instruction**, from the relevant Units in charge of managing the contract, from the Works Management and by the relevant Safety Coordinators for the Execution of the Works (the latter where provided for by current legislation), **through the DUVRI** (Single Risk Assessment Document, to be attached to the contract), **the SCP** (Safety and Coordination Plan) or **specific coordination meetings**.

For example, **at the beginning of the Covid-19 pandemic**, AdF, which carries out its own site inspections, held **coordination meetings with the contracting companies**, defining a shared intervention procedure to minimise the movement of contracted staff and to assess potential infections. These meetings were repeated during 2020 in order to ensure that site procedures and documents were in compliance with national and regional regulations. **Gori** communicated with all its suppliers regarding the emergency and the measures it adopted to contain the infection in the workplace. Furthermore, in Acea the **Training Camp** is operational, a space dedicated to providing training on health and safety at work for staff, which is **used** by the Group’s operating companies to **also train contractors** to safely carry out specific activities related to

the contracts they had been awarded (ascent/descent on medium and low voltage power line poles, access to confined, underground areas, etc.).

Given the exceptional situation in 2020, the **Parent Company** established a **Coronavirus Prevention Committee** which is also committed to **coordinating with the Group Companies** and **with the Contractors** (see also the *Personnel* chapter, *Protection of Occupational Health and Safety* paragraph).

The Companies that carried out site inspections during the year, **above and beyond the work of the Site Safety Unit**, took the **Parent Company’s guidelines into consideration**. Specifically, in order to check compliance with the safety procedures introduced to counteract the spread of Covid-19, **Acea Ato 2** carried out 374 audits during the year, while **Acea Ato 5** carried out 9. Both Companies also saw to raising awareness amongst the employees of contractors regarding occupational health and safety.

This also applies to Companies that are not managed centrally. For example, **AdF carried out 356 audits to check safety conditions and compliance with Covid-19 regulations**, finding 18 deviations relating to missing documents and no cases of procedural issues and/or missing PPE, and **Gori carried out 1,142 on-site health and safety audits**. **Gesesa** carried out regular (weekly) audits on both internal staff and civil engineering companies/suppliers to check compliance with the limitations imposed by the Prime Ministerial Decree (access to the premises, social distancing, etc.). The information collected was sent to the Parent Company.

⁸⁷ Operated equipment rental is a contract that involves the rental of work equipment and the performance of a specialized operator, essential for the operation/use of the equipment itself.

⁸⁸ The number includes visits for all types of contracts, both main ones and “minor ones”.

⁸⁹ For the main contracts, as envisaged in the contract documentation, the results of audits are recorded according to four categories: compliant or non-applicable, minor (generally corrected on the spot), medium and major infractions. The non-conformities are associated with corrective actions and penalties applied by the contracting Company on the basis of the provisions of the tender documentation, and, serious infractions may lead to the suspension of works.

⁹⁰ When they were registered, following around 12,400 inspections, 1,741 non-conformities (1,141 minor, 367 medium and 233 major).

With reference to the “**Protocol shared for the regulation of measures to prevent and contain the spread of the Covid-19 virus in workplaces**” undersigned on 14 March 2020 by Trade Union and employment organisations in accordance with the Government and integrated on 24 April 2020, for the entire duration of the pandemic, **each Company**, to carry out its work activities, **was obligated to adopt suitable technical measures** (anti-contagion safety measures). These measures, the same for all involved, follow the logic of precaution and regard the management of the health emergency, **both in relation to work sites and the procurement of foods and supply**, and apply to the owners of the canteens and to all the sub-contractors and subsuppliers present.

Acea SpA and the Group Companies, in compliance with the regulatory provisions, **have defined specific measures to develop activities within the Company sites, including also those carried out by personnel of the supplier/contracting companies**, with a duty to **comply with the protocols on anti-contagion safety defined**, with the penalty of being forced to leave the Company sites in the event of non-compliance; monitoring activities were also carried out to ensure the correct and efficient adoption of the measures established, through periodic checks.

In the Parent Company a Coronavirus Prevention Committee was set up for the centralised management of risk mitigation measures and **internal provisions** for coordination with the Group Companies, as well as **information and coordination with the contract companies**.

Beyond the temporary health emergency, Acea works with the conviction that it is necessary to qualify **the Company’s commitment along the entire value chain**.

One of the most relevant aspects relates to the working conditions and the **health and safety** of the staff of companies supplying goods, services or works, which are entrusted by the contracting companies to manage or operate a part or all of their business processes. To this end, the Sustainability Planning and Reporting and the Occupational Safety Units of the Parent Company, along with the Units of the Holding Company or the Operating Companies in charge, in various capacities, of relations with suppliers, created a project called **Sustainability and Safety, a Virtuous Pairing**, aiming to actively involve the contractors who work with Acea to put on training sessions and to improve the process of collecting and reporting accident data in particular.

During the year, the **Occupational Safety Unit** was able to hold a **single awareness-raising meeting with Acea SpA contractors, at the La Fornace Conference Centre, on the issue of safety**, during which, in addition to showing the firms the I-Auditor platform used for the operational management of contracts, also introduced the *Sustainability and Safety, a Virtuous Pairing* project and presented the most important KPIs that all contractors, of works and certain types of services, should provide, starting from the next year. To **test the process of collecting new KPIs, a pilot survey was carried out** on a sample of around 150 contractors, the majority managed by Acea Elabori also on behalf of Group Companies.

From the analysis of the data provided by the **81 companies** that **responded** to the survey, **of which 16% in the top-list of suppliers in terms of volume of orders**, it emerged that: there were **40 occupational accidents** involving Acea’s contractors’ staff during the year, of which **3 were due to work transfers** and **almost all (36) involved minor injuries**. The **main causes of accidents** are **tripping, impacts,**

slipping, cuts, crushing and falls from height. The **frequency index** is **7.93**, while the **gravity index** is **0.33**. There were no fatal accidents. Lastly, **no cases of occupational diseases** were recorded for contractors’ staff during the year.

INVOLVEMENT OF SUPPLIERS ALSO IN OTHER SENSITIVE ISSUES

Some Group Companies also carry out activities for the **involvement and awareness of suppliers with respect to other aspects**, such as technological evolution and Group guidelines, so that there is constant alignment and adequate training of partners working on behalf of the Company.

In 2020, **Arete** continued with its training campaign on the “mass replacement of metering units” and “user management – tablet use for meter change”, training **101 operators of its contractors**, amounting to a total of **592 hours of training** divided into 19 training sessions.

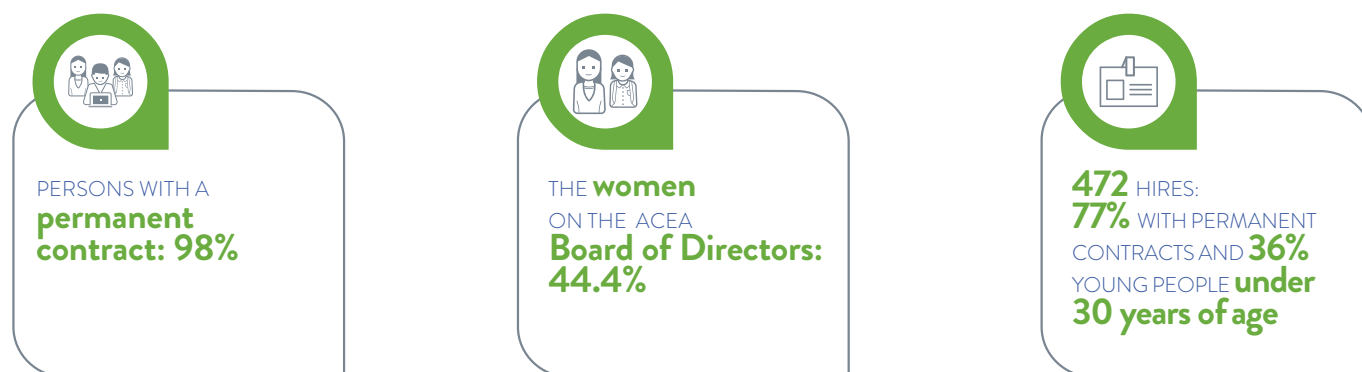
Furthermore, **50 workers** of contractors were trained to use a new type of “joints”, which will be implemented by **Arete** during 2021, for a total of **350 hours of training**, carried out with the contribution of the supplier and 4 internal teachers.

Finally, **Acea Energia** monitors the **quality of the sales service provided by the door-to-door and/or telemarketing agencies** in the “domestic” and “micro-business” segments of the deregulated market, and in accordance with the Agency Mandate, **it trains those who work in the name and on the behalf of Acea so that they can convey adequate information to customers** (please also see the chapter on Customers). In 2020, Acea Energia carried out a **training programme**, providing **714 hours of training** in total, of which 300 hours were delivered to **668 door-to-door sellers**, for a total of 60 days, and 414 hours delivered to **teleselling agency workers**.



STAFF

ACEA'S EMPLOYEES



The health emergency, which occurred during the year, affected personnel management, with particular reference to the issue of employee health protection. Therefore, Acea **promptly and effectively reconsidered its working tools and methods** to facilitate the transition from face-to-face working to remote working for most of its staff. This has led to the **development of the IT infrastructure**, the

reorganisation of training to the digital sphere, the implementation of **extraordinary precautionary measures** to protect the health of people and *ad hoc* initiatives to help them cope with both personal and professional difficulties caused by the pandemic.

In 2020, there were **6,374 people in the workforce of the Companies within the reporting scope⁹¹**.

TABLE NO. 38 – CHANGES IN EMPLOYEES BY MACRO SEGMENT (2018-2020)

BUSINESS AREA	2018 (no. of employees)	2019 (no. of employees)	2020 (no. of employees)
Water operations	1,741	2,695	3,303
Network Operations	1,301	1,272	1,280
Generation	78	81	87
Commercial	443	437	392
Environment Operations	286	304	338
Engineering Operations	237	262	274
Corporate (Acea SpA)	656	665	700
total	4,742	5,716	6,374

(*) The 2020 figures also include 419 people at AdF and 28 people at Acque Industriali, as the other companies included in the scope during the year have staff seconded from other Group companies or do not have such staff.

The **Water Operations** segment recorded the **highest numbers and accounts for 52% of the total**, in line with the number of Companies included and the percentage of business on the Group's operations. The **Network Operations** segment followed, which **represents 20% of total figures**.

COMPOSITION AND TURNOVER

The **Human Resources Management Department** of Acea SpA handles the **administration of the personnel** employed by the subsidiaries on their behalf according to defined procedures. To this end, the Department uses computer systems (SAP HCM, SIPERT PY, Success Factor) operating at the Group level for the **management of employee records, salaries, merit plans**, etc. The inclusion within the scope of 447 employees at AdF and Ac-

que Industriali is the factor that most affected the increase in the workforce, from 5,716 in 2019 to 6,374 in 2020. However, this expansion in scope does not change the overall composition of the Group's workforce, which remains in line with the previous two-year period.

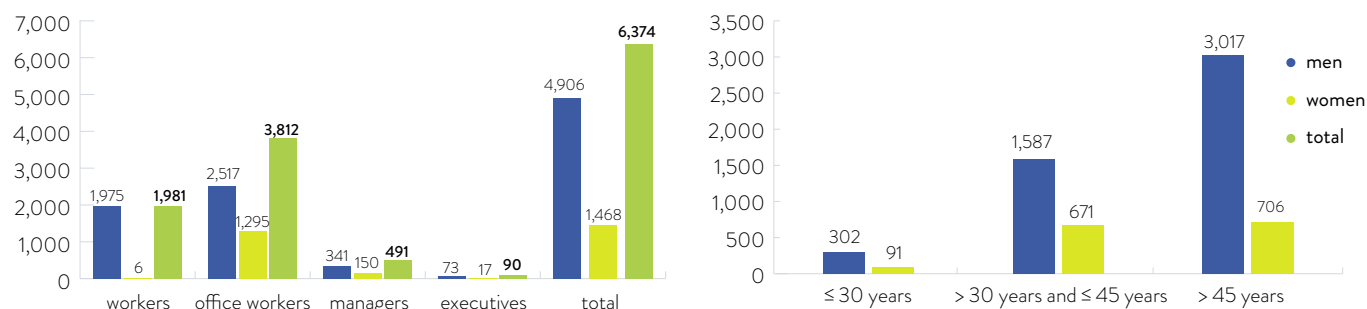
Specifically, the **male presence is prevalent, equal to 77% of the total**. The figure reflects the presence of technical-specialistic and operating skills that, to date, have mainly been offered by men in Italy. The **professional structure is stable** and consists of **60% of-office staff, 31% workers, 8% managers and 1% executives**. The distribution by age groups is characterized for **58% by people over 45 years of age**, while those belonging to younger age groups – **between 30 and 45 and under 30** – represent respectively **35% and 6%** of the workforce.

⁹¹ The chapter illustrates the data for Companies within the NFD scope (see *Disclosing sustainability: Methodological Note*), with the exception of Acea Innovation and Acea Sun Capital, which have staff seconded from other Group companies or do not have staff. The total workforce, for all the Companies within the consolidation, was 7,650 during the year (7,576 in 2019).

With regard to the **level of education**, we confirm **the steady increase of university graduates, who rise to 25% of the total** (23% in 2019) and

the stability of diploma holders, whose percentage remains around **50%** (for the above data, please see chart no. 35 and table no. 39).

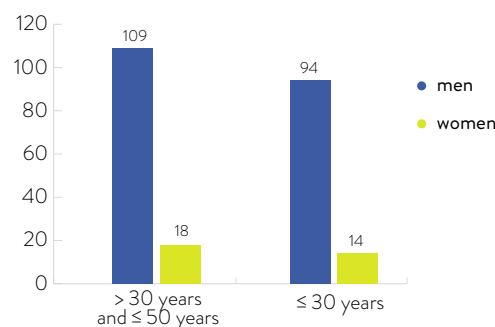
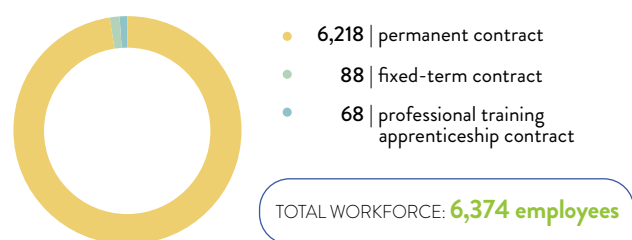
CHART 35 - COMPOSITION OF THE STAFF: GENDER, AGE AND CATEGORY (2020)



98% of the workforce are employed with a permanent contract, which is in line with 2019. The **length of the employment relationship** indicates the **stability of employment**: **55%** of the peo-

ple who left during the year worked for the Group **for 30 to 50 years** and **45% up to 30 years** (please see chart no. 36 and table nos. 39 and 41).

CHART NO. 36 – CONTRACT TYPES AND LENGTH OF THE EMPLOYMENT RELATIONSHIP (2020)

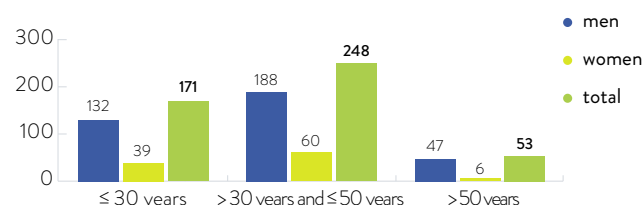
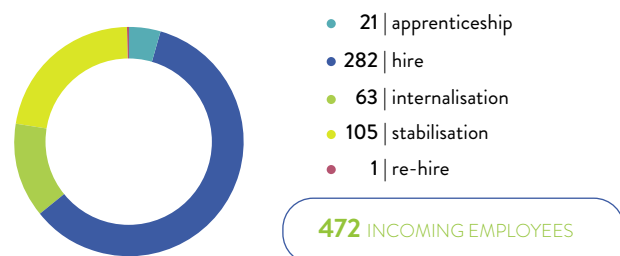


In 2020, 472 people (367 men and 105 women) **were hired, 77% with a permanent contract**, divided into 282 hires from the external labour market, 105 stabilisations (of which 36 young people that have completed internships in the Company), 63 in-

ternalisations, 21 apprenticeships and 1 re-hire (see chart no. 37 and table no. 41).

36% of newly hired staff during the year were aged **30 or under**.

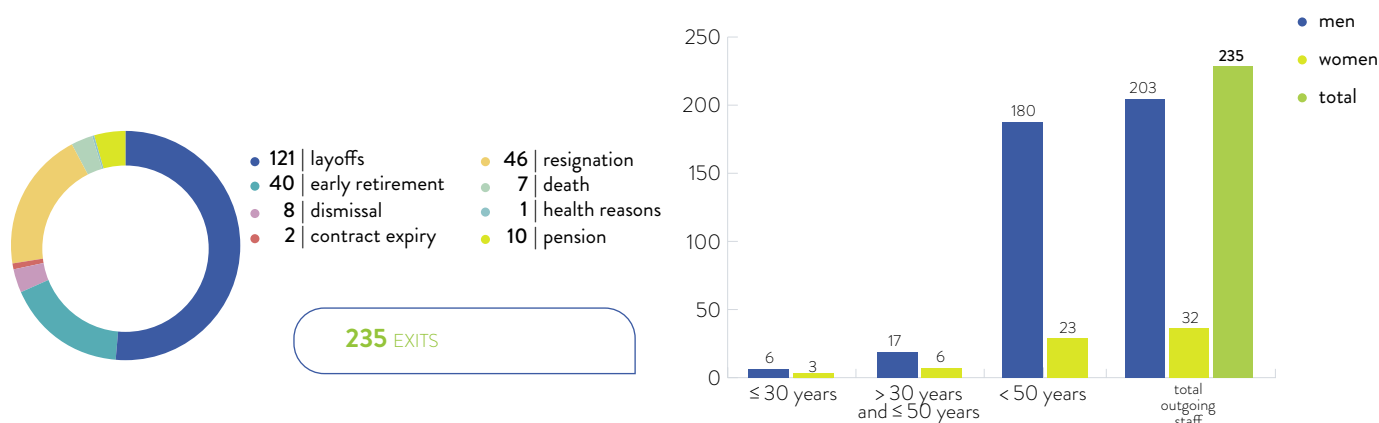
CHART NO. 37 – TYPES OF ENTRIES AND AGE OF THE STAFF (2020)



There were 235 people who left the Company in 2020 (203 men and 32 women): 121 with a form of voluntary and incentivised early retirement, 40 as part of voluntary redundancy plans, with the agreed and incentivised termination of the

employment contract, 10 retired, 46 resigned, 8 dismissed and another 10 for different reasons (see chart no. 38 and tables no. 41 and 42). **86% of the outgoing staff** was over **50 years of age**.

CHART NO. 38 – TYPES OF EXITS AND AGE OF THE STAFF (2020)



The **rate of turnover** was **11.1%** (11.6% for men and 9.3% for women), the **incoming rate** was **7.4%** (7.5% for men and 7.2% for women) and the **outgoing rate** was **3.7%** (4.1% for men and 2.2% for women) (see table no. 40).

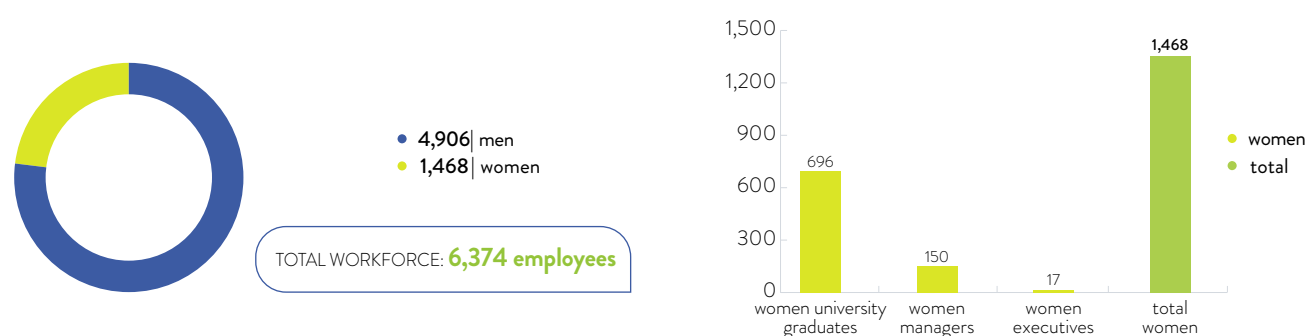
WOMEN IN ACEA

In 2020, there were **1,468** women working at Acea (1,286 in 2019). This expansion of the scope and the consequent inclusion of 116

women working at AdF and Acque Industriali do not substantially change the proportion of women within the Group's total workforce, which is slightly greater than last year, at 23% (it was 22% in 2019).

The proportion of female executives within total executives (17 out of 90) is equal to **19%**. **The percentage of women in managerial positions** is **30%** of the category (150 out of 491) (chart no. 39, while **women accounted for 43%** (696 out of 1,600) of the **graduates** in the Group.

