



CONSOLIDATED FINANCIAL STATEMENTS 2024

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1. CORPORATE OFFICES

Board of Directors ¹

Chairman Lorenzo Perra
Vice Chairman Nicola Ciolini
Chief Executive Officer Alberto Irace
Director Francesca Calamai
Director Francesca Panchetti
Director Filippo Sani
Director Marco Baldassarri
Director Libero Mannucci
Director Manuela Grassi
Director Edoardo Franceschi

Board of Statutory Auditors ²

Chairman Sauro Settesoldi
Standing Auditor Cristina Pantera
Standing Auditor Massimo Armellini
Alternate Auditor Enrico Terzani
Alternate Auditor Simona De Ria

Financial Reporting Officer

Demetrius Mauro

Independent Auditors

PricewaterhouseCoopers S.p.A.³

¹ Appointed by the Shareholders' Meeting of 16 June 2023 for the three-year period 2023-2025

² Appointed by the Shareholders' Meeting of 16 June 2023 for the three-year period 2023-2025

³ Appointed by the Shareholders' Meeting of 16 February 2017 for the nine-year period 2017-2025

2. NOTICE OF ORDINARY SHAREHOLDERS' MEETING

The shareholders are hereby called to the Ordinary Shareholders' Meeting to be held on Friday 27 June 2025 at 08:00 at the Company's offices in Florence, Via Torre degli Agli no. 48, on first call and, if necessary, on second call on Tuesday 01 July 2025 at 09:30 in Florence, at the Palazzo dei Congressi in Piazza Adua no. 1, to discuss and resolve on the following:

Agenda:

1. Communications by the Chairman and the Chief Executive Officer;
2. The Company's Financial Statements at 31 December 2024, Report by the Board of Directors, Board of Statutory Auditors and the Independent Auditors. Presentation of the Company's Consolidated Financial Statements at 31 December 2024. Presentation of the Sustainability Report as per Italian Legislative Decree 125/2024 implementing Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive, CSRD). Related and consequent resolutions;
3. Allocation of the profit for the year and proposal for the distribution of dividends as permitted by law. Related and consequent resolutions;
4. Any other business.

Alia Servizi Ambientali S.p.A.

Registered office in Florence, Via Baccio da Montelupo, no. 52

Share Capital € 362,655,325 fully paid-up

Tax Code 04855090488

Entered in the Florence Business Register 04855090488

Florence R.E.A. [Economic and Administrative Index] no. 491894

3. REPORT ON OPERATIONS – CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

3.1 Highlights of the year

The Group closed the 2024 financial year with significant growth in its main economic and financial indicators, a result made all the more impressive given the complex national and international economic framework, among other things.

The results of the financial statements confirm the Group's industrial growth both in regulated activities, with the entry of Publiacqua into the scope of consolidation, and in market activities, highlighting the considerable commitment to development and investment.

FY 2024 closed with an adjusted EBITDA of € 351.3 million, a considerable increase of € 213.8 million (+155.6%) compared to FY 2023 (€ 137.4 million). Referring to the analysis by business segment for more in-depth information, all of the Group's businesses outperformed 2023, offsetting both market dynamics and, among other things, the completion of the energy efficiency activities ("110% Superbonus") that had driven the results of the energy market in the previous year.

Adjusted EBIT amounted to € 113.5 million (+€55.6 million compared to 2023), after increased depreciation and amortisation as a result of higher investments, especially in the Environment and Gas Distribution segments. Adjusted net profit was € 69.7 million (€ 45.7 million in 2023).

Shareholders' equity at 31 December 2024 rose to € 1,538.3 million (€ 1,236.9 million at 31 December 2023), due to the combined effect of corporate transactions, the profit for the period and the distribution of dividends. Financial indebtedness amounted to € 836.9 million (€ 672.4 million [in 2023](#)).

The Group closed FY 2023 with net financial debt of € 456.0 million, a slight increase compared to 31 December 2023 (€ 447.3 million), mainly due to the cash absorption for new investments, mainly in the gas distribution business segment.

As a result of the contract awarded for the ATO TC (Central Tuscany) integrated waste management concession following the competitive procedure called by the granting entity, Alia Servizi Ambientali S.p.A. is qualified as a "public service concession holder", following a market tender, thus pursuant to and for the purposes of the combined provisions of art. 1, paragraph 2(d) and art. 3, paragraph 1(q) of Legislative Decree no. 50 of 18 April 2016, as such subject to public requirements only for "public works [...] strictly instrumental to the management of the service".

In addition to the above framework, it should be noted that: (i) pursuant to art. 3 of the Service Contract, the duration of the concession granted to the concession holder is twenty years, commencing from 31 August 2017, the date the contract was entered into; (ii) the territorial scope of the service concession – as defined in art. 9 of the Service Contract – includes the institutional territory of municipal administrations that are not shareholders of Alia Servizi Ambientali S.p.A.; (iii) the by-laws of Alia Servizi Ambientali S.p.A. do not contain any restrictions on the presence or maintenance of public equity investments in the share capital; (iv) the remuneration mechanism of the Service Contract changed from 2020 with the regulation of the integrated waste service by ARERA, specifically through the enactment of the regulations indicated below; as a result, ATO TC passed shareholders' resolution no. 17 of 28 September 2020 resolving on the "full approval of the ARERA MTR (Waste Tariff Method) in concessions".

With Resolution no. 17/2020, ATO Central Tuscany ordered the incorporation of the ARERA MTR into the concession, acknowledging that it was an "unforeseeable circumstance", pursuant to art. 175 of the Code, and as such susceptible to modifying the concession in the part relating to tariff mechanisms and determination of the consideration; the same rationale supported the adjustment of the service contract to the regulatory and contractual mechanisms, consequent and connected to the MTR set forth in ARERA Resolution no. 443 of 2019. Subsequently, with resolution by the Alia Board of Directors no. 11/21 and resolution of the Shareholders' Meeting of ATO no. 7/2021, the Parties formalised the amendments to be made thereto.

On 6 October 2021 (Index no. 28183), ATO and Alia Servizi Ambientali S.p.A. signed the supplement to the service contract. ATO Resolution no. 22/2021 of 30 December 2021 approved the criteria for allocating the efficient costs under MTR-2 to the individual tariff areas.

As part of the "Multiutility" project, the Alia Group aims to create an integrated player in the environment, energy and water cycle sectors and a single hub for the management of these services in the Tuscany Region. In fact, Alia heads

a Group of about 25 subsidiary or associated companies operating in the waste management and treatment sector as well as in other business sectors, including mainly:

- the integrated management of energy resources, which includes but is not limited to the distribution and sale of natural gas, the sale of electricity, the installation and operation of building heating systems with the possible supply of heat and/or fuel, and the production of energy from renewable sources;
- the integrated management of water resources, which includes but is not limited to the catchment, lifting, transport, treatment, distribution and sale of water for any use and in any form, the collection, treatment and disposal of wastewater and/or rainwater, the construction and management of wastewater treatment and purification plants, and the design, construction and management of artificial reservoirs and dams.

The “Multiutility” project saw significant progress during the year in terms of expanding the company and business scope.

In particular, the scope of the consolidated companies, after the entry of Estra S.p.A. and its direct subsidiaries from 1 July 2023 operating mainly in the energy sector, was further enlarged in FY 2024 following the acquisition of control of Publiacqua, the company entrusted, from 1 January 2002, with the management of the integrated water service by the Ambito Territoriale Ottimale no.3 Medio Valdarno, a territory, the backbone of Tuscany, which encompasses 4 provinces: Florence, Prato, Pistoia and Arezzo.

During FY 2024, the scope of consolidation was further expanded with the entry of GIDA S.p.A., which mainly operates in the services of purification, collection, transport and disposal of urban and industrial wastewater as well as the disposal, recovery, valorisation and reuse of sludge and other waste from water treatment plants and production processes.

The financial data shown and commented on in the following pages are prepared on the basis of the consolidated financial statements at 31 December 2024, to which the reader is referred, since, in accordance with current regulations, it was deemed more appropriate to prepare a single report on operations and therefore provide an analysis of the economic/financial trends deemed most relevant, represented by the consolidated data.

The consolidated financial statements for the year ended 31 December 2024 show a profit of € 59,222 thousand after taxes of € 19,552 thousand.

Shareholders' equity at 31 December 2024 amounted to € 1,538,337 thousand (€ 1,236,886 thousand at 31 December 2023). The Group closed FY 2024 with net financial debt of € 846,912 thousand (€ 670,371 thousand at 31 December 2023).

For more information, the activities of the Company and its subsidiaries are described in Note 8 “Business segments” of the notes to the financial statements. Information on the Group's structure is presented in Note 10 “Group Information”, while information on the Group's relations with other related parties is presented in Note 15.6 “Transactions with related parties” of the notes to the financial statements.

3.2 Legal profile of the Parent Company and corporate obligations

As of 2017, with the completion of the bond issue listed on the financial markets, the Parent Company is qualified as a PIE (Public Interest Entity pursuant to art. 16 of Legislative Decree no. 39/2010, as amended) and is subject to compliance with the regulatory framework of reference for the new subjective legal profile acquired. With regard to accounting, the Parent Company adopted the International Financial Reporting Standards (IFRS) as of the financial statements for the year ended 31 December 2017.

As a PIE, the Parent Company is subject to compliance with the following standards:

- Consolidated Act on Financial Intermediation - TUF (Legislative Decree no. 58/1998), with the limitations on periodic reporting obligations provided for by art. 83 of the Issuers' Regulation
- provisions concerning the Financial Reporting Officer pursuant to Legislative Decree no. 262/05
- provisions on non-financial disclosure set out by Legislative Decree no. 254/16
- provisions of Reg. (EU) no. 596/2014 (Market Abuse Regulation, MAR) on insider trading;
- compliance with the Transparency Directive (Dir. 2013/50/EU) on mandatory disclosures by listed companies.

The Shareholders' Meeting of 24 January 2018 approved an initial amendment to the By-laws, redefining the corporate purpose in line with the new legal regime as concession holder, as well as the establishment of the Financial Reporting Officer pursuant to Legislative Decree 262/05.

3.3 Market scenario

Macroeconomic context

In 2024, the global economic framework continued to be characterised by instability, fuelled by geopolitical tensions, including the conflict in Ukraine and the situation in the Middle East. Though there were signs of stabilisation in some markets, such as the energy market, energy prices remained volatile, affected by political fluctuations and difficulties in securing stable supplies.

In this context, the European Union reaffirmed the centrality of its energy policies as a crucial factor in achieving competitiveness, security and decarbonisation, with a view to achieving climate neutrality by 2050⁴. The transition to a more sustainable and secure energy system therefore remains a priority, despite the ongoing global challenges.

With regard to the economic situation, growth in Europe in 2024 was hampered by industrial weakness and stagnation in the services sector, while inflation remained relatively stable at around 2%⁵. In response to this scenario, the European Central Bank (ECB) adopted an inflation-oriented monetary policy with a focus on price stability in the euro area. Starting in December 2024, the ECB reduced its key interest rates by 25 basis points.

In summary, 2024 continued to be a year of global challenges, with moderate economic growth and volatility marking the international markets. Geopolitics, energy difficulties and monetary policies played a decisive role in the evolution of the world economy.

In this scenario, the OECD estimated global GDP growth in 2024 at 3.2%, in line with the previous year's figure⁶.

As far as international trade was concerned, a fluctuating trend continued in 2024: trade volume grew at a modest pace in the first and second quarters, and began to show signs of slowing down as early as the summer. However, this slowdown had less impact than expected, due to the sustained volumes of US imports. Overall, growth in world trade in goods and services in 2024 was 2.4%, compared to 0.6% in 2023⁷. In late 2024, the risk of a general tightening of protectionist policies by the United States became more acute. Therefore, according to the framework outlined by the Bank of Italy, the evolution of international trade during 2025 would be strongly influenced by trade policies adopted by the US and possible reactions of other countries⁸.

During 2024, economic growth in the major advanced countries continued with trends differentiated by area. GDP in the United States reported the strongest growth among the advanced economies (2.8%), while GDP growth in the United Kingdom (0.9%) and Japan (0.3%) slowed, due to weaker domestic and foreign demand, respectively. With regard to the emerging economies, China's GDP grew by 4.9%, though it continued to be affected by the slowdown in consumption and the current crisis in the country's real estate market. Russia's gross domestic product, on the other hand, grew by 3.9%; positive trends were also reported by India (whose GDP grew the most among the emerging countries, at 6.8%) and Brazil (3.2%)⁹.

The euro area economy accelerated in the summer months of 2024 compared to the first quarters, only to weaken at the end of the year, according to the Bank of Italy's initial estimates, as a result of the lack of buoyancy in consumption and investment, as well as the decline in exports. According to the macroeconomic projections of the European Central Bank (ECB) published in December 2024, the

the average annual growth rate of GDP in real terms was 0.7% in 2024¹⁰.

At the beginning of the year, GDP continued to stagnate due to the weakness of industry, despite signs of recovery in the tertiary sector, before expanding in the following quarter, driven by the tertiary sector, while in the summer months the GDP trend was associated with the weakness of the manufacturing sector and the expansion of the services sector.

According to the ECB's projections, headline inflation as measured by the Harmonised Index of Consumer Prices (HICP) was expected to rise at the end of 2024. However, the analysis predicted that inflation would fall and be around the ECB's target of 2% from the second quarter of 2025 onwards.

In 2024, the Italian economy experienced moderate growth: according to preliminary ISTAT estimates, GDP increased by 0.5% compared to 2023. This was supported by the contribution of net foreign demand, while domestic demand made a negative contribution.

⁴ European Commission, State of the Energy Union Report 2024, pg.2

⁵ PWC, *Congiuntura macroeconomica* (Macroeconomic Outlook) October-December 2024, pg. 3

⁶ Bank of Italy, Economic Bulletin 1/2025

⁷ Bank of Italy, Economic Bulletin 3/2024, 4/2024, 1/2025

⁸ Bank of Italy, Economic Bulletin 1/2025

⁹ Bank of Italy, Economic Bulletin 1/2025, pg. 7

¹⁰ Eurosystem staff macroeconomic projections for the euro area, December 2024

With reference to the Italian labour market, the increase in employment continued in the final months of the year, despite some signs of weakening such as the reduction in hours worked per employee and frequent recourse to the *Cassa Integrazione Guadagni* (redundancy fund). The fall in the attendance rate, which continued into the summer months, contributed to the drop in the rate of unemployment¹¹.

Industrial production in Italy showed signs of weakness during 2024, a year that began with the continuation of the drop in industrial activity that started in mid-2023. Production was mainly held back by the decline in the manufacturing sector, which was most pronounced in the textile, transport equipment manufacturing and metal industries¹². In contrast, an albeit slight expansion was observed in the services sector throughout 2024¹³.

As far as the real estate market was concerned, a positive trend was observed in 2024 that continued throughout the year, further consolidating in the autumn months the prospects for improvement¹⁴.

On the other hand, with regard to foreign trade, after an initial phase of stagnation, exports fell by 1.2% during the second quarter of 2024 due to the decline in the goods component, which offset the growth in the services component. Finally, according to the latest available data, between July and September the volume of exports decreased for the third consecutive quarter, still driven by the weakness of the goods component and also by the sharp decline of the services component. In contrast to the previous year, exports in the year in question were mainly supported slightly by European markets, while a decline in sales to non-European markets (mainly the United States and the United Kingdom) was observed¹⁵.

On the other hand, a different trend could be observed for imports: while they were on a downward trend (-1.0%) in the first part of the year, they grew slightly (0.3%) from the second quarter onwards, supported by the services component, while purchases of goods remained essentially stable. In the third quarter, imports in volume continued to increase (1.2%), due to both purchases of services and goods. The increase in imports of the latter was entirely attributable to higher purchases from the euro area, while those from external markets decreased¹⁶.

Trends in the energy market

Though geopolitical tensions persisted throughout 2024, the repercussions on the oil markets had very little impact, demonstrating the increased flexibility and ability to react to external events through new balances and sources of supply¹⁷.

In particular, oil demand totalled 102.8 million barrels/day, which is a volume of 0.9 million barrels/day more than in 2023, when the increase had been most significant (+2.0 million barrels/day). The slowdown in growth was mainly attributable to the cooling off of the Chinese economy. As for oil supply, 2024 volumes stood at 102.9 million barrels/day, up 0.6 million barrels/day from the previous year (the 2023 year-on-year increase was 2.1 million). This trend was the result of the OPEC+ members' management of cuts, which adjusted the supply to the increasingly uncertain evolution of demand¹⁸. During 2022 and 2023, OPEC+ progressively reduced production, between voluntary and collective cuts, by a total of about 5.9 million bbl/d. This reduction strategy was also been confirmed in 2024, indicating that OPEC+ countries expected demand to remain weak, while strong growth in supply from non-OPEC countries was expected¹⁹.

In this context, Brent prices over the past year fluctuated between 70 and 90 dollars/barrel, even in the face of critical issues in decisive areas such as the Middle East and the Red Sea. In fact, the 2024 oil market opened with a bullish phase in the first four months (around 90 dollars/barrel), followed by a bearish phase culminating at 69 dollars/barrel in mid-September. Finally, in the latter part of the year, prices remained between 70 and 75 dollars/barrel due to confidence in the market supply versus consumption uncertainties. On average, during 2024, the price of Brent was 80 dollars/barrel, a similar value to the previous year²⁰.

According to the Oil Market Report of the IEA (International Energy Agency), global oil demand was set to grow to around 104 million barrels per day in 2025. On the oil supply side, analysts predicted an increase in oil supply in 2025, with non-OPEC+ countries' production expected to rise by an additional 1.5 million barrels per day and OPEC+ members likely to revise the system of voluntary cuts and increase output²¹.

¹¹ Bank of Italy, Economic Bulletin 1/2025, pg. 31

¹² Bank of Italy, Economic Bulletin 3/2024, pg. 22

¹³ Bank of Italy, Economic Bulletin 1/2025, pg. 23

¹⁴ Bank of Italy, Economic Bulletin 4/2024, 1/2025

¹⁵ Bank of Italy, Economic Bulletin 1/2025, pg. 26

¹⁶ Bank of Italy, Economic Bulletin 1/2025, pg. 26

¹⁷ UNEM - Preconsuntivo petrolifero 2024 (2024 Preliminary Oil Balance)

¹⁸ UNEM - Preconsuntivo petrolifero 2024 (2024 Preliminary Oil Balance)

¹⁹ UNEM - Preconsuntivo petrolifero 2024 (2024 Preliminary Oil Balance)

²⁰ UNEM - Preconsuntivo petrolifero 2024 (2024 Preliminary Oil Balance)

²¹ Staffetta Quotidiana, "Aie: sale la temperatura sui prezzi del petrolio (IEA: the temperature rises on oil prices)", 15 January 2025

As for the Italian market, and the energy exchange in particular, in 2024 the purchase price of electricity confirmed the downward trend initiated the previous year, standing at € 108.52/MWh. This reduction was mainly attributable to falling gas prices and increased sales from renewable energy sources²².

In continuity with 2023, the PUN showed a trend strongly driven by the decline in the main gas price benchmarks, a dynamic also shared by the main European energy exchanges. In particular, the PUN, though decreasing overall in 2024, showed an upward trend during the year: the lowest level was reached in April at € 86.80/MWh while the maximum was recorded in December at € 135.06/MWh²³.

Volumes of electricity traded on the day-ahead market (DAM) stood at 283.9 TWh in 2024 (+1.9% compared to 2023). Over-the-counter trading exchanged on the Electricity Power Exchange (PCE) and nominated on the DAM fell once again, recording record lows of 57.1 TWh (-16.3% compared to 2023). Finally, volumes traded on the stock exchange were 226.8 TWh, up 7.8%²⁴.