CHART NO. 39 – THE DISTRIBUTION OF THE STAFF FROM A GENDER PERSPECTIVE (2020)



In the **corporate governance** of the reporting companies (Boards of Directors, Boards of Statutory Auditors and Supervisory Bodies), **60 women**, are operational, **35% of the total** number of members (in 2019, women in the governance bodies totalled 52, equal to 33.5%).

In the **Parent Company**, the percentage of **women** on the **Board of Directors** was **55.5% up until July** (5 women out of 9 members) and **44.4%** (4 women out of 9 members) **in the second half of the year, following on from the replacement**

of a female Director. On the **Board of Statutory Auditors** the **percentage reached 60%** (3 women out of 5 members, of which 2 substitutes), figures above the quotas required by law (Law no. 120/2011). We also report that every internal board committee includes one or more women, and that the Chair of the Control and Risks, Appointments and Remuneration, Ethics and Sustainability Committees is assigned to a female Director (see also *Corporate Identity*, section *Corporate governance in Acea*).

CHART NO. 40 – PRESENCE OF WOMEN IN THE CORPORATE GOVERNANCE BODIES (2018-2020)

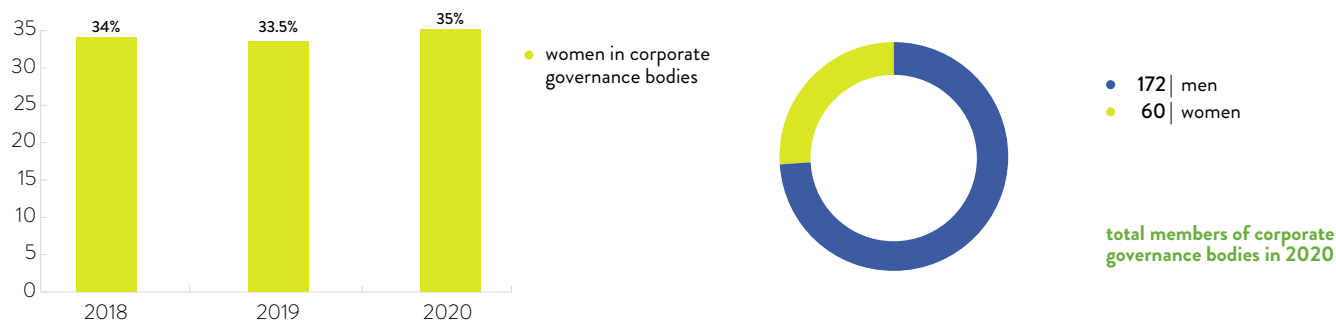


TABLE NO. 39 – GENERAL DATA ON PERSONNEL (2018-2020)

u.m.	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
COMPOSITION OF THE STAFF									
number									
executives	60	12	72	70	11	81	73	17	90
managers	289	127	416	311	137	448	341	150	491
clerical workers	1,897	1,012	2,909	2,293	1,133	3,426	2,517	1,295	3,812
workers	1,342	3	1,345	1,756	5	1,761	1,975	6	1,981
total	3,588	1,154	4,742	4,430	1,286	5,716	4,906	1,468	6,374
WOMEN IN ACEA									
%									
women out of the total workforce			24			22			23
female executives out of total executives			17			14			19
female managers out of total managers			31			31			31
female graduates out of total graduates			44			43			43
WOMEN IN ACEA									
number									
university graduates	593	470	1,063	755	567	1,322	904	696	1,600
high school graduates	1,816	537	2,353	2,275	583	2,858	2,541	643	3,184
other qualifications	698	44	742	955	45	1,000	1,018	55	1,073
not defined	481	103	584	445	91	536	443	74	517
total	3,588	1,154	4,742	4,430	1,286	5,716	4,906	1,468	6,374
AVERAGE STAFF AGE									
years									
average Company age	49	45	48	48	45	48	48	45	47
average age of executives	54	52	54	53	51	53	53	51	53
average age of managers	51	49	50	51	49	50	51	49	51
average age of clerical workers	48	45	47	48	44	47	47	44	46
average age of workers	48	51	48	48	48	48	48	49	48
AVERAGE SENIORITY OF THE STAFF									
years									
average corporate seniority	19	15	18	17	15	17	16	14	16
average seniority of executives	17	19	18	17	16	17	17	16	17
average seniority of managers	21	19	20	20	18	19	20	18	19
average seniority of clerical workers	20	15	18	18	14	17	17	14	16
average seniority of workers	17	29	17	15	18	15	15	18	14
TYPE OF EMPLOYMENT CONTRACT									
number									
staff under a permanent contract	3,476	1,105	4,581	4,327	1,256	5,583	4,783	1,435	6,218
<i>(of which) part-time staff</i>	25	95	120	26	95	121	22	102	124
permanent staff	44	33	77	27	8	35	69	19	88
staff under apprenticeship contracts	68	16	84	76	22	98	54	14	68
total	3,588	1,154	4,742	4,430	1,286	5,716	4,906	1,468	6,374

(*) In 2020, the 447 employees of AdF and Acque Industriali are also included, as the other companies that have joined the DNF perimeter have personnel seconded from other Group companies or do not have such staff.

TABLE NO. 40 – MOVEMENTS OF PERSONNEL (2018-2020)

u.m.	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
INCOMING STAFF: CONTRACT TYPE									
number									
permanent	97	29	126	337	70	407	283	82	365
fixed-term	20	10	30	22	9	31	67	19	86
professional apprenticeship contracts	41	11	52	9	5	14	17	4	21
total	158	50	208	368	84	452	367	105	472
OUTGOING STAFF: REASONS									
layoffs	80	14	94	153	16	169	103	18	121
early retirement	7	0	7	46	7	53	35	5	40
retirement	2	1	3	2	1	3	10	0	10
terminations	11	2	13	7	3	10	8	0	8
other reasons (*)	28	13	41	29	9	38	47	9	56
total	128	30	158	237	36	273	203	32	235
TURNOVER RATES, INCOMING AND OUTGOING RATES PER AGE GROUP (**)									
%									
turnover rate	8.0	6.9	7.7	13.7	9.3	12.7	11.6	9.3	11.1
incoming rate	4.4	4.3	4.4	8.3	6.5	7.9	7.5	7.2	7.4
≤ 30 years	-	-	2.2	1.7	2.4	1.9	2.7	2.7	2.7
> 30 years and ≤ 50 years	-	-	1.9	4.7	3.7	4.5	3.8	4.1	3.9
> 50 years	-	-	0.3	1.9	0.4	1.5	1.0	0.4	0.8
outgoing rate	3.6	2.6	3.3	5.3	2.8	4.8	4.1	2.2	3.7
≤ 30 years	-	-	0.3	0.2	-	0.1	0.1	0.2	0.1
> 30 years and ≤ 50 years	-	-	0.4	0.4	0.5	0.5	0.3	0.4	0.4
> 50 years	-	-	2.6	4.8	2.3	4.2	3.7	1.6	3.2

(*) For 2020, the item includes: 7 deaths (not due to accidents at work), 46 resignations, 1 disability and 2 contract expiries.

(**) The turnover rate is provided by the sum of hires and terminations of the year relative to the workforce at year end. The Companies to which the data refers are pre-dominantly located in Lazio.

TABLE NO. 41 – AGE GROUPS, EMPLOYMENT CONTRACT LENGTH (2018-2020)

number	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
STAFF AGE GROUPS									
≤ 25 years and ≤ 30 years	169	70	239	203	80	283	302	91	393
> 30 years and ≤ 50 years	1,688	704	2,392	2,166	789	2,955	2,384	900	3,284
> 50 years and ≤ 60 years	1,387	337	1,724	1,703	374	2,077	1,822	419	2,241
> 60 years	344	43	387	358	43	401	398	58	456
total	3,588	1,154	4,742	4,430	1,286	5,716	4,906	1,468	6,374
INCOMING STAFF: AGE GROUPS									
≤ 30 years	78	25	103	77	31	108	132	39	171
> 30 years and ≤ 50 years	67	24	91	208	48	256	188	60	248
> 50 years	13	1	14	83	5	88	47	6	53
total	158	50	208	368	84	452	367	105	472
OUTGOING STAFF: AGE GROUPS									
≤ 30 years	7	6	13	7	0	7	6	3	9
> 30 years and ≤ 50 years	14	5	19	19	7	26	17	6	23
> 50 years	107	19	126	211	29	240	180	23	203
total	128	30	158	237	36	273	203	32	235
DURATION OF THE EMPLOYMENT CONTRACT OF THE OUTGOING STAFF									
≤ 30 years	49	16	55	85	13	98	94	14	108
> 30 years and ≤ 50 years	79	14	93	152	23	175	109	18	127
total	128	30	158	237	36	273	203	32	235

HOURS WORKED, SALARY AND PENSION FUNDS

HOURS WORKED IN ACEA

Acea works in compliance with labour legislation and in accordance with the National Collective Bargaining Agreements of reference, with a particular focus on cases relating to working hours and the duration of work, minimum guaranteed wages, age categories and restrictions on the use of legal child labour and the proper management of disadvantaged categories.

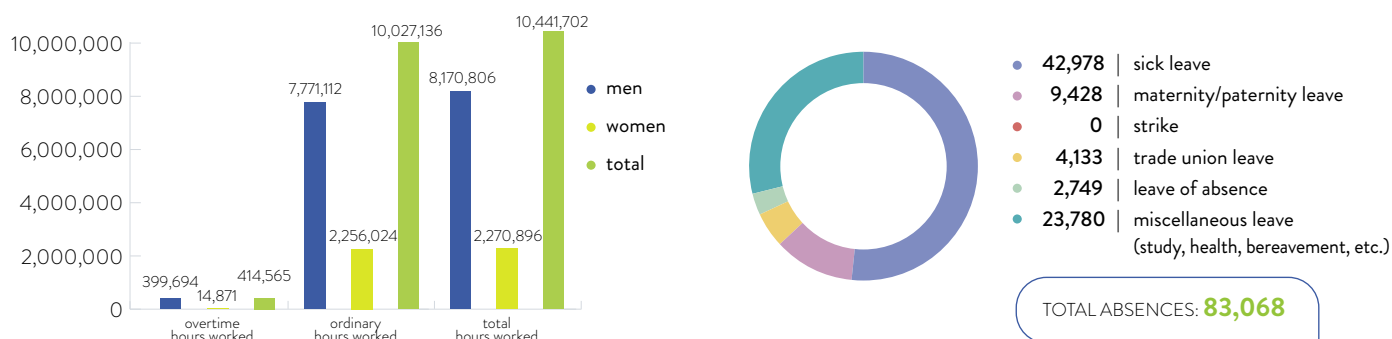
Following on from the Covid-19 health emergency, in accordance with the safety measures put in place at government level, Acea reorganised the working conditions of more than 3,700 employees, mainly those with administrative responsibilities, switching them from face-to-face

work to remote, with work being carried out from home. **Ordinary and overtime hours worked during the year**, excluding executives, **increased**, mainly following on from the inclusion of hours worked by AdF and Acque Industriali staff, and amounted to **10,441,702 hours**, of which **78% were attributable to male personnel** (equal to 8,170,806 hours) due to the greater number of men in the workforce (77% of the total). Analysing the **overtime hours**, the influence of gender is even more evident: **96% of overtime is in fact attributable to men and only 4% to women** (please also see the sub-paragraph *Remuneration*).

Days of absence totalled **83,068**, mainly due to **illness, leave** (for reasons of study, health, etc.), **maternity/paternity leave, trade union reasons, as well as others** (study, health, generic) (see chart no. 41 and table no. 42).

The **absenteeism rate for the year was 3%**, down compared to the 3.85% of 2019 (3.3% male absenteeism rate and 2.3% female absenteeism rate).

CHART NO. 41 – HOURS WORKED BY THE STAFF AND ABSENCES (2020)



In addition to leave, staff can access reduced working hours, in accordance with the terms defined by the Company: in 2020, **part-time** staff amounted to around **2% of total staff**.

For **managers** and **stage-three workers**, **independent scheduling is permitted**, which allows the “personalized” management of work schedules, in compliance with contractual provisions.

For **employees with a “fixed schedule”**, **arrival and departure flexibility** is permitted, according to established slots, and a **total number of monthly hours of leave** is available to collect during the times established.

Lastly, **smart working** is the agile and flexible working method that Acea has adopted since 2018 to promote work-life balance. This year, the Company **was able to promptly and effectively manage the reorganisation of the work required as a result of the pandemic**, thanks to the decision taken in

the previous two years, connecting most staff via smart working (please also see the *Staff Development and Communication* paragraph).

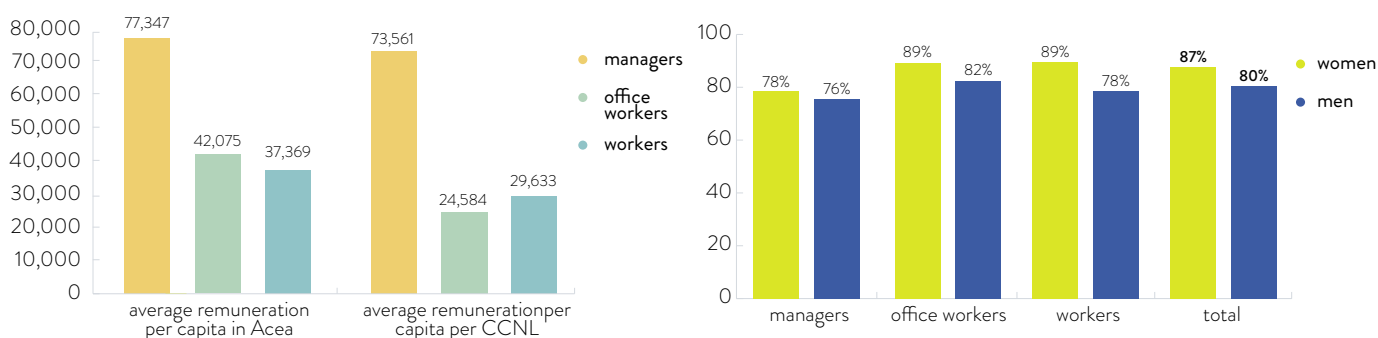
REMUNERATION

The **wages** that Acea pays its employees, excluding executives and top management, are determined by applying the **National Collective Bargaining Agreements (CCNL)** of reference, which ensure the minimum salary levels according to professional categories.

The Company also adopts a **remuneration policy** that applies **merit-based principles** to the fixed and variable components of the remuneration, determining remuneration that is above the minimum salaries set by the National Collective Bargaining Agreements.

In 2020, the **total gross average salary per capita** was **€ 43,000**, excluding executives, (it was € 45,000 in 2019) (see table no. 42).

CHART NO. 42 – AVERAGE SALARIES AND RATIO BETWEEN BASE SALARY AND REMUNERATION (2020)



By analysing the data by gender, **the ratio between the “base salary” and the gross actual remuneration is 87% for women and 80% for men.** The activities with the highest additional remuneration (on-call, shifts, allowances, overtime, etc.), such as the work of emergency services technicians who rotate in 24-hour shifts, **are mainly performed by male staff.**

PENSION FUNDS AND DEFINED CONTRIBUTION PLANS

Supplementary pensions are a form of **voluntary contribution** aimed at generating income that is supplementary to the pension, the amounts paid by workers being invested in the financial market by specialized operators.

The pension funds of reference for Acea staff are: **Previndai**, reserved for executives, and **Pegaso** (managed jointly by Util-

italia and Trade Union Organisations) for non-management staff, to whom the National Collective Bargaining Agreements of the electrical and gas-water segments apply.

The **Pegaso Fund** adopted a 2019-2021 Strategic Plan that illustrates the **organisation’s management guidelines, including instruments for measuring ESG factors** (environmental, social and governance).

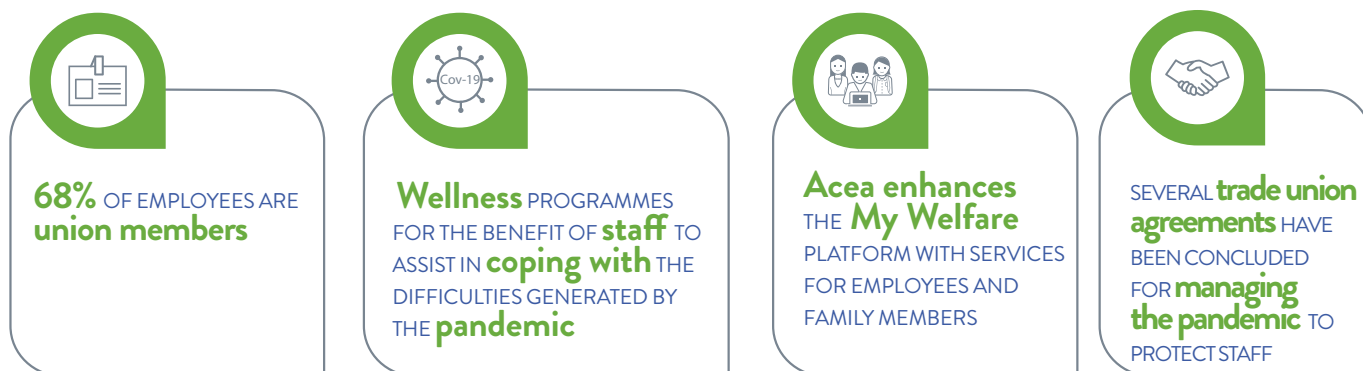
The **number of Acea employees participating in the Pegaso Fund during the year was 2,909**, with an **increase of 3%** compared to 2019.

By analysing the distribution by gender of the members, **76% are men and 24% are women** (please see table no. 42). The Company paid approx. € 5.8 million of TFR (Severance Pay) and approx. € 1.9 million of supplemental contribution to the Fund.

TABLE NO. 42 – HOURS WORKED, ABSENCES, REMUNERATION AND MEMBERS OF THE SUPPLEMENTAL PENSION FUND (2018-2020)

u.m.	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
HOURS WORKED BY THE STAFF									
hours									
regular	5,669,239	1,684,926	6,031,404	6,250,724	1,941,510	8,192,234	7,771,112	2,256,024	1,002,7137
overtime	362,165	27,004	389,169	369,398	29,464	398,862	3,996,94	14,871	414,565
total hours worked	6,031,404	1,711,930	7,743,334	6,620,122	1,970,974	8,591,096	8,170,806	2,270,896	10,441,702
TYPE OF ABSENCES									
days									
sick leave	28,584	12,144	40,728	29,279	10,969	40,248	35,163	7,815	42,978
maternity/paternity	1,159	10,302	11,461	1,118	9,278	10,396	1,499	7,929	9,428
strike	606	138	744	82	28	110	0	0	0
trade union leave	8,076	1,068	9,144	5,159	584	5,743	3,756	377	4,133
leave of absence	1,288	1,127	2,415	1,313	379	1,692	2,015	734	2,749
miscellaneous leave (study, health, bereavement and general reasons)	15,786	8,889	24,675	1,5631	8,022	23,653	18,402	5,378	23,780
total absent (excluding holidays and accidents)	55,499	33,669	89,167	52,582	29,260	81,842	60,835	22,233	83,068
GROSS AVERAGE COMPENSATION BY ROLE									
€									
managers			77,061			78,691			77,347
clerical workers			42,349			43,045			42,075
workers			38,840			39,496			37,369
AGE GROUPS AND GENDER OF THE EMPLOYEES ENROLLED IN THE PEGASO FUND									
number									
≤ 25 years	16	0	16	20	0	20	32	0	32
> 25 years and ≤ 30 years	38	18	56	65	26	91	92	25	117
> 30 years and ≤ 35 years	101	40	141	126	66	192	143	70	213
> 35 years and ≤ 40 years	169	69	238	186	88	274	202	103	305
> 40 years and ≤ 45 years	228	64	292	249	78	327	261	89	350
> 45 years and ≤ 50 years	349	112	461	320	105	425	293	101	394
> 50 years and ≤ 55 years	459	112	571	469	136	605	466	144	610
> 55 years and ≤ 60 years	386	112	498	423	119	542	440	112	552
> 60 years	227	40	267	293	49	342	276	60	336
total	1,973	567	2,540	2,151	667	2,818	2,205	704	2,909

LABOUR-MANAGEMENT RELATIONS



Acea applies the **Single Contract for the electricity sector** and the **Single Contract for the gas-water sector**. **All the workers** are therefore **covered by national collective bargaining agreements**. In 2020, **unionisation** was around **68%**. There are **288** employees who hold **management or trade union representation positions**; of these, **19** hold positions of **Workers' Safety Representatives (RLS)**, designated following an agreement.

The **Labour-Management Relations Unit** of the Parent Company (Human Resources Function) **oversees the Company's policies regarding trade union relations**, ensuring consistency with the Group's objectives. The discussions on the specific corporate requirements are conducted within the framework of national collective bargaining (CCNL) at the sector level, and between companies and internal employee representatives.

The **Labour-Management Relations Model** applied in Acea defines a **system of high-profile trade union relations** based on **bilateral agreements and participation**, combining **business objectives and social demands**.