With regard to gas prices, 2024 was again characterised by a decrease in the prices from the record levels of 2022. In fact, the price of natural gas on Italy's national Virtual Exchange (PSV) fell back to € 36.6/MWh, down € 6.5/MWh on 2023. The downward dynamic mainly affected the first five months of the year, when prices dropped to around € 30/MWh, reaching a low in February at a price of € 27.8/MWh. Thereafter, a gradual recovery was observed, culminating in December at € 48.3/MWh, as a result of the seasonal increase in consumption²⁵. The price of gas on the PSV followed similar trends to those recorded by the main European hubs, with the TTF²⁶ listed at € 34.3/MWh, down by € 6.5/MWh compared to 2024. The PSV-TTF spread stood just above € 2/MWh, substantially in line with the values from the previous year.

In relation to prices on the markets managed by GME, in 2024 the IG Index stood at € 36.36/MWh, showing dynamics in line with those of prices on the main European hubs²⁷.

Overview of the Italian markets

The natural gas market

NATURAL GAS (Million m³)	Financial year 2024	Changes %
Imports	58,743	-3.40
Domestic production	2,752	-2.00
Delivery from storage	8,494	+6.40
Total issued	69,989	-2.20
Services and domestic use	27,174	+1.80
Industrial use	11,621	+1.30
Thermoelectric use	20,843	-1.60
Exports, third-party networks and system consumption*	2,058	-47.80
Total demand	61,695	-2.50
Injections into storage	8,294	-0.20
Total drawn down	69,989	-2.20

* includes linepack variation, losses, consumption and unaccounted for gas

In 2024, natural gas consumption in Italy fell by 2.5% compared to 2023, to 61,695 million cubic metres, the lowest levels for over fifteen years²⁸. The drop, seen for almost the entire year, mainly affected the thermoelectric sector, where volumes decreased by 1.60% compared to 2023, recording 20,843 million cubic metres. On the other hand, consumption in the civil and industrial sectors increased, with volumes of 27,174 million cubic metres (+1.80% compared to 2023) and 11,621 million cubic metres (+1.30% compared to 2023), respectively. Contrary to the trend recorded in the last two-year period, exports and other consumption fell back sharply, with a volume of 2,058 million cubic metres (-47.8% compared to 2023).

²² Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 2

²³ Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 2

²⁴ Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 2

²⁵ Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 15

²⁶ The TTF (Title Transfer Facility) is the natural gas trading hub of reference at European level.

²⁷ Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 15

²⁸ Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 13

With regard to supply-side dynamics, the drop in domestic demand and production to record lows (2,752 million cubic metres, -2.0%) was accompanied by a decline in natural gas imports, to their lowest levels since 2015 of 58,743 million cubic metres (-11.7%). This decrease was attributable to both pipeline flows and LNG imports²⁹.

Specifically, the decrease was concentrated in flows from Algeria to Mazara (-8.8%), though they continue to represent the main source of national supply, and in flows from Libya to Gela (-44.4%). Flows from Russia to Tarvisio, on the other hand, increased compared to the previous year (+114.2%). As for LNG imports, a decrease was recorded at the Panigaglia (-63.1%) and Livorno (-70.8%) terminals, accompanied by an increase in flows from the new regasification terminal in Piombino (+213.8%).

In 2024, total trades on the gas spot markets (MP-GAS) managed by GME showed growth compared to the previous year, leading to a record high of 180.2 TWh (+16.1% compared to 2023).

The gas distribution sector

In the gas distribution sector, FY 2024 saw significant updates to the weighted average cost of capital (WACC).

In particular, with Resolution 556/2023/R/com, ARERA updated the WACC for 2024, as provided for in article 8 of the 2022-2027 TIWACC³⁰, raising the values of this parameter for the gas distribution and metering segments from 5.6% in 2023 to 6.5%.

ARERA's increase of the WACC was a response to the changed market conditions, with the aim of ensuring adequate remuneration for investments in energy infrastructure, while promoting efficiency and sustainability in the sector.

In November 2024, however, the Authority further updated the parameters for determining the WACC for the 2025-2027 sub-period, in accordance with the 2022-2027 TIWACC. The new revision of the WACC led to a reduction in the remuneration rates for the 2025-2027 period. In particular, for gas distribution, the WACC was reduced from 6.5% to 5.9%.

ARERA's decision to reduce the WACC for the 2025-2027 period aimed to reflect current market conditions, ensuring fair remuneration for operators and protecting consumer interests. However, some operators expressed concerns about the impact of this reduction on profitability and the ability to finance new infrastructure projects.

With regard to area tenders (ATEMs), aimed at awarding gas distribution concessions, 2024 saw tangible commitment from ARERA and the competent institutions to reform and accelerate tender procedures, with the aim of ensuring more efficient and competitive management of concessions.

In particular, ARERA approved the Integrated Text of Provisions on Natural Gas Distribution Tenders with Resolution 296/2024/R/gas, published on 18 July 2024. This document introduced significant changes to simplify and speed up tendering procedures, aiming to make the processes of awarding concessions more efficient.

In addition, ARERA initiated a procedure to simplify and accelerate tendering procedures for the natural gas distribution service, with Resolution 35/2024/R/gas.

These initiatives were part of a broader regulatory context, in which Italian Law 118/2022 had already introduced regulations to speed up and make tenders for natural gas distribution concessions more efficient. However, the issuance of the decree for the revision of the tender regulations required by the said Law 118/2022 is still pending, and a hypothesis for a drastic reduction of the tender ATEMs is also being discussed by the Italian Ministry of the Environment (MASE). While these uncertainties push the ATEMs further ahead in the preparation of tender documents to speed up publication, they also lead to uncertainties about the content of the tenders.

The following new notices were published in 2024:

- ATEM Cuneo 1 – North West: published on 3 December 2024.
- ATEM Cuneo 2 – City of Cuneo and South: published on 3 December 2024.
- ATEM Enna: published on 27 December 2024.

The publication of these new Tender Notices confirms an attempt to speed up the tender procedures, in line with ARERA's efforts to simplify and speed up the awarding of concessions. However, questions remain as to the effectiveness of these measures in fully relaunching the process, in a general context where several tendering procedures are still stalled or delayed.

In summary, at the end of 2024, the tenders published compared to those initially provided for in the calendar of the Ministry of Economic Development were still small in number. The updated situation as at 31 December is as follows: 6 ATEM with call for tenders published still active: Lodi 1, Potenza 2, Como 3; Cuneo 1; Cuneo 2; Enna.

²⁹ Gestore Mercati Energetici (Energy Markets Operator) – Newsletter no. 188, January 2025, pg. 13

³⁰ The 2022-2027 TIWACC is the Integrated Text on WACC (weighted average cost of capital) for infrastructure services in the electricity and gas sectors, established by the Regulatory Authority for Energy, Networks and the Environment (ARERA) for the regulatory period 2022-2027. This document defines the criteria for determining and updating the weighted average cost of capital (WACC) for regulated energy infrastructure. The six-year regulatory period is divided into two three-year sub-periods: 2022-2024 and 2025-2027.

25 ATEMs with calls for tenders revoked, cancelled, suspended: Cremona 2 and 3, Alessandria 2, Turin 3, Udine 1, Perugia 2, Massa Carrara, Udine 3, Como 1, Bergamo 3, Brescia 1, Trieste, Bergamo 2, Milan 4, Milan 3, Verona 2, Monza Brianza 1, Genoa 2, Venice 1, Lucca, Monza and Brianza 2, Biella, Prato, Varese 2; Varese 3; Vicenza 3.

10 MTA awarded: Belluno (Italgas award), Milan 1 (UnaReti – A2A Group award), Turin 2 (Italgas award), Aosta (Italgas award), Udine 2 (AcegasApsAmgas S.p.A. – Hera Group award), Turin 1 (Italgas award), Naples 1 (2I Rete Gas award), La Spezia (Italgas award); Rimini (Adrigas award); Catanzaro Crotone (Italgas award).

3 MTA with calls for tenders published and expired: Turin 5 (deadline for submitting application for participation passed on 4 February 2022, bids presented currently being evaluated); Vicenza 4 (deadline for submitting application for participation passed on 30 November 2024, bids presented currently being evaluated); Trento (deadline for submitting bids passed on 19 July 2024, currently at awarding stage).

With reference to the ATEMs where the Estra Group is present, those of Prato, Arezzo, Siena and Perugia 1 may be close to publishing the call for tenders, having completed almost all the preparatory steps.

In conclusion, for the gas distribution sector, 2024 was a year of transition, characterised by regulatory initiatives to accelerate area tenders and by corporate strategies deployed by the leading sector operators aimed at consolidating and expanding their market presence.

The market for electricity and renewable energy sources

In 2024, the demand for electricity in Italy rose by 2.2% compared to the previous year, recording 312,285 TWh (compared to 305,616 TWh in 2023).

Electricity Balance Sheet (GWh) ³¹			
Electricity (TWh)	Financial year 2024	Financial year 2023	Changes %
Net production (of which):	263,500	256,562	2.7
- Thermoelectric	146,452	156,156	-6.2
- Hydroelectric	52,076	39,949	30.4
- Photovoltaic	36,064	30,236	19.3
- Wind	22,068	23,373	-5.6
- Geothermal	5,269	5,310	-0.8
Net import/export balance	50,999	51,251	-0.5
Pumping consumption	2,073	2,186	-5.2
Total demand	312,285	305,616	2.2

* *Total demand = Net production + Foreign balance – Pumping consumption.*

Total net production intended for consumption³², equal to 261,286 GWh, met 83.67% of the domestic electricity requirement. The increasing trend in electricity demand is the result of positive changes throughout most of the year, particularly in July and August, which saw temperatures above the ten-year average³³.

On the production side, a significant growth in supply from renewables was recorded in 2024³⁴. At the same time, a slight decrease in the net foreign balance (-0.5%) was observed in 2024, as a result of a strong increase in exports (+47.9% compared to 2023) and a more modest increase in imports (+2.4%)³⁵.

Specifically, hydroelectric production increased by 30.4% to 52,076 GWh in 2023, contributing substantially to the overall increase in production from renewable sources. Photovoltaic production also recorded growth, which, at 36,064 GWh, exceeded the 2023 figures by 19.3%. On the other hand, wind power (22,068 GWh, -5.6%) and geothermal production (5,269 GWh, 0.8%) were down on the previous year.

With regard to the non-renewable components, thermoelectric production was down 6.2% on 2023, with 146,452 GWh produced, mainly reflecting the drastic reduction in coal-fired production (-71% compared to 2023).

³¹ Terna – Monthly Report on the Electrical System, December 2024

³² Total net production intended for consumption = Total net production – Pumping consumptions.

³³ TERNA, Press Release “TERNA: Electricity consumption increases by 2.2% in 2024”, 16 January 2025, [https://www.terna.it/it/media/comunicati-stampa/dettaglio/consumi-elettrici-2024#:~:text=Secondo%20le%20rilevazioni%20di%20Terna%2C%20considerando%20tutte%20le%20fonti%20rinnovabili,29%25\)%20rispetto%20al%202023.](https://www.terna.it/it/media/comunicati-stampa/dettaglio/consumi-elettrici-2024#:~:text=Secondo%20le%20rilevazioni%20di%20Terna%2C%20considerando%20tutte%20le%20fonti%20rinnovabili,29%25)%20rispetto%20al%202023.)

³⁴ Staffetta Quotidiana, “Elettricità, nel 2024 i consumi rivedono il segno più” (Electricity consumption in 2024 on the plus side once more), 8 January 2025

³⁵ TERNA, Press Release “TERNA: Electricity consumption increases by 2.2% in 2024”, 16 January 2025

The energy efficiency market

The 29th and most recent United Nations Climate Change Conference (COP29) was held in Baku, Azerbaijan, from 11 to 24 November 2024. The event brought together representatives from over 190 UNFCCC member countries, including world leaders, government delegates, non-governmental organisations and private sector representatives. The goal was to ramp up global action to tackle the climate crisis and in particular to establish new financial commitments to support developing countries in coping with the impacts of climate change.

One of the main outcomes of COP29 was the definition of the New Collective Quantified Goal (NCQG) on climate finance, whereby participating countries committed to mobilise at least \$ 300 billion per year to help developing countries combat climate change and its consequences.

The Baku to Belém Roadmap was also included in the agreement, with the aim of stimulating international cooperation for a gradual increase in financial resources for developing countries: the roadmap will aim to reach \$ 1,300 billion per year in climate finance by 2035³⁶. COP29 also achieved important results with regard to the market for “carbon credits”, established under Article 6.4 of the Paris Agreement. Achievements in this field were the introduction of new rules that countries can follow to buy credits in another country and the establishment of a United Nations body to oversee international trade in carbon credits.

In recent years, the European Union has built an increasingly ambitious regulatory framework to tackle the climate crisis, guide the energy transition and respond to geopolitical challenges affecting the energy markets. The newly introduced targets are mainly part of the European Green Deal, presented in 2019 as the strategy to make the EU the first climate neutral continent by 2050. For this strategy to translate to concrete measures, in 2021 the Commission introduced the Fit for 55 package, a set of legislative reforms to ensure that the EU would reduce emissions by at least 55% by 2030 compared to 1990 levels. More recently, the war between Russia and Ukraine highlighted the vulnerability of the EU's dependence on Russian gas, leading to the approval of the REPowerEU: a package of measures that pushes for independence and diversification of gas supplies, while pre-empting the energy transition and increasing production from renewable sources. A further key element of the EU's most recent renewable measures was the revision of the Renewable Energy Directive (RED III), adopted in 2023. The Directive set a new binding target for the EU, requiring at least 42.5% of final energy consumption to come from renewable sources by 2030, aspiring to reach 45%. Finally, RED III introduced stricter obligations for the electrification of transport and the role of renewables in industry.

In Italy, the role of the Superbonus, the subsidy introduced in the midst of the Covid emergency, was central in boosting the restart of construction activities. Over the years, the regulatory framework of this instrument has been changed and reshaped several times: after the 110% rate introduced in the original formulation was archived, the Superbonus rate dropped to 70% in January 2024, remaining in force only for condominiums. Finally, the 2025 Budget Law stipulates that the 65% deduction for expenses incurred in the year 2025 will only apply to works already started in the year 2024. In terms of the number of interventions, by 31 December 2024, a total of 497,782 110% Superbonus projects had been submitted, with eligible investments amounting to approximately € 119 billion³⁷.

The White Certificates Mechanism (TEE) was introduced by Italian Ministerial Decrees in 2001 and consists of a compulsory primary energy savings scheme for electricity and gas distributors with more than 50,000 customers. The legislative and regulatory framework related to the market for energy efficiency certificates has undergone significant developments over the years. More recently, Italian ministerial decree of 21 May 2021 set the national energy savings targets, which must be pursued by electricity gas distribution companies for 2021-2024³⁸. Lastly, with the publication of Directorial Decree of 4 May 2023, the list of standardised projects eligible for the mechanism of White Certificates was updated, while in October 2023, the updated and non-exhaustive list of eligible energy efficiency projects was published, grouped by type of project and form of energy saved, with indication of the values of useful life for the purposes of granting White Certificates³⁹. Finally, in October 2024, the public consultation on updating the white certificates mechanism was launched with the aim of simplifying and enhancing the system that certifies the achievement of savings in energy end-use through efficiency improvement works and projects.

During 2024, the GSE recognised a total of 763,329 TEEs: the trend of certificates recognised recorded a decrease of approximately 26% compared to 2023, a year in which 1,029,558 certificates were recognised⁴⁰. The average price recorded on the MTEE organised market in 2024 showed a year-on-year decrease of 1.3% to € 248.51/toe, while volumes traded on the MTEE increased again to 1.83 million toe traded.

³⁶ ECCO (the Italian Think Tank for Climate) “What happened at COP29: The results of the Baku Conference of the Parties”, 10 January 2025

³⁷ ANSA using ENEA data, 18 February 2025

³⁸ GSE, Annual White Certificates Report 2024

³⁹ GSE, Annual White Certificates Report 2023

⁴⁰ GSE, Annual White Certificates Report 2024

Energy efficiency certificates – cumulative data ⁴¹				
Year	Price (€/TOE)			Volumes traded
	Weighted average	Minimum	Maximum	(TOE)
2024	248.51	241.00	254.06	1,830,359

As regards the electric mobility sector, a slight slowdown in the registration of electric cars in Italy was observed in 2024: full electric vehicles stopped at 64,983, -1.9% compared to 2023⁴². The market share of electric cars was 4.2%, in line with the previous year. In total, the fully electric fleet circulating in Italy was 277,365 units in late December 2024. On the other hand, with reference to electric charging infrastructure, in the first nine months of 2024 there were 60,339 charging points in Italy, 9,661 more than those installed at the end of September 2023. The figures also show the progress of installations in Southern Italy and the Islands, where 22% of the total number of charging points in Italy were registered; in second place was Central Italy with 20% of total installations, while with 58%, Northern Italy was again confirmed as the area with the highest number of charging points. At regional level, Lombardy was again the leading region in terms of charging points (11,687), followed by Lazio (6,217) and Piedmont (6,035)⁴³.

The telecommunications and digital services market

In the first half of 2024, the global telecommunications sector grew by 1.5% compared to the same period in 2023, consolidating the upward trend initiated in the previous two years⁴⁴. These results were mainly driven by Asian companies, especially the Japanese players. Positive results at +1.4% were also reported by European operators, while American telco revenues declined slightly.

According to Assintel (National Association of ICT and Digital Companies) data, in 2024 the Italian ICT market grew by +4.1% compared to 2023, reaching € 42.4 billion. According to the forecasts, the Italian ICT market would continue to grow at a fast pace in 2025: an increase of 4.6% is estimated for a total value of € 42.4 billion⁴⁵. The report showed that Italian companies were demonstrating a strong interest in adopting innovative technologies as a driver of competitiveness; specifically, the sectors that invested the most in ICT in 2024 were the Public Administration (+6%; supported by NRRP funds), Industry (+5.9%), Utilities (+5.7%) and the financial sector (+5.4%)⁴⁶.

Considering the telecommunications market in Italy, with reference to landlines, AGCOM reported in 2024 an increase of 64,000 accesses compared to the overall figure in the same period in 2023: total lines amounted to 20.25 million. A breakdown of the above value finds that 45.9% of accesses took place through FTTC (Fibre to the Cabinet), while 27.3% refer to FTTH (Fibre to the Home), 15.1% accesses via Copper and 11.4% accesses via FWA (Fixed Wireless Access). Compared to 2023, the data confirmed the growth in accesses via fibre (+5.7%) and FWA (+1.0%). On the other hand, both accesses via Copper and via FTTC decreased by 3.5%⁴⁷. Broadband accesses in 2024 exceeded 19.20 million lines, while ADSL lines continued their downward trend (-21.5%), stopping at 2.01 million.

In terms of mobile telephony, the market shares of the main operators were similar to those observed in the previous year. TIM remained first with a market share of 27.1%, followed by Vodafone (26.4%) and Wind Tre (23.7%). During 2024, the French operator Iliad grew again, making it the fourth largest operator in Italy by market share (10.5%).

Total active SIMs in Italy have risen to 109.0 million: growth was supported by "M2M" SIMs, which reached 30.4 million with a 2.5% increase. "Human" SIMs remained the most prevalent with 78.6 million, albeit a slight decrease of 0.3% compared to 2023.

Lastly, MVNOs covered 12.3% of the market share by number of total SIMs and 17.0% in total Human SIMs.

The environment market

⁴¹ GSE, Annual White Certificates Report 2024

⁴² MOTUS-E, Market Analysis, December 2024 – "*Mercato auto in calo nel 2024* (Car market dropping in 2024)"

⁴³ MOTUS-E, Market Analysis, "*Quante colonnine di ricarica a uso pubblico ci sono in Italia?* (How many public charging stations are there in Italy?)"

⁴⁴ Press release - Mediobanca Study Areas – Report Telco (ed. 2024).

⁴⁵ Assintel Report: "*ICT oltre i 42 miliardi, cresce del +4,1%* (ICT over 42 billion, +4.1% growth)", Press Release 29 October 2024

⁴⁶ Assintel Report: "*ICT oltre i 42 miliardi, cresce del +4,1%* (ICT over 42 billion, +4.1% growth)", Press Release 29 October 2024

⁴⁷ AGCOM, COMMUNICATIONS OBSERVATORY, NO.4/2024

The integrated waste cycle market is characterised by a high degree of complexity and managerial heterogeneity. The waste sector is made up of two main segments: Municipal Waste (MW) of domestic origin and Special Waste (SW) mainly from productive activities. The municipal and special waste chains include different stages from the collection/pick-up and transport to recycling, treatment, recovery and disposal. Waste sector operators can operate in one, several or all the chain stages.

As regards the municipal waste market, the country is organised into Optimal Territorial Areas (OTAs); most Regions have opted for a regional OTA and in others the size of the areas varies from the provincial to the sub-provincial scale.

The updated Ispra data on the situation in Italy reveal that 29.3 million tons of municipal waste was produced in 2023, up by 0.7% compared to the previous year (approximately 200,000 tons more).

The increase was recorded in the North (+2.3%) – in the Centre the figure remained substantially unchanged from the previous year – while production decreased in the South (-1.2%). The higher production of municipal waste was registered in the North (approximately 14 million tons), followed by the South (approximately 8.9 million), and the Centre at 6.2 million tons.

The average pro capita was 496.2 kilograms per inhabitant (up by 0.5% compared to the previous year). Emilia-Romagna was the region with the highest numbers at national level (with 663 kilograms per inhabitant), while Basilicata was the region with the lowest (357 kilograms per inhabitant).

In 2023, there were 656 municipal waste management plants operating in Italy (654 in 2022): 349 in the North, 115 in Central Italy and 192 in the South. Of these, 363 are dedicated to treatment of the organic fraction of separate collection, 134 for the mechanical or biological treatment of waste, 112 landfill sites, with the addition of 36 incineration and 11 industrial plants that incinerate municipal waste⁴⁸.

Over the years, the increase in separate waste collection has resulted in a growing demand for new treatment plants, especially for the organic fraction. At national level, there are not currently sufficient structures to treat the quantities produced.

Over the last few years, the number of processing plants has increased with respect to landfills, in line with the European guidelines to replace dumping in landfills with the recovery of material and energy, contained in the Circular Economy Package, which also sets the target of 65% of separate collection by 2035⁴⁹.

According to the most up-to-date figures available, in 2023 more than 50% of the waste produced and collected separately was sent to material recovery plants. Full recycling, calculated using the new methods established by European regulations, stood at 50.8% and referred to the following fractions: organic, paper and cardboard, glass, metal, plastic and wood.

16% of municipal waste was disposed of in landfills, the equivalent of 4.6 million tons, coming down by 9.8% compared to 2022. This figure is still well off the 10% target set by the European Union, demonstrating the need for an improvement in the quality of separate waste collection, an increase in the recycling rate and the creation of plants used to close the waste cycle. The current situation requires that improvements to the management system are accelerated in order to achieve the new challenging targets required by European legislation, especially in certain areas of Italy (regarding waste treatment, only the North is at an advanced stage, maximising the recovery of materials and energy, thanks to the widespread availability of plants). Disposal at landfill sites needs to be almost halved over the next 15 years, the percentage of waste forwarded to material recovery treatments must increase significantly to ensure the targets of 55% for recycling by 2025, 60% by 2030 and 65% by 2035 are achieved⁵⁰.

In 2023, the rate of separate waste collection increased again in terms of percentage compared to 2022, reaching 66.6% of national production (19.5 million tonnes). The North was the most virtuous area in this activity, with 73.4%, whereas the Centre and the South stopped at 62.3% and 58.9% respectively. Generally, all geographic macro-areas showed increases in the percentage of separate waste compared to the previous year. In 2023, nearly half of the Italian regions achieved or surpassed the 65% target (Veneto, Sardinia, Lombardy, Trentino Alto Adige, Emilia Romagna, Marche, Friuli Venezia Giulia, Umbria and Piedmont, Tuscany, Aosta Valley and Abruzzo), whereas Sicily was at the tail-end with 55.2%, despite a strong increasing trend in recent years. Focusing on Tuscany, there are approximately 50 municipal waste treatment and disposal plants in the region, but an increase is envisaged for the coming years driven by expected funding.

Organic at 38.3% of the total, was confirmed as the most collected fraction in Italy. Paper and cardboard represented 19.1% of the total, followed by glass at 11.9% and plastic at 8.9%.

In 2023, 1.4 million tons of municipal waste was exported (mainly sent to Denmark, the Netherlands, Germany, Austria and Sweden), and approximately 319,000 tons were imported.

Over the last year, the average domestic pro capita cost to manage urban waste was € 197.0/inhabitant (increasing on the € 192.3/inhabitant in 2022). The Central regions recorded the highest costs with an average of € 233.6/inhabitant, followed by the South with an average of € 211.4/inhabitant and then the North with € 173.3/inhabitant.

⁴⁸ Press release Ispra Municipal Waste Report publication edition 2024

⁴⁹ Directive 2018/851/EU

⁵⁰ "ISPRa – Rapporto Rifiuti Urbani 2024" (2024 Municipal Waste Report)

With regard to the Special Waste segment in Italy, the latest data available in the 2024 edition ISPRA Special Waste Report refers to 2022. The report shows that production decreased by 2.1% on the previous year (by more than 3.4 million tons), to reach 161.4 million tons. 2022 was the year of the start of the conflict in Ukraine and the global energy crisis, with combined effects on the national economic system.

Non-hazardous waste, representing 93.8% of the total waste produced, decreased by around 2.7 million tons (-1.8%), whereas hazardous waste decreased by nearly 680,000 tons (-6.4%). Most of this production was recorded in the North, where the industrial fabric is more developed, with almost 92.7 million tons (57.4% of the total at national level). Production in Central Italy was at 28.1 million tons (17.4%), and in the South at 40.6 million tons (25.2%).

Among the economic activities that contribute most to the production of special waste, the construction and demolition sector is confirmed as the highest with almost 80.3 million tons (52.3% of the total), followed by waste processing and reclamation activities (around 33.4 million tons produced accounting for 22 % of the total) and manufacturing activities producing around 24.6 million tons at just over 16.2% of the total. Other economic activities account in total for 8.8% of the total of special waste produced (13.2 million tons).

A total of 176.6 million tonnes were managed in Italy in 2022, of which 167.1 million referring to non-hazardous waste (94.6%) and 9.5 million relating to hazardous waste (5.4%). Compared to the previous year, there was a 0.8% decrease in the total waste managed. Quantities sent for recovery operations (R1 to R13) accounted for 83.9% of the total managed, while those sent for disposal accounted for 16.1%.

The recovery of materials was predominant at 72.2% (127.6 million tons), followed by other disposal treatments, representing around 9.8% (17.4 million tons), and landfills at 5% (8.9 million tons). Residual quantities were sent to co-incineration (1.0%) and incineration (0.6%).

There were 10,806 special waste management plants operating during 2022, of which 5,905 in the North, 1,952 in Central Italy and 2,949 in the South. There are 4,662 plants dedicated to the recovery of materials (43.1% of national plant assets)⁵¹.

In 2022, over 4.8 million tons were exported (of which 70% non-hazardous and 30% hazardous), faced with 6.9 million tons imported.

With regard to Tuscany, in 2022, regional production of special waste was at around 10 million tons, 6% of the national total. 95.5% of which (around 9.3 million tons) refers to non-hazardous waste and the remaining 4.5 % (just under 434 thousand tons) to hazardous waste. The main types of waste produced referred to construction and demolition operations. There was a decrease in the total number of plants (788 in 2021 to 782 in 2022), Tuscany remains the region with the highest concentration of plants compared to other regions in central Italy (40% of the infrastructure assets in the macro-area)⁵².

In October 2023, the Tuscany Region adopted the "Regional plan for waste management and reclamation of polluted sites - Regional plan for the circular economy". This document represented the response to the implementation of EU sustainable development strategies, as well as the programming tool through which the Tuscany Region defines policies on prevention, recycling, recovery and disposal of waste in an integrated manner, in addition to the management of polluted sites to be reclaimed⁵³.

Finally, in the environmental reclamation segment, 42 Sites of National Interest (SNIs) were operational at national level in 2024⁵⁴. In Tuscany, there are 5,342 sites involved in reclamation procedures, of which 2,586 with procedures closed due to no need for intervention, 556 certified for completed reclamation, while 2,200 sites involved in reclamation procedures are active with a total area of 10,614 ha. The contamination of the sites involved derives mainly from industrial activities, waste management and disposal and fuel distribution⁵⁵.

Water sector

In Italy, the integrated water service (aqueduct, sewerage, purification) is characterised by management provided by public, private or mixed entities in a highly regulated context.

Water service operators operate in what is known as an *Ambito Territoriale Ottimale* (ATO, or optimal territorial area), defined by the Regions, and are responsible for the planning, management and maintenance of water infrastructure.

ARERA, the Regulatory Authority for Energy, Networks and the Environment, plays a key role in regulating and controlling the sector.

⁵¹ ISPRA – 2024 Special Waste Report (Summarised Data).

⁵² ISPRA – Special Waste Report 2024.

⁵³ Tuscany Region (<https://www.regione.toscana.it/piano-regionale-di-gestione-dei-rifiuti-e-bonifica-dei-siti-inquinati.-piano-regionale-dell-economia-circolare>).

⁵⁴ ISPRA (<https://www.isprambiente.gov.it/it/attivita/suolo-e-territorio/siti-contaminati/siti-di-interesse-nazionale-sin>) with update in June 2024.

⁵⁵ ARPAT – Annuario dei Dati Ambientali (Environmental Data Yearbook) 2024.

The “Industry Regulations” section of this report illustrates the main ARERA resolutions in water regulation that occurred during the year and the main relations between the Group, through its subsidiary Publiacqua, and the Tuscan Water Authority (TWA).

3.4 Significant events during the year

1. Multiutility Project progress

During the year, the integration project with Alia continued as part of the path started in the previous year to create a Multiutility focused on industrial strengthening and overcoming the fragmentation of Tuscan public services, allowing a leap forward on an industrial scale capable of consolidating the many local public services.

In particular, note the consolidation of Publiacqua S.p.A. and the process to integrate the Parent Company with Estra.

- **Consolidation of Publiacqua S.p.A.**

The Parent Company's stake in Publiacqua corresponds to 57.55% of the share capital, having increased by 53.60% in FY 2023 following the merger by incorporation of Acqua Toscana S.p.A. and Publiservizi S.p.A. on 26 January 2023.

The subsidiary, which was qualified as jointly controlled in the consolidated financial statements of the previous year, was fully consolidated as of 1 June 2024 following the acquisition of corporate control. This assessment by the Board of Directors was supported by an independent legal opinion.

The current Board of Directors of Publiacqua was appointed in July 2023.

In December 2023, one of the three directors appointed by ABF pursuant to the By-laws, Paolo Tolmino Saccani, terminated his employment with Acea S.p.A. and was hired by Alia and subsequently appointed Chief Executive Officer. This resulted in the Board of Directors of Publiacqua being represented by: i) five directors appointed directly by Alia; ii) three directors appointed by ABF, including the Chief Executive Officer, now employed by Alia.

In May 2024, the Court of Florence issued an order on the appeal filed by ABF concerning the appointment of the Chief Executive Officer, contesting alleged violations of the by-laws. The Court concluded that it was unfounded because there was no violation of the By-laws. It is believed that, with the issuance of the court order, a previously existing condition of uncertainty regarding the current composition of the board has been eliminated.

It should also be noted that Alia, holding approximately 57.55% of Publiacqua, is also the legal entity with the largest exposure and rights to variable returns from the latter.

Publiacqua operates in the integrated water service sector for the capture, treatment, conveyance and distribution of drinking water. In particular, the company is the concession holder of the integrated water service in the Territorial Conference no. 3 of Tuscany by virtue of a concession agreement that expires – following TWA shareholders' resolution 8/2024 – on 31 December 2025, and manages a complex and articulated plant system that includes the large facilities of the Tuscan capital (the Anconella and Mantignano drinking water treatment plants), carrying out treatment activities of both groundwater and surface water. Throughout the managed territory, in addition to the distribution of drinking water, the company oversees the collection of wastewater and its purification.

The subsidiary was consolidated on a line-by-line basis as of 1 July 2024, so the income statement of these consolidated financial statements only includes the results of the subsidiary for the last seven months of the financial year.

For the accounting effects of the business combination, please refer to the specific paragraph in the notes to the consolidated financial statements.

- **Integration with Estra S.p.A.**

In order to pool core competencies and best practices for the benefit of the in-scope companies, achieve economies of scale, create a single point of contact for the customer, and ensure adequate risk and compliance management, the process involved:

- the centralisation of various coordination activities and centralised management of “corporate” business functions within the holding company Alia, also as a result of the cumulative secondment of approximately 115 Estra staff to the relevant organisational units of Alia (Finance, People & Governance, Procurement & Logistics, Information & Digital Office);
- the launch, jointly with Alia, of an extensive digital transformation in order to renew the current operating model, optimise processes and overcome the current fragmentation of IT systems. The harmonisation aims, on the one hand, to promote synergies and economies of scale between corporate staff functions and, on the other hand, to facilitate business by allowing products to be offered and sold on the market in an increasingly efficient and competitive manner;
- The structuring of a major bank financing transaction, divided into several credit lines, and the issuance of a bond by Alia aimed at repaying part of Alia and Estra’s financial debt in advance and financing part of the capex plan, as well as general cash requirements. The transactions were finalised at the beginning of 2025, as described in more detail in the section on significant events after the reporting period.

2. Acquisition of the equity investment in Gestione Impianti Depurazione Acque – G.I.D.A. S.p.A.

On 23 April 2024, a notarised Board of Directors’ meeting was held to carry out the second capital increase, delegated by the Board of Directors by the Shareholders’ Meeting of 20 October 2022, in order to allow the transfer of G.I.D.A. S.p.A. shares held by the Municipality of Prato to Alia. The deed of transfer was finalised on 4 June 2024 and, as a result, the share capital of Alia Servizi Ambientali increased from € 360,556,971 to € 362,655,325.

As a result of the transfer, the Municipality of Prato increased its stake from 18.07% to 18.54%.

Furthermore, on 25 June 2024, Alia Servizi Ambientali S.p.A. acquired the equity investment held by Confindustria Toscana Nord Lucca Pistoia e Prato – C.T.N. in G.I.D.A. S.p.A. (with the exception of one share which, according to the agreements between the parties, remained the property of the private partner C.T.N., to protect the interests of its members operating in the territory served by G.I.D.A. plants).

As a result of the above transactions, Alia Servizi Ambientali S.p.A. acquired control of G.I.D.A. S.p.A. holding 99.9% of the share capital.

The company’s corporate purpose is the management of purification services, the collection, transport, disposal of urban and industrial wastewater and its eventual reuse, as well as the disposal, recovery, valorisation and reuse of sludge and other waste from water treatment plants and production processes. The activities are carried out at five plants (Baciacavallo, Calice, Vaiano, Cantagallo and Vernio).

During FY 2024, following a request by the company, the Tuscan Water Authority (“TWA”), with Resolution no. 8 of 10 May 2024, resolved to include the wastewater purification service, performed by GIDA S.p.A., within the scope of the Integrated Water Service (IWS) of the territory of Territorial Conference no. 3 Medio Valdarno, with handover to the IWS Operator as of 1 January 2025. In compliance with said TWA resolution, the company approved the “Agreement for the transitional regulation of the transfer of the GIDA S.p.A. plants to the Integrated Water Service”, which terminated GIDA’s role as common carrier and transferred the management activities (with the sole exclusion of the refining of the wastewater purified at Baciacavallo, functional to its reuse) to the IWS. In fact, the aforesaid Agreement regulates the activities – under a transitional regime and until the completion of the legal and contractual transactions aimed at the effective and definitive transfer to Publiacqua S.p.A. of the GIDA S.p.A. plants and the instrumental business unit – so as to ensure the continuity of the management and operation of the purification plants.

In March 2025, the TWA granted the company's request, following a joint review with Publiacqua S.p.A., to review the division of assets and consequent management operations in order to ensure maximum plant and environmental efficiency. Specifically, in line with the Group’s business plan, which gives Publiacqua S.p.A. the primary role in the public service and GIDA S.p.A. a central role in the market services, in particular in the treatment of special liquid waste, as of 2026 a reorganisation has been agreed which provides for the transfer to Publiacqua of the environmental authorisations relating to all the plants, of all the legal rights necessary for the management of the sites, of the refining activities of the wastewater destined for industrial reuse and fire prevention and the maintenance by GIDA of the ownership of the assets relating to the land and liquid treatment plants (LTPs) for the treatment of leachate and sewage at Calice. In the fully operational configuration, therefore, Publiacqua will operationally run all the company’s plants, including the Calice LTPs owned by GIDA, which will maintain the direct marketing of LTP services towards industrial customers.

With Decree no. 59 of 13 May 2025, the TWA proceeded to determine the definitive residual value ("VR") as at 31 December 2024 for the purposes of Publiacqua S.p.A. taking over the management of the purification plants operated by GIDA S.p.A. from 1 January 2025, in accordance with ARERA criteria.

The investee has been fully consolidated from 01.07.2024 following the acquisition of corporate control in June 2024, after the Municipality of Prato transferred its 54.92% stake of the share capital. The income statement of these consolidated financial statements therefore includes the results of the subsidiary for the second half of the year only.

For the accounting effects of the business combination, please refer to the specific paragraph in the notes to the consolidated financial statements.

3. Increase in the equity investment held by Valdisieve Società Consortile a r.l.

In 2024, as a result of a series of share swaps and purchase agreements, Alia Servizi Ambientali S.p.A. acquired the entire share capital of the company Valdisieve Società Consortile a r.l., thus becoming its sole shareholder.

As a result of the acquisition, the controlling interest held by Alia Servizi Ambientali S.p.A. in AER S.p.A., subsequently merged by incorporation into the Parent Company, increased from 90.02% at 31 December 2023 to 100% at 31 December 2024.

For the accounting effects of the business combination, please refer to the specific paragraph in the notes to the consolidated financial statements.

4. Increase in the equity investment held in Revet S.p.A.

With deed dated 3 May 2024, the purchase of the shares held in Revet S.p.A. by ASIU S.p.A. in liquidation, equal to 0.23% of the share capital, was formalised.

The acquisition took place following a public auction called by the Receiver concerning the entire share package held by ASIU in Revet and the subsequent exercise of the right of pre-emption exercised, pursuant to art. 6, point 3 of Revet's By-laws, by Alia Servizi Ambientali S.p.A., Montello S.p.A. and Retiambiente S.p.A., in proportion to their respective stakes.

As a result of this transaction, Alia Servizi Ambientali S.p.A. increased its stake in Revet from 57.70 to 57.84 % of the latter's share capital.

5. Incorporation of the company AMBIENTE ENERGIA RISORSE – A.E.R. S.p.A.

On 10 October 2024, a notarised Board of Directors' meeting was held to approve the merger by incorporation of Ambiente Energia Risorse – A.E.R. S.p.A. into Alia Servizi Ambientali.

The deed of merger was stipulated on 17 December 2024, the legal effects of which came into effect on 20 December 2024, i.e. the day on which the last of the registrations required by art. 2504 of the Italian Civil Code took place at the competent Business Register.

For the sole purpose of art. 2501-*ter*, para. 1, nos. 5 and 6 of the Italian Civil Code, the accounting and tax effects of the merger are deemed retroactive to 1 January 2024.

By virtue of this operation, Alia Servizi Ambientali, as sole operator of the environmental hygiene service in the ATO Central Tuscany area, extended its management to the municipalities of the Valdisieve.

For the accounting effects of the merger in the financial statements of Alia Servizi Ambientali, please refer to the dedicated section of the notes.

Since this was a merger by incorporation of a wholly owned subsidiary of the Parent Company, the transaction had no impact on the Group's consolidated financial statements.