The **Labour-Management Relations Protocol** structures the system of union participation and dialogue on three levels – Group, industrial segment and corporate – and defines **some areas of discussion** for each level: *economic and financial performance, employment policies, selection, promotion, development and training of staff, occupational safety, corporate welfare, promotion of diversity and inclusion; industrial policy and investment plans; performance bonus, organisation of working hours, technical and specialized training and professional development.*

In line with the inclusive logic of the Model, Acea has implemented a **procedure for consulting workers**, directly or through their representatives, on central issues such as **safety at work, respect for the environment and the sustainable development of production**. In order to encourage the **involvement of employees** in union relations, an **email address was made available** with which, for example, it is possible to request further information on the agreements reached or provide feedback on the quality of Company initiatives.

There are also **Bilateral Commissions**, composed of Company representatives and employees, **who express their opinions on key issues, such as training, smart working, corporate welfare and occupational health and safety**.

The Company promotes the participatory models of Trade Unions, such as **Unitary Trade Union Representations (RSU)** and **Workers for Safety and the Environment (RLSA)**.

The **main agreements signed during the year with the Trade Unions (OO.SS)**, in addition to training and performance bonus, **concerned measures related to the management of the pandemic**. Specifically, agreements were reached on the organisation of

work, on ways of carrying out smart working during the Covid-19 emergency and on bonuses for operational staff who ensured the continuity of public utility services to the public. Furthermore, **to regulate measures to counter the spread of Covid-19 in the workplace and for the gradual resumption of work activities, Group Agreements were signed with the Trade Unions** in April and May (so-called "Phase 1" and "Phase 2 of the emergency"), in line with the guidelines set out in the Protocols shared between the Government and the National Confederations of 14 March 2020 and 24 April 2020. The agreements set out the safety measures to combat infection, technical and organisational measures for carrying out work activities safely, as well as procedural, information and welfare measures to be adopted by the Group Companies.

Also during the year the **new social security agreement was of particular significance, which regulates the so-called "Isopensione"**, signed on 30 July, to manage generational turnover, in line with the commitments made in the Group Framework Agreement of 14/02/2018 **valid for the four-year period 2021-2024**. The pension accompaniment measure is provided by INPS, with the Company's contribution, and is aimed at managers, office staff and workers who meet the requirements for retirement or early retirement pensions in the four years following the termination of the employment relationship, subject to an order of priority connected to conditions of health, proximity to pension access and the legal category they pertain to.

Acea actively promotes corporate well-being, starting with the **needs of its staff**, which are identified over time through surveys. In 2020, the **Group Welfare Plan was enhanced**, which can be accessed via the **My Welfare platform**, enriching the offer of **services to the individual and to their family** (family services, trips, transfers, health and health insurance, supplementary pension, sports and leisure, etc.), as well as the opportunity to convert their performance bonus into welfare services.

To promote the Plan and welfare initiatives, in 2020 numerous **information meetings** were held remotely and shared via **training videos**.

Acea **has redeployed part of the tax relief** enjoyed thanks to the Welfare Plan **for the benefit of employees**, both with the additional disbursements paid by the Company for individuals who have directed their performance bonus to the supplementary pension schemes, and by offering **health services and preventive checkups** (endocrinological, dermatological, etc.) and creating prevention campaigns aimed at promoting **primary and secondary prevention, healthy lifestyles and mental and physical well-being**. In particular, a communication campaign about telemedicine and medical checkups was organised together with the Company CRA.

Furthermore, employees enrolled in the Acea health insurance fund received **Long Term Care insurance** that protects people in the event of loss of self-sufficiency.

Following on from the Covid-19 pandemic, the Acea Group implemented special **welfare initiatives** over the course of the year, which saw good levels of participation (please see the box for more details).

WELFARE INITIATIVES DURING THE PANDEMIC

In 2020, Acea rolled out multiple corporate welfare initiatives for the benefit of employees and their families in response to the pandemic crisis, **especially in the lockdown phase**.

In particular, the Company offered:

- the **remote individual psychological support** service, in collaboration with Acea's ACLI (Associazioni Cristiane Lavoratori Italiani) and a professional psychotherapist, to help employees cope with the hardships caused by the pandemic (isolation, fragility, etc.);
- the **collective psychological support** service, through 3 webinars, attended by a total of 1,000 people, aimed at providing employees and their families with tools and advice on how to deal with the pandemic with courage and how to transform limitations into resources, particularly with regard to the adoption of new lifestyles and work;
- the **"Gympass insieme per il benessere"** [Gympass together for wellbeing] **wellness programme**, which encourages the adoption of a healthy and active lifestyle, thanks to the Gympass platform for pursuing numerous activities in gyms and sports facilities and participating in several live streaming courses;

- the **"I Venerdì del Benessere"** [Wellness Fridays] programme was launched on World Food Day in association with the HR Community to promote healthy lifestyles, sharing the importance of prevention and healthy eating;

- actions in **support of parenting**, with new flexible working hours, leave and initiatives aiming towards a better balance between work and childcare, such as the high educational value interdisciplinary digital workshops "My Family Club Acea" and "Back to School".

In December, Acea organised the **"Acea e Fondazione Gemelli" webinar on Covid-19** in collaboration with Gemelli Foundation, which was meant for employees. The main pandemic data of the year were illustrated and questions could be asked to medical experts, as part of this effort.

Finally, Acea conducted an internal survey on the staff's views regarding the organisational and work-life balance solutions adopted in the emergency period and regarding the measures to be implemented subsequently (see also the chapter *The development of people and communication*).

As regards the **information notice to the employees regarding possible organisational changes or corporate reorganisations that effect employment relations**, Acea takes different positions depending on the situations explained below:

- **organisational changes:** in the event of establishment of new Units or changes in assignments or responsibilities, the Human Resources Department issues an Organisational Provision and sends a communication to the competent functions, which post it on the bulletin board and the Company intranet. In the event of organisational changes that affect the staff, the trade union representatives are informed. If they concern a single employee (change in workplace, schedules, etc.), they are notified by the Human Resources Unit of the person's Company;

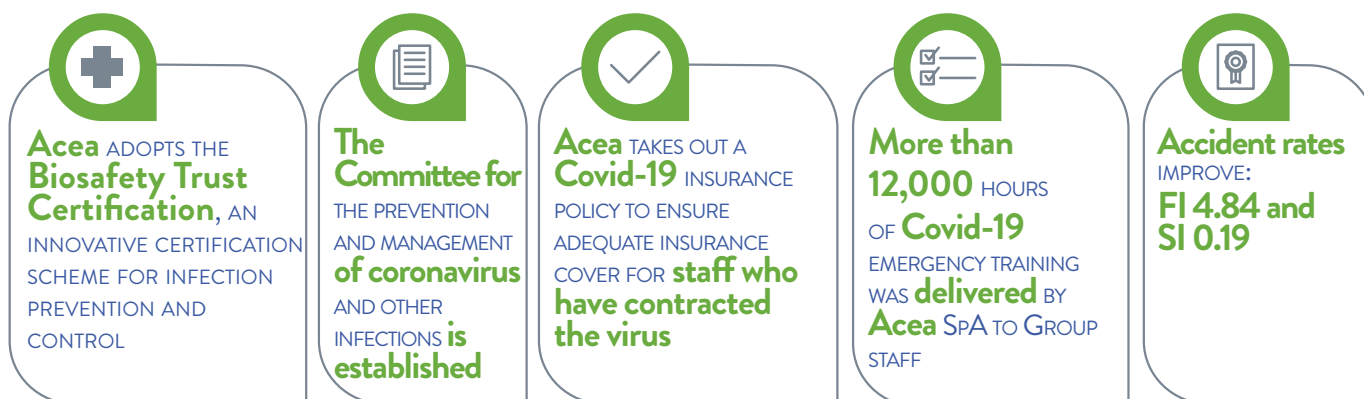
- **corporate reorganisations:** in the event of reorganisation, as a result of significant organisational and production changes, with effects on working conditions and employment, the methods of informing the employees and the Trade Union Representatives, are regulated by the CCNL applied in the Group and by the Labour-Management Relations Protocols;
- **corporate transformations** (such as alienations, mergers, acquisitions, transfers of Company branches): in cases of corporate transformation, the notices to the employees are regulated by the legislation in force⁹², which anticipates information obligations towards employees that allows them to verify the business reasons for the transactions, the correct methods of the process and the consequences on the employment relationship.

DISPUTES WITH EMPLOYEES AND TRADE UNIONS (2020)

The labour disputes in Acea mainly concern **dismissals, classification changes, differences in remuneration, indemnities not received, demotions, harassment and employment relationships**.

In 2020, there were **46 new labour disputes** (23 in 2019), most of which were **initiated by employees of the Companies**. A total of 13 labour disputes were pending as at 31 December 2020 - including those initiated in previous years.

OCCUPATIONAL HEALTH AND SAFETY



⁹² Article 2112 of the Italian Civil Code and Article 47 of Law 428/90 as subsequently amended and supplemented.

Acea is committed to a **widespread safety culture** both in Group Companies, through the direct involvement of employees, and along the supply chain (please see the *Suppliers* chapter).

Safety management is structured at the organisational level and all Companies for which the Holding Company considers certification important, due to the size of the workforce and the type of activities carried out, have implemented **Certified Management Systems**⁹³ (please also see the *Corporate Identity, Corporate Governance and Management Systems* chapter).

The Occupational Safety Unit of the parent Company is in charge of the coordination and direction in this area, monitoring the companies on the application of legislation, guidelines and Company policies.

Each Group Company has direct responsibility for the operational management of safety and takes care of **training the personnel, monitoring accidents** and assessing the **risks to the workers**, preparing the **Risk Assessment Document (RAD)**. Following these activities, **the Occupational Safety Unit prepares a centralised annual accident report** for Group Companies.

The analysis method of the accidents follows the **Guidelines for the classification of accidents**, prepared by Utilitalia and in compliance with the **standard UNI 7249/95**, with reference to the INAIL measurement criteria and the instructions of ESAW (European Statistics of Accidents at Work).

In accordance with the law, Acea **identifies the dangers present in the Company's activities** which may cause injury or illness through inspections carried out jointly in the workplace by the **Head of the Prevention and Protection Service (RSPP)**, the Company Physician, the **Workers' Safety Representatives (RLS)** and the Unit Heads, who are involved from time to time. Then the Company **assesses the risks to workers' health and safety due to the hazards**

detected in the workplace, verifies the possibility of **eliminating them**, adopts **preventative and/or protection measures** to implement to keep the risks under control and draws up the **Risk Evaluation Document (RAD)**. In the case of accidents, an investigation is launched to determine the causes of the event and identify appropriate corrective actions to prevent it recurring.

With a view to **constantly improving the operational management of occupational safety**, Acea has developed **Group Safety Guidelines** and a **HSE (Health, Safety, Environmental) Dashboard** to measure and monitor performance data, also in relation to sector benchmarks, and to implement improvement measures.

In order to **manage the emergency situation**, in February, in accordance with legislation, Acea shared Coronavirus prevention and protection initiatives with the **Group's Workers' Safety Representatives (RLS)** and, in addition to the existing **RSPP (Head of the Prevention and Protection Service) Coordination Committee of the Group**, established the **Coronavirus Advisory Committee**, composed of the RSPP of the main Group Companies, the Labour-Management Relations Unit Head, the Coordinating Physician and Trade Unions, to share information on a regular basis and coordinate the activities to be undertaken.

Furthermore, Acea has implemented **Biosafety Trust Certification** (please also see *Corporate Identity, Corporate Governance and Management Systems* chapter), an innovative certification scheme for infection prevention and control, defined the **Company Policy for the prevention of the spread of the Corona virus and other infections** and established the **Committee for the Prevention and Management of Coronavirus and Other Infections** (please see the relevant box).

THE COMMITTEE FOR THE PREVENTION AND MANAGEMENT OF CORONAVIRUS AND OTHER INFECTIONS

The **Committee for the Prevention and Management of Coronavirus and Other Infections** is a body that is included as part of the **Biosafety Trust Certification**.

The Committee is composed of a Doctor who, with Acea's main Functions, coordinates infection prevention and management, while monitoring the epidemiological framework.

In particular, the Committee is in charge of **identifying and assessing the direct and indirect risk factors of contagion from coronavirus** and other infections, constantly monitoring the infectious phenomenon in

the different regions in which Acea operates; managing the application of the requirements of the Regulatory Document "**Biosafety Trust Certification**"; proposing **measures for the prevention and protection of worker health, safety and welfare**, including by evaluating environmental microbiological controls carried out to search for viruses or bacteria (e.g. water monitoring); proposing **training and awareness activities for staff**; supervising the proper and effective implementation of the recommended measures and implementing corrective actions to ensure continuous improvement.

Acea SpA and the operating Companies have **updated their risk assessment documents (RAD) in accordance with the provisions of the measures to combat the spread of the SARS-CoV-2 virus**.

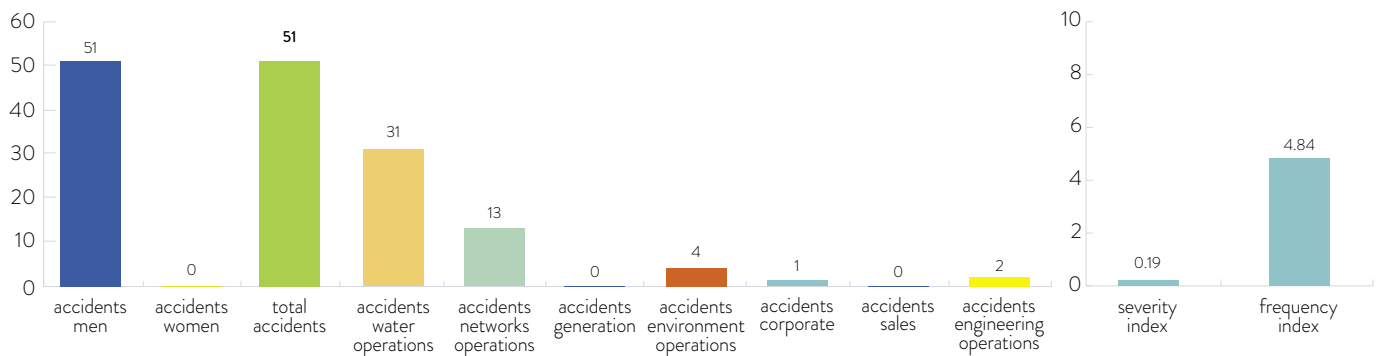
In 2020, despite the expansion of the scope, **all accident figures are significantly lower** than in 2019, which is also thanks to the Company's prompt and effective response to emergency management, especially in terms of reorganising its working methods and implementing the appropriate measures to combat the spread of infection. There were **51 accidents during work** and **9 in transit**⁹⁴, i.e. while

commuting between home and work. The **days of absence** for accidents occurring during work were **2,044** (of which, 324 from accidents that occurred in the previous years), the **frequency index** was equal to **4.84** and the **severity index** was **0.19** (see chart no. 43 and table no. 43). All the accidents involved **minor injuries**, **33** were "**occupational**" accidents and **18** were "**non-occupational**". The **main causes of injury** include: tripping, impacts, slipping, cuts, electrocution, contact with a hot surface and eye injuries.

⁹³ Acea Innovation and Acea Sun Capital, with seconded staff or no staff, are therefore excluded.

⁹⁴ Accidents *in transit* relate to travel from home to work and from work to home, using private or Company vehicles, which take place outside of working hours, as established by the relevant Federutility note.

CHART NO. 43 – ACCIDENTS AND INDICES (2020)



NOTE Male frequency index **4.84** and female frequency index **0**; male severity index **0.19** and female severity index **0**. There were no fatal accidents during the year.

By observing **the distribution of accidents from a gender perspective** (net of those during *commuting*), it emerges that **all the accidents involved male staff**, 45 workers, 2 members of administrative staff, 3 members of technical staff and 1 manager.

The Companies with the highest number of accidents include: Acea Ato 2 (14 accidents), Gori (13 accidents) and Areti (13 accidents), which naturally have **greater exposure to the risk** of accidents in relation to the type of activity performed.

Among the **initiatives** undertaken to **ensure the highest level of workplace safety** (please see the relevant box), Acea, in addition to smart working for most administrative staff, has also **reorganised the workplace and access to Company offices**, implementing **procedures for managing common areas** and **planning attendance using a software application**. It has also developed the **APP A4 platform**, which was designed to offer its staff a self-diagnosis tool that uses a number of parameters to assess the state of health of employees before they enter the Company premises.

Operational staff, who continued to provide services in the field and in contact with the public, were given specific **personal protective equipment (PPE)** and provided **with information sessions** on their correct use. Furthermore, in collaboration with the hospital staff of the **Tor Vergata Hospital**, the Company offered its employees the opportunity to take voluntary **serological tests**, which saw **3,000 people** take part. At the Company Medical Centre, **lateral flow test kits for qualitative identification of the virus in saliva samples** have been made available and an **agreement** has been established with **Gemelli Hospital** and the **Paidieia Clinic** for staff and their family members to take **molecular swabs and rapid antigen swabs**. In order to support personnel that have contracted Covid-19, the Company took out a **Covid-19 insurance policy** to provide them with adequate insurance coverage, which was later extended to family members. Lastly, with a view to providing staff with health prevention tools, the Company implemented a **flu vaccination campaign aimed at employees and the family members who live with them**.

MEASURES TAKEN BY ACEA TO CONTAIN THE SPREAD OF COVID-19

To cope with the Covid-19 pandemic emergency, starting in February the Acea Group has rolled out several prevention and protection measures to manage the risk of contagion. In particular, the Company has:

- had **Circulars, Internal Guidelines**, and specific **Health Protocols** drawn up by the Competent Doctors as well as the **Protocol for the Management of Covid-19 cases** in the Company, in order to ensure that the response to the emergency is effective and coordinated;
- **revised the Risk Assessment Document**, to include the new assessment of the biological risk related to the SARS-CoV-2 virus, **and of the emergency plans**, prepared measures for prevention and protection from contagion and shared information on the correct

behaviour to adopt to prevent contagion;

- organised **screening campaigns** for employees and the staff of contractors;
- intensified the **cleaning, sanitising and sterilising of workplaces**, scheduled periodic sanitisation activities as an additional preventive measure and installed hand sanitisation devices;
- installed **thermo scanners for measuring body temperature** at the entrances to the premises;
- **applied antimicrobial films** on lift buttons, food and drink dispensers, bathroom handles and staircase handrails, and multi-layer antibacterial entrance mats on which to wipe shoe soles at the entrances.

To raise staff awareness regarding the safety measures adopted, in October Acea launched the **“Campagna Covid-19”** [Covid-19 Campaign], put on by the Communication Department in collaboration with the Human Resources and Technology & Solutions Departments and the Committee for the Prevention and Management of Coronavirus, and shared a few visuals and **FAQs on Covid-19** and preventive measures on the intranet (please also see the sub-paragraph *Internal Communications*). A monitoring unit overseeing the behaviour of employees in re-

lation to the measures put in place to combat the spread of infection was established and **supervisory actions and inspections** were carried out.

Lastly, with the aim of assessing staff’s opinions on the effectiveness of the safety initiatives put in place within the Company, a dedicated **survey** was carried out.

The Parent Company’s **Occupational Safety Unit** is also tasked with promoting healthy working environments and **mitigating**

work-related stress. Over the course of the year, particular attention was paid to protecting staff with specific mental and physical challenges, which were made more vulnerable by the pandemic.

The Group Companies train workers and supervisory staff **regarding occupational health and safety** in compliance with current legislation (please also see the sub-paragraph below *Staff training and development*).

In 2020, the training provided by Group Companies in partnership with the activities carried out by the Parent Company were mainly focused on the measures adopted to prevent the spread of Covid-19 and this was done via **e-learning** with *ad hoc* training videos and tutorials.

Below are some initiatives carried out:

- **Acea SpA** provided more than **12,000 hours of Covid-19 emergency training** to Group staff;
- **Acea Ato 2** delivered a total of 17,207 hours of occupational health and safety training to its employees, of which 18% on SARS-CoV-2 prevention. Furthermore, the Company held **meetings between top management and operating staff, both face-to-face and remotely**, aimed at increasing employees' awareness of **safety at work**. It installed "**safety boards**" at operating locations to share information and data with employees and planned an experiment with a smart-watch to monitor the health and safety parameters of workers on duty at the Roma Sud plant;
- **Acea Ato 5** delivered a total of **2,758 hours of safety information and training, involving around 262 resources** in total. In addition to training on the management of work in **confined environments, with suspected pollution and at risk of exposure to vibration and noise and courses for supervisors**, it also carried out a campaign to raise staff awareness around the evolving pandemic situation, via the work of the activities of the Coronavirus Management Committee;
- **AdF** delivered a total of **2,399 hours of safety information and training**, especially regarding Covid-19 issues, involving

415 resources in total. Operating personnel (**127 people** for 375 hours of training) were also trained to use the new **multi-gas detectors** and **cranes** with a self-supporting, removable gate with space for a retractable, fall-prevention device. Lastly, thanks to a collaboration with a **young Italian start-up called StartSmart**, the Company experimented with training in **confined spaces in virtual mode**: by using a viewer and two controllers, it was possible to simulate the intervention on a pot hole and interact with all the typical elements of a confined environment;

- **Acea Ambiente** disseminated informative videos about anti-COVID measures at some of its facilities and provided e-learning training for Covid-19;
- **Areti** continued staff training at its **Training Camp**, albeit reorganising in accordance with the new rules imposed by the pandemic, a **space dedicated** to training on **workplace health and safety**, (safe ascent/descent on medium and low voltage power line poles; safe access to confined underground areas; the use of work/safety tools, training for emergencies in a dangerous environment, etc.). In 2020 a total of **7,883 hours of training took place, involving 647 people**;
- **Acea Elabiori** organised safety training courses for the main reference figures (supervisors, executives, First Aid and Fire Safety Officers, safety coordinators in the execution and design), by delivering a total of **5,547 hours of quality and safety training, involving 251 participants**;
- **Aquaser** continued to **train drivers**, with the aim of making them more aware of Company procedures and safety, in particular with respect to **road safety, as well as creating the Coronavirus Handbook training video for Company staff**;
- **Gori**, given the high accident levels recorded last year, **enhanced its training** for its operating staff to increase their safety skills, awareness and professionalism;
- **Gesesa** provided Covid-19 training initiatives, involving 13 operational units.