6. Establishment of the company "wAlse waste S.r.l."

On 31 October 2024, with a deed drawn up by Notary Giovanni Cerbioni, the company named "wAlse waste S.r.l." was incorporated in execution of the agreements contained in the industrial and commercial partnership agreement signed in 2023 between Alia Servizi Ambientali S.p.A. and Nord Engineering S.p.A.

The newco, 51% owned by Alia Servizi Ambientali and the remaining 49% by Nord Engineering, functional to reinforce the synergistic collaboration started between the parties, will deal with the production and sale of the so-called reverse vending machine, i.e. the new waste collection containers developed from Nord Engineering's production and integrated with Alia's electronics.

The company was not operational at the end of the financial year.

7. Other significant operations

- **The digital transformation programme**

In line with the industrial plan, the company, together with Estra, launched a broad digital transformation process with the aim of innovating the current operating model, optimising processes, and harmonising information systems, overcoming the loss of homogeneity deriving from the integration of different corporate realities, with a multiutility perspective.

The harmonisation aims, on the one hand, to promote synergies and economies of scale between corporate staff functions and, on the other hand, to facilitate business by allowing products to be offered and sold on the market in an increasingly efficient and competitive manner.

More information can be found in the section "Information Systems and Infrastructure", to which the reader is referred.

- **Relocation of the corporate area to the offices at Via Torre degli Agli no. 48, Florence**

During 2024, Alia signed a lease agreement with Intesa San Paolo for the rental of a portion of a building complex owned by the latter, located in the Novoli district of Florence, for the time needed to set up its own head office.

In fact, as the Multiutility project progressed, the resulting structured corporate organisation brought about the need for new and larger spaces, also with a view to centralising the human resources that would constitute the corporate core of the Multiutility.

The transfer of staff to the new offices started in the second half of 2024 and is ongoing.

- **Memorandum of Understanding with the Tuscany Region**

In 2024, a Memorandum of Understanding was signed between the Tuscany Region, ATO Central Tuscany, Alia Servizi Ambientali, the Metropolitan City of Florence, the Municipality of Florence and the Municipality of Sesto Fiorentino, defining the consequences of not building the waste-to-energy plant in the Case Passerini area.

In fact, the signing of the Memorandum entailed the waiver by Alia of two disputes brought against the Tuscany Region and the Metropolitan City of Florence, with a contextual commitment by the entities involved, including the Municipality of Florence and the Municipality of Sesto Fiorentino, to establish a collaboration aimed at facilitating the restructuring and expansion projects for some of Alia Servizi Ambientali's offices.

- **Strategic guidelines offered by shareholders**

During the Shareholders' Meeting of 23 October 2024, the shareholders, in accordance with art. 13 of the By-laws, expressed the fundamental guidelines to the governing body for the development of the Multiutility Project.

The guidelines expressed by the shareholders confirmed the path undertaken by the company for the creation of the Tuscan Multiutility, subject to the request for the definition of a new business plan and the request for in-depth analysis presented on the possibility of financing the investment plan through alternative instruments to the listing on the Italian stock exchange, which was followed by the finalisation of the financing transaction described above.

The new Business Plan was approved by the Board of Directors on 26 May 2025.

- **Adoption of the new system of delegation of powers related to occupational health and safety and environmental risks**

In 2024, a new system of delegated powers related to occupational health and safety and environmental risks was adopted, based on the organisational structure existing at the time, in order to ensure an effective and distributed control of these risks.

The key points of the new structure state that:

1. The Chief Executive Officer, as the Employer, delegated the heads of the operating divisions to manage health, safety and environmental risks;
2. Responsibility for the safety of employees in corporate functions was given to the Chief People & Governance Officer, who further sub-delegated the overall coordination of the integrated management system (health, safety, environment and quality) to the Head of the Control and Reporting Department;
3. Organisational structure:
 - The operating divisions are divided into business areas (Energy, Water, Environment) and each area has a delegated safety manager;
 - There are two distinct operational branches for safety: HSE Corporate and HSE Operations, each with specific roles and responsibilities.

• **Appointment of the Supervisory Body pursuant to Italian Legislative Decree 231/2001**

During 2024, Prof. Antonio Porpora was appointed as Chairman of the Supervisory Body until the expiry of the current Board of Directors or until the approval of the financial statements as at 31 December 2025, and Valeria Lisi was appointed internal contact person of that Body.

3.5 Business performance - economic data

The following tables summarise the Group's income statement, balance sheet and financial data for the years ended 31 December 2024 and 2023. The summary figures of the income statement can be easily reconciled with those shown in the financial statements.

The alternative performance indicators presented in this document include both financial metrics required by IFRS and metrics, albeit partly derived from the latter, not required by IFRS (non-GAAP measures). These are presented in order to allow for a better assessment of the Group's performance and should not be considered as alternatives to the IFRS. In particular:

- i) EBITDA (earnings before interest, taxes, depreciation and amortisation), or gross operating margin, represents the EBIT before depreciation, amortisation and provisions. Given the non-financial nature of the investment and the management and operational role played by the Group in its jointly controlled companies, the portion of the investees' results attributable to the Group is measured using the equity method, and recorded in the income statement before the operating result.
- ii) EBIT (earnings before interest and taxes) coincides with the operating result shown in the income statement;
- iii) EBT (earnings before taxes) coincides with the pre-tax profit shown in the income statement.

In general terms, the interim results shown in this document are not defined as an accounting measure under the IFRS and, therefore, the criteria for defining these interim results may not be consistent with those adopted by other companies.

Reported Income Statement (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Total revenue	2,036,519	1,108,377	928,141	83.7%
External costs	-1,483,122	-820,633	-662,489	80.7%
Cost of labour	-210,340	-152,992	-57,348	37.5%
Measurement of strategic equity investments using the equity method	-456	10,828	-11,285	-104.2%
EBITDA	342,600	145,581	197,019	135.3%
Amortisation/depreciation and write-downs	-219,290	-75,459	-143,832	190.6%
Provisions	-21,398	-11,116	-10,281	92.5%

EBIT	101,912	59,006	42,906	72.7%
Write-downs and reversals of financial assets and liabilities	-557	330	-887	-269.1%
Measurement of non-financial equity investments using the equity method	19,243	17,745	1,497	8.4%
Financial income	15,637	10,320	5,317	51.5%
Financial expenses	-57,460	-35,581	-21,880	61.5%
EBT	78,774	51,819	26,954	52.0%
Income taxes for the year	-19,552	-6,638	-12,914	194.5%
Profit (loss) for the year	59,222	45,181	14,040	31.1%
Profit/(loss) of non-controlling interests	24,933	8,916	16,016	179.6%
Group profit/(loss)	34,289	36,265	-1,976	-5.4%

The table below illustrates the consolidated revenues, EBITDA, EBIT and adjusted EBT for the financial years ended 31 December 2024 and 2023:

Adjusted Income Statement (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Total Adjusted Revenue	2,032,802	1,086,249	946,553	87.1%
External costs	-1,476,662	-806,655	-670,007	83.1%
Cost of labour	-210,340	-152,992	-57,348	37.5%
Measurement of strategic equity investments using the equity method	5,453	10,828	-5,375	-49.6%
Adjusted EBITDA	351,253	137,430	213,823	155.6%
Amortisation/depreciation and write-downs	-216,380	-68,453	-147,927	216.1%
Provisions	-21,398	-11,116	-10,281	92.5%
Adjusted EBIT	113,476	57,861	55,615	96.1%
Write-downs and reversals of financial assets and liabilities	-557	330	-887	-269.1%
Measurement of non-financial equity investments using the equity method	19,243	14,430	4,812	33.3%
Financial income	15,637	10,320	5,317	51.5%
Financial expenses	-56,722	-30,898	-25,825	83.6%
Adjusted EBT	91,075	52,042	39,033	75.0%
Income taxes for the year	-21,376	-6,347	-15,028	236.8%
Adjusted profit (loss) for the year	69,700	45,695	24,004	52.5%
Profit/(loss) of non-controlling interests	29,344	9,018	20,326	225.4%
Adjusted Group profit/(loss)	40,356	36,677	3,678	10.0%

The Group's consolidated income statement 2024 was affected by a number of income components which (i) derive from events or operations whose occurrence is non-recurring, or from operations or events that do not reoccur frequently in the normal course of the activity or (ii) derive from events or operations not representative of the normal business activity, even if these occurred in previous years or are likely to occur in subsequent ones. The composition of elements defined by the Company's management as non-recurring, unusual or not representative of the normal business activity for the financial year ended 31 December 2024 is presented below:

Non-recurring item	2024	2023
Flood emergency reimbursement	-3,100	-10,273
Compensation for damages from natural gas providers	0	-9,719
Release of provision for disputes	0	-1,686
IRMA gas distribution from previous years	0	-451
Redetermination of distribution and metering service tariffs 2015-2023 Resolution 376/2024	-313	0

Recovery of safety incentive from previous years	-303	0
Total non-recurring revenue	-3,717	-22,128
Expenses from non-financial equity investments	5,910	0
Flood emergency costs	4,882	10,273
San Donnino plant capital losses	1,578	0
Cash flow hedge commodity swap reversal	0	2,111
Solidarity fund	0	1,105
Fines, closure of criminal proceedings	0	489
Total non-recurring costs and revenue with impact on EBITDA	8,653	-8,150
Impairment, district heating plants	0	2,728
Impairment, gas distribution meters	426	2,205
Impairment, plant and equipment	357	2,072
Impairment, fixed assets under construction (Waste to chemical project)	2,128	0
Total non-recurring costs and revenue with impact on Operating Profit/(Loss) (EBIT)	11,563	-1,145
Impairment of Blugas Infrastrutture S.r.l.	0	2,195
Provision for interest payable due to delayed payment on disputes (gas distribution)	738	1,909
Cash flow hedge commodity swap reversal	0	579
Capital gains, Acque consolidation	0	-3,315
Total non-recurring costs and revenue with impact on Profit before taxes	12,301	223
Tax effect on non-recurring costs and revenue	-1,823	291
Total non-recurring costs and revenue with impact on Net Result	10,478	514

In FY 2024, the following non-recurring elements were noted (with a total positive impact on the net result of € 10.5 million):

- ❖ costs and revenues related to the flood emergency (€ 3.1 million and € 4.9 million, respectively). By virtue of the considerations reported under Significant Events and considering the extraordinary nature of the event, both the costs incurred until 31 December 2024 and the associated expected revenue were treated as non-recurring items. Please refer to the comments on other income in the notes to the financial statements;
- ❖ higher revenues from natural gas distribution due to the redetermination of distribution and metering service tariffs for the years 2015-2023 in application of ARERA Resolution 376/2024 (€ 0.3 million);
- ❖ higher revenues for recovery of safety incentives related to natural gas distribution activities in previous years (€ 0.3 million);
- ❖ provision for risks related to the investment in the company AL.BE. as described in the notes (€ 5.9 million);
- ❖ write-down and capital loss resulting from work in progress at the San Donnino site, as described in the notes to the financial statements (impact on EBIT of € 1.9 million)
- ❖ write-down of electronic meters as described in the notes to the financial statements (€ 0.4 million)
- ❖ write-down of fixed assets under construction related to the "Waste to Chemical" (WTC) project as described in the notes to the financial statements (€ 2.1 million);
- ❖ allocation to the provision for risks for interest payable that the Group may have to pay for delayed payment of payable items subject to dispute, in the event of losing the dispute (€ 0.7 million).

The adjustments led to a tax effect of € 1.8 million (higher income taxes).

In FY 2023, the following non-recurring elements were noted (with a total positive impact on the net result of € 0.5 million):

- ❖ costs and revenues related to the flood emergency (€ 10.3 million). By virtue of the considerations reported under Significant Events and considering the extraordinary nature of the event, both the costs incurred until 31 December 2023 and the associated expected revenue were treated as non-recurring items. Please refer to the comments on other income in the notes to the financial statements;
- ❖ higher revenue for compensation received following the positive resolution of several disputes involving Estra Energie S.r.l. as an active part in the request for economic damages from several providers (€ 9.7 million);
- ❖ release of risk provisions from the companies merged into Alia Servizi Ambientali – Consiag and Publiservizi – for a total of € 1.7 million;
- ❖ higher revenue relating to fees on the residual amount for foregone amortisations on initial installation electronic meters disposed of early paid to Estra Group companies operating in the distribution of natural gas as a recovery on previous years' tariffs, pursuant to ARERA Resolution 737/2022/R/gas of 29 December 2022 (€ 0.5 million);
- ❖ reversal of the cash flow hedge commodity swap reserve for a total of € 2.7 million;

- ❖ contributions for previous years for employee solidarity fund;
- ❖ penalties following the closure of criminal proceedings against executives (€ 0.5 million)
- ❖ write-down of district heating plants as described in the notes (€ 2.7 million);
- ❖ write-down of electronic meters as described in the notes to the financial statements (€ 2.2 million);
- ❖ write-down of reverse vending machines as described in the notes (€ 2.1 million);
- ❖ write-down of the equity investment in Blugas Infrastrutture as described in the notes (€ 2.2 million);
- ❖ allocation to the provision for risks for interest payable that the Group may have to pay for delayed payment of payable items subject to dispute, in the event of losing the dispute (€ 1.9 million);
- ❖ capital gain related to the consolidation of Acque S.p.A.

The adjustments led to a tax effect of € 0.3 million (lower income taxes).

Following the corporate events between 2023 and 2024, Alia acquired control of both the Estra Group and Publiacqua. Compared to Alia's pre-existing business model – centred on waste cycle management – this led to the expansion of the operating scope to include new and different strategic business units (SBUs) such as “Energy Market” (gas and electricity sales, energy services, renewables, and TLC services), “Natural Gas Distribution” (the sector also includes the marginal activity of LPG distribution and sales), and “Integrated Water Service”.

The structure of the business areas changed compared to the previous year as a result of the changes to the Group's governance and the reporting used by Management to analyse and plan the businesses managed, following the entry of Estra and Publiacqua into the Alia Group's scope. In particular, at Estra the business area called “Other Activities” was allocated partly to the “Energy Market” (with reference to energy services, renewable energy and TLC activities) and partly to the “Environment” sector (with reference to waste selection, treatment and storage activities). As a result of these changes, the values for FY 2023 were restated for a uniform comparison of the results of the business segments.

In reporting for the analysis of the business segments, the revenues and costs of Estra's corporate activities were reallocated to the respective business lines on the basis of the absorption percentages of service activities. Alia's acquisition of control of the Estra Group entailed the transfer to Alia during FY 2024 of various coordination activities and centralised management of corporate functions previously performed by Estra itself (strategic and organisational planning, financial and budget planning, marketing objectives and policies, human resources management policies, strategies and practices, production planning, business management planning and control, IT management). These centralised functions at the Parent Company perform their activities in favour of the Group companies on the basis of specific service contracts.

The table below illustrates total adjusted revenues, including revenues from sales and services and other revenues of each business area of the Group for the financial years ended 31 December 2024 and 2023, with an indication of the significance, in percentage terms, compared to the Group's total consolidated revenues.

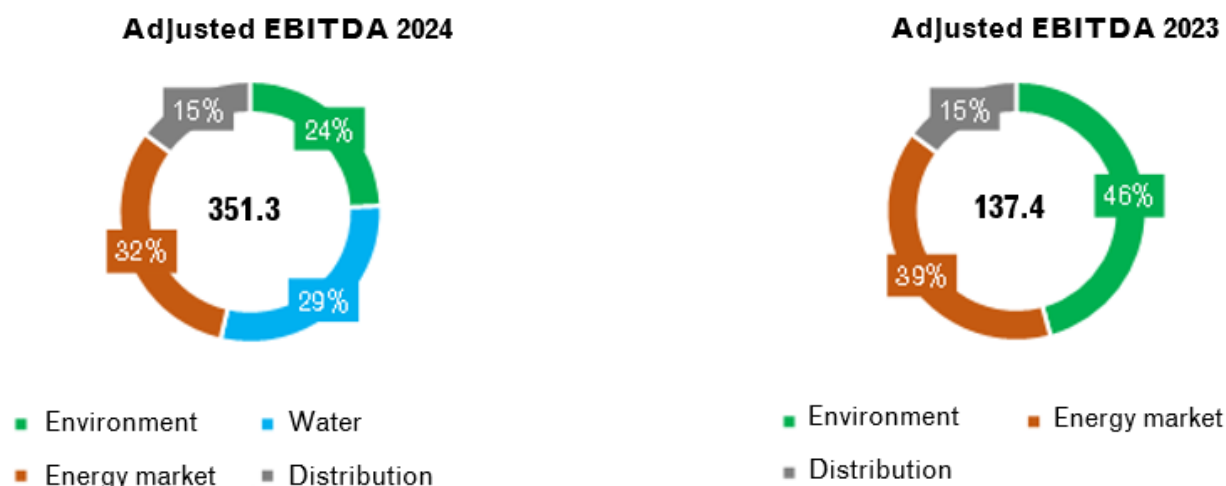
Total Adjusted Revenue (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Environment	641,943	538,639	103,304	19.2%
Water	244,995	0	244,995	n.a.
Energy market	1,076,070	505,208	570,862	113.0%
Distribution	190,657	77,913	112,744	144.7%
Adjustments and eliminations	-120,862	-35,511	-85,351	240.4%
Total Adjusted Revenue	2,032,802	1,086,249	946,553	87.1%

Adjusted revenues increased by € 946.6 million (+87.1%) in 2024 compared to the previous year, mainly driven by the change in the scope of consolidation following the entry of Publiacqua as of 1 June 2024 and the “full year” effect impacting the activities of the Estra Group, the latter being subject to control, management and coordination of the Parent Company as of 1 July 2023.

External costs went from € 806.7 million to € 1,476.7 million (+83%), accounting for 72.6% of revenue (74.3% in 2023). External costs related to the Water sector amount to € 128.0 million, while the growth recorded by the Environment segment compared to 2023 (+€ 50.4 million) was due to both the increase in the costs of collection and disposal services, as well as the “full year” effect related to the consolidation of the Environment operating segment of the Estra Group and the costs related to GIDA.

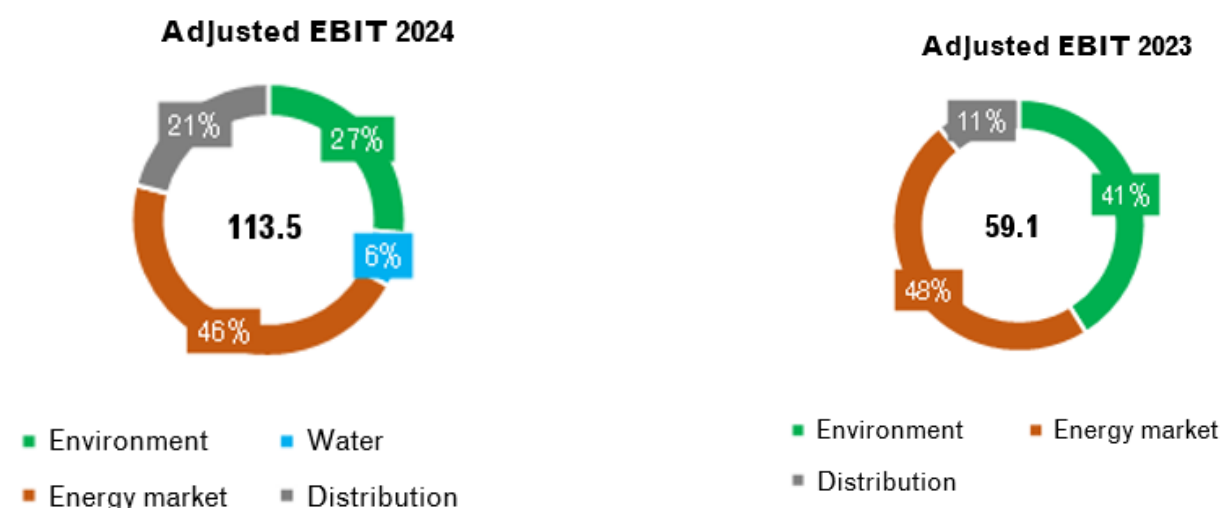
The cost of labour amounted to € 210.3 million, of which € 44.0 million related to Estra and € 17.2 million to Publiacqua. The growth recorded by the Environment segment with respect to 2023 was equal to € 21.9 million, with a change of 17%, and was mainly attributable to the growth in the workforce following the merger of AER, the “full year” effect for the companies of the Estra Group, the consolidation of GIDA and the progressive internalisation of services related to urban waste management.