In 2020, 15,600 safety training hours were delivered to Group personnel in total.

TABLE NO. 43 – HEALTH AND SAFETY (2018-2020)

number	2018	2019	2020
BREAKDOWN OF ACCIDENTS BY OPERATIONAL AREA			
Water Operations	43	70	31
Network Operations	15	16	13
Generation	0	0	0
Commercial	1	0	0
Environment Operations	5	4	4
Engineering Operations	1	3	2
Corporate	1	2	1
total	65	95	51
ACCIDENT INDICES			
total days of absence	2,453	2,884	2,044
frequency index (FI) (number of accidents per 1,000,000/working hours) ^(*)	8.02	9.74	4.84
severity index (SI) (days of absence per 1,000/working hours) ^(*)	0.30	0.30	0.19

(*) The hours worked used to calculate the accident indices differ from the hours worked illustrated in the sub-section *Hours worked in Acea*; the two processes meet different operational requirements and specific calculation parameters are applied to each.

NOTE The Water Operations area includes 5 companies, the Networks Operations area 1, the Generation area 3, the Commercial area 3, the Environment Operations area 3, the Engineering Operations area 1 and the Corporate area 1. The data in the table does not include accidents *currently being assessed*.

HEALTH MONITORING

Health monitoring, regulated by a **Company procedure** that defines its **planning and management**, is carried out in **cooperation with external professionals** in compliance with current legislation (art. 41 of Legislative Decree no. 81/08).

Formally appointed **physicians** administer **pre-employment visits** to employees; **preventive** or when changing jobs; **periodic**, according to the Risk Assessment Plan; **at the request of the worker**; in the event of termination of employment, where required by current legislation; **before resuming work** following an absence due to ill health lasting more than 60 consecutive days. Workers **exposed to specific risks** are included in a **targeted check-up programme**.

Company physicians work with employers and officers from the Risk Protection and Prevention Service (RPPS), in **assessing the risks** to which employees are exposed, **which is necessary for the preparation of the health monitoring plan**.

At the head office, a **First Aid office** ensures that staff and visitors have a first line of intervention in case of an illness that does not require an immediate hospital visit.

In 2020, **2,007 check-ups** were carried out on the same number of employees, of which **1,655** were also sent to the Diagnostic Centre for **laboratory analysis tests**, for a total economic value of approximately € 289,000 (including the fee for the Company's first aid service).

Health monitoring includes the **prevention of occupational diseases** that workers may contract due to **prolonged exposure to the risk factors** existing in the work environment. In the context of the work performed by the companies of the Group, for which Acea provides the health monitoring service, **there are no risk profiles likely to cause occupational diseases**. The competent doctor has the task of cooperating with the employer in order to define preventive measures and health protocols for the risk profiles associated with specific duties, monitoring any damage to workers' health, issuing suitability assessments, and applying limitations and prescriptions, where necessary, in order to prevent possible occupational diseases. In 2020, in Acea, **there were no reports of suspected occupational diseases**.

HUMAN CAPITAL DEVELOPMENT AND COMMUNICATIONS



2020 was a critical year because of the Covid-19 pandemic and its impacts on the social and, especially, the working spheres.

Acea strove to redefine its approach and way of managing relations with staff, in order to ensure people had the **tools and skills** required to effectively adapt to changing working and living conditions. Specifically, the Company worked with the aim of **preserving people's involvement in the Group's identity**; and **developing skills**, with remote training, and **organisational well-being**, via targeted initiatives.

One of the main tools that allowed the Group to limit Company attendance and ensure social distancing was **smart working**. This agile working format, which had already been in place in the Company since 2018, and the related accompanying actions, which had been undertaken in the previous two years – such as creating a **pathway for the development and sharing of remote working culture**, the enhancement of work equipment and the **assignment of laptops to personnel**, the **digitalization of business processes**, the **creation of a digital workspace on the Teams platform** –, allowed Acea to promptly adapt working methods to the Covid-19 containment measures, by expanding smart working to **over 3,700 employees, mainly administrative staff**, which amounts to 60% of the entire Company population, from the very beginning of the health emergency.

To support personnel to adapt to the changing work setting, a **training course** on smart working was created for employees and managers and, in order to monitor the level of staff satisfaction and motivation, in July a **survey** was carried out, to which approximately 3,000 people replied, which aimed to gather feedback on the measures adopted by the Company to manage the Covid-19 emergency and indications for new initiatives to be implemented.

PERSONNEL SELECTION

The **selection** process is regulated by a **Group procedure**, which governs the search for skills in the labour market.

Acea further **strengthened its recruiting network**, heavily focusing on social media channels. There were **238 personnel searches in 2020**, of which some were published on the Company website and concerned **individual profiles** or **several candidates for one or more positions within the Group Companies**.

The selection process can include **several stages depending on the specifics of the search**: CV screening, online challenges using **gamification** (technical quizzes and business games to assess numerical reasoning, verbal ability, visual-spatial skills, logic), video interviews, assessment of soft skills, motivation and skills through collective tests and individual interviews. During the year, a **process to inte-**

grate and develop new tools to support the selection process was also launched. These tools will cover both the **recruiting stage** (tests on soft skills and the digital mindset) and the **curriculum screening stage**, by implementing a dedicated system that supports the decision-making process of Group recruiters using AI.

The Covid-19 emergency and the need to guarantee the safety of the candidates made it necessary to **rethink selection activities in a completely digital manner, safeguarding compliance with time**

frames for incorporating new resources and operational continuity. It was within this context that a few **virtual selection days** were organised for the roles of **Process Engineer** and **BPI Product Owner**, which saw the involvement of over 900 candidates, and for **Cyber Security professionals**, which saw the involvement of 100 candidates (please see the relevant box).

Lastly, a **selection day was held to identify 23 professionals for Acea Ato 5**, which involving 584 candidates.

CYBER SECURITY SELECTION DAY

The evolution of the business and of the reference regulations has required strengthening of the **Cyber Security** structures in the Group Companies. To this end, a **selection day** was planned in February 2020, with the aim of identifying, through a structured process, **12 suitable candidates for Acea SpA, Acea Ato 2 and Areti**. The initiative involved an initial recruiting phase which required numerous recruitment channels for identifying the suitable candidates was difficult due to the

complexity of the profile and low supply. A questionnaire was then sent out to the top candidates to measure their skill level and knowledge on Cyber Security. The candidates with the highest scores were given group tests and an in-depth interview, remotely. Both the group tests and the in-depth interviews, conducted remotely, were an effective way of successfully identifying all the suitable candidates in the weeks that followed.

In 2020, Acea also participated in **professional orientation events** promoted by university bodies, to meet new graduates and soon-to-be graduates to include in their selection processes. Following on from the health emergency, these events were held virtually, using digital platforms. This allowed the Company to broaden the territorial scope of its research pool and virtually meet thousands of students and young people regardless of their geographical distance.

Some **Live Webinars about the Acea Group** were made for these events to explain the search and selection process and answer the questions of the participants.

The main events that Acea took part in are:

- **Virtual Job Meetings**, during which soon-to-be graduates and new graduates from the Faculty of Engineering at “La Sapienza” University were met;
- **Al Lavoro di Almalaurea**, the career day open to soon-to-be graduates and graduates from all faculties;
- **Campus & Leaders & Talents**, organised by the Faculty of Economics at “Tor Vergata” University;
- **Brain at Work**, open to soon-to-be graduates and graduates from all faculties;
- **Technical Engineers High-Flyers Day**, organised by Almalaurea and dedicated to Engineering candidates.

GROUP CULTURE AND STAFF ENGAGEMENT

The expression of the Group's identity is defined by the **Leadership Model**, which represents the Company's values – **initiative, teamwork and action** – and identifies the measurable and observable conduct of people relevant for the achievement of strategic objectives and **assessed by the bonus and remuneration systems**. The three value drivers just mentioned guide people through the main stages of their career in the Company: **selection, welcoming, training, rewards and development**.

Out of the **employee engagement initiatives** aimed at increasing the sense of belonging to the Group carried out in 2020, we should note:

- the initiatives **to support innovation**, to create workshops and communities on the topic of *open innovation*;

- the initiatives **to support business**, for the preliminary design of change management to aid the implementation of the Salesforce system adopted by Acea Energia;
- **“pre-boarding”** for the welcoming of new hires, who are provided with a multimedia presentation of the Group's business, values and working methods;
- **the 2021 Diversity and Inclusion plan**, designed in 2020 in line with the 2020-2024 Sustainability Plan and with the objectives of the 2030 Agenda, which outlines targeted actions with an internal impact (employees) and external (customers, communities, institutions, etc.).

In 2020, in addition to facilitating **support for people, enhancing the role of human resources and contributing to maintaining a good corporate climate**, during the difficult moment experienced due to the pandemic in particular, an **HR Special Projects Unit** was established within Acea SpA's Human Resources Department.

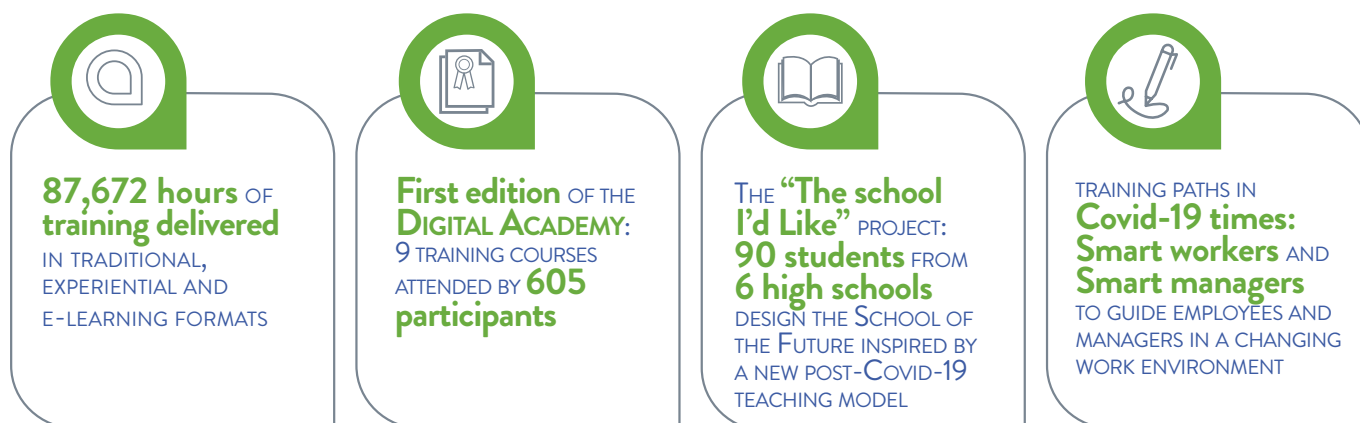
The Unit is tasked with fostering the involvement of staff in internal and external initiatives, aimed at promoting corporate welfare and inclusion and, during the year, put on the following special projects:

- **PIÙ BUONI A NATALE... PIÙ AIUTI**, in collaboration with the **internal Media Relations and Communications Unit**, established to support families in need via the **Banco Alimentare Lazio Onlus** thanks to the purchase of charitable vouchers to collect food supplies to be delivered to charities and families experiencing difficulties. The Company contributed to the initiative with an additional amount equal to the total amount of the contribution made by its employees;
- **GEMELLI**, in collaboration with the **Sponsorship and Value Liberality Department and the Labour-Management Relations and Workplace Safety Units**, to support the **Agostino Gemelli University Polyclinic Foundation**, to which Acea donated 200 pulse oximeters and, at the same time, aimed at informing employees on measures to prevent infection, via a webinar that is open to all Group employees, in which Professor Luca Richeldi spoke, Italy's leading expert in pneumology;
- **“Acea ti porta a teatro”**, created to support the restart of local cultural and artistic activities and pay tribute to employees,

carried out in collaboration with **Rome Theatre**, putting on a theatre *reading*, accompanied by music played live by Acea employees, with the participation of well-known artists

who read excerpts from world literature and poetry about water, energy and sustainability, exclusively for the Group employees.

STAFF TRAINING AND DEVELOPMENT



Acea focuses heavily on the **developing professional skills** needed to achieve the Group's business objectives. In fact, staff training is aimed at **preserving the Company's operational continuity**, ensuring the acquisition of adequate technical-specialist skills and the mandatory updating of compliance regulations (workplace safety, privacy, etc.), and **increasing the Company's competitiveness, by equipping it with innovative and strategic skills**, in response to emerging professional needs. Furthermore, via its training activities, Acea spreads knowledge of value, behavioural and leadership models within the Group, consistent with the Company's vision and mission.

A **Group procedure** defines **roles, responsibilities and tasks in the management of training processes** for the development of expertise, knowledge and professional skills necessary to act in Company positions. The process is divided into the following macro-activities:

- **identification of the training needs**, consistent with business objectives, centrally managed by the Holding Company, and **the definition of the Guidelines and the budget** which orientate the training interventions of the year, taking account of identifying **the specific training needs of each Group Company**;
- **definition of the Operating Companies' Training Plan**, based on the specific needs identified (for example, **operating-technical**) and **Group needs** ("transversal" training);
- **administrative management and provision of training**, by the Parent Company's and the Operating Companies' Training Units.

Acea has access to **funded training through membership in inter-professional organisations** for ongoing education – Forte Fund (National Inter-professional Joint Fund for Ongoing Education in the Tertiary Sector), Fondirigenti and Fondimpresa – to which the main Group companies belong.

For some time now the Company has adopted blended learning methodologies, using a mix of learning environments (classroom, e-learning and app). In 2020, the pandemic crisis led to an acceleration of the **transformation of the training model**, with the redesign of all training pathways remotely, via "synchronous" training, for example webinars, alternated with "asynchronous" training, such as videos and e-learning courses.

Since the beginning of the lockdown, the digital platform **Pianeta-cea** has been made accessible to the entire Company population, thereby ensuring large-scale staff training.

Furthermore, **to support staff working from home**, and particularly those who are trying out agile work for the first time, the Training Unit of the Holding Company, with the support of Talent Garden, has made **Antea, a new digital platform dedicated to smart working and agile working methods**, available to the entire Company population. It is filled with content, videos, in-depth information, with the option of meeting experts and joining a dedicated community. Also in collaboration with Talent Garden, two training courses have been organised: **"Smart Worker"** aimed at employees, and **"Smart Manager"**, for managers, which involved **766 employees** in total (please see the relevant box).

TRAINING PATHS IN COVID-19 TIMES: SMART WORKERS AND SMART MANAGERS

The respective objectives of the **"Smart Workers"** and **"Smart Managers"** courses was to steer employees towards the achievement of corporate objectives in the **new digital and virtual working environment**, sharing mindsets and behaviours oriented towards the development of **flexibility, responsibility and autonomy**, and to guide managers towards the adoption of adaptive leadership and the promotion of a model of

relations with staff based on trust and empowerment in a smart, digital and virtual context.

The **"Smart Worker"** pathway was organised in **3 sessions** including **5 thematic webinars**, taught to a total of **593 participants** over **3,689 hours**; the **"Smart Workers"** pathway included **4 training sessions**, involving a total of **173 participants** taught over **590 hours**.

The **Managerial Academy**, which held its **third edition** in 2020, confirmed itself to be a **training programme of managerial excellence** in collaboration with **Ama and Atac Rome** and with the **scientific partnership of the Luiss Business School**.

The two training programmes are **Elios**, dedicated to senior managers, and **Aurora**, for people engaged in professional development, and are divided into **three areas** that aim to implement the Leadership model defined by Acea: **“themselves”**, in terms of resourcefulness and achievement; **“others”**, for promoting teamwork, mobilizing talent and developing relationships; **“the market”**, i.e. understanding the relevant business segment and creating value for customers and the community

through an innovative approach. The **Elios Programme** included **5 training sessions** in 2020, involving **74 Group employees**, and was carried out digitally in its entirety, while the **Aurora Programme** was redesigned for remote use and will be launched in January 2021.

The new methods of working that were adopted in 2020 have accelerated technological innovation and Acea, in response to this requirement, launched its **Digital Academy**, a training programme aimed at the entire Company, to increase the Group's digital skills and expertise, aimed at innovating business processes (please see the relevant box).

THE DIGITAL ACADEMY

The **Accademia Digitale** training project began with the definition of the digital skills considered strategic for the Group that were defined within **Acea “DNA Digitale”** [Digital DNA], consistently with industrial objectives and in support of the evolution process. The “Digital DNA” is a mapping model of digital competences understood as the ability to use knowledge, personal, social and/or methodological skills, applied in work situations and in professional and personal development (as defined in the European Commission's *European Qualification Framework*).

Thanks to the contribution of **more than 4,000 Group colleagues**, who filled in a dedicated questionnaire, it was possible to detect

the level of coverage of each of the digital skills that make up the ‘Digital DNA’. Based on the data collected, **9 training courses** were carried out, involving a total of **605 participants** from Group companies. The training courses **Digital Evolution** (313 participants) and **Digital Culture** (149 participants) focused on the dissemination of functional elements to initiate a change in the organisational mindset and share a new language, acting on the **cultural dimension**, while the training courses **New Clients, Customer Journey, Data Analytics, Data Driven, Industry 4.0, IoT, Agile** which involved a total of 143 participants, aimed to introduce knowledge and skills consistent with technological and digital developments and the growing central role of the customer.

Another important training course, which involved 109 participants, was the **“Communication Skills”** course, focused on **business presentation** logics and responsibility of the communication process, to facilitate the effective management of remote work.

The **“Agire sostenibile per fare la differenza”** [Sustainable Action for Difference] course was also created, aimed at **increasing the Group's sustainability culture**, together with Acea's Stakeholder Engagement and Sustainability Unit.

“SUSTAINABLE ACTION FOR DIFFERENCE”

The **“Sustainable Action for Difference”** training course was designed as part of the process of **increasing the value of sustainability in Acea's business model**. In the first phase, conceived with the aim of making sustainability increasingly widespread within the Group, the course involved **20 Sustainability Ambassadors**, identified within the main Functions and Operating Companies, who were able to learn more about the main standards, frameworks and reference

regulations on sustainability. This was followed by a workshop-type training involving **63 people**, including not only the Ambassadors but also other colleagues who became part of a ‘satellite network’, with the aim of **designing new or existing activities and operational processes by applying the elements of sustainability**. The course will end in 2021 with the presentation of completed projects.

Via the Pianetacea platform, in 2020 **e-learning** training was delivered to the **entire Company population** on the Group's **governance model**, with a focus on the legislation pursuant to Legislative Decree no. 231/01, regarding the Administrative Responsibility of Entities and the new Organisation, Management and Control Model implemented by Acea, on the *whistleblowing* procedure and on the *Code of Ethics*, which was also the subject of training in the initial *onboarding* process for new recruits.

During the year, e-learning training on **coronavirus prevention** was provided for **2,800 employees** and included the change in regulations and the emergency measures implemented by the Group, the biological risk, the correct use of Personal Protective Equipment (PPE) and a focus on organisational well-being. Since September, a **training course on Cyber Security** has also been launched.

The Group Companies also carried out remote training independently, for example:

- **Acea Ato 2**, to support Company process managers in managing the new day-to-day way of working and interacting imposed by the pandemic, created the training catalogue entitled **“Smart Working? Smart Manager”**, with practical suggestions and guidelines. It concluded the **“Interpersonal Skill”** training course, which was launched in 2019, dedicated to personnel working in the Commercial Unit and aimed at developing soft skills related to customer relationship management: *opening, listening, solution, objections and closing*. The Company has focused **training staff who were hired in the last 3 years**, with the **“Incontro di Immagini”** [Meeting of Images] development project and the **“Accorciamo le distanze”** [Bridging the Gap] programme aimed at enhancing careers, assessing the technical and soft skills developed, and examining the motivational sphere and aspirations of the person. Lastly, Acea Ato 2 designed and launched a training course **aimed at managing risks and oppor-**

tunities arising from environmental aspects and impacts closely related to the Company's activities (delegating functions, waste management, climate change, environmental authorisations, sustainability, etc.), for senior management and their staff;

- **Acea Ambiente**, in collaboration with TuttoAmbiente, launched an **advanced training course on waste management**, which is open to all employees;
- **Acea Elabiori** launched the **EPC Academy** training course on specific regulations, processes and procedures connected to construction processes, carried out training for apprentices and provided training for technicians involved in design on the (Building Information Modelling) **BIM methodology**, which adopts a design approach, gathering and combining all the data involved in planning infrastructure design;
- **AdF** carried out management training as part of the **"Progetto Walk The Talk"** [Walk The Talk Project] aimed at consolidating the agile philosophy also through experiential activities and on the topics covered by Legislative Decree 231/01 and regarding anti-trust;
- **Acea Ato 5** oversaw, in particular, the **Integrated Quality, Environment, Safety and Energy Management System**;
- **Areti** mainly provided training on the **Agile Methodology**, providing 906 hours of training to 46 people. It provided training to new hires, involving 41 resources for a total of 3,930 hours of training on the standards and values of the organisation and specific operating techniques. It handled workplace safety training, providing in the Training Camp and using the **"virtual reality"** method, to simulate activities in confined spaces. It has also provided training to support the **"Smart Meter 2G"** project, in preparation for the wide-spread installation of the meters, which

also involved contractor's staff, and in the **"Automazione BT"** [LT Automation], designed within the Trade School, which involved 232 people for a total of 1,495 hours of training offered;

- **Gesesa** offered staff training on **environmental matters**, on communication and on **Legislative Decree 231/01**, and on managerial issues with the **"Leadership & People Management"** project, which aims to enhance the management style of Company managers.

The **traditional and experiential training activities** and on the **e-learning platforms** provided a total of **587 courses** (655 in 2019), amounting to **1,402 editions**, in which **5,187 people** took part in total, of which 25% women.

The **total training hours provided** are **87,672** (in traditional, experience-based and e-learning training formats), down compared to the 126,607 hours in 2019 (see table no. 44).

The **total training hours per capita**⁹⁵ are **14** (23 in 2019). When analysing data from a gender perspective, the hours of training per capita provided to male staff amounted to 13 and those provided to female staff amounted to 17. The breakdown by qualification is as follows: 9 hours for managers, 24 for executives, 14 for employees and 10 for other workers.

In 2020, training activities were guaranteed through the implementation of distance learning courses, however the digital method led to a decrease in the hours of training provided during the year, as the average duration of the courses was reduced compared to in-attendance training.

The **overall costs incurred** for the provision of the courses, net of scheduling for training and the preparation of the spaces allocated to it, were equal, in 2020, to **€ 1,829,726**.

TABLE NO. 44 – TRAINING (2019-2020)

TRADITIONAL AND EXPERIENCE-BASED TRAINING COURSES AND THEIR COSTS

course type	courses (no.)		training (hours)	
	2019	2020	2019	2020
managerial	9	13	11,322	11,108
safety	184	65	32,650	10,059
governance model	20	29	3,430	3,031
operating-technical	435	468	51,843	41,442
total	648	575	99,244	65,640

COURSES AND COSTS OF TRAINING PROVIDED WITH THE PIANETACEA E-LEARNING PLATFORM

Whistleblowing	0	1	0	804
general training	0	1	0	480
GDPR – new European privacy regulation	1	0	7,088	0
Code of Ethics	0	1	0	6,740
antitrust law	1	1	2,153	977
unlawful business practices	1	1	1,750	1,170
project management	0	1	0	454
administrative liability of entities (Legislative Decree no. 231/01)	1	1	6,965	2,426
safety	1	3	746	5,585
QESE management systems	1	1	5,009	1,982
unbundling	0	0	0	0
Legislative Decree no. 202/05	1	1	3,651	1,414
total	7	12	27,362	22,033

⁹⁵ The indicator was calculated by comparing the number of hours attended with the total number of employees.

TABLE NO. 44 – TRAINING (2019-2020) (cont.)
BREAKDOWN OF TRAINING HOURS BY QUALIFICATION AND GENDER

title	2019			2020		
	men	women	total	men	women	total
executives	1,493	489	1,982	631	157	787
managers	9,542	4,060	13,602	8,090	3,746	11,837
clerical workers	53,525	20,650	74,175	34,473	20,548	55,021
workers	36,758	90	36,848	19,976	51	20,027
total	101,319	25,289	126,607	63,170	24,502	87,672

Staff's professional development, via **promotions**, involved **885 people** during the year, of which **22% were women** (197 women). To better support employees in their professional growth, over the year Acea carried out the implementation of the **Succession Planning and Career and Development Paths** model, which, by identifying the target positions and the mapping and analysis of technical and soft skills of individuals, allows it to build individual career and development plans. The people involved are part of specific skill, potential and motivation assessment and enhancement programmes, using objective and transparent evaluation criteria.

In 2020, in order to effectively manage the critical issues related to the pandemic and continue to invest in the professional development of individuals, Acea adopted an **innovative, digital approach** which ensured greater flexibility and optimization in **Assessment centre** and **coaching** processes.

In regards to the **Assessment Centres**, **ad hoc programmes** were established to support people's development, based on their specific needs and targets, which involve the individuals directly in the process of building awareness of the skills they possess (strengths and areas for improvement), with the ultimate aim of defining **Individual development plans** (please see the relevant box).

INDIVIDUAL DEVELOPMENT PLANS

Individual development plans provide for specific professional growth actions for each employee involved in evaluation processes through the **Assessment centres**.

Following the joint and transversal analysis of the assessment results, the role coverage and the aspirations of the individuals themselves, individual reports are drawn up that contain precise and specific in-

dications on the development and training tools needed to develop or strengthen the areas of intervention and fill the gaps detected.

In addition, a **catalogue** of all intervention tools has been drawn up describing the objectives, methodologies and macro programmes inherent in the development and training actions that can be implemented.

COLLABORATION WITH UNIVERSITIES AND HIGH SCHOOLS

Acea develops **partnerships and cooperation with universities**, participates in studies and research, meetings between companies and students and stipulates agreements to promote internships and apprenticeships. Acea consolidated relations with "Tor Vergata", "La Sapienza", LUISS Guido Carli, Studi Europei di Roma, "Federico II" di Napoli and Cassino universities via the conclusion of agreements aimed at encouraging the transition of graduates into the working world. Despite the difficulties intrinsic to the health emergency, in 2020 Acea **renewed the agreements for curricular and extra-curricular internships** with the Universities of "Roma Tre", "Tor Vergata" and "La Sapienza". It also set out specific agreements for the master's degree in "Procurement Management – Procurement and Tenders" and the Maris master's degree in "Reporting, Innovation and Sustainability", both created by the Faculty of Economics of "Tor Vergata" University in Rome. Lastly, it launched new contacts and relationships with *placements* from the University of Calabria, the Polytechnic of Turin,

Bicocca University of Milan and the European University of Rome. Thanks to these interactions, in 2020 Acea established **35 training internships** and **16 curricular internships**. It hired **17 young graduates** and stabilized the positions of **36 young people** previously holding internship positions.

The Company also utilizes the **professional skills** of its staff in university master's degrees and courses and for **technical projects**. In 2020, qualified **Company staff** worked as teachers or provided corporate testimonies for **university master's degrees**, covering, in particular, issues related to **energy**, the **environment**, **sustainability** and **innovation**. Specifically, **Acea Produzione** collaborated with **SAFE**, a centre of excellence for studies and training on issues related to energy and the environment, establishing *placement* relationships that have led to the inclusion of a participant on the **Management of Energy Resources Master's Degree**.

The **Acea Group** also renewed its commitment to **support and collaborate** with schools, on the "The School I Would Like" project (please see the relevant box).

THE "SCHOOL I'D LIKE" PROJECT

The "School I'd Like" project involved **90 students** from **6 high schools** in Lazio and Campania, who were asked to redesign the **School of the Future**, by proposing a **new teaching model** based on their experience they had on account of Covid-19.

The project, carried out entirely remotely in May, was divided into four **webinar sessions**, preparatory to the phases of project work and **development of the project proposal** by the students, with the support of

the Elis consortium.

Below are the 6 actions proposed by the students:

- **Didactic approach** Rethinking the teaching schedule by balancing in person and remote learning activities;
- **Teacher-student** relationship: establishing a new relationship, with mutual respect, based on listening, trust, availability, collaboration and inclusiveness;

THE “SCHOOL I’D LIKE” PROJECT (continued)

- **Educational syllabus:** including in the syllabus subjects that help prepare students for the world of work and, more generally, that help them to become aware and responsible young citizens;
- **Tools:** enhancing technological tools to facilitate distance learning;
- **Infrastructure:** enhancing school premises by transforming them into places for meeting and sharing;
- **Extra activities:** experimenting with new activities to foster socialisation, integration and to prevent and counteract bullying.
- The 6 actions were collected in a **Manifesto** presented to the headmasters of the schools involved, who undertook to implement the students proposals.

INCENTIVE SYSTEMS AND STAFF EVALUATION

The **Performance Management System**, governed by Company procedures, is the operational application of the **Leadership Model** and has the following objectives:

- **leverage personal contributions** to the Group’s performance, including through the achievement of individual objectives – the measure of the “what” – and **in relation to the behaviour** – the measure of the “how”;
- ensure **the continuous improvement of performance** at the individual and **team** levels.

In this perspective, **performance** is understood as a set of measurable results, and observable behaviours of the person with **respect to a specific objective**.

The **remuneration policy** adopted envisages short-term and long-term fixed and variable remuneration measures (MBO, LTIP).

The **long-term (three-year) incentive Plan (LTIP)** is reserved for the **CEO and senior managers**, made up of **Executives from the Group with strategic roles and responsibilities**.

The earning of any bonus with a **three-year cycle**, is aimed at ensuring the continuity of Company performance, guiding the actions of management towards **medium and long-term results**.

The **LTIP calculation system** is calculated as a percentage of the Gross Annual Remuneration (GAR) and is subject to the level of achievement of objectives of an economic and financial nature (Gross Operating Profit – GOP and Return on Invested Capital – ROIC), identified by the Nomination and Remuneration Committee. Both objectives are linked to the appreciation of shares on the stock market (Total Shareholder Return – a measurement of the performance and appreciation of the value of Acea’s shares compared to a basket of comparable companies).

The long-term incentive for the 2018-2020 period was paid to recipients at the end of the three-year period and thus at the end of the year. In 2020, the main parameters of the **new long-term incentive plan** were assessed and a **composite sustainability indicator** was defined, to which a percentage weight was given, in line with market best practices. In this regard, we should highlight that the **ESG objectives envisaged are aligned with the Group’s strategic, industrial and sustainability planning**, and are considered to be relevant to the creation of sustainable value in the long term.

The **short-term incentive system** (annual), **Management by Objectives (MBO)**, is applied to **senior and middle managers** (managers and executives) and entitles them to receive a monetary bonus based on the achievement of objectives established in the performance management system. The system is divided into **Group objectives**, the same for all involved, and **individual objectives**.

Regarding the **Group’s objectives**, the system provides “access gates” consisting of **four objectives**, three of an **economic and financial nature** (EBITDA, Gross Profit, Net Financial Position) and one linked to the **composite sustainability**. For the assignment of **individual objectives**, managers can choose from the macro-objectives in the **dedicated Catalogue** that includes targets of the

Group’s strategic planning, creating a direct link between strategy and the Company’s operational management.

In 2020, Acea confirmed the **integration of sustainability** within the Company’s activities, maintaining the **link between remuneration mechanisms and the achievement of social and environmental objectives** and establishing a **sustainability objective, valid at Group level**, for 100% of the recipients of the MBO incentive. In 2020 about **50% of the Company population included in the MBO system set individual goals having an impact on sustainability**.

The **performance bonus is awarded annually to managers, employees and workers**, including with part-time employment contracts, fixed-term contracts and apprenticeship contracts. A financial amount is allocated to employees as recognition and to **share the good results achieved by the Company**. The **criteria for awarding the performance bonus**, as defined by an agreement with the trade unions, promote **individual employee contributions** by providing for an **additional percentage** beyond the basic value of the bonus, linked both to the achievement of **collective objectives** (increases in productivity, quality, efficiency and innovation) and to the **assessment of conduct** in accordance with the Leadership Model.

In 2020, during the pandemic caused by the Covid-19 health emergency, Acea paid an **extraordinary bonus of € 300** to staff that continued to carry out activities as normal in April.

There are also **benefits** for employees, including those with part-time, fixed-term contracts and apprenticeship contracts, such as **meal vouchers**, a discount on electricity tariffs (for staff hired before 9 July 1996), the subsidies recognised through the Company Recreational Club (CRC) and a **supplementary health insurance** policy. An insurance policy is also available for all employees, which, in the event of death, guarantees the beneficiaries the payment of monetary compensation. Additional benefits are offered to managers, such as the use of a Company car and the reimbursement of fuel costs.

INTERNAL COMMUNICATIONS

At Acea, the **Internal Media Relations and Communications Unit** handles communication to employees and contributes to **promoting the Group’s principles, values and strategic objectives** and developing a **shared Company culture**.

In the emergency that marked 2020, digital platforms played a central role, such as the **My Intranet** portal, the Group’s digital environment serving staff and dedicated to sharing internal information. With the aim of making My Internet increasingly inclusive and responsive to the needs of employees, in 2020 certain **functions** were optimized, such as the release of a new and better performing **search engine**, as well as the **integration of external tools** (Teams and Forms) and **with the two new operating portals** of the Water Companies and Areti.

A special section of My Intranet was also set up to provide information on the **measures to combat infections** implemented by the Company for its employees.

In addition to the Intranet, employees were able to use the Acea4You app, made especially to manage their physical attendance in the Company, prevent groups forming, and to request additional services, including booking COVID Tests and flu vaccines, as well as meals or canteen space.

In 2020, internal communication initiatives remained in line with the pillars of strategic planning: **sustainability, welfare, safety, engagement, solidarity and innovation**. However, the Covid-19 pandemic made it necessary to review both the activities planned, the methods and the tools used, as well as the role of internal communication, which was a constant presence alongside employees, to keep them promptly informed but, above all, to make them feel like an integral part of the Company's community and overcome the physical distancing imposed by the health emergency.

Therefore, the Internal Media Relations and Communications Unit supported **corporate welfare** initiatives designed to foster mental and physical well-being of staff and their families, such as **collective webinars** and the **psychotherapeutic support consultancy service**, the **Acea Group programme** and **"Gympass together for wellness"** and **"Wellness Fridays"** (please also see the paragraph *Labour-Management Relations*).

Also in regard to **promoting a culture of well-being and prevention**, the Internal Media Relations and Communications Unit, in collaboration with the Labour-Management Relations Unit and the non-profit association **Susan G. Komen Italia**, organised the **"Preveni con Acea"** [Prevent with Acea] campaign for the third year running, despite the pandemic, which is dedicated to primary and secondary prevention activities. This year, the initiative, which ran across 3 days, allowed **377 breast, dermatological and endocrinological screenings** to be carried out free of charge, double the number of services provided last year (please also see the paragraph *Labour-Management Relations*). Furthermore, in collaboration with the Human Resources Department, Technology & Solutions Department and the Coronavirus Prevention Committee, the **"Campagna Covid-19"** [Covid-19 Campaign] was also run, aiming at informing staff about all the initiatives adopted by the Group to protect workplace safety and in terms

of welfare and training, in response to the health emergency (please also see the paragraph *Workplace Safety*).

Another area of widespread internal sharing regarded **IT security**, partly as a result of the massive use of agile working methods, which led to an increase in cyber threats and attacks at the same time. That is why the **"Cyber Security – La Sicurezza informatica nel Gruppo Acea"** [Cyber Security – The IT Safety of the Acea Group] Campaign was established, promoted by the Cyber Security Unit in collaboration with the Human Resources Department with the aim of raising employee awareness around the issue (please also see the sub-section *Staff Training and Development*). The social impact of the health emergency has made focusing on **charity** paramount, which is why Acea proposed the **#IODONODACASA** [#IDONATEFROMHOME] campaign to employees at the beginning of the pandemic, created to support the extraordinary health activities of the **Lazzaro Spallanzani National Institute for Infectious Diseases**.

As part of the **"SOSteniamoci – Noi per la Sostenibilità"** [SOS Support Us – We Stand for Sustainability] awareness-raising campaign, **4 water kiosks** were installed at headquarters, in addition to the existing ones, to reduce the use of plastic. The value of sustainability, combined with that of innovation, was also promoted through the installation of **multimedia signage**, innovative communication tools placed in the common areas and in the lifts of the Headquarters and CEDET data centre, which allow us to avoid using paper.

To foster the **engagement** of staff and encourage a sense of belonging to the Group, once again this year, despite the pandemic and in compliance with the restrictions, **6,025 Christmas gifts** were given to Group employees, thanks to which it was possible to support the **Telethon Foundations** by purchasing the products promoted by the foundation. Lastly, corporate values were promoted with the **"Proteggerò l'Azienda che mi protegge"** [I Protect the Company that Protects Me] campaign, created with the input of the Ethics Officer, to raise awareness about the *Code of Ethics* and the new "Communicate Whistleblowing" Platform (please see *Corporate Identity, Corporate Governance and Management Systems*).

DIVERSITY AND INCLUSION



APPROVED THE **survey** THAT WILL BE ADMINISTERED TO STAFF TO DETECT NEEDS AND EXPECTATIONS IN THE FIELD OF **Diversity & Inclusion**



Acea RECEIVED AN OVERALL SCORE IN **Bloomberg's Gender Equality Index** OF **70.49%**



Acea PARTICIPATES IN THE **Inspirational Talks Role Model** PROGRAMME FOR THE FOR THE PROMOTION OF **STEM (Science, Technology, Engineering and Mathematics)** EDUCATION AMONG FEMALE STUDENTS

Inclusion, protection of diversity (gender, age, disability, religion, race, etc.), **combating sexual harassment and bullying** are issues **monitored at the governance level**. Indeed, Acea has a *Code of Ethics* and a *charter for the management of diversity* and an active **Ethics and Sustainability Committee**, which, among other things, has the responsibility of assisting the Board of Directors in matters of **diversity**, with the task of **promoting the culture of valuing diversity and combating all forms of discrimination**.

Acea is one the signatories of the **"Utilitalia Pact – Diversity makes the Difference"**, drafted by the Commission for the Management and Promotion of Utilitalia's Diversity, and has adopted a Group procedure on the **"Protection, inclusion, promotion of the diversity and well-being of workers"** and, in 2020, signed the **CEO Guide to Human Rights** by the World Business Council for Sustainable Development (WBCSD).

Acea has also adopted measures to support parents, such as the

extension of parental leave for additional three months for family reasons for both mothers and fathers; the **extension of paternity leave**, with the recognition of two more days of paid leave to be taken within two months of the birth, adoption or foster care of the child; **hourly leave for taking children to the first days of nursery school, preschool or elementary school** and the **holiday bank**.

Towards the end of 2020, **Company top management approved the creation of a survey**, to be disseminated in 2021, which will identifying the needs and expectations of staff **in the area of Diversity & Inclusion**. Acea will implement targeted initiatives on the basis of these findings.

Acea has been assessed by the **Bloomberg Gender Equality Index (GEI)**, an index that measures companies' performance on gender equality and which takes five pillars into consideration: *female leadership and talent pipeline, equal pay, inclusive culture, sexual harassment policies and pro-women brand*. The **overall rating** assigned to Acea is **70.49%**, which places it above the average for the sector (66.72% and the sample analysed (66.46%).

In 2020, the Company continued to take part in the "Business School System" project, coordinated by the Elis consortium, helping to create the "**Inspirational Talks Role Model**" initiative: a programme for the promotion of **STEM** (Science, Technology, Engineering and Mathematics) training programmes **among female middle and secondary school students**. The project involved more than 100 women professionals, including four from the Acea Group who as role models shared their experience of professional success in male-dominated sectors.

Acea participated in the **Marisa Bellisario Foundation**, which focuses on **promoting female talent** in the workplace. It sponsored the 32nd Edition of the "Women at High Altitude" Award, awarding a graduate in Computer Engineering who has distinguished herself for her excellent training, and supported the "**2020 Pink Ribbon**" campaign this year again, focused on the importance of breast cancer prevention, promoted by Anci together with the Airc and LILT associations. Lastly, the Company participated in the **International Day Against Violence To Women**, the **International Day Of Children's Rights** with technical sponsorships, and contributed to support the **social service for LGBT youths** and group homes (please see the chapter *Communication, Events And Solidarity*).

In compliance with the law⁹⁶, there are **employees belonging to protected categories** (disabled, orphans, etc.) who are guaranteed support services, assistance and technical support tools to facilitate the performance of the tasks entrusted to them. In 2020, **313 employees** (213 men and 100 women) belonged to protected categories.

In 2020, there were no cases of discrimination against Group employees in Acea.