Adjusted EBITDA amounted to € 351.3 million, a considerable increase compared to the € 137.4 million in 2023. As shown below, the main change concerns the consolidation of the Water business (Publiacqua) as of 1 June 2024 and the “full year” effect for Estra Group companies.



Amortisation/depreciation and write-downs amounted to € 216.4 million (€ 68.5 million at 31 December 2023). The change was due both to the consolidation of Publiacqua (€ 93.6 million) and to the “full year” effect for the Estra Group companies, as well as to the significant investments that came into operation in both the Environment and Energy sectors. There was also an increase in provisions for credit impairment (+€ 10.3 million) due to the consolidation of Publiacqua (+€ 2.2 million), the “full year” effect related to the energy market (+€ 6.2 million), and the assessments related to the environmental reward tariff (TARIC) of the ATS-1 municipalities.

As a result of the increased gross operating margin, the adjusted operating profit went from € 57.9 million in 2023 to € 113.5 million, with a positive change of € 55.6 million.



The item “Measurement of financial equity investments using the equity method” mainly includes the recognition of pro-rata profits related to both the associate Toscana Energia and Acque S.p.A.

Financial management (balance between financial expenses and income) showed a negative balance of € 41.1 million compared to € 20.6 million in 2023 as a result of the changes in the scope of consolidation between the two years and the increase in financial payables, partially offset by the decrease in interest rates.

Adjusted EBT came out at € 91.1 million (€ 52.0 million in 2023).

Income taxes amounted to € 21.4 million with a tax rate of 23.5%, the latter being affected by significant elements such as the measurement of equity investments using the equity method not subject to taxation during the year.

Adjusted net profit was € 69.7 million (€ 45.7 million in 2023).

3.6 Business Performance – Financial Position

Reclassified Balance Sheet (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Concession asset	1,348,283	842,513	505,770	60.0%
Property, plant and equipment	268,669	202,211	66,458	32.9%
Intangible fixed assets	244,694	212,589	32,106	15.1%
Goodwill	53,559	53,559	0	0.0%
Financial	376,177	563,266	-187,089	-33.2%
Fixed assets	2,291,382	1,874,138	417,244	22.3%
Inventories	47,611	20,722	26,889	129.8%
Trade receivables	717,952	586,836	131,116	22.3%
Trade payables	-478,010	-421,028	-56,982	13.5%
Other receivables	282,474	269,195	13,279	4.9%
Other payables	-378,569	-331,412	-47,157	14.2%
Net working capital	191,458	124,312	67,146	54.0%
Provisions for risks and charges	-84,881	-69,001	-15,879	23.0%
TFR (Employee severance indemnity)	-22,742	-20,135	-2,606	12.9%
Net invested capital	2,375,218	1,909,314	465,905	24.4%
Shareholders' Equity	1,538,337	1,236,886	301,451	24.4%
Net financial position	836,882	672,428	164,454	24.5%
Total sources of financing	2,375,218	1,909,314	465,905	24.4%

Fixed assets increased from € 1,874.1 million at 31 December 2023 to € 2,291.4 million at 31 December 2024. This increase is attributable to (i) the effects of the consolidation of Publiacqua and GIDA, from 1 June and 1 July 2024, respectively (for further details on the effects of these transactions, please see the notes) and (ii) the growth in investments following important developments, especially in the Environment and Gas Distribution sectors.

Investments in Gas Distribution (€ 54.0 million, +32% compared to 2023) involved network extension works, extraordinary maintenance and the replacement of traditional meters with electronic ones. On the Environment side, investments (€ 128.8 million) mainly concerned the continuation of plant initiatives under way or started during the year (e.g. Biodigesters, Textile Hub) and the purchase of vehicles and equipment for collection processes. In addition, during the period the Group was engaged in important developments in information systems and digitalisation; for details, please refer to the dedicated section.

Net working capital increased from € 124.3 million to € 191.5 million. This change – in addition to being affected by the transactions mentioned above – was brought about by the following effects: i) increase in gas inventories in storage for € 23.0 million, mainly due to higher volumes in storage; ii) increase in trade receivables related to sales activities (gas and electricity) due to the effect of commodity prices recorded in December 2024 compared to the same month in the previous year; iii) increase in receivables in the environment segment from the Municipalities of ATS-1 that moved to a reward tariff following the switch of billing from monthly to quarterly for the Municipalities and the tariff adjustments relating to the fee paid to the Operator.

Other receivables and payables were also significantly affected by transactions during the year. Significant items included in other payables at 31 December 2023 included the debt resulting from the potential exercise of the option by the ex-Publiservizi shareholders in the amount of € 125.9 million, for which reference should be made to the comments on equity investments in the notes.

Shareholders' equity at 31 December 2024 amounted to € 1,538.3 million (€ 1,236.9 million at 31 December 2023). The changes during the year were attributable to the extraordinary transactions completed during the period, the profit for the year and the distribution of dividends. Shareholders' equity represented 64.8% of the financing sources, in line with the figure from the previous year.

Significant corporate transactions, cash absorption due to investments and operations led to an increase in net financial debt from € 672.4 million in FY 2023 to € 836.9 million at 31 December 2024.

Several consolidated **performance indicators** concerning economic, asset and financial management are summarised below.

Group performance indicators	Calculation method	UoM	2024	2023
Solidity Indices				
Capital solidity	Shareholders' equity / (total liabilities - shareholders' equity)		0.77	0.72
Fixed assets self coverage	Shareholders' equity / fixed assets		0.67	0.66
Coverage of fixed assets with permanent capital	(Shareholders' equity + payables due after 12 months) / fixed assets		1.04	1.10
Liquidity indices				
Availability quotient	Current assets / current liabilities		0.88	1.06
Total liquidity quotient	(Current assets - inventories) / current liabilities		0.84	1.03
Financial indices				
Profit management cash flow	Profit + amort. and dep. + adv.	€/000	299,909	131,378
Average inventory duration (1)	(Net inventories * 360) / consumption of materials	dd	27	24
Average tariff credit duration (2)	(Trade receivables * 360) / revenue	dd	112	196
Trade payables average duration (3)	Trade payables * 360 / (consumption of materials + costs for services + other operating expense)	dd	134	210
Working capital cycle	(1) + (2) - (3)	dd	5	10
Profitability indices				
ROE	Profit / shareholders' equity		3.8%	3.7%
ROI	EBIT / total assets		2.9%	2.0%
Productivity indices				
Revenue per capita	Revenue / average no. employees	€/000	400.96	258.80
Cost of labour per capita	Personnel costs / average no. employees	€/000	48.45	41.79
EBIT per capita	EBIT / average no. employees	€/000	23.48	16.46

3.7 Business performance – analysis by Strategic Business Unit (SBU)

Below are the adjusted income statements by strategic business unit for 31 December 2024 and 2023. With reference to the financial year in question, the scope of consolidation includes the economic results achieved by Publiacqua from 1 June 2024 (Water SBU), GIDA from 1 July 2024 (Environment SBU) as well as the Estra Group, already subject to consolidation from 1 July 2023, through its strategic business units: i) *Energy Market*, which includes free market activities such as gas and electricity trading, energy efficiency, renewables and TLC services; ii) *Distribution*, which includes natural gas distribution activities regulated by ARERA provisions and, to a lesser extent, LPG sales and distribution activities; iii) *Environment*, which includes waste sorting, treatment and storage activities in the market-based environment sector.

2024 business segments (amounts in thousands of euro)	Environment	Water	Energy market	Distribution	Adjustments and eliminations	Total
Total Revenue	641,943	244,995	1,076,070	190,657	-120,862	2,032,802
External costs	-405,622	-128,006	-945,284	-117,824	120,075	-1,476,662
Personnel costs	-153,201	-17,159	-19,952	-20,800	772	-210,340
Income from non-financial equity investments	2,201	3,252	0	0	0	5,453
Gross operating margin (EBITDA)	85,321	103,082	110,833	52,033	-16	351,253
Depreciation, amortisation, provisions and write-downs	-48,073	-93,573	-46,509	-28,225	0	-216,380
Write-down of receivables	-7,029	-2,216	-11,996	-156	0	-21,397
Operating profit (loss) (EBIT)	30,219	7,294	52,327	23,652	-16	113,476

2023 business segments (amounts in thousands of euro)	Environment	Water	Energy market	Distribution	Adjustments and eliminations	Total
Total Revenue	538,639	0	505,208	77,913	-35,511	1,086,249
External costs	-355,250	0	-440,722	-45,899	35,215	-806,655
Personnel costs	-131,328	0	-10,405	-11,555	295,85622	-152,992
Income from non-financial equity investments	10,828	0	0	0	0	10,828
Gross operating margin (EBITDA)	62,889	0	54,082	20,459	0	137,430
Depreciation, amortisation, provisions and write-downs	-33,899	0	-20,525	-14,030	0	-68,454
Write-down of receivables	-5,240	0	-5,759	-117	0	-11,115
Operating profit (loss) (EBIT)	23,751	0	27,797	6,313	0	57,861

ENVIRONMENT

Adjusted revenues of the segment increased by € 103.3 million compared to 2023 (+19.2%) as a result of the increase in MTR fee revenues recognised to the Operator (equal to approximately € 40 million) and the growth in collection contributions (€ 5.4 million), in addition to the changes in the scope of consolidation resulting from the inclusion of the Estra Group, as of 1 July 2023, and GIDA, as of 1 July 2024. At 31 December 2024, Environment revenues accounted for approximately 32% of the Group's total revenues.

EBITDA of the SBU amounted to € 85.3 million, significantly up compared to the € 62.9 million in 2023 (+36%). The growth in margins is attributable to the revenue trend as summarised above, partially offset by the increase in the cost of contracts for collection services, as a result of the contractually agreed inflation adjustments recorded during the year, higher disposal costs, and the growth in the cost of labour.

Depreciation, amortisation and write-downs amounted to € 48.1 million, an increase compared to 2023 (+€ 14.2 million) due to the growth in investments and the effects of the change in the scope of consolidation (Estra Group and GIDA). Provisions for credit impairment increased from € 5.2 million to € 7.0 million following the introduction of the new fee-based pricing system in the ATS-1 municipalities and the related switch from monthly to quarterly billing for municipality users.

EBIT amounted to € 30.2 million and accounted for approximately 27% of the consolidated EBIT.

WATER

As explained above, the Water SBU became part of the Group from 1 June 2024, following the entry of Publiacqua into the scope of consolidation. The results achieved in the period, though not compared with the previous year, were negatively affected by the combined effect of the reduction in tariff revenues (as a result of the recognition of tariff adjustments relating to previous years for approximately € 13 million), the increase in costs for inventory purchases and those for services, partially offset by an increase in non-current assets from in-house production.

ENERGY MARKET

Energy Market revenues for 2024 amounted to € 1,076.1 million and were mainly related to the sale of gas to end customers (raw material, fixed portion and distribution) for € 559.5 million (equal to 52% of the segment) against 631 million cubic metres of gas sold, the sale of electricity to end customers (raw material, PCV and transport and dispatching) for € 336.2 million related to 1,141 GWh and to gas and electricity sales to PSV, GME and for balancing operations for € 115.1 million.

The SBU's adjusted EBITDA amounted to € 110.8 million, driven by the increase in margins related to the gas and electricity trading segment, partially offset by the reduction in energy efficiency activities following the completion of the 110% superbonus works.

EBIT amounted to € 52.3 million and accounted for 46% of the consolidated EBIT.

At 31 December 2024, there were a total of 890,000 gas and electricity customers, down compared to 896,000 customers of the previous year. Volumes of electricity sold in the retail segment recorded an increase compared the previous year, due to more customers served. In the gas sector, volumes sold were in line with the trend of the last financial year in the retail sector, while they decreased in the business sector due to the conclusion of several contracts with business customers and the end of the effects associated with Consip tenders.

Number of gas and electricity customers (/000)	2023	2024
Total	896	890
Number of gas customers (/000)	2023	2024
Total	556	542
Number of electricity customers (/000)	2023	2024
Total	340	348

DISTRIBUTION

At 31 December 2024, Distribution showed revenues of € 190.7 million, up from 2023, due to the increase in revenues allowed for regulatory purposes (VRT), as a result of the increase in the WACC (weighted average cost of capital) from 5.6% to 6.5% and investments made, and higher capitalised costs in networks and meters. In addition, revenues from the trading of energy efficiency certificates amounted to € 16.9 million with a corresponding change in cost of € 16.4 million.

EBITDA amounted to € 52.0 million with an EBITDA margin of 27% of total revenues and a VRT margin of 57%, an increase compared to the Group's historical performance.

EBIT amounted to € 23.6 million and accounted for 21% of the consolidated result.

Investments made on networks, plants, and the replacement of traditional meters with electronic meters have led to growth in Regulatory Asset Base (RAB). This indicator determines the net invested capital for the purposes of ARERA determining tariffs. The RAB managed in 2024 was € 466 million (€ 432 million in 2023). Of note, there are 5,000 LPG customers serviced by around 140 kilometres of channel networks.

Operating measures	2023	2024
Gas input into the network (Mln m ³)	696	689
Active PoDs ('000)	640	639
Km of network	8,567	8,613
RAB (€/million)	432	466

3.8 Business Performance – Parent Company

The following tables summarise the income statement, balance sheet and financial data of the Parent Company Alia Servizi Ambientali S.p.A. for the years ended 31 December 2024 and 2023.

Reported Income Statement (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Total revenue	575,181	499,137	76,044	15.2%
External costs	-373,353	-341,716	-31,637	9.3%
Cost of labour	-135,194	-117,045	-18,149	15.5%
Measurement of strategic equity investments using the equity method	-3,709	10,828	-14,537	-134.2%
EBITDA	62,926	51,205	11,721	22.9%
Amortisation/depreciation and write-downs	-37,406	-28,413	-8,993	31.7%
Provisions	-7,258	-5,038	-2,220	44.1%
EBIT	18,262	17,754	507	2.9%
Write-downs and reversals of financial assets and liabilities	-789	-1,838	1,049	-57.1%
Measurement of non-financial equity investments using the equity method	16,049	19,733	-3,684	-18.7%
Financial income	10,503	3,973	6,531	164.4%
Financial expenses	-18,755	-12,250	-6,505	53.1%
EBT	25,271	27,372	-2,101	-7.7%

Income taxes for the year	1,543	927	616	66.5%
Profit (loss) for the year	26,814	28,299	-1,485	-5.2%

The table below illustrates the consolidated revenues, EBITDA, EBIT and adjusted EBT for the financial years ended 31 December 2024 and 2023. For further information on non-recurring items, please refer to the section above.

Adjusted Income Statement (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Total Adjusted Revenue	572,081	487,179	84,902	17.4%
External costs	-366,892	-327,738	-39,154	11.9%
Cost of labour	-135,194	-117,045	-18,149	15.5%
Measurement of strategic equity investments using the equity method	2,201	10,828	-8,627	-79.7%
Adjusted EBITDA	72,196	53,224	18,971	35.6%
Amortisation/depreciation and write-downs	-34,922	-26,340	-8,581	32.6%
Provisions	-7,258	-5,038	-2,220	44.1%
Adjusted EBIT	30,016	21,846	8,169	37.4%
Write-downs and reversals of financial assets and liabilities	-789	-1,838	1,049	-57.1%
Measurement of non-financial equity investments using the equity method	16,049	16,418	-369	-2.2%
Financial income	10,503	3,973	6,531	164.4%
Financial expenses	-18,755	-11,672	-7,083	60.7%
Adjusted EBT	37,025	28,728	8,297	28.9%
Income taxes for the year	-159	172	-330	-192.5%
Adjusted profit (loss) for the year	36,866	28,900	7,967	27.6%

The table below illustrates the financial position of the Parent Company for the financial years ended 31 December 2024 and 2023.

Reclassified Balance Sheet (amounts in thousands of Euro)	2024	2023	Change 2024-2023	
			Absolute	%
Concession asset	414,367	342,873	71,494	20.9%
Property, plant and equipment	43,879	44,648	-769	-1.7%
Intangible fixed assets	16,981	109	16,873	15532.8%
Financial	818,150	804,752	13,398	1.7%
Fixed assets	1,293,377	1,192,381	100,996	8.5%
Inventories	3,437	2,726	711	26.1%
Trade receivables	235,675	175,538	60,137	34.3%
Trade payables	-168,167	-137,333	-30,834	22.5%
Other receivables	57,643	61,528	-3,885	-6.3%
Other payables	-58,951	-151,747	92,796	-61.2%
Net working capital	69,637	-49,288	118,925	-241.3%
Provisions for risks and charges	-45,818	-43,426	-2,392	5.5%
TFR (Employee severance indemnity)	-10,184	-10,853	669	-6.2%
Net invested capital	1,307,013	1,088,815	218,198	20.0%
Shareholders' Equity	1,016,670	877,410	139,260	15.9%
Net financial position	290,343	211,405	78,938	37.3%
Total sources of financing	1,307,013	1,088,815	218,198	20.0%

With regard to the activities carried out by the Parent Company, in 2024 the planning and transformation of collection and sweeping services continued, as did the plant evolution envisaged by the Group's business plan, while simultaneously pursuing the objectives to digitalise the main activities.

Among the IoT activities carried out and those aimed at the implementation of a digitalisation structure, the process of tagging roadside containers in order to analyse them was initiated, which would change the management logic of such assets, as well as introduce new ways of reporting on the service; this is connected with the configuration for all Alia's vehicles of the specific on-board equipment for recording emptying, for navigation with dynamic planning. In the year just ended, the development of the new reverse vending machine, or "Genius 5.0", focused on data processing and system integration through the preparation of specific algorithms for predictive filling that will see initial applications in the course of 2025.

On the other hand, design activities focused on the standardisation of collection models by presenting feasibility analyses on the efficient models envisaged in the business plan, updated in the proposed update of the Assignment Plan, which assumes the introduction of road, mixed or door-to-door models. In particular, projects were prepared for the Municipalities of Pistoia and Pescia for the introduction of home collection, for the Municipality of Scandicci for digital street collection, and for Lastra a Signa for the introduction of organic waste collection in the existing mixed system.

With reference to the transformation processes of the collection services, note: (i) the conclusion in the Municipality of Florence of the "*Firenze Città Circolare* (Florence Circular City)" project with the installation of up-loader containers equipped with electronics and volumetric sensors for tracking deliveries; (ii) the introduction of glass collection with on-street bell-shaped recycling bins in the Municipalities of Montespertoli Poggio a Caiano, Quarrata and Carmignano, replacing door-to-door collection and, in the case of Montespertoli, the collection of bulk multi-material, as part of the transition of the Municipalities with a Reward Tariff.

As far as waste management is concerned, in 2024 the company collected over 802,000 tonnes of waste in the territory with a separate waste collection rate⁵⁶ of 69.5%. Alia's improved performance compared to the previous year can be attributed to investments in the transformation of collection systems and to raising public awareness, as well as the introduction of collection models linked to the Reward Tariff.