COMMUNITY LIFE AT ACEA

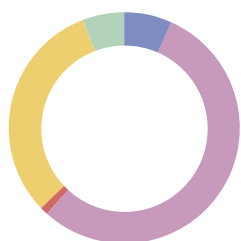
Some structures perform work of a social nature, directly involving employees: the Company Recreational Club (CRC), the Gold Medal Association and the Association of Christian Italian Workers (ACIW). The number of members enrolled in the Company Recreational Club (CRC), including managers, remained unchanged compared to the previous year and amounted to **4,619 people**. The **CRC** was responsible for **managing the Company's crèche**, open to children of employees and children of residents of Municipality I, and accommodating 20 children in the first half of 2020 and 25 in the second half. The Covid-19 pandemic situation prevented in-person teaching activities from March to July; however, it was guaranteed that activities would continue remotely, thanks to the timely reorganisation of operating procedures.

The Club **offers cultural, sport, tourism, economic, commercial initiatives and personal services**, and its aim is to enhance the free time of its members, without losing sight of aspects of social interest. An important solidarity tool among employees is the **Emergency Fund**: an initiative **in support of the relatives of deceased**, in-service or retired employees. All employees can join by signing a form, which they must send to the Human Resources Department or to the CRC, in which they authorise the deduction from the payroll of a small contribution that is allocated to the Fund.

The Company Recreational Club enters into **agreements** for employees and their families with institutions that offer health services, dental services, legal advice, etc. and active commercial agreements, sports ticket sales, theatre and music events, which can be viewed on a dedicated portal with constantly updated contents and accessible on the Intranet (www.cra-acea.it). It is also responsible for informing employees, by sending newsletters.

The Association of Christian Italian Workers (ACIW) is very active in Acea and **promotes social initiatives, solidarity and support**. Examples of that support are the presence of the Chaplain from whom employees can seek guidance, and the organisation of meetings for families, also with the intention of creating a **support network** for employees. The association is also involved in **providing services** such as **mortgage and loan advice, school assistance** for children of employees attending lower and upper-secondary schools, and various other initiatives benefiting employees, such as the organisation of language courses and cultural and sports activities. The ACLI (Association of Christian Italian Workers) was very active in 2020 **in its support for initiatives of social value in the local area** (Banco Alimentare [food bank], Caritas, etc.).

CHART NO. 44 – MEMBERS THAT HAVE USED CRC SERVICES (2020)



- 156 | members who have utilized tourism services
- 1,230 | members interested in insurance instalments
- 26 | members interested in purchase instalments
- 707 | members who have utilized the so-called "dono della Befana" bonus benefits
- 128 | members who have utilized scholarships

⁹⁶ Italian law no. 68/99.

SHAREHOLDERS AND INVESTORS

Acea is a listed Company that **provides to the financial community**, through its **Investor Relations & Sustainability Department** and in partnership with the competent corporate structures, a continuous, timely and **useful flow of information for the correct assessment of the current and future situation of the Group**, highlighting particular **Environmental, Social and Governance (ESG)** items. The information is conveyed through current and potential **direct relationships** with analysts and investors, and through **specific communications** (price-sensitive press releases, Company presentations, credit ratings, stock performance, highlights, etc.) that are made available on the institutional website (www.gruppoaceea.it), respecting the fundamental principles of propriety, clarity and equal access.

Additionally, working with the competent structures, the **Corporate Affairs and Services** Department is responsible for the management of information flows with the **Supervisory Authorities** (Consob and Borsa Italiana) and the corporate obligations required by law for listed companies.

ECONOMIC FLOW TO SHAREHOLDERS AND INVESTORS

For shareholders, at the Shareholders' Meeting, the Board of Directors proposed the distribution of a dividend of € 0.80 per share (+2.6% on the € 0.78 in 2019), equivalent to € 170 million received (having been € 165.8 million in 2019), which correspond to a payout of 60% on net income, after allocations to third parties in 2020.

Over the year, ACEA showed performance substantially in line with the Italian market, recording a **drop of 7.0%. The stock recorded on 30 December** (last day of opening of the market in 2020) a closing price of € 17.15 (capitalisation: € 3,652.3 million).

The maximum value of € 21.8 was achieved on 29 January 2020, while a minimum value of € 12.4 was achieved on 18 March.

Average daily volumes were about 165,000, slightly more than in 2019.

TABLE NO. 45 – PERFORMANCE OF STOCK EXCHANGE INDEXES AND ACEA SHARES (2020)

	change % 31/12/20 (compared to 31/12/2019)
ACEA	-7.0%
FTSE Italia All Share	-5.6%
FTSE MIB	-5.4%
FTSE Italia Mid Cap	-5.8%

€ 98 million are allocated to **financing** stakeholders (compared to € 106.1 million in 2019). The change is essentially due to the reduction in interest on bonds. The average overall all-in cost of the Acea Group's debt on 31/12/2020 was 1.74%.

Regarding **the composition of medium/long-term** debt consolidated as at 31/12/2020, approximately 77.6% of the total amount derived from transactions on the capital market (corporate bonds). Regarding the banking sector, Acea

mainly deals with entities whose mission is **to finance strategic infrastructure**, such as the European Investment Bank (EIB, 9.4% of the consolidated debt) and the Cassa di Risparmio di Roma e Prestiti (CDR, 4.9% of the consolidated debt). These Institutions ensure loans, to entities with creditworthiness such as Acea, with a maturity of more than 10 years, in line with the duration of the concessions (water and electricity) owned by Companies of the Group called to make the relevant investments.

AGENCY RATINGS

TABLE NO. 46 – RATINGS 2020

agency	long-term rating	short-term rating	outlook
Moody's	Baa2		stable
Fitch	BBB+	F2	stable

Both **Moody's** and **Fitch confirmed Acea's rating**. The assessments expressed reflect the approval of the Group's

strategic focus on regulated businesses and the positive results achieved.

FINANCIAL DISCLOSURE

During the year Acea participated in **numerous events** (meetings, extended presentations, *investor conferences*, *roadshows* and *reverse roadshows*), **with about 220 investors and sell-side analysts, in both equity and credit**. In consideration of the global health emergency caused by Covid-19, most of the communication events were held in “virtual” mode.

In addition, **conference calls** with the financial community were held, also on the occasion of approval of the annual and interim results and the presentation of the 2020-2024 Business Plan, and **more than 240 analysts/investors took part in these**.

Approximately 160 studies/reports on Acea shares were published during the year under review. Seven **business banks** analyse Acea shares with a high level of continuity, six of which, as of 31 December 2020, express “positive” ratings and one of which express “neutral” ratings.

ESG ANALYSTS EVALUATE ACEA

An analysis conducted in November 2020 showed that “**sustainable investors**” are showing a growing interest in Acea. Such investors represent almost 5% of the share capital and **about 35% of the total institutional investors**. These are mainly European funds (4% of Acea’s capital), followed by North American investors.

In the last year, characterised by the pandemic crisis, **institutional investors’ further increased their interest in ESG issues**, which are increasingly integrated into investment decisions.

In 2020, the Investor Relations & Sustainability Department was created with the objective of marrying and integrating aspects of a **financial nature with the Group’s sustainability goals and ESG aspects** in relations with Italian and foreign analysts and institutional investors, ensuring the correct valuation and positioning of the Acea Group.

Over the year, Acea the opinions of analysts, ratings and benchmarks were as illustrated below.



The CDP (formerly the Carbon Disclosure Project), supported by more than 500 international investors, promotes worldwide attention to the management of climate change risks and impacts, inviting companies to provide detailed and timely information on their ability to manage the issue. Based on the data and information received, each year the CDP publishes a ranking of its assessments for each organisation. Acea, already evaluated for years, received an **A- score** in 2020, in line with the previous year, confirming its position in the **Leadership area** (for details, see the box in the chapter on *Strategy and Sustainability*).



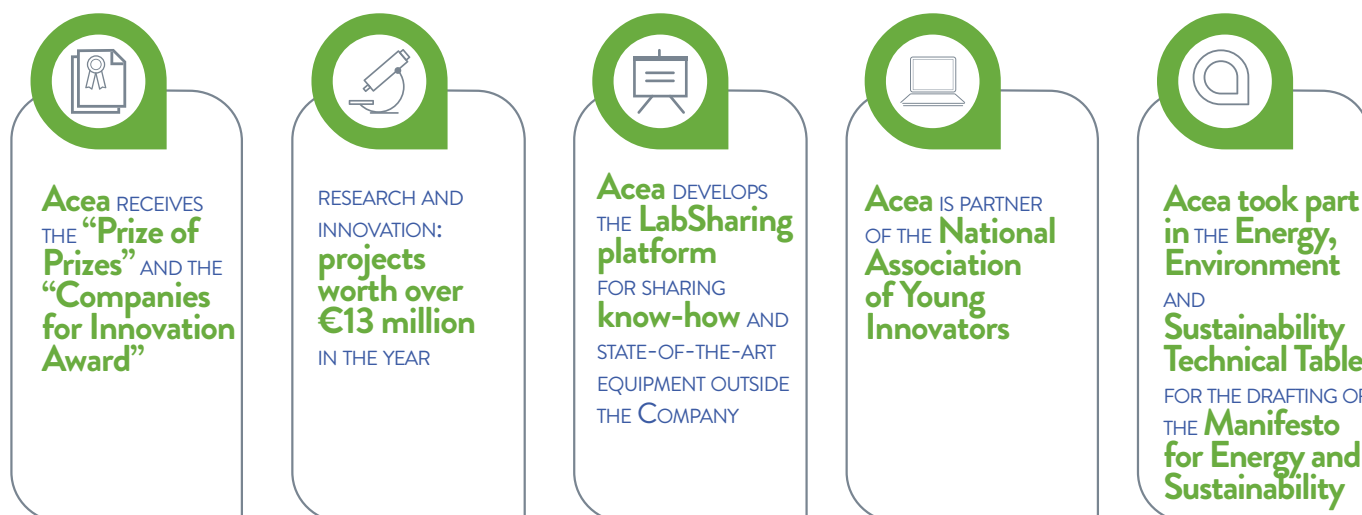
In 2019 Acea received the first **sustainability solicited rating** from the independent agency **Standard Ethics (SE)**, with an **EE-** rating (*investment grade*), scale F/EEE) and in 2020 both the *long-term expected rating* (from stable to EE+) and the outlook (from stable to positive) **improved**. Lastly, it should be noted that, again in the year in question, **Acea’s was included among the 15 largest listed EU Multiutilities** that make up the **SE European Multi-Utilities Index**. This index, together with the SE European Utilities Index, intends to provide an overview of the level of sustainability progressively achieved by European companies operating in the essential public services sector.

ISS ESG (formerly ISS Oekom) gave Acea a C+ rating (scale D-/A+), in line with the ratings already issued previously.

The Group’s ESG performance was also analysed by **Sustainalytics, VigeoEiris, MSCI, FTSE Russell ESG, Refinitiv**.

In the year in question, Acea was included in the **Bloomberg Gender Equality Index**. This index includes 325 companies, from a panel of around 6,000 organisations analysed, which best recognise **gender equality** in terms of both disclosure and business practices (for more details see the paragraph on *Diversity and inclusion* in the *Staff* chapter). Lastly, it should be noted that, in the last part of the year, the performance of **preparatory activities for the first issue of sustainable finance instruments** by Acea, through the definition of a Green Financing Framework, led to the issuing of the Acea’s first Green Bond in January 2021.

INSTITUTIONS AND THE COMPANY



Acea interacts with institutional actors and stakeholders of reference according to a participatory logic in order to generate shared value for the benefit of all stakeholders, primarily the community and the regions it operates in.

RELATIONS WITH INSTITUTIONS

Relations with the institutions are focused on the economic dimension (taxes and fees) and the social dimension (relations with local institutions, sector authorities, consumer associations and other civil representatives etc.), in line with current legislation and the Group's *Code of Ethics*.

The economic value distributed to **public authorities** in the form of taxes in 2020 is **€ 134.6 million** (approx. € 123.2 million in 2019). The tax rate for the year is equal to 29.2% (it was 28.6% last year). **Based on the most recent Country by Country Report, which Acea filed with the Revenue Agency in 2020, and refers to 2019 data**, most taxes are **paid in Italy**, for 98% of the overall value⁹⁷. The remaining 2% is paid in the Dominican Republic, Honduras and Peru, where the Company operates in the water sector to improve the service, with particular reference to the technical and managerial aspects (see the chapter on *Water Company Data and overseas activities*). Overseas activities are exclusively tied to **managed businesses and cannot be linked to delocalisations carried out to draw fiscal benefits from favourable jurisdictions**. In fact, Acea has not defined a tax strategy and does not intend to establish any aggressive tax planning to gain a competitively advantageous position. **The Tax Management Unit** within the Holding Company's Administration, Finance and Control Department, has the main function of developing tax policy at the Group level, monitoring legislative changes and ensuring periodic compliance, managing – as key owners – the relative risks, which are assessed, managed and monitored within the wider ERM programme. Moreover, the Unit prepares specific reports on the matter for the Control and Risks Committee, where appropriate. Acea interacts with the relevant tax system authorities in a collaborative and transparent manner and the updating of the main legal tax disputes is reported annually in the *Consolidated Financial Statements*, to which reference should be made. In compliance with the relevant legislation, as mentioned, Acea produces a Country By Country Report⁹⁸, which lists the information on taxes paid for each jurisdiction in which the Company operates. The data flow into the *Consolidated Financial Statements*, which are subject to legal audit.

Acea regularly pays contributions and registration fees owed to public and private bodies, such as chambers of commerce, independent administrative authorities, industry associations and representative bodies. In 2020, the total amount of this item was approximately € 2.63 million (€ 2.94 million in 2019).

Partnerships with **public institutions** are aimed at carrying out **initiatives with positive effects in the local region and the public's quality of life** (see the chapters *Customers and the community*, *Personnel* and *Relations with the environment*).

Article 17 of the Group's **Code of Ethics**, devoted to relations with institutions, the public administration and political and trade union organisations, establishes that: "*Acea cooperates actively and fully with the independent Authorities, establishes relations with the Public Administration by strictly observing the provisions of the law, applicable regulations, provisions contained in the Organisation and Management Model pursuant to Legislative Decree 231/01 and in internal procedures [...]. Acea does not contribute in any way to the financing of political parties, trade unions movements, committees or organisations [...] or their representatives and candidates [...] Acea does not make contributions to organisations with which a conflict of interest may arise [...] In any case, Acea's personnel shall refrain from any behaviour aimed at exerting pressure (direct or indirect) on political and trade union representatives or representatives of associations in potential conflict of interest in order to obtain personal or corporate advantages*".

The supervision of relations with institutional entities is defined by **an organisational model** that attributes **competences and responsibilities** to the corporate structures of reference. In particular, the **Institutional Relations Unit** protects corporate interests and represents the Group's positions in dialogue with Industry associations, Research centres, Standard-setting bodies and local, national and international public and private institutions and bodies. The **Corporate, Legal, Affairs and Services Department** supports the Group Companies for **legal aspects** related to the activities, dealing with communications with the securities market **Supervisory Authorities** (Borsa [Italian stock exchange] and Consob [National Commission for Companies and the Stock Exchange]) and the **Regulatory Function**, in coordination with the relevant divisions established within the Group Companies, as well as relations with the **regulatory bodies** in the relevant sectors, also to minimize exposure to regulatory risk.

The **Group's operating companies**, jointly with the Parent Company, manage the **"technical and specialist" aspects** of the managed services – water and electricity supply, public lighting and the environmental sector – **including through interaction** with administrative, regulatory and control bodies.

⁹⁷ The low amount of revenue, and consequently the taxes paid, in relation to the Group's activities in foreign countries has led to the overseas companies being reported as non-material from an economic/financial point of view; in addition, the potential evolution of the sector and other strategic and representative criteria regarding the Group's development and main impacts, have resulted in them not being included within the scope of the Consolidated Non-Financial Disclosure. Moreover, this ensures that the issue of Taxes relating to GRI 207 is not included among the material issues (economic and governance) identified in the last materiality analysis cycle performed by Acea. Although the issue introduced by GRI 207, on Taxes, was not included among the material issues with the involvement of stakeholders and managers, and therefore does not appear in the GRI Content Index, it is in any case mentioned here as testament to transparency and good accounting practice.

⁹⁸ The obligation arises for the Parent Company due to its control of Acea International, the vehicle Company through which shares in the overseas companies are held.

In the regulated sectors, the Regulatory Authority for Energy, Networks and Environment (ARERA) has long established **bonus and penalty mechanisms** to encourage the improvement of the performance of service operators. In 2020, **Areti** paid the Authority a penalty of approximately €5.4 million, with reference to the previous year's operations, for regulating the continuity of the electricity service for LV users. It also paid approximately €129,000 to the Cassa per i Servizi Energetici e Ambientale (CSEA) for exceeding the standards set for MV users and €1.1 million to end customers for prolonged and extended interruptions.

Areti also earned approximately € 3 million as a resilience premium on the 2019 accrual.

The same Company appealed to the Lombardy Regional Administrative Court in relation to ARERA resolution no. 270/2020/R/ EFR of 14 July 2020, which approved the revision of the tariff contribution to be paid to distributors fulfilling their energy saving obligations under the TEE mechanism. Water companies **Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa** accrued automatic compensations payable to customers during the year of approximately €659,000, €123,000, €47,000, €280,000 and €37,000, respectively, in relation to contractual quality performance. In January 2020 Acea Ato 2 sent the STO the 2019 data related to the performance of contractual quality, and following verification the Secretariat calculated a bonus of about € 33.1 million.

During 2020, AGCM filed an appeal in order to obtain the annulment and/or reform of judgment no. 11960/2019 of the Lazio Regional Administrative Court, which fully upheld the appeals filed by **Acea SpA, Acea Energia and Areti** against the AGCM measure (measure 27496/2018) that jointly sanctioned the companies for €16.2 million for alleged anti-competitive conduct in the energy sales market.

In addition, in relation to the sanctioning measure of the AGCM issued at the end of the proceeding (PS9815) concerning the unsolicited activations of electricity and gas supplies, in its ruling of 24/09/2020, the Lazio Regional Administrative Court rejected the appeal lodged in 2016 by **Acea Energia**. The Company has appealed against this judgment. By way of Resolution no. 533/2019/S/com, the sanctioning procedure concerning the application of a surcharge to domestic end customers for receiving a paper invoice as part of free market offers was also closed against Acea Energia. Following the approval of the commitments submitted by **Acea Energia** in the framework of this proceeding, the Company started to fulfil them at the end of February 2020.

On 27 July 2020, **Acea Energia and Areti** lodged an appeal with the Lombardy Regional Administrative Court against resolution 184/2020/R/com, by which ARERA brought the sector legislation into line with the provisions of the 2020 Budget Law, providing that the provisions on the two-year statute of limitations apply to end customers by virtue of the mere passage of time.

As regards the water sector, **Acea Ato2, Acea Ato5, Gesesa, Acea Molise, Gori, Acquedotto del Fiora and Umbra Acque** appealed to the Lombardy Regional Administrative Court against resolution 186/2020/R/Idr, pursuant to which ARERA also brought the regulations for this sector into line with the 2020 Budget Law on the subject of the two-year statute of limitations applicable to end users.

During the year, 12 treatment plants operated by Gesesa were seized by the judicial authorities.

Finally, as for the litigation procedures of an environmental nature with public enforcement authorities (Arpa, Forestry, etc.), see *Relations with the environment* and the *Environmental Accounts*.

PROTECTION OF COMMON ASSETS

In synergy with public institutions, private parties and research bodies, Acea deals with **initiatives and projects of an environmental and social nature aimed at protecting common assets**. In 2020, the water sector companies continued their commitment to increase the reliability of managed water systems and improve water distribution systems.

Acea Ato 2 prepared the **final design** for the construction of the new upper section of the Peschiera aqueduct, subject to the opinion of the Senior Public Works Council (Consiglio Superiore Lavori Pubblici [CSLP]), and prepared the **technical-economic feasibility plan** for the construction of the two sections of the new Marcio aqueduct. Both projects are aimed at improving the safety of Rome's and the surrounding province's water supply and **increasing the resilience of aqueduct systems** in order to improve the quality of the integrated water service. The Company has also prepared a **preparatory document** for the supply and transport of water within the territory of OTA 2, **with a view to the strategic value and resilience of the infrastructure, environmental protection and the maximisation of effectiveness and efficiency for the service provided to citizens**.

With reference to the **implementation of the Water Safety Plans**, aimed at preventing and mitigating the water risk, in 2020 the Company carried out many activities (also see *Relations with the environment, Water segment*). To date, Acea Ato 2 has completed the inspection and **check list activities for 6 aqueduct systems**, and the **WSP (water safety plan) documents have been sent to the Ministry of Health for 3 aqueduct systems**.

AdF has advanced the **project for the development and implementation of the WSP on the aqueduct systems fed by**

the Santa Fiora springs, performing the infrastructural risk analysis, with an approach based on the FMEA methodology (*Failure Mode and Effect Analysis*). **Gori** took part in the **national working group for the drafting of the "National Guidelines for the Implementation of Water Safety Plans"** and for the development of the National Distance Training Course for team leaders for the implementation of WSPs, collaborating with the Ministry of Health and the Italian National Institute of Health. **Gesesa** entered into a collaborative project with the University of Sannio to start the drafting of the WSPs; it also defined the **extraordinary water efficiency plan which will commence in 2021** with the restructuring of the main water districts.