Waste Managed							
Tons	Changes						
	2022	2023	2024	vs 2022	%	vs 2023	%
Non-separated waste	265,911	260,790	244,932	- 20,979	-7.9%	- 15,858	-6.1%
Separated waste	574,746	573,514	557,938	- 6,808	-2.9%	- 15,576	-2.7%
TOTAL	840,657	834,304	802,871	- 37,786	-4.5%	- 31,433	-3.8%
%SW	68.37%	68.74%	69.49%				

On the fleet side, the process of updating and maintaining the fleet of vehicles on the road continued, in particular with the gradual transition from side-loader to up-loader waste collection. In general, the number of vehicles in the circulating fleet (excluding plant operating machines, plant and waste collection centre forklifts and other equipment) has increased due to new services and the incorporation of AER, totalling 1,422 at the end of 2024; the average age is 6 years. The process of maintaining the fleet continued, in favour of containing maintenance costs and improving emissions; in fact, 113 vehicles in categories below Euro 6 (including some Euro 1, 2 and 3) were scrapped and 137 new Euro 6 vehicles were registered. As far as the container fleet is concerned, 51 old containers/press-containers were scrapped and 137 new ones purchased, thus increasing the total from 1,223 roll-offs (including containers and press containers) to 1,309 (+7%).

From a plant engineering standpoint, 2024 saw: (i) the completion of the new anaerobic digestion section and the revamping of the composting section at Casa Sartori, with the start-up of biomethane production; (ii) the continuation of the revamping of the Case Passerini hub aimed at increasing treatment capacity, and those relating to the redevelopment of the San Donnino hub, with the complete demolition of the existing buildings and which will see the construction of a plant for the treatment and recovery of WEEE; (iii) the construction of a new treatment line at the Paronese TM (iv) and the continuation of preliminary and design activities for the construction of the new textile waste treatment and recovery plant in Prato (Textile Hub) and for the revamping of the Dano plant, the latter aimed at converting the site into a cellulose waste treatment and recovery plant.

⁵⁶ Calculated by applying the standard method for certifying the percentage of separate urban waste collection provided for by D.G.R.T. (Tuscany Region Executive Resolution) no. 1272/2016.

In the year just ended, the digital management and reporting of services was launched, introducing the new methods in several operational sites. As of 31 December, the digital model had reached 80% penetration among provision of services. The Priority service for the removal of fly tipping waste in public areas was activated in the Municipalities of Florence and Prato, which provides for collection in 3 to 6 hours from the time of the report; this trial was made possible thanks to the digitalisation of requests channelled through the Aliapp digital platform and the optimisation of routes through dynamic routing with the efficiency of journey times. All requests from users involve the use of the digital Aliapp channel and, through the Field-Service application, are forwarded to the teams, allowing for more productive interventions.

In addition, a 24/7 waste collection and cleaning service was implemented in the Municipality of Florence, which profoundly changed the organisation of the service by meeting the needs expressed by the polarity of this territory. All the innovations introduced in the operational area are coordinated by the "Control Room", which, through continuous monitoring of the service and using the computer systems provided (Geoalia, Moova, etc.), directs the work orders generated by the reports received through digital channels to the operational teams and integrates them into the planned service.

Research and development

Innovation and research have great relevance in the Group's strategic plan. In particular, the Group is investing in research, development and innovation for optimisation, operational efficiency and the introduction of innovative technologies in its processes.

During the year various research activities were performed in several sectors and fields, also in partnership with universities, research institutes and companies. For a description of the most important initiatives carried out in 2024, please see the section in the Sustainability Report.

Treasury shares and shares of parent companies

The Group holds 982,107 treasury shares, through Alia Ambientali S.p.A., with a nominal value of € 982,107.

The companies included in the Group at 31 December 2024 did not hold shares or stakes in parent companies, not even through trust companies or intermediaries, and did not acquire or dispose of such shares or stakes during the financial year. Alia S.p.A. is controlled by the Municipality of Florence local authority.

Staff, recruitment policies and training

In 2024, the Group's average workforce was 4,341 (detailed below).

Average employees by position					
Average no. of employees	Alia Servizi Ambientali	Group ESTRA	Publiacqua	Revet	Total
Managers	17	26	5	1	49
Middle managers and clerical workers	718	602	348	60	1,728
Manual workers	1,925	197	265	177	2,564
Total	2,660	825	618	238	4,341

At the Parent Company, 9 employees left during the period, while 157 were hired, including staff from the merger with AER. At Estra, 23 employees left and 8 new people were hired.

In 2024 recourse to agency workers was made by some Group companies in order to guarantee the replacement of staff absent on maternity leave or sick leave, as well as to manage specific peak working periods and to replace holidays.

With the aim of fostering the professional growth and development of employees, internal research was carried out during 2024 to ensure that staffing needs were met. To fill positions that could not be filled internally, external selections were carried out, with job posts published on the company website and on the web (social media and recruiting sites) or entrusted to economic operators in the sector.

In 2024, the Group's commitment to growth of professional skills and human capital continued, as did its dissemination in the companies and workplaces, through the design and delivery of mandatory training courses (privacy, information security, environment and occupational health and safety) as well as transversal or technical skills development courses (continuous professional development). A total of 89,355 training hours were provided in 2024 (annual figure), involving 3,525 employees, an increase of 9% over the previous year. This increase was related to operational training (job shadowing and training on vehicles and equipment) and to the training and updating of soft skills or specific technical competences.

Hours of training					
Hours	Alia Servizi Ambientali	Group ESTRA	Publiacqua	Revet	Total
Safety	16,307	5,213	4,971	2,841	29,332
Organisation and Management Model	153	250	1,166	0	1,569
On-the-job training	32,553	1,272	9,964	0	43,789
Continuous professional development	4,336	6,802	3,527	0	14,665
Total	53,349	13,537	19,628	2,841	89,355

With regard to the environmental companies, the training provided was mainly oriented towards sector-specific safety. For Centria S.r.l., in addition to sector-specific courses, training was provided by in-house teaching, exploiting the skills of the most experienced staff, particularly in QGIS, Power BI, Excel and Geocall. For the companies Centria S.r.l., Estra S.p.A., Estra Energie S.r.l. and Prometeo S.p.A., courses were also held with in-house teaching on safety updates according to the State-Regions Agreement.

In April 2024 Centria S.r.l., the main gas distribution company of the Group, concluded the six-month extracurricular internship launched in October 2024, for 16 young people chosen from Technical Institute diploma holders and graduates in Engineering and Economics. As part of the programme, 244 hours of technical training provided by Centria personnel via in-person lectures or online webinars (with 36 internal teaching staff involved), and 673 hours of mentoring were completed.

Estra Energie S.r.l. and Prometeo S.p.A., the two main gas and electricity sales companies of the Group, oversaw Customer Service and Sales Network training through its Estra Training technical academy. The training offer in 2024 saw the delivery of 221 topics (e-learning courses and contributions from experts) and 4 webinars.

During 2024, some Estra employees were functionally assigned to Alia Servizi Ambientali through secondment, in order to reorganise the entire Multiutility. At 31 December 2024, 115 employees were seconded.

For more information, refer to the Consolidated Non-Financial Statement.

IT systems and infrastructure

During the year, the Group continued its *Digital Transformation* through the design of new architectural and application maps to support decision-making processes and the evolution towards an integrated Multiutility perspective.

In terms of applications, there was a consolidation of the initiatives undertaken by the Parent Company since 2022 through the focus on the strategic use of data and the integration of advanced technologies into business processes. Of the most relevant systems closely related to waste:

- ❖ SAP ISU-Billing recorded positive results and several developments with a view to optimising billing processes, with the main focus on managing the reward tariff;
- ❖ the unique SAP Waste system, among other evolutions, saw the introduction of sensor technology on roadside bins. The latter will allow the collection of data from the territory, contributing to a management of collections based on the actual filling level;
- ❖ the introduction of the enterprise data-platform was a turning point in data processing and analysis, representing an asset to support decision-making processes capable of interfacing with the potential of artificial intelligence.

With a broader outlook on the Multiutility, in 2024:

- ❖ the SAP “Central Finance” solution was developed, which, by connecting to the different ERPs of the Group companies, would provide a single integrated view of the various accounting and management phenomena. The solution will be released in the first quarter of 2025;
- ❖ in line with the acquisition of AER, the migration of applications from that company to the Alia platform was managed;
- ❖ by virtue of the coordination activities of the Estra companies, the new single application map for gas distribution companies was drawn up, which will be adopted by Centria and Gergas, from 2 January 2026.

In terms of infrastructure and data centres, investments focused on the development and adoption of the latest Cloud technologies to meet the need for data management originating from, and residing in, hybrid databases. The areas subject to a complete review were:

- ❖ control room and data platform, implementation of a Cloud system (MaaS, Mobility as a Service) for collecting and managing data from field and mobile devices;
- ❖ centralised virtual infrastructure management, reinforcing the management of the entire virtual architecture in order to gain more control over current and future workloads required by the business;
- ❖ SAP on Cloud, identified as a future partner through which the company will be able, for the next three years, to deliver and manage its ERP from a multiutility perspective in order to guarantee security and resilience in accessing relevant data;
- ❖ virtual asset maintenance, implementation of the SCCM service (part of Microsoft's Operation Manager suite) for patching and maintenance of virtual assets, such as servers and customers;
- ❖ Odaseva (SaaS), identified as the Salesforce CRM backup solution to be implemented during 2025.

In terms of networks and security in 2024, the continuous strengthening of solutions in defence of cyber security continued. The adoption of market-leading tools was flanked by continuous oversight and monitoring of the business scope, including audits and assessments. Key security initiatives included the adoption of Security Information and Event Management (SIEM), Vulnerability Management and Behavioural Analysis tools.

In terms of distributed computing, the Workplace Management project continued, i.e. the adoption of a model that emphasises secure access to workstations, robustness of the solutions adopted and functionality to facilitate user tasks. This model was progressively rolled out to Estra and its subsidiaries. The main initiatives of the journey included: (i) the implementation of Unified Endpoint Management, a new endpoint management system through the Microsoft Intune platform; (ii) the implementation of TeamViewer, software capable of remotely monitoring every device delivered to users while pursuing compliance with corporate policies and security principles; and (iii) the implementation of the multi-factor authentication (MFA) system in order to guarantee and increase the security of access to online accounts and IT systems.

On the other hand, with regard to the IT management of the Estra Group, in addition to the gradual convergence towards the Alia infrastructure standard, steps were taken to stabilise the NETA platform in use at Estra Energie in order to strengthen and facilitate the processes for which the company is responsible, albeit pending replacement in 2026.

Besides the NETA application, other specialised software programmes are used, partly connected to the NETA system via specific connectors (e.g. ARXIVAR, document software for the electronic storage of incoming documents in the company and for record keeping) or by means of ETL technology (e.g. TLQ for the management of treasury flows with credit institutions). To achieve this, interventions aimed at conservative maintenance were carried out during the year, while the overall *Digital Transformation* programme, which envisages their gradual decommissioning, continued.

3.9 Consolidated sustainability reporting pursuant to Italian Legislative Decree 125/2024

This part of the Report on Operations represents the first Consolidated Sustainability Report (hereinafter also referred to as the “Sustainability Report” or “Sustainability Statement”) of Alia Servizi Ambientali S.p.A. prepared in accordance with Italian Legislative Decree no. 125 of 6 September 2024 (hereinafter also referred to as “the Decree”, implementing Directive (EU) 2464/2022, known as the “Corporate Sustainability Reporting Directive”, or “CSRD”). The Sustainability Report consists of six sections:

- **General Information**
- **Environmental Information**

- **Social Information**
- **Governance Information**
- **ESRS Content Index**
- **Appendix B ESRS 2** ("Table of datapoints that derive from other EU legislation")

3.9.1 General Information

Methodology and general basis for preparation of the Statement

This Statement, prepared on an annual basis and in accordance with the ESRS sector-agnostic⁵⁷ standards (hereafter also simply "the ESRS" or "the Standards"), reports on the management, processes, objectives and performance of the Alia Multiutility Group (hereafter also simply "the Group", "Alia Group" or "Alia Multiutility") relating to relevant sustainability matters. Alia Group refers to the company Alia Servizi Ambientali S.p.A. (hereinafter also referred to as "the Parent Company", "the Company" or "Alia") and its line-by-line consolidated subsidiaries⁵⁸, as well as associates and jointly controlled subsidiaries over which it exercises operational control⁵⁹.

With reference to the company Estra S.p.A. and its controlled entities (hereinafter also referred to as the "Estra Group"), falling within the reporting scope of this Statement, it should be noted that they do not benefit from the provisions of art. 7 "Exemption and cases of equivalence" of Legislative Decree 125/2024, as the exemptions do not apply to large companies with stock exchange securities admitted to trading on Italian or European Union regulated markets. For this reason, the Estra Group, in addition to being included in the scope of Alia Multiutility's Sustainability Report, prepares a separate Sustainability Report included in its own Report on Operations.

This Sustainability Report covers the period from 1 January to 31 December 2024.

This Report includes sustainability information associated with sustainability topics that are relevant to the Group and its stakeholders, in relation to its own activities and those of its business partners. The tool for defining the relevant information to be included in reporting is the principle of Double Materiality introduced by ESRS 1 "General Requirements". In addition, in accordance with ESRS 2 "General Disclosures", a material sustainability topic must be included and addressed in the Statement if it has a material impact on people, the environment and/or leads to significant risks and/or opportunities. The concept of "materiality" is discussed in more detail in the "Double Materiality Analysis" sub-section of this document. In accordance with this principle, the reporting content and performance indicators adopted were defined by the Group using the results of a Double Materiality Analysis that identified impacts, risks and opportunities ("IROs"), as well as material sustainability topics related to the Group's activities.

Unless otherwise indicated, the scope of the social, environmental and governance data and information coincides with the scope of the financial statement data – consisting of the line-by-line consolidated subsidiaries – and also includes associated and jointly controlled companies over which Alia has operational control.

The scope of the information included in the Statement, in accordance with the requirements of the standards, also extends to the upstream and downstream value chain, so that all users can understand the material impacts, risks and opportunities of the Group. In fact, as reported in the "Double Materiality Analysis" sub-section, impacts, risks and opportunities related to the Group's own operations and value chain, both upstream and downstream, were analysed. However, at disclosure level, for some indicators qualitative/quantitative information has been reported taking into account only the Group scope, as contextual information on the value chain was unavailable at the time. These cases are duly reported in the document, and it is also pointed out that the Decree itself provides the option to omit – for the first three years of reporting – information concerning the value chain, subject to necessary supporting reasons. In addition, it should be noted that if the required information on the value chain could not be found, the possible use of estimates or proxy variables, nevertheless based on reasonable and demonstrable information, is appropriately indicated. If this estimated information concerns metrics, the assumptions and bases for making these estimates are described, as well as the resulting level of accuracy of the estimate. The quantitative value chain data available to date relate to Scope 3 emissions, but the Group is committed to taking the necessary steps to incorporate and extend the necessary data in future years.

Any estimated data shown in the Report are accompanied by the appropriate accompanying information, enabling the reader to understand the most significant uncertainties affecting them. In this regard, for each quantitative amount identified, information is provided on the possible causes of the measurement uncertainty. The disclosure is also accompanied by any assumptions, approximations and judgements made in the course of the assessment.

⁵⁷ European Standard for Sustainability Reporting, developed by EFRAG and officially published on 31 July 2023 (Regulation 2772/2023, Annex I).

⁵⁸ Revet S.p.A., Programma Ambiente Apuane S.p.A., Ambiente Energia Risorse S.p.A., Ambiente Toscana Opco S.p.A., Valdisieve S.c.r.l., GIDA S.p.A., Publiacqua S.p.A. and the companies belonging to the Estra Group, composed of Estra S.p.A. and its controlled entities (Bisenzio Ambiente S.r.l., Estracom S.p.A., Idrogenera S.r.l., Tegolaia SPV S.p.A., Caviglia SPV S.p.A., Estra Clima S.r.l., Ecocentro Toscana S.r.l., Ecos S.r.l., Ecolat S.r.l., Estra Energie S.r.l., Centria S.r.l., Gas Marca S.r.l., Piceno Gas S.r.l., Prometeo S.p.A., Murgia Reti Gas S.r.l., Gergas S.p.A., EDMA Reti Gas S.r.l.).

⁵⁹ AL.BE S.r.l., Nuova Sirio S.r.l., AES Fano Distribuzione Gas S.r.l. (the latter two through the Estra Group).

The information contained in the Statement, with particular reference to Policies, Actions, Targets (PATs) and Metrics, refers to the entire reporting scope, unless explicitly stated in the text or in the notes.

In the event of any changes to the preparation and presentation of sustainability information compared to the 2023 Non-Financial Statement, these changes are set out and justified (where possible). In this regard, it should be noted that comparative data for the previous period are not provided for this reporting year; this is in consideration of the possibility – for Estra S.p.A. – to avail and exercise for the first year of reporting the “10.3 Transitional provision related to Section 7.1 Presenting comparative information”, as provided for in ESRS 1 of Commission Delegated Regulation (EU) 2023/2772.

Any material errors in previous reporting periods are disclosed, explaining the nature of the error, the correction, if any, and the potential effect of the correction on the previously reported contextual data. If such a correction is not possible, the circumstances that caused the error are nevertheless pointed out. It should be noted, however, that this document is the first Sustainability Report drawn up pursuant to art. 4 of Italian Legislative Decree 125/2024.

Where deemed necessary, and without disregard for a complete and comprehensive Sustainability Report, information has been included by reference, appropriately indicated from time to time. In applying this standard, ESRS disclosure requirements or specific information (called datapoints) required by them are disclosed and listed by reference.

In preparing the Statement, consideration was given to the fundamental qualitative characteristics that information must have (materiality and faithful representation) and the qualitative characteristics that enhance information (comparability, verifiability and understandability), as defined and described by ESRS 1 “General Requirements”, which governs this in Appendix B “Qualitative characteristics of information”.

Details of the indicators reported are given in the ESRS Content Index, located in section “3.9.5 ESRS Content Index” of this document.

Alia Servizi Ambientali S.p.A., as a company required to prepare the Consolidated Sustainability Statement, pursuant to art. 4 of Italian Legislative Decree 125/2024, has included the disclosure required by EU Taxonomy legislation (Regulation (EU) 2020/852 and subsequent Delegated Acts) in relation to the environmentally sustainable activities conducted by the Group. It should be noted that, in conducting the analysis and preparing the relevant disclosures, a prudential approach was adopted overall, based on an understanding and interpretation, to the best of current knowledge, of the applicable regulatory requirements.

Section “3.9.6 ESRS 2 Appendix B” contains the “Table of datapoints that derive from other EU legislation”⁶⁰ connected to the information required by other EU legislation containing sustainability disclosure requirements and the – cross-cutting and topical – ESRS topical standards used in the Group’s 2024 Sustainability Report.

The process of preparing the Statement, drafted by the Chief Financial Officer’s Department, involved the heads of the various corporate functions of the Group, both in the Double Materiality process, described in detail in the dedicated sub-section, and in the preparation of the qualitative and quantitative content. The Statement was approved by the Board of Directors of Alia Servizi Ambientali S.p.A. on 26 May 2025 and is subject to limited assurance in accordance with the Standard on Sustainability Assurance Engagement - SSAE (Italy) by the independent auditors PricewaterhouseCoopers S.p.A., which this year also extends to the Taxonomy disclosure, as per new regulatory provisions. The Independent Auditors’ Report can be found at the end of this document.

In preparing this document, the Company did not opt to omit specific information corresponding to intellectual property, know-how or innovation results.

The Sustainability Statement has been published on Alia Multiutility’s corporate website in the *Sustainability* section. For further information or comments on this document, please contact info@aliaserviziambientali.it or see the website www.aliaserviziambientali.it.

Business model, strategy and value chain⁶¹

Alia Multiutility is the first Tuscan multi-services company active in the **environment, integrated water cycle and energy** sectors.

Alia’s mission is to provide high quality, effective and efficient services in a sustainable way for the community and the environment, using innovative and development tools. Alia is committed to improving its results in separate waste collection and recycling of materials, respecting the environment, plant and occupational safety, contributing to the well-being of people and the sustainable development of the territory in which it operates, with particular attention to the needs of users and all stakeholders.