With regard to **energy distribution**, Acea took part in the **PlatOne project** (PLATform for Operation of distribution Networks), a European consortium of companies and organisations with the goal of developing a technological solution capable of optimising the functioning and management of the electricity network, making it more stable and resilient. In particular, Acea, through Areti and Acea Energia, is one of the organisations responsible for **coordinating the "Italian pilot"** which will be carried out in the Rome area.

Acea Ambiente carried out public utility projects which principally concerned the **"Waste to Material" chain**, with the recovery of raw and secondary materials from waste entering dedicated plants, the treatment of fly ash, and the extraction of critical raw materials from treatment sludge. In addition, the Company has started the **UrBees project, for biomonitoring air quality** around the San Vittore plant in Lazio through the use of bees (also see *Relations with the environment*).

With regard to **environmental sustainability and the circular economy**, Acea participated in the activities of the **Italian Industrial Research and Development Centre (AIRES)**, a network of businesses, institutions and technological consortia engaged in the **development of the circular economy and environmental sustainability**, and took part in the **Italian Phosphorus Platform promoted by the Ministry of the Environment and managed by ENEA**, developing dedicated projects, also thanks to the availability of European financing (also see *Relations with the environment*). Lastly, through the **Circular Economy Protocol**, and with the involvement of local stakeholders, AdF has established a **Qualification System reserved for local businesses aimed at supporting the economic relaunch of the area and productive entities**, which is in difficulty due to the pandemic (also see the chapter on *Suppliers*).

EMERGENCY MANAGEMENT PLANS

Acea is active in the **prevention and management of critical events**, and in the **event of an emergency** it provides support to the **authorities responsible for public health, civil protection and public safety**.

In particular, the Group companies ensure **the highest levels of safety and continuity in the provision of managed services**, in collaboration with public institutions.

To this end, they have established **procedures and tools** that, in the event of critical events (unavailability of central systems, breakdowns, adverse weather conditions, peak demand and network stress, etc.), protect the normal **operating conditions of networks, plants and systems to be restored in a timely manner** (see also the chapter on *Protection of assets and management of internal risks* in the section on *The Company as a stakeholder*).

Each operating Company has **plans for managing emergencies and intervention procedures** and, through the **control centres, constantly monitors the status of networks and equipment** – water and sewage, electricity and public lighting – in partnership with the **Municipal and National Civil Protection and Roma Capitale**.

Whenever an event affects the managed services (damage to plants and/or networks, water/energy crisis, etc.), the companies of the Group notify the competent bodies in order to facilitate the coordination of interventions.

Acea SpA has a **procedure for the management of health and environmental emergencies** having an impact on the population, for which it **defines a risk level** (low, medium and high) and consequently organises intervention teams.

The **Areti emergency management plan**, the Company that handles **the distribution of electricity**, deals with widespread breakdowns and unavailability of the grid. It defines the different **states of activation** (ordinary, alert, alarm and emergency), according to the operational and environmental conditions, the **procedures** for the activation (and subsequent reset) of the same states, the **units involved** and the respective roles, and the **resource materials** necessary for maintaining or restoring equipment. It also provides for the appointment of a **Head of Emergency Management** and an employee dedicated to the **management of safety**, in established cases. The **detailed Operating Plans** indicate methods for quickly managing the types of disruption (such as flooding, fires, disruptions to the remote-control network, etc.) and procedures to be followed, for example, **for restarting the electrical system in the event of a blackout** of the National Transmission Grid (NTG) or **re-establishing power for strategic users** (such as parliament,

the government, the State of Vatican City, etc.), **the materials, equipment and resources to be involved** depending on the case. The master plan and detailed operating plans are **updated on a yearly basis** and periodically improved on the basis of analyses of real cases. The effectiveness of procedures and the functionality of equipment are tested by means of drills. In addition, with a view to improving processes, in 2020 the Company **created a platform** for the real-time **acquisition and monitoring of weather events**, in order to prevent potential risks from changes to the operating conditions of the electric grid.

Plans for the management of emergencies of the **water companies** and shared with local institutions (such as Governmental Territorial Offices, Local Health Authorities, Area Management Agencies) define conditions that compromise the **continuity and quality of the integrated water service, classify the emergency levels**, describe the **preventive and remedial measures** for the types of unforeseen events (damage to the networks, pollution, water crisis and emergencies related to the sewerage and treatment service) and provide for the division of tasks among the areas involved (technical area and communications). In particular, the Acea Ato 2 Plan was reviewed, consistent with the Water Safety Plan guidelines, and takes 25 critical scenarios into consideration, specifying the consequences, manoeuvres and mitigation actions required for each of them. In 2020, **Acea Ato 2 updated the Emergency Management Plan on the basis of the procedures currently in effect under pandemic conditions and in light of the organisational changes that had taken place within the Company**. In addition, the **Emergency Standing Committee** was established. It meets periodically to approve the Plan, propose interventions and training activities, and decide on actions to be taken under serious emergency conditions.

AdF collaborates with the **Tuscan Water Authority** on the updating of the **Emergency Operating Plan for the drinking water crisis (EOP)**, aimed at monitoring and preventing water emergencies through the periodic reporting of critical issues found within the region, and providing support for operational decisions when an emergency arises. In the context of the critical issues outlined in the Plan, AdF has an **Water Crisis Emergency Management Operating Procedure** which, for every forecast level of severity in terms of water availability, establishes the sequence of activities to be carried out, detailing all of the entities involved, measures to be taken, documents/databases to be consulted/updated/produced, and correspondence to be sent.

Gesesa is an active member, together with other authorities such as the Province of Benevento, the Municipality of Benevento, EIC, the Region of Campania, ARPAC [Campania Regional Environmental Protection Agency] and local health authorities, etc., of the **technical panel to ensure that the local aquifer is safe from tetrachloroethylene pollution**.

The **companies of the Group that manage waste treatment plants** ensure the execution of a detailed **routine maintenance plan to reduce plant downtime caused by faults or unexpected events** and minimize unplanned non-routine maintenance work. All the structures of each site are equipped with **Emergency Plans** that take into account the **scenarios identified for endogenous and exogenous emergencies**. These Plans examine aspects related to the **safety of workers**, ensuring their safety with specific behavioural and evacuation procedures, checked on a yearly basis, and aspects related to the **protection of the environment**, identifying the emergency interventions in order

to limit contamination of environmental media (air, water and soil). Permits by virtue of which the plants are managed also include communication requirements and methods for **non-routine or emergency events to the competent bodies**, in order to guarantee the maximum dissemination of information and, where appropriate, the coordination of the intervention. Lastly, in 2020, as a result of the **Covid-19** emergency **Acea Elabiori updated the Grottarossa Centre Emergency Plans**.

PROJECTS FOR THE INNOVATIVE AND SUSTAINABLE DEVELOPMENT OF THE AREA

In 2020, in continuity with past years and in concert with local administrators, Acea Ato 2 continued the **installation of Water Kiosks** in Rome and vicinity, which made it possible to equip the areas **with 95 kiosks** (see chapter *Customers*, section *Quality delivered in the water segment*). **AdF** also started the project to install Water Kiosks and **surveyed the needs of all Municipalities within the area served**, in view of the tender process for awarding the work to install **more than 50 pumps in the next two years**.

In addition, Acea has collaborated with **ENEA** in the context of a dedicated protocol, **for the development of projects relating to the sustainable management of the waste and water cycle**, with the objective of applying innovative technologies and solutions to the managed industrial projects, principally in the water and waste treatment sectors, in line with the strategic objectives for industrial development in the circular economy. In terms of **smart cities**, in partnership with Roma Capitale, the Company developed the **plan for electric mobility**, also defining the strategy for e-mobility to combat the *mobility divide* due to the infrastructure gap, and started the test phase for the Charging Point Operator and Mobility Service Provider platform, through an internal car-sharing service with 25 electric cars. During the course of 2020, the **platform test phase was successfully completed** and, through the Company Electric Drive Italia, acquired in May 2020, **Acea Innovation was able to complete the development of the Charging Point Operator platform and make the Mobility Service Provider platform available to Acea Energia**. In addition, in 2020 Acea Innovation further developed the existing partnership with Guido Carli LUISS University, offering students not just a mobility services platform (management of charging and booking of the car or a seat in the shuttle), but also electric shuttles for internal mobility. The Company has installed the first charging columns for electric cars and **completed the approval procedure, at the Services Conference, for the installation of 115 columns in the Municipality of Rome**.

In order to promote the innovative and sustainable development of the sectors of reference, Acea establishes **collaborations and partnerships with complementary companies** or organisations operating in sectors similar to the businesses it manages and **with innovative players**.

In 2020, Acea was a partner of the **“Circular 4 Recovery”** call for projects, promoted by Marzotto Venture Accelerator to **select innovative projects aimed at creating eco-friendly development models and fostering the transition to a more sustainable economy**. In particular, the call selects, awards and supports entrepreneurial projects aimed at the development of innovative technologies, solutions and services with a low environmental and social impact in the following 5 Key Focus Areas of the Circular Economy: *Circular Bioeconomy, Circular Water Economy, Circular Energy Economy, New Circular Life Cycles, Circular City & Land*. The Company has **signed specific agreements (MOU) with private**

companies engaged in the green and circular economy, advanced systems design, innovative recycling treatments, waste recovery and emission reduction sectors, including the memorandum with Nextesense, aimed at the use of visible-light sanitising lamps (BIOVITAE) in the purification of water and waste; the agreement entered into with the Company OPUS for the creation of an analytical robot for analysing total suspended solids in wastewater, with the possibility of obtaining a joint patent for the product; the understanding reached with the Company RAFT for the production of new technologies for reducing emissions, particularly odorous emissions, through photocatalysis and catalytic oxidation; the collaboration agreement entered into with the SERSYS Group for the joint development of projects and collaboration in the field of waste treatment and specialist analytical activities.

Lastly, in December 2020, in collaboration with Kaggle, the Google platform that hosts the world's largest community of data scientists, **Acea launched “Acea Smart Water Analytics”, the first global hackathon on Kaggle**, with the objective of developing a mathematical model capable of forecasting water availability at the many different supply sources (wells and aquifers) distributed throughout the territory to safeguard the bodies of water managed by Acea.

The virtuous relationship with the local region is also expressed through the **collaboration between Group companies and the world of school and academic education and research** (in the *Customers* chapter, see the section on *Communication, events and solidarity*, and in the *Personnel* chapter, see the section on *Development of human resources and communication*).

In the context of the **“SOSTenibile” school project**, **Acea Ambiente** distributed 320 water bottles bearing the Company logo to some schools in Umbria. In 2020, **AdF** continued the **“Acquadicasamia” project**, targeted at schools in the managed area, and launched an **online teaching section** for the 2020-2021 year, called AdF Educational, to offer environmental education lessons in a way that is compatible with social distancing restrictions. In compliance with the restrictions, **Gori** continued to interact with the schools throughout the year, in synergy with the local Municipalities, and particularly promoting the **“Plastic Free” project** and the distribution of more than 2,500 bottles to primary school pupils.

Collaborations between Acea and universities take place within the framework of **conventions and dedicated agreements**. Examples of this include the Framework Agreements with **the University of Tuscia and the University of Cassino and Southern Lazio**, aimed at creating collaboration in the field of **research and innovation**.

In the **energy sector**, Areti has established a collaborative project with the **University of Naples**, on specific technical projects, including **the development of algorithms for estimating and measuring the technical losses** of the low voltage electricity network and the **study of an electronic current transformer capable of solving the limitations inherent in traditional magnetic core devices**. For the electronic current transformer, a **patent application** has been filed, and a public tender process will also be organised for the related engineering and industrial production.

In the context of the **“Smart Metering 2G” project**, and together with **Turin Polytechnic University's** Department of Electronics and Telecommunications, Areti participated in planning activities for RF 169 MHz coverage for Smart Metering 2G. Areti has commissioned a third-party Company to prepare the **169 MHz distribution model** in the Rome region and Turin Polytechnic University has verified and validated the proposed model.

Working with **Guido Carli LUISS University**, a **scientific research site was opened, aimed at disseminating the model for the leveraging of Company assets**, with the contribution of employees involved in dedicated workshops and, in scientific partnership with the LUISS Business School, a training programme called **Managerial Academy** continued throughout the year, aimed at creating a centre of **managerial excellence in the field of multi-utilities** in the Roman area (see the chapter *Personnel*, paragraph *Training and development of personnel*). Acea Ato 2 entered into a **research agreement** with Sapienza University of Rome's Department of Civil and Environmental Engineering for the completion of academic and research activities **aimed at making water distribution networks more efficient, reducing water losses and protecting the resource**. In addition, in order to assess **the impact of climate change on the availability of water**, it entered into a **collaboration agreement with the CNR's Water Research Institution** for the development of instruments and tools to model the maximum available drinking water flow rates in relation to weather/climatic conditions. Lastly, in terms of initiatives to protect sources of supplies, Acea Ato 2 entered into a **research agreement with Sapienza University of Rome's CERI Geological Risk Prevention and Control Research Centre**, for the study of geological hazards, with the implementation of monitoring systems and the relative reporting for managerial purposes, at the Peschiera and La Capore Springs plants. **Acea Ato 5** entered into an agreement with the **University of Cassino and Southern Lazio**, aimed at creating collaboration in the field of **research and innovation**.

Gori established a study, research and technical/scientific support agreement with **Federico II University of Naples' Department of Land, Environment and Resource Sciences**, for the de-

sign of a network to qualitatively and quantitatively monitor the principal aquifers in the area, the performance of hydrogeological analysis for the prevention of water deficits caused by climate change and better resource management.

Acea Elabori entered into a Collaboration Agreement with **Sapienza University of Rome's Civil and Industrial Engineering Faculty**, for the development of an effective training course connected to the needs of the world of work, the dissemination of the scientific culture and student support, and the increasing of female enrolment in the Faculty's courses, and signed a **Framework Agreement with the CNR (Italian National Research Council)** to collaborate on minimising the production of sludge and chemical contaminants; on combined treatments for liquid waste, sludge and organic fraction of municipal solid waste (OFMSW) with the recovery of material and energy with a view to a circular economy and sustainable management; on mobile plants for the localised treatment of sludge and waste; on the issue of atmospheric emissions with a focus on innovative solutions and the sustainable management of water resources.

Lastly, Acea has joined the **University of Milan School of Management's Startup Intelligence, Space Economy and Artificial Intelligence observatories**, and is a partner and member of the Scientific Committee of the **Level 2 Master's in Digital Open Innovation & Entrepreneurship**, provided by the **Campus Bio-Medico University of Rome**.

COMPARISON WITH THE REFERENCE CONTEXT

Acea participates in **Research Centres, Standard-setting Bodies and Industry Associations**, acting as promoter or contributing to studies in the businesses in which it operates.

THE 2020 MEMBERSHIPS OF RESEARCH CENTRES, STANDARD-SETTING BODIES AND INDUSTRY ASSOCIATIONS

During the course of the year the Group renewed and activated numerous memberships of organisations of interest, including:

- AGICI – Finanza d'Impresa;
- AICAS Associazione Italiana Consiglieri, Amministratori e Sindaci;
- AIDI Associazione Italiana Illuminazione;
- Analysis;
- Andaf;
- ANFOV;
- ASCAI;
- Aspen Institute Italia;
- Assochange;
- Associazione Amici della Luiss Guido Carli;
- Associazione Civita;
- Associazione Geotecnica Italiana;
- Associazione Italiana Internal Auditors;
- Associazione Italiana Esperti Infrastrutture Critiche (Italian Critical Infrastructure Experts Association – AIIC);
- Associazione Elettrotecnica ed Elettronica Italiana (Italian Electro-technical and Electronic Association – AEI);
- Associazione Idrotecnica Italiana (Italian Hydro-technical Association – AIH);
- Associazione nazionale fornitori di elettronica (National Electronics Suppliers Association – Assodel);
- Assonime;
- ASTRID;
- CEDEC Bruxelles (European Federation of Local Energy Companies);
- CEEP Bruxelles (European Centre of Employers and Enterprises providing Public services);
- Centro Studi Americani (Centre for American Studies);
- CDP Worldwide;
- CISPTEL Confservizi Toscana;
- CLUB Ambrosetti;
- Comitato Elettrotecnico Italiano (Italian Electro-Technical Committee – CEI);
- Confindustria Umbria;
- Conseil de cooperation economique;
- CONSEL Consorzio Elis per le Formazione;
- CSR Manager Network Italia;
- Distretto Tecnologico Nazionale sull'Energia (Di.T.NE.);
- E.DSO Bruxelles (European Distribution System Operators' Association for Smart Grids);
- Elettricità Futura ("Future Electricity" formerly Assoelettrica-AssoRinnovabili);
- Energy and Strategy Group – Politecnico di Milano (Polytechnic of Milan) (ES-MIP);
- EURELECTRIC Bruxelles (Union of the Electricity Industry);
- FAI Fondo per l'Ambiente Italiano (Fund for the Italian Environment);
- FERPI;
- FIRE (Federazione Italiana per l'uso Razionale dell'Energia) (Italian Federation for the Rational Use of Energy);
- FISE Assoambiente;
- Fondazione Global Compact Network Italia (Global Compact Network Italy Foundation);
- Fondazione Roma Europa;
- Fondazione Utilitatis (Study and Research Centre for Water, Energy and the Environment);
- Gruppo Galgano;
- IATT (Italian Association for Trenchless Technology);
- ICESP Piattaforma Italiana Economia Circolare coordinata da ENEA;
- I-Com (Istituto per la Competitività – Institute for Competitiveness);
- IGI (Istituto Grandi Infrastrutture);
- InnovUp;
- ISES Italia (International Solar Energy Society – Italian Section);
- Laboratorio dei Servizi Pubblici Locali di REF-Ricerche (Local Public Services Laboratory of REF-Ricerche);
- NORMAN NETWORK;
- Italian Phosphorus Platform coordinated by AENEA and MATTM;
- Servizi Professionali Integrati;
- UNI (Italian Standards Body);
- Unindustria Lazio;
- UPA Utenti Pubblicità Associati;
- Utilitalia (Federazione delle imprese ambientali, energetiche ed idriche) (Federation of Environmental, Energy and Water Companies);
- UNICHIM;
- World Energy Council (WEC).

Acea participates in occasions for dialogue with the business world and the scientific community on issues of national and international importance and offers its own specialist contribution on the occasion of thematic conferences, forums and workshops on topics linked to its managed companies, also presenting publications and works of technical-scientific relevance. In particular, during the year it built a network of relationships with universities, research centres, technology partners, startups and SMEs to strengthen its national and international presence in the field of **innovation**.

The Group participated in events and organised numerous initiatives, predominantly implemented digitally as a result of the pandemic, which have already been mentioned (see the chapters *Customers and the community*, paragraph *Communication, events and solidarity*, *Strategy and sustainability in Corporate identity* and the section *Relations with the environment*). Here, only the **Sustainability day**, as an occasion for discussion and debate among representatives of institutions and sustainability experts with regard to the challenges facing the green evolution of networks and cities in the time of Covid-19, **Ecomondo**, within the framework of which there has been a growing drive towards sustainability and a concrete commitment to protect and build *smart cities* characterised by technological innovation and the green and circular economy, **Maker Faire Rome**, the largest initiative in Europe devoted to innovation, which this year concerned new technologies and innovative projects for redesigning the future of water and the environment, **SMAU**, the event dedicated to innovation for businesses and the public administrations, in the context of which Acea won the “SMAU Innovation Award” for the second time with the Waidy project.

With regard to sustainability issues, Acea participates in **networks of experts, working groups, studies and sector research** organised by the academic world, civil society, institutions or business entities. Indeed, the Company is active as an associate in the **Global Compact Network Italy Foundation**, the representative body of the United Nations Global Compact in Italy, and in the **CSR Manager Network**, the national association that brings together the main Italian companies active in *corporate social responsibility*.

Acea's participation in **Utilitalia**, the federation that brings together the *multi-utilities* of water, environment, energy and gas, is also expressed through its participation in **technical panels and topical working groups, including the one dedicated to Sustainability**.

The Company also participates in benchmark analyses on sustainability in Italian *Utilities*, like those carried out by the **Utilitatis** research centre and **Top Utility**.

Acea took part in the **Energy, Environment and Sustainability Tech-**

nical Panel for the preparation of the **Manifesto for Energy and Sustainability**, which was delivered to the Italian Minister for Innovation and the Chair of the Council Presidency's Italia Benessere Steering Committee.

In addition, in 2020 together with its Parent Company's sustainability representatives, **Acea SpA's Innovation Unit participated, in the working group on “Innovation and Sustainability” organised by Assonime**, the relevant association of joint stock companies, within which a *paper* was drawn up on how the two issues are related in the business context. To that end, some best practices that Acea has implemented in the innovative “as a service” model, the **corporate entrepreneurship** programme and, above all, the **lean procurement processes for startups and innovative SMEs**, as a testament to the competitive sustainability of small-scale suppliers with high technological potential; the most innovative projects with a significant impact in terms of sustainability, such as e-mobility and Acea SmartComp, were also presented.