For this reason, the Alia Group is committed to:

⁶⁰ This Table is prepared in accordance with the requirements of Appendix B “List of datapoints in cross-cutting and topical standards that derive from other EU legislation” of ESRS 2 “General Disclosures”.

⁶¹ The Group is currently not active in sectors related to the manufacture of chemicals, controversial weapons and cultivation and production of tobacco. The Alia Group, through its direct controlling interest in Estra S.p.A., is active in the procurement, sale and distribution of natural gas. At 31 December 2024, income from fossil gas was € 813,061,561, while income from taxonomy-aligned economic activities related to fossil gas was zero.

- Engage with human resources, promoting the development of skills and expertise and the raising of professional profiles;
- Foster partnerships with suppliers;
- Stimulate innovation and technological upgrading of vehicles, equipment, plants and supporting infrastructure;
- Expand activities and processes, including co-partnerships, to ensure financial solidity and adequate flows to support investments.

Until 2022, the Group's activities had focused on the management of the integrated municipal waste cycle. Since July 2023, thanks to the corporate control taken over the Estra Group (hereinafter also "Estra"), the business has extended to the sectors of natural gas and electricity sales, natural gas distribution, as well as the markets of energy efficiency, renewable energy and telecommunications with fibre connectivity⁶². This operation, as also indicated in the Alia Group's 2023 Consolidated Non-Financial Statement, marked an important milestone in the strategy to establish the Multiutility of Tuscany

As of 1 June 2024, Publiacqua S.p.A. (hereinafter also "Publiacqua") is included in the scope of consolidation of Alia Multiutility Group. Publiacqua is active in the management of the integrated water service, including infrastructure and water distribution activities in the municipalities served.

Moreover, as of 20 December 2024, Alia Multiutility became the new operator of environmental services for the municipalities of the Valdisieve and the Valdarno Fiorentino, following the merger by incorporation of the company Ambiente Energia Risorse (AER). Alia thus became the operator of urban hygiene services in the municipalities of Dicomano, Londa, Pelago, Pontassieve, Reggello, Rufina and San Godenzo.

The business model developed in the environment, energy and water sectors is shown below.

Environment Business Unit

In the management of the integrated municipal waste cycle, the two components of separate and non-separate collection constitute the beginning of the waste management process and determine two distinct waste streams:

1. The first stream, from separate waste collection, is geared towards maximising material recovery and minimising waste, which is currently destined for landfill;
2. The second stream, from non-separate waste, is destined for subsequent mechanical and biological treatment or disposal with energy recovery through the transfer of streams to third-party plants.

The value chain of the Environment BU is structured in such a way as to include mechanical/biological treatment plants, waste-to-energy plants, landfill sites and suppliers of fuel, envelopes and bins, who work directly with the companies of the Alia Multiutility group. The latter, in addition to interacting with citizens and operating on the free market, caters for customers of biomethane and compost, ferrous and non-ferrous materials, and recycled raw materials.

ATO Central Tuscany in which the Alia Group operates comprises the provinces of Florence, Pistoia and Prato. In 2024, 65 municipalities were served, with a total of 1,537,172 inhabitants.

The Group strives to preserve contact with the territory and manage relations with local institutions and users, which have always brought intangible but indispensable value. The multiple operating sites serve this purpose. The main ones are:

- Florence, via Baccio da Montelupo, 52, registered and administrative office;
- Florence, via Torre degli Agli, 48
- Empoli, via Garigliano, 1;
- Prato, via Paronese, 104/110.

	2023	2024	Absolute dev. '24 vs '23	Dev. %
<i>Total inhabitants</i>	1,476,012	1,537,172	61,160	4.14

Energy Business Unit

As mentioned above, in July 2023 Alia took control of Estra, which is active in the sale of natural gas and electricity nationwide, on the retail and wholesale markets, including natural gas and electricity procurement, dispatching, storage and logistics.

⁶² This operation took place by entering into an agreement with Coingas S.p.A. (one of the founding shareholders of Estra) that allowed Alia Servizi Ambientali S.p.A. to exercise operational control over Estra S.p.A. (with approximately 40% of the shares). The agreement between Alia and Coingas paved the way to overcome the fragmentation of Tuscan public services and allow an industrial leap capable of consolidating the many realities of local public services, including the merger between Alia, Publiservizi, Consiag and Acqua Toscana – signed in January 2023 – which marked the first significant step.

Estra operates on both the free market and the protected market, with the national territory as its reference. On the free market it operates by selling natural gas at retail and wholesale level and electricity mainly at retail level to domestic, industrial and public administration customers, and residually at wholesale level to wholesale customers and electricity companies.

The protected market of reference is the natural gas distribution through the technical/operational management of distribution networks, both under concession and owned, in 8 ATEMs (Minimum Territorial Areas) mainly in central and southern Italy, through the companies Centria, Gergas, EDMA Reti Gas and Murgia Reti Gas.

Water Business Unit

The water sector business model is managed by Publiacqua S.p.A., which operates as part of the Integrated Water Service, handling the capture, treatment, conveyance and distribution of drinking water through almost 7,000 km of network. The activity involves both groundwater and surface water. The scope of the service also includes wastewater collection and purification activities, thus guaranteeing the management of water resources along the entire supply chain.

Upstream in the value chain of the Water BU are suppliers of cleaning and sanitation services, integrated engineering design services, construction activities (construction, renovation, maintenance and repair of networks, systems and buildings), gas and electricity supply, provision of specific training services, as well as suppliers of consumer goods (e.g. paper and cartridges, chemicals, laboratory reagents, fuel). Downstream in the value chain, Publiacqua interacts with domestic and industrial users, supervisory authorities, public administrations, and with billing and customer service activities aimed at issuing notes, bills, or other documents needed to charge utility services. Downstream is also the disposal of waste, in particular sludge from drinking water and purification processes.

As of 31 December 2024, the territory managed by Publiacqua covered the provinces of Florence, Prato, Pistoia and Arezzo, involving 46 municipalities, within which approximately one third of the population of Tuscany lives and where the region's main economic activities are located.

The Company manages a complex and articulated plant system (starting with the large facilities in the Tuscan capital represented by the Anconella and Mantignano drinking water plants) of 94 plants.

In addition to the distribution of drinking water, the Company manages sewerage collection through more than 3,800 km of network and the final purification of effluents to be returned to the environment at 123 wastewater treatment plants.

Water destined for drinking water is taken from the environment with different **capture** works depending on the type of source. The water collected is then subject to specific treatments (**purification**) to ensure the quality requirements established by law, improving its chemical, physical, biological and organoleptic characteristics. Subsequently, the water is **distributed** through a system of networks and plants capable of guaranteeing the necessary flow rates and pressures in different areas, while preserving the water's quality characteristics. Domestic and industrial wastewater is collected by a system of networks and plants that convey it to **treatment** plants. Here, wastewater treatment plants treat the characteristics of wastewater through chemical, physical and biological processes, ensuring that its discharge does not alter natural ecosystems in accordance with regulatory requirements. At the end of the cycle, the water is **returned** to the environment

	2023	2024
<i>Integrated Water Service Users</i>	408,104	410,631
<i>Offices open to the public</i>	5	5
<i>Services performed for the benefit of users</i>	2,246,230	2,258,828
<i>Municipalities served</i>	46	46
<i>Population served by aqueduct</i>	1,233,738	1,236,647
<i>Population served by sewerage</i>	1,141,227	1,144,044
<i>Population served by purification</i>	1,100,112	1,103,399
<i>Sources of supply</i>	1,495	1,490
<i>Km of managed water network</i>	6,913	6,939
<i>Km of water connections</i>	2,250	2,250
<i>Km of sewerage network managed</i>	3,875	3,873
<i>Km of sewerage connections</i>	2,613	2,613

<i>Drinking water plants</i>	94	94
<i>Purification plants</i>	125	123

Information on how material sustainability impacts, risks and opportunities interact with the company's business model and strategy is presented in conjunction with the information provided on each material sustainability topic. The number of employees per geographical area is reported in sub-section "ESRS S1 – Own Workforce". Below is a summary of the Group's gender breakdown.

Employees at 31 December 2024		
	Men	Women
<i>Italy</i>	3,173	1,287

Each business unit corresponds to a group of services offered, which together account for the entirety of Group revenues, and is related to current material impacts or potential material adverse impacts.

Revenues for IFRS 8 segments are presented in Section 8 of the Notes to the Financial Statements.

Business Plan

The Alia Multiutility project is to trigger a virtuous investment-return dynamic thanks to sustainable financial leverage outlined in the Group's Business Plan. The Plan provides for a clear identification of sustainability goals and objectives that are incorporated into a specific "ESG Plan".

Without prejudice to the above, for each Business Unit into which Alia Multiutility is subdivided, strategic guidelines have been identified to improve its products and services offered in Tuscany.



At the environmental level, in its ongoing commitment to sustainability, the Multiutility aims to improve the efficiency and effectiveness of its business processes, including the transformation of collection models to raise service standards and optimise costs; the introduction of advanced metering systems to facilitate the transition to a reward tariff, ensuring fairer and more transparent management; and the enhancement of autonomous treatment capacity to manage waste more integrally and efficiently. At the same time, an increase in the volume of recycling and material recovery is planned, exploring new opportunities to maximise the positive impact on the environment. Finally, the strategic guidelines provide for the development of commercial and innovative activities aimed at enhancing industrial water purification and recycling processes.



As part of the commitment to a sustainable energy future, there are plans to expand the production of electricity from renewable sources for sale to the end consumer (in particular with photovoltaic technology as a green offer to users); to make investments in regulated assets on gas distribution networks; to support the energy needs (electricity and heat) of the textile district; to support private and industrial energy communities; and to develop a network for sustainable mobility in Tuscany and Marche.

The strategic guidelines also envisage promoting the active role of consumers in the energy transition and increasing the number of users, encouraging the switch from gas to electricity and increasing penetration in the territory; as well as introducing value-added services to offer innovative and sustainable solutions to customers.



Finally, in the water sector, strategic levers concern the implementation of ordinary plans; the strengthening of existing intake and distribution systems; the development of works for energy efficiency and self-consumption; the reorganisation of the sewerage system in urban areas and the introduction of smart metering systems for a more efficient management of water resources; and the extension of the network.

The strategic objectives will also be achieved through the definition of an "ESG Plan" (an integral part of the 2025-2029 Business Plan) structured with clear ambitions and qualitative and/or quantitative targets. To this end, the Alia Group considers it essential to implement a process aimed at ensuring a progressive cultural transformation for the development of sustainability issues within the Group.

The implementation of the 2025-2029 Business Plan, including the ESG Plan, will entail capital expenditure (CapEx) of € 2,518 million (of which € 492 million in 2025). In particular, taking into account the BUs in which the Multiutility operates, the following investments are envisaged:

- € 550 million (of which € 146 million in 2025) with reference to the Environment BU;
- € 1,058 million (of which € 162 million in 2025) with reference to the Energy BU;
- € 910 million (of which € 184 million in 2025) with reference to the Water BU.

For years, the Alia Group has identified and selected its stakeholders with the aim of understanding their expectations and translating them into concrete objectives. Every year, in fact, the Group promotes activities to engage its stakeholders and have them participate in the definition of economic, social and environmental issues. These

initiatives are not limited to an external audience, but also include the integration of sustainability culture into corporate life and strategy.

The Alia context is characterised by the following categories of **stakeholders**:

- **customers and users**, meaning all users of environmental, energy and water services, including Municipalities, as recipients of the services provided by Alia.
- **suppliers**, the entities from which Alia Multiutility procures goods and services. Within this category, suppliers who are entrusted with part of the services in the territory play a key role. Since these are sometimes social cooperatives, the company's commitment to the social integration of citizens, particularly disadvantaged households, is also evident. As far as waste disposal is concerned, all final destination waste facilities are considered major suppliers;
- the **personnel** is made up of those who may be most closely associated with the Alia Group, by virtue of their existing employment, including employees (permanent and fixed-term) and non-employees, as well as trade union representatives;
- **institutions** constitute the set of public entities with which the Group comes into contact as a result of its activities. These include the entire public administration in relation to which there are regulatory and fiscal obligations and may also include providers of grants to partially finance certain investments. Universities, trade associations, competent authorities and control bodies are normally also included in this category;
- **lenders** are mainly the bondholders subscribing to the bond loan listed on the Irish Stock Exchange (ISE) and the banks, which finance the assets with short-term and medium-to-long-term instruments, chosen from time to time on the basis of need;
- **shareholders** are the parties that hold a portion of the share capital and represent the ownership of the Alia Group;
- **community and territory** are the set of parties with series of "widespread" interests of a social and/or environmental nature towards Alia Multiutility, such as, trade associations, sports and cultural associations, foundations, non-profit organisations and other voluntary associations.

The Group conducts a series of activities, through consultations, periodic meetings, partnerships and collaborations on specific projects, to involve stakeholders by combining these initiatives with corporate commitments. The main objective of these activities is to ensure that stakeholders' expectations are taken into account in the company's decision-making process, thus contributing to improving the sustainability and social responsibility of the Alia Multiutility Group and promoting a constructive and continuous dialogue. The table below summarises the engagement actions by stakeholder category.

Stakeholder category	Engagement methods	Purpose of engagement	Actions taken
<i>Trade associations</i>	Calls, public or private meetings and consultations	Training, information, engagement	Meetings dedicated to specific topics: e.g. changeover to the Reward Tariff
<i>Citizens</i>	Surveys, meetings, digital communications, paper communications	Training, information, engagement	Sending surveys to obtain actual and predictive models Engagement meetings on new or specific services Sending communications from the system to update on news or information on services offered Leafleting on new services
<i>Businesses</i>	Surveys, meetings, digital communications, paper communications	Training, information, engagement	Sending surveys to obtain actual and predictive models Engagement meetings on new or specific services Sending communications from the system to update on news or information on services offered Home visits for specific advice on waste management and TARI (waste tax).
<i>Municipalities</i>	Meetings	Discussion and planning of shared paths	Creation and implementation of joint projects to be carried out in the municipality

For more information on stakeholder engagement methods, please refer to

the sections "Processes for engaging with affected communities about impacts" and "Processes to remediate negative impacts and channels for affected communities to raise concerns", of sub-section "ESRS S3 – Affected

Communities”, and “Processes for engaging with consumers and end-users about impacts” and “Channels for consumers and end-users to raise concerns”, of sub-section “ESRS S4 – Consumers and End-users”.

Double Materiality Analysis

Double Materiality is the most significant innovation introduced by the European Sustainability Reporting Standards (or “ESRS”) and related legislation. This is because this principle, specifically mentioned in ESRS 1 “General Requirements”, complements and modifies the approach to the definition and contextual assessment of sustainability issues to be reported.

According to the standard, “[t]he undertaking shall report on sustainability matters based on the double materiality principle”, as it is the basis for sustainability disclosures.

Double Materiality has two dimensions: impact materiality and financial materiality. A **sustainability issue** is material from the perspective of impact when it concerns **material**, negative or positive, actual or potential **impacts** on people or the environment in the short, medium or long term (an *inside-out perspective*, typical of impact materiality). Impacts include those related to own operations and the upstream and downstream value chain. A sustainability issue is material from a financial perspective if it implies **material financial effects**, i.e. when it can or could influence the organisation’s current or future financial performance (an *outside-in perspective*, typical of financial materiality). This happens when a sustainability issue generates **risks** and/or **opportunities** that may arise from past or future events. The two dimensions are interconnected and, for this reason, it is necessary to take into account any interdependencies that may arise. According to the principle of Double Materiality, moreover, a sustainability issue can be material from an impact perspective without necessarily being material from a financial perspective, and vice versa. Therefore, a sustainability issue can be defined as material if it is material for both or only one of the perspectives.

Disclosure regarding the Double Materiality Analysis is defined by ESRS 1 “General Requirements” and ESRS 2 “General Disclosures”, with the latter regulating the methodological approach and setting out specific disclosure requirements to be included in the reporting. The objective is to provide an understanding of the process by which the Alia Group has identified the impacts, risks and opportunities and assessed their materiality. This makes it possible to identify and contextualise the material issues that are reported in this report.

For the purposes of this year’s reporting, the first action taken by the Group was to define a specific technical Working Group, headed by the Group’s Chief Financial Officer Organisational Unit. The CFO and the project leader identified within the CFO’s structure started in September 2024 to align with the CSRD and the Italian implementing decree. It should also be noted that, as part of the ESG project, the Group also planned to launch a specific “Sustainability Governance” workshop, in order to improve its decision-making processes and internal control procedures.

The following is information on the process undertaken by the Alia Group to identify and assess material impacts, risks and opportunities (hereinafter also “IROs”), as well as its material issues.

Analysis of the internal context

The internal context analysis envisaged the carrying out of specific interviews with company management, with reference to both the Corporate area and the various Business Units (Environment, Energy, Water) and a document analysis. These included, but were not limited to, the Group’s Business Plan and strategic guidelines, financial statements, the Enterprise Risk Management model, press releases for the reporting year and previous materiality analyses performed by Group entities with mandatory/voluntary sustainability reporting and some of the main internal regulations. These elements were fundamental to understanding the internal context in which the Group operates and its positioning with respect to resources, processes, activities performed in terms of products/services offered and geographical location. The context analysis also included an initial analysis of the upstream and downstream value chain in order to investigate any indirect impacts of the Group on the external context. For more details, please refer to the sub-section “*Strategy, business model and value chain*”.

Analysis of the external context

The external context analysis provided a clear picture of the external dynamics in which the Group operates and which could affect the organisation. The analysis took into account the macroeconomic and geopolitical context, the relevant sectors and sustainability legislation. This latter dimension covered the main innovations introduced by the CSRD and the ESRS sector-agnostic standards, as well as the related Implementation Guidance provided by EFRAG. In fact, the standards provide a clear overview of topics, subtopics and sub-subtopics to be considered in the materiality analysis and thus in reporting (in particular, see AR 16 “Sustainability matters to be included in the materiality assessment”).

Process of identifying and assessing impacts, risks and opportunities

The steps followed in the process of identifying and assessing impacts, risks and opportunities can be summarised as follows:

1. **Identification** of an initial list of sustainability matters from the findings of the internal and external context analyses, due diligence processes and internal stakeholder engagement activities. In particular, the interviews with the Group's management made it possible to grasp the unique characteristics of the organisation and the different Business Units (Energy BU, Environment BU and Water BU) of the Multiutility. In addition, as mentioned above, the upstream and downstream value chain and the Group's business relations were taken into account for the mapping.
2. **Correlation** of the identified aspects with topics, subtopics and sub-subtopics in Annex A to Application Requirement 16 of ESRS 1 "General Requirements";
3. **Mapping** of related **impacts, risks and opportunities** (so-called "impact long list impact" and "financial long list"). For each impact, the origin, i.e. "where the impact is generated", was identified, classifying it into *upstream value chain*, *direct operations* and *downstream value chain* and, consequently, the main actors/factors impacted. The mapping of the IRO long lists was prepared taking into account the entire Group scope, as well as considering the analysis of the Multiutility's business model and strategy (as found by the internal context analysis). With specific reference to risk mapping, the latest available version of the risk mapping limited to the Estra Group was also taken into account as it has had a Risk Management structure since 2018. Since 2023, Alia has also included Group Risk Management in its organisational chart, but no Group register is currently available.
4. **Sharing** of the IRO long lists with the Technical Working Group for possible refinement and final validation.
5. **Evaluation** of the IROs on the "long lists" according to predefined **rating scales**⁶³ of magnitude (i.e. severity or benefit) and likelihood of occurrence, both on five levels. In particular, there are two magnitude scales (one for assessing impacts and one for assessing risks and opportunities) and a likelihood scale shared by impacts as well as risks and opportunities. The magnitude scale used for assessing impacts was expressed using three factors, including scale, scope and irremediable character⁶⁴; while that used for risks and opportunities involved use of the financial⁶⁵, reputational and operational drivers. The likelihood scale, on the other hand, refers mainly to two drivers, one prospective (i.e. the frequency or number of times an event is expected to occur in the near future) and the other historical (i.e. the frequency or number of times an event has occurred in the past). The assessment of IROs, expressed in terms of the product between magnitude and likelihood, was carried out on a "gross" basis with a precautionary approach, especially for IROs related to Climate Change and Human Rights. In the assessment, several aspects were considered, in line with the dedicated guidelines and the indications of ESRS

Human rights: in the case of potentially negative impacts related to human rights, the logic of prevalence of magnitude over likelihood was followed (thus assigning a maximum magnitude to such impacts regardless of the likelihood of occurrence);

Interdependencies: any points of connection between mapped impacts, risks and opportunities were duly considered during identification and evaluation with the various function heads;

Time horizons: identify, from the moment that potential impact occurs, when it will begin to produce its effects; whether in the short, medium or long term (less than one year, between one and five years and more than five years, respectively). The horizons were determined in line with ESRS 1 para. 6. For each potential impact, risk and opportunity, a time horizon was assumed and agreed upon, among the three previously listed, and the final evaluation was carried out taking the defined time horizon into consideration;

Scope: the scope was considered as the "origin of the impact", i.e. "where the impact is generated" and consequently "who are the actors/factors impacted", dividing between *upstream value chain*, *direct operations* (i.e. all Alia Multiutility Group companies within the scope of reporting) and *downstream value chain*.