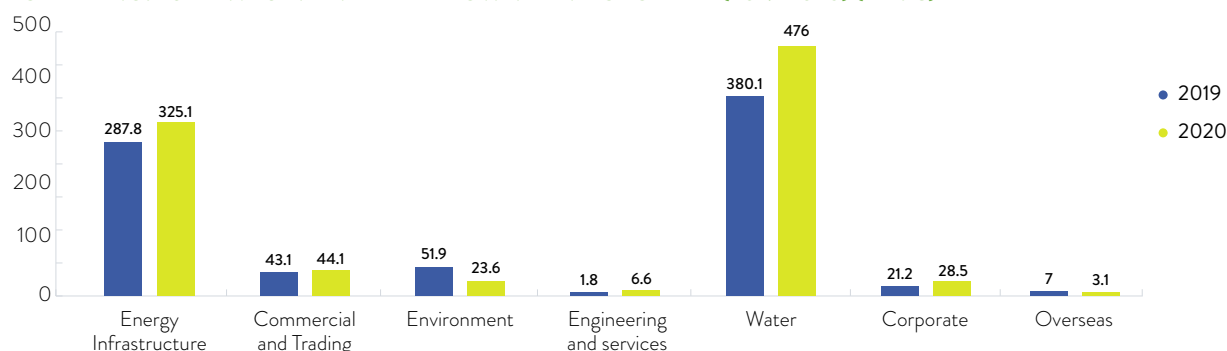
THE COMPANY AS A STAKEHOLDER

THE MANAGEMENT OF COMPANY ASSETS

Acea protects and enhances its tangible and intangible assets, seeking a sustainable financial position and **governing the internal needs**, linked to the operating management and the **growth prospects**, consistently with the aims expressed in the business mission and the strategic plan.

In 2020 **investments** totalled **€ 907 million, up 14.4%** (€ 792.8 million in 2019). These were distributed by business segment as follows: € 23.6 million for the **Environment** segment, in particular for the revamping of the 4th San Vittore line, for works on the Aprilio plants and the landfill in Orvieto; € 44.1 million for the **Commercial and Trading** segment, especially on activities related to the acquisition of new customers and for IT implementation and licensing projects; € 476.9 million for the **Water** segment, due to the investment plan distributed throughout the entire water cycle supply chain and the main companies and AdF's consolidation; € 6.6 million for the **Engineering** segment which takes account of SIMAM's consolidation; € 325.1 million for the **Energy Infrastructure** and **Generation** segment, partly earmarked for works on MV/LV networks and works on substations and meters and partly earmarked for maintenance works on some power plants. The value also includes photovoltaic plant construction activities. Finally, the **Parent Company** and **Overseas** with investments for about € 28.5 million and € 3.1 million, respectively.

CHART NO. 45 – INVESTMENT BREAKDOWN BY MACROAREA (2019-2020) (mln. €)



Depreciation, amortisation, provisions and write-downs amounted to **€ 620.5 million** (19.5% higher than 2019 restated). The increase in depreciation and amortisation is associated, net of the changes in the scope, with investments in the period in all business areas and also took into account the developments connected with the technological platform common to the ACEA Group. The effect of the acceleration of depreciation (started at year-end 2019) of first-generation electrical meters plays a part. The increase in the item impairment of receivables is mainly attributable to Areti, which in 2019 benefited from the positive effects following Resolution 568/2019/R/eel which provided for the recovery of the portion related to the network tariffs. The provisions for risks have decreased by € 5.0 million.

THE COMMITMENT TO RESEARCH AND INNOVATION

Scientific and technological innovation at the service of business processes is one of the **pillars** of the **Group's strategic planning**, which in 2020 invested more than **€ 13 million on this aspect**.

To manage **the Group's innovative direction**, the Company **Acea Innovation** was reorganised throughout the year, with the *mission* of enabling the Group's design and innovative initiatives and generate products and services for the business (B2B) and institutional (B2G) markets. In 2020, activities were mainly focused on electric mobility, and Acea SpA's **Technology & Solutions Department** was strengthened, with the *mission* of developing and implementing infrastructures, systems, products and services in the technological, innovative and digital arena, directing and coordinating preparatory activities for the creation of products and services in market segments of interest.

At Acea, **innovation** is a **cross-sectional** strategic lever that is **open** to the external ecosystem; through its innovative approach, the Company aims to **explore new businesses** and create new development models.

The **Innovation Model** identifies the Group's internal needs and seeks innovative solutions, adopting processes and approaches typical of **Open Innovation**, with the **collective generation of ideas** and the involvement of internal and external stakeholders, starting with the conception process, moving on to the trialling of the design concept, to the implementation of the projects. According to this logic, the **promotion of the Group's culture of innovation and the development of internal entrepreneurship are fundamental** and to that end a dedicated *crowdsourcing* platform was created, which collects employees' design ideas and creates a Company space for active involvement.

Also present is the **Innovation Board**, made up of innovation representatives from the various industrial entities, which, in a shared manner, defines and creates the Group's innovation strategy.

To render the approach to innovation systematic:

- the **Innovation Garage corporate entrepreneurship programme** was developed, which leverages on the entrepreneurial skills of employees;
- **idea generation workshops** are organised to creatively address business and innovation needs;
- internal communities are active, as **experimental spaces in which new tools and languages can be collectively studied and analysed, best practice can be shared, and new projects can emerge**, and include the Data Community, an informal space in which professionals from the various businesses meet and exchange knowledge on issues related to the world of data.

Thanks to the **"Innovation garage"** programme, in 2020 **two projects** focusing on the **improvement of customer experience** and **appreciation for water resources** were implemented. One of these is the Waidy project, an app that can be downloaded

from all app stores, **which makes it possible to geolocate public water supply points**, access additional information, and report any faults in real time in terms of the qualitative and quantitative parameters of the water supplied (also see the chapter on *Customers and the community*).

In 2020, **four workshops on issues of interest in the commercial and water sectors, on sustainability, and on data management** were organised digitally. They included:

- the **machine learning workshop** for the Data Community, based on learning-by-doing, with the aim of exploring the potential of machine learning through the development of technical skills in Python, one of the most commonly used programming languages in the world;
- the **SDG Lab course**, with **creative sessions for Group employees** invited to contribute with **ideas and initiatives for Acea's commitment to the main UN Sustainable Development Goals (SDGs)**, generating awareness of the roles that sustainability and innovation have in the creation of shared value.

Valid design concepts emerge from these workshops, and are then developed and implemented by the Company. One of these made it possible to create the **LabSharing platform** for the external sharing of know-how and instruments at Acea's cutting edge (see the *Research and innovation at Acea SpA* box below).

In addition, the Innovation Model provides for the use of the **innovation factory**, a versatile **market analysis, continuous scouting and partnership development** format, used at the national and international levels, **with actors from the innovation ecosystem engaged in sectors of strategic interest to the Group**. Thus, Acea is able to activate privileged channels to access ideas, business and technological opportunities, academic research and new talent to innovate businesses, processes and Company projects. For similar reasons, 2020 also saw the confirmation of involvement in **Startup Europe Partnership**, an Open Innovation programme that puts European scaleups into contact with corporates, and **Elis Open Italy**, the co-innovation programme to combine the innovation needs of companies in the consortium with the offer of startups, innovative SMEs, university spin-offs and research centres.

To intercept innovative trends, scenarios and projects, and discover new suppliers and business partners, Acea has renewed its partnership with **Milan Polytechnic University's Digital Innovation Observatories**, a benchmark of digital innovation in Italy in Italy, participated in the **Artificial Intelligence Observatory**, a discussion-based community for investigating the true potential of Artificial Intelligence, and for the first time became involved in the **Space Economy Observatory**, to explore the technological opportunities and business impacts of the Space Economy and experiment with space technologies.

In addition, the **collaborative projects with Talent Garden**, to develop collaboration on digital transformation and corporate innovation projects, **and with Roma Startup**, the association created to consolidate Rome's startup and innovation ecosystem, were renewed. Lastly, over the year, **ACEA joined Innov-Up, (formerly Italia Startup)**, a non-profit association that represents the ecosystem of Italian start-ups, widened to all private and public bodies, which facilitates the enhancement, visibility and growth, to favour the creation of a new Italian entrepreneurial fabric, **and ANFOV**, an association that promotes discussions between all business and institutions involved on the telecommunications sector and monitors, analyse and promotes the development of the contiguous ICT scenarios.

Finally, Acea is a partner of the Italian National Young Innovators Association (ANGI) and, as part of the “National ANGI Award”, collaborates in the awarding of the special “Innovation Leader Award” for young talent in the world of innovation.

In recognition of the results achieved by Acea in the field of innovation, in 2020 the Company won prestigious awards (see the box for more details).

AWARDS IN THE FIELD OF INNOVATION

Acea's commitment to innovation has been recognised by important institutional initiatives. In December, the Company was awarded the “Premio dei Premi” [Prize of Prizes]: this award, instituted by the Presidency of the Council of Ministers on behalf of the President of the Republic, is conferred annually on companies, industrial groups, public administrations and research bodies that have achieved significant product or process innovation. In particular, the award recognises Acea for having given “evidence of a structured approach to innovation that has led to the definition of an ‘Innovation Board’ and two organisational units for innovation, in support of corporate strategies”.

The Company also won the “Premio Imprese per Innovazione” [Enterprise Award for Innovation], now in its 11th edition, promoted by Con-

findustria. This award is given to organisations that have successfully invested in research. The ‘Enterprise Award for Innovation’ participated in the ‘Industry and Services’ section of the above-mentioned ‘Prize of Prizes’. Acea has thus distinguished itself as one of the three large Italian companies that have most distinguished themselves for their work and achievements in innovation in recent years. CEO Giuseppe Gola said: “Innovation is an **integral part of the Group's strategy, in terms of technological evolution and as a value that is shared at every level of the Company. We see the future in innovation.** This is why at Acea we are experimenting with an open, shared and participatory culture of innovation, which is a lever to evolve our services and improve the lives of millions of people in our areas of operation.

With reference to the Group's industrial processes and infrastructure, the following boxes illustrate, by way of example, the main **research and innovation projects** carried out in 2020 by Acea SpA's Technology and Solutions Department, Acea Innovation, Acea Elabori and the Group Operations. We also recall what has already

been illustrated in the paragraph *Relations with institutions*, and in particular in the sub-paragraphs *Some projects for the development of the territory* and *The comparison with the reference context*; also see the chapter *Customers and the community* and the section *Relations with the environment*.

RESEARCH AND INNOVATION AT ACEA SPA

In 2020, Acea SpA's Technology & Solutions Department, initiated and/or carried out the following experiments with the involvement of all Company entities and external start-ups:

- the implementation of the “**UFirst**” project, a full digital booking system for the water companies' public branches, in particular Acea Ato 2, which was adopted as an anti-crowding solution in the emergency context;
- the activation of a remote helpdesk service for all ADR operatives in **video call mode with augmented reality**;
- the creation of **dynamic dashboards updated in real-time** to identify land displacement in the vicinity of Acea's strategic assets;
- the creation of **data-driven tools** for correlating primary substation failures with the time taken to identify the cause of the failure;
- the implementation of **artificial intelligence devices in Company vehicles** to map assets, territories and improve in-car safety;
- the creation of a **new navigable web bill** for water, to be activated in 2021;
- the **detection of water leaks** using technologies developed by two innovative start-ups;
- the launch of the **Paso project**, in collaboration with the M2D startup technologies, for the **improvement of the medium volt-**

age fault selection process on the electricity distribution network, which can be achieved by replacing human operations with a synthetic automatic logic, **using data driven techniques**. To this end, clusters relating to fault selection manoeuvres and representative samples were identified in order to carry out *what-if analysis* and benefit estimation, comparing the efficiency and effectiveness of field operations with that obtainable from synthetic logics; the analysis was concluded with excellent results, enabling identification of recurrent causes for the fault selection classes;

- the launch of the “**Safety check**” project at the sites managed by Acea Elabori to remotely check the safety conditions of personnel working at the sites, as well as compliance with the provisions issued by the Employer on health and safety matters. The system detects potentially hazardous situations and returns an alert through the use of special IoT sensors in the field, representing a valuable tool to help further improve the Company's security standards (see also the chapter on *Suppliers*);
- the implementation of the “**Bonifiche anagrafiche**” [Master Reclamation] project, a data retrieval system able to retrieve customer master data, thanks to machine learning and artificial intelligence, and automate internal data quality processes (see also the chapter on *Suppliers*).

RESEARCH AND INNOVATIVE SOLUTIONS IN ACEA INNOVATION

Acea Innovation was particularly active in 2020 on the **electric mobility** front and, through the Company Electric Drive Italia, acquired in May,

completed the development of the **Charging Point Operator platform** and made the **Mobility Service Provider platform** available to Acea Energia.

RESEARCH AND INNOVATION IN NETWORKS OPERATIONS AND GENERATION

In 2020, **Areti**, as part of its electricity distribution activities, launched or implemented several innovative projects, including:

- the **“PlatOne” project**, funded by the European Community, co-ordinated by the Company and involving 12 partners from Germany, Belgium, Greece and Italy, which promotes a **new approach to managing distribution networks** that makes them **more stable in the presence of large loads of energy from variable renewable sources**, through the use of flexibility measures, storage and demand response services, with smart grid technologies and tools for the automation and control of the network and distributed energy sources;
- The **POLEDRIC project**, for the development and implementation of an innovative technological solution, aimed at the realisation of a “smart pole”, which will be applied to the public lighting poles of the city of Rome; the IP pole will be equipped with a device able to improve the public lighting service (through sensors and the use of advanced technologies) and enable additional environmental, security and communication services (environmental sensors, traffic and parking monitoring sensors, video surveillance and video analysis services, etc.), in a smart city perspective;
- the **“G.I.M.I.” project** (Massive and Targeted Infrastructure Inspection Management), to **reduce undiscovered faults on overhead lines** and asset monitoring, through periodic analysis of satellite images

- and targeted drone inspections;
- the **“AUTONOMOUS” project**, to **reduce the incidence of faults in the primary substation**, by means of preventive inspections either autonomously or remotely guided by a UGV (Unmanned Ground Vehicle) drone;
- the **“Automa per Selezione Guasto in TLC”** [Automated Fault Selection in TLC] project, aimed at supporting and **automating human operations, with Robotic Process Automation techniques**, from a remote controlled central fault selection system on the network;
- the **“4G Automation” project**, aimed at implementing a **field automation solution for fault selection** using the 4G network, which is much more pervasive and immediately usable compared to fibre optics.

Acea Produzione continued the **technical-economic feasibility study for the creation of a battery-based electricity storage system**, evaluating the integration of storage equipment with large photovoltaic plants under development, including for providing network services on TERNA's ancillary markets, and started the installation of the **WONDERWARE SYSTEM PLATFORM software**, aimed at the continuous monitoring of quantities, analysis and extrapolation of information relating to hydroelectric production plants and photovoltaic plants, preparatory to reporting activities, including for statistical and study purposes.

RESEARCH AND INNOVATION IN WATER OPERATIONS

Acea Ato 2 carried out **research activities** and **technological-digital innovation**, with the aim of improving operational performance.

For innovation applied to the management of **water distribution networks**, new-generation techniques were tested – **satellite, noise recorder and fibre optics for searching for hidden leaks** (Noise Logger and Satellite Radar Interferometry) – and the districtisation of **more than 7,000 km of network** was carried out, with the integration of a mathematical model for setting pressure regulation valves and the installation of instrumentation for **advanced remote management**.

With regard to **wastewater treatment**, the main projects concerned:

- the installation of the new ozonolysis station for **sludge reduction** at the Ostia plant, in view of the excellent results already obtained with the testing of the system;
- the **optimisation of the anaerobic sludge digestion compartments**, activated at some of the managed treatment plants, including in relation to the biomethanisation power of the sludge (primary, secondary, etc.);
- the **search for emerging organic micropollutants (EOMs)** to limit their release into the natural environment, as they are potentially hazardous (endocrine disruptors, non-target substances and transformation products).

As part of the protection of **water resources**, **satellite monitoring of safeguarded areas** continued, aimed at detecting morphological changes (new buildings, earthworks, etc.), followed by related verification activities, and **experimentation began on an innovative filtering material to reduce arsenic in water intended for human consumption**.

A technology partner was also selected for the development of the **“Water Management System project (WMS)”**: a user-friendly, multi-channel application solution capable of representing, analysing, monitoring and reporting on huge amounts of data and information from multiple information systems.

With reference to **water purification** activities, at the Grottarossa plant, **Acea Ato 2** conducted studies on the emerging micropollutants present in the treated water (Tiber River) and their outcome in the treatment phases, as well as on the formation of disinfection by-products (chlorine dioxide and sodium hypochlorite).

Acea Ato 5 conducted experiments on:

- **innovative technological solutions aimed at recovering materials from sewage sludge**;

- **satellite leak detection**, with the analysis of images taken to pre-locate water leaks; the images were subjected to algorithmic analysis and the water network was investigated by satellite buffer acquisition.

AdF has strengthened its commitment to research and innovation, **creating a specific dedicated Operating Unit** and launching experiments and research projects on:

- the **qualitative and quantitative characteristics of the water resource of the Santa Fiora springs on Mount Amiata**, the main source of supply under management, through an in-depth study in scientific partnership with the CNR in Pisa - Geosciences and Georesources Institute (IGG);
- **massive remote reading of meters** across the territory through drive-by and walk-by reading, covering around 35% of the installed base of meters;
- the **network data collection platform** (based on Hitachi Lumada), with predictive algorithms and correlations between measurements from innovative sensors installed in the field and remote control and data management platforms already in use;
- the **installation of innovative battery-powered pressure and temperature sensors** with NBloT technology and the related management and measurement analysis platform;
- the launch of the **“WPOM (Wastewater Pumps On-condition Maintenance)” project** for the development of an algorithm to detect anomalies in sewage pumps by processing data from the Wonderware database;
- the construction of a **centralised platform for the treatment of sludge from sewage treatment plants** by means of thermochemical hydrolysis.

As part of the **protection of water resources**, **AdF** has launched **three pilot studies**, which will continue in 2021, to test innovative technologies applied to network management: a **satellite monitoring project to locate water leaks**, a **pressure monitoring and management project**, and the **testing of a predictive methodology** that, based on historical, geomorphological and hydraulic data from the aqueduct graph, can **identify the areas at greatest risk of rupture**.

Gesesa continued the **implementation of the remote control system**, starting with the sewage lifting stations.

Gori has implemented **IoT technologies and advanced sensor technology** for environmental protection, with the installation of 300 sensors and remote monitoring of wastewater flood drains.

RESEARCH AND INNOVATION IN ENGINEERING OPERATIONS

Acea Elabori, with the involvement of all corporate entities, universities and companies in the sector, launched and/or carried out **the following experiments** in 2020:

- the **"Acea Smart Comp" project**, which applies a *waste transition* logic and proposes a new model of **organic waste management**, from large-scale plants to local and widespread waste management;
- the **LabSharing platform**, developed in collaboration with Acea SpA's Innovation Unit and the Company's Laboratory and presented in Rimini at Ecomondo 2020. The online platform will also allow third parties (organisations, universities, research centres) to make use of Acea's structures of excellence and scientific support in the field of highly complex environmental controls. In particular, **the platform allows you to view the analytical offer, arrange for analyses** on environmental matrices (water, air, soil and others) and **follow the progress of your order** via a dashboard. Eventually, the platform **will turn into a collection of research projects**, through the 'Showcase' section. The key words of the project are sharing, innovation and sustainability: both as a way of working, participating and collaborating, and as an innovative service;
- the development of **a protocol for the detection of SARS-CoV-2** in the wastewater matrix;
- Research into **microplastics in water**, including through the development of Raman spectroscopy methodologies, in collaboration with ENEA;
- the development of **low-cost smart sensors** for community composting (ENEA-funded project).

RESEARCH AND INNOVATION IN ENVIRONMENT OPERATIONS

In 2020 in the Environment Operations the following research and innovation activities are worth mentioning:

- the completion of experimental activities for the development of a plant solution aimed at **recovering sodium bicarbonate and calcium chloride dihydrate** (reaction by-products) from the treatment of Residual Sodium Carbonate (RSC), deriving from the neutralisation phase of the acid fumes produced by the waste-to-energy plants, currently under contract, and the start of activities to define the industrial *scale-up*;
- The completion of **experimental activities for the treatment of fly-ash and bottom-ash** for the recovery of the inert fraction **present** and treatment for the reduction of hazardous characteristics, and initiation of activities to define the industrial scale-up;
- the completion of the feasibility study, carried out with the Politecnico University of Milan and the National Interuniversity Consortium of Materials Science and Technology, for the implementation of a type of **conversion of the energy content of plasmix** (waste that cannot otherwise be separated from the mechanical sorting processes of plastics) for the **production of methanol** and the definition of the contents of the *Licensing*;
- initiation of the technical-economic analysis and **experimentation of the wet oxidation process of sewage sludge using** Granit Technologies and Engineering's **CleanWOx® technology**.