2 "General Disclosures", in particular:

In order to ensure a fairer and more balanced reading of the aggregate results, the assessments were weighted on the basis of the respective turnovers of the companies most representative of the Group's three BUs (where an IRO was applicable to all BUs); where an IRO was not applicable to all three BUs, it was performed on the basis of an arithmetic mean. Subsequently, each long list was prioritised on the basis of the ratings associated with each IRO.

6. **Definition of the materiality threshold**, i.e. the minimum level of significance for an IRO to be considered material, was identified in accordance with the relevant technical reference available at the time of drafting this

⁶³ The rating scales were constructed using as a basis the scales adopted by the Estra Group with reference to the ERM Model.

⁶⁴ In line with ESRS 1, the factor "irremediable character of the impact" was considered for negative impacts only.

⁶⁵ The financial driver, defined in consideration of the KPIs relating to EBITDA and NFP, was used to assess the possible current financial effects on the Group's financial position, results of operations and cash flows.

document⁶⁶. Indeed the reference standards do not identify particular and peremptory criteria for the definition of the materiality threshold, noting that such threshold can be identified according to qualitative/quantitative parameters defined by the Organisation, insofar as they are able to capture and include – in compliance with the principles of “reasonableness, common sense and objectivity” – the topics, subtopics and sub-subtopics relevant to the Group. In the case of Alia Multiutility, the threshold was defined on the basis of assumptions aimed at capturing the aspects defined above⁶⁷. The prioritisation of the long lists of IROs made it possible to obtain a complete overview and to define, in a reasonable manner, the “sub-threshold” IROs, i.e. not material for the Group. The identification of the materiality threshold for each long list made it possible to draw the respective “short lists”, i.e. the lists of material IROs. From these short lists, the IROs were aggregated into material topics (with reference to both perspectives).

The short lists of IROs, which contributed to the determination of the material sustainability topics, can be found in “List of material impacts, risks and opportunities” in this sub-section. The process and methodological approach adopted for this first reporting exercise, which includes the use of the Double Materiality principle, was also shared with the Group’s Enterprise Risk Management function. The Group is evaluating the possibility of integrating the process aimed at identifying and assessing IROs into the company’s broader risk management process, in order to capture and assess the Multiutility’s risk profile from a more extensive perspective.

Material topics for Alia Multiutility

Below is the list of material sustainability issues for FY 2024 obtained as an output of the Double Materiality process. For this reporting exercise, the Group decided to use an autonomous nomenclature to identify its material topics. For a better understanding, the table below also shows the corresponding ESRS sector-agnostic standards associated with the material topics.

Impact Materiality – inside-out perspective

Material topics for Alia Multiutility	Associated ESRS standards
<i>Occupational health and safety</i>	<i>ESRS S1 – Own Workforce</i>
<i>Ethics and integrity in business conduct</i>	<i>ESRS G1 – Business Conduct</i>
<i>Energy transition and climate action</i>	<i>ESRS E1 – Climate change</i>
<i>Territorial development and community involvement</i>	<i>ESRS S3 – Affected Communities</i>
<i>Sustainable waste management and circular economy</i>	<i>ESRS E5 – Circular Economy</i>
<i>Sustainable management of the value chain</i>	<i>ESRS S2 – Workers in the Value Chain</i> <i>ESRS G1 – Business Conduct (Supply Chain)</i>
<i>Management and enhancement of human capital</i>	<i>ESRS S1 – Own Workforce</i>
<i>Customer at the centre, responsibility and quality of services</i>	<i>ESRS S4 – Consumers and End-users</i>
<i>Responsible management of water resources</i>	<i>ESRS E3 – Water and Marine Resources</i>
<i>Fighting pollution</i>	<i>ESRS E2 – Pollution</i>
<i>Efficiency, reliability and security of infrastructure and networks</i>	<i>ESRS S3 – Affected Communities</i> <i>ESRS S4 – Consumers and End-users</i>
<i>Protecting biodiversity</i>	<i>ESRS E4 – Biodiversity and Ecosystems</i>
<i>Diversity and inclusion</i>	<i>ESRS S1 – Own Workforce</i>

Financial Materiality – outside-in perspective

Material topics for Alia Multiutility	Associated ESRS standards
<i>Energy transition and climate action</i>	<i>ESRS E1 – Climate change</i>
<i>Efficiency, reliability and security of infrastructure and networks</i>	<i>ESRS S3 – Affected Communities</i> <i>ESRS S4 – Consumers and End-users</i>
<i>Management and enhancement of human capital</i>	<i>ESRS S1 – Own Workforce</i>
<i>Ethics and integrity in business conduct</i>	<i>ESRS G1 – Business Conduct</i>
<i>Sustainable waste management and circular economy</i>	<i>ESRS E5 – Circular Economy</i>

⁶⁶ Implementation Guidance EFRAG G1 “Materiality Assessment”, sections “3.6 Deep dive into impact materiality – Setting thresholds” and 3.7 “Deep dive into financial materiality – Setting thresholds”.

⁶⁷ The threshold identified for impact materiality is 10, while that identified for financial materiality is 12. The threshold for financial materiality was defined in line with the Estra Group’s ERM approach, i.e. to focus on and give relevance to risks/opportunities rated “High” and “Very High”. The threshold for impact materiality was instead set at a lower level, i.e. 10, in order to pursue a precautionary approach to identifying the impacts generated externally by the Group.

Material topics for Alia Multiutility	Associated ESRS standards
<i>Fighting pollution</i>	<i>ESRS E2 – Pollution</i>
<i>Diversity and inclusion</i>	<i>ESRS S1 – Own Workforce</i>
<i>Territorial development and community involvement</i>	<i>ESRS S3 – Affected Communities</i>
<i>Responsible management of water resources</i>	<i>ESRS E3 – Water and Marine Resources</i>
<i>Protecting biodiversity</i>	<i>ESRS E4 – Biodiversity and Ecosystems</i>
<i>Sustainable management of the value chain</i>	<i>ESRS S2 – Workers in the Value Chain</i> <i>ESRS G1 – Business Conduct (Supply Chain)</i>
<i>Occupational health and safety</i>	<i>ESRS S1 – Own Workforce</i>

The process followed to define the list of **13 material topics** according to impact materiality (*inside-out perspective*) originated from the identification of **57 impacts**⁶⁸ of which **37 negative** and **20 positive**, each associated with an ESRS sector-agnostic topic. At the same time, according to the financial materiality perspective (*outside-in*), **12 material topics** were identified on the basis of **70 risks/opportunities**⁶⁹ of which **56 risks** and **14 opportunities** were also associated with the aforementioned topics.

For the sake of completeness, the table below shows the relevant ESRS topics and subtopics associated with the material topics outlined above. It should be noted that all of the Group's material IROs are subject to the disclosure requirements of the ESRS and no entity-specific disclosures are required.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Energy transition and climate action</i>	<i>ESRS E1 – Climate change</i>	<i>Climate change adaptation</i> <i>Climate change mitigation</i> <i>Energy</i>
<i>Efficiency, reliability and security of infrastructure and networks</i>	<i>ESRS S3 – Affected Communities</i> <i>ESRS S4 – Consumers and End-users</i>	<i>Economic, social and cultural rights of communities</i> <i>Impacts related to consumer and/or end-user information</i> <i>Social inclusion of consumers</i>
<i>Management and enhancement of human capital</i>	<i>ESRS S1 – Own Workforce</i>	<i>Working conditions</i> <i>Other work-related rights</i> <i>Equal treatment and opportunities for all</i>
<i>Ethics and integrity in business conduct</i>	<i>ESRS G1 – Business Conduct</i>	<i>Corporate culture</i> <i>Protection of whistleblowers</i> <i>Bribery and corruption</i>
<i>Sustainable waste management and circular economy</i>	<i>ESRS E5 – Circular Economy</i>	<i>Resource flows related to products and services</i> <i>Waste</i>
<i>Fighting pollution</i>	<i>ESRS E2 – Pollution</i>	<i>Air pollution</i> <i>Water pollution</i> <i>Soil pollution</i> <i>Substances of concern</i> <i>Substances of very high concern</i> <i>Microplastics</i>
<i>Diversity and inclusion</i>	<i>ESRS S1 – Own Workforce</i>	<i>Equal treatment and opportunities for all</i> <i>Working conditions</i>
<i>Territorial development and community involvement</i>	<i>ESRS S3 – Affected Communities</i>	<i>Economic, social and cultural rights of communities</i>
<i>Responsible management of water resources</i>	<i>ESRS E3 – Water and Marine Resources</i>	<i>Water</i>
<i>Protecting biodiversity</i>	<i>ESRS E4 – Biodiversity and Ecosystems</i>	<i>Impacts and dependencies on ecosystem services</i>
<i>Sustainable management of the value chain</i>	<i>ESRS S2 – Workers in the Value Chain</i> <i>ESRS G1 – Business Conduct (Supply Chain)</i>	<i>Working conditions</i> <i>Equal treatment and opportunities for all</i> <i>Other work-related rights</i>

⁶⁸ The total to be understood as "above threshold" following its application is 44 material impacts, of which 24 are negative impacts and 20 are positive impacts

⁶⁹ The total to be understood as "above threshold", following its application is 28 material items, of which 20 are risks and 8 are opportunities

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
		<i>Management of relations with suppliers, including payment practices</i>
<i>Occupational health and safety</i>	<i>ESRS S1 – Own Workforce</i>	<i>Working conditions</i>
<i>Customer at the centre, responsibility and quality of services</i>	<i>ESRS S4 – Consumers and End-users</i>	<i>Impacts related to consumer and/or end-user information</i> <i>Personal safety of consumers and/or end-users</i> <i>Social inclusion of consumers</i>

The results of the Double Materiality were first shared with the Group Chief Financial Officer and were subsequently **reviewed** and **approved** by the Chairman of the Alia Group on 23 January 2025 and by the Board of Directors of Alia Multiutility on 26 May 2025. This analysis is an annual process and, as such, the Group plans to renew it for FY 2025 as well.

Section “3.9.5 ESRS Content Index” provides a list of the disclosure obligations that Alia Multiutility fulfilled in preparing the 2024 Sustainability Statement based on the results of the Double Materiality. The paragraphs of the Statement where the relevant information can be found are precisely indicated.

It should be noted that as this is the first year of reporting under the CSRD and Italian Legislative Decree 125/2024, there have been no changes in either the process adopted or the IROs identified and assessed since the previous reporting period. This disclosure will be provided as part of the FY 2025 reporting.

List of material impacts, risks and opportunities

The following is a summary of the short list of IROs that helped determine the material sustainability topics.

List of material impacts

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Energy transition and climate action	Contribution to climate change through the generation of greenhouse gas (GHG) emissions in direct activities (Scope 1 and 2).	Current	Negative	-	Environment, customers, community		X	X	X	
Energy transition and climate action	Production of emissions along the value chain (Scope 3), with negative impacts in terms of contribution to climate change.	Current	Negative	-	Environment, customers, community	X				X
Energy transition and climate action	Supporting the ecological transition by contributing to the innovation of industrial processes and the production of biomethane, renewable energies, decarbonised products also in district or community settings.	Current	Positive	-	Environment, customers, community		X	X	X	X
Energy transition and climate action	Extreme weather events correlated with ongoing climate change and consequent impacts in terms of infrastructure integrity and security	Potential	Negative	Short term	Environment, customers, community		X	X	X	X

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Energy transition and climate action	Optimisation of processes and technologies (building redevelopment, co-generation), with positive impacts in terms of reducing energy consumption by users.	Current	Positive	-	Environment, customers, community			X		X
Energy transition and climate action	Consumption of non-renewable natural resources.	Current	Negative	-	Environment, customers, community	X	X	X	X	
Fighting pollution	Generation of air pollutant emissions that may have impacts on human health and air quality (sites, plants and vehicles generating pollutant emissions such as PM10, NOX).	Current	Negative	-	Environment, community		X	X	X	
Fighting pollution	Incorrect management of waste treatment activities, in particular the fragmentation of plastic materials during treatment or recycling, resulting in the degradation of plastic waste and the release of microplastics.	Potential	Negative	Medium term	Environment, community		X			
Fighting pollution	Input and inappropriate handling of hazardous/very hazardous substances during Group activities.	Potential	Negative	Long term	Environment, community		X	X	X	
Responsible management of water resources	Water losses also due to sub-optimal management, ageing and maintenance of the network.	Current	Negative	-	Environment				X	
Responsible management of water resources	Significant water withdrawals affecting the quantity of a water source, affecting the long-term sustainability of the exploitation of the resource, understood as the relationship between withdrawals and groundwater recharge capacity.	Current	Negative	-	Environment		X	X	X	
Responsible management of water resources	Wastewater generation from the activity and actors in the value chain.	Current	Negative	-	Environment	X	X	X	X	X
Protecting biodiversity	Prolonged period of absence of rainfall leading to a decrease in water resources available to users.	Potential	Negative	Medium term	Environment, community				X	X

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Sustainable waste management and circular economy	Production of sludge in significant quantities not intended for recovery or reuse.	Current	Negative	-	Environment				X	
Sustainable waste management and circular economy	Increasing the percentage and quality of separate waste collection through digitalisation of processes and the use of innovative technologies (e.g. reverse vending machines, switch to reward tariff).	Current	Positive	-	Environment, community		X			
Sustainable waste management and circular economy	Recovery and re-materialisation of waste, waste matter and water by enhancing secondary raw material	Current	Positive	-	Environment		X		X	X
Sustainable waste management and circular economy	Increase in the amount of waste going to landfill, with negative impacts in terms of soil and water pollution, GHG emissions, loss of resources, land occupation, as well as on public health.	Current	Negative	-	Environment, community	X	X	X	X	
Occupational health and safety	Possibility of accidents, occupational injuries and diseases, with possible negative impacts in terms of health and safety of the workforce	Current	Negative	-	Employees		X	X	X	
Management and enhancement of human capital	Secure employment, adequate working hours and wages in line with current regulations and what is defined by collective bargaining.	Current	Positive	-	Employees		X	X	X	
Management and enhancement of human capital	Social dialogue, freedom of association through trade union involvement, presence of works councils, with positive impacts on the improvement of workers' working conditions (stability, reduction of conflicts, promotion of workers' rights).	Current	Positive	-	Employees		X	X	X	
Management and enhancement of human capital	Access to training that generates the development of individual and professional skills with benefits on resource development and career advancement, generating professional fulfilment/satisfaction.	Current	Positive	-	Employees		X	X	X	

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Management and enhancement of human capital	Valuing employees and improving corporate welfare through the development of initiatives, benefits and welfare plans that promote work-life balance.	Current	Positive	-	Employees		X	X	X	
Management and enhancement of human capital	Inadequate management of employee data, with possible negative impacts in terms of loss of sensitive data, as well as loss of trust in the company.	Potential	Negative	Short term	Employees		X	X	X	
Diversity and inclusion	Incidents of discrimination among and against employees, with repercussions on the mental health and psychophysical well-being of those subjected to discriminatory behaviour.	Potential	Negative	Short term	Employees		X	X	X	
Sustainable management of the value chain	Accidents at work and occupational diseases of workers along the value chain, in particular at subcontractors and contractors.	Potential	Negative	Short term	Employees of suppliers and customers	X				X
Sustainable management of the value chain	Poor commitment to issues of gender equality, diversity and inclusion, training, inadequate working conditions, as well as other rights by the value chain over its workforce	Potential	Negative	Short term	Employees of suppliers and customers	X				X
Sustainable management of the value chain	Failure to respect the human rights of workers along the value chain	Potential	Negative	Short term	Employees of suppliers and customers	X				X
Territorial development and community involvement	Positive impacts in terms of developing and increasing the number of people trained in environmental education, thanks to the introduction of specific environmental awareness and education projects involving several schools of all levels in the communities where the Multiutility operates.	Current	Positive	-	Community		X	X	X	
Territorial development and community involvement	Positive socioeconomic impacts on communities and regions through the development of initiatives/services that meet community needs (ESG districts)	Potential	Positive	Medium term	Community		X	X	X	X

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Territorial development and community involvement	Managing infrastructure efficiently, including through the use of technological innovations, ensuring the resilience of infrastructure and networks to safeguard the community.	Current	Positive	-	Community, customers		X	X	X	X
Efficiency, reliability and security of infrastructure and networks	Possible road accidents, to the detriment of the citizens of the affected communities, by Alia vehicles (or its suppliers). These events occur mainly during waste collection and sweeping.	Current	Negative	Short term	Community		X			X
Territorial development and community involvement	Enhancement of elements of territorial beauty, pursuing activities while respecting the local landscape.	Current	Positive	-	Community		X	X	X	X
Efficiency, reliability and security of infrastructure and networks	Potential negative impact on community safety due to accidental or extraordinary events causing impacts on the gas distribution network.	Potential	Negative	Short term	Community	X		X		
Customer at the centre, responsibility and quality of services	Clear and transparent communication by the Group with positive effects in terms of increased customer awareness in accessing the required information on various topics such as: supply activation, meter check or request for re-billing or instalment payments.	Current	Positive	-	Customers, consumers		X	X	X	X
Efficiency, reliability and security of infrastructure and networks	Ensuring the effective efficiency of all services and continuous user access to the distribution service (gas, water, etc.) by monitoring the infrastructure of the municipalities served.	Current	Positive	-	Customers, consumers		X	X	X	X
Customer at the centre, responsibility and quality of services	Inadequate handling of consumer and end-user data, with possible negative impacts in terms of loss and/or misappropriation of sensitive consumer and end-user data.	Current	Negative	-	Customers, consumers		X	X	X	X

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Customer at the centre, responsibility and quality of services	Increasing the involvement of consumers and end-users by ensuring their freedom of expression (e.g. consumer associations).	Potential	Positive	Short term	Customers, consumers		X	X	X	
Customer at the centre, responsibility and quality of services	Potential negative impact on the health and safety of users due to lack of maintenance, operational error or defects in gas distribution systems or water quality	Potential	Negative	Short term	Customers, consumers	X		X	X	X
Ethics and integrity in business conduct	Training activities aimed at the prevention and detection of active and passive corruption, contributing positively to the development of a healthy socioeconomic system, guided by ethical principles and respect for rules.	Current	Positive	-	All stakeholders	X	X	X	X	X
Sustainable management of the value chain	Implementation of systems and processes* to monitor and assess sustainability along the entire supply chain, with positive impacts on improving the ESG profile of third parties, as well as generating more operationally efficient practices and reducing costs (e.g. through more efficient use of resources and reduction of waste). <i>* This includes, for example, collecting data and information from suppliers on environmental, social and ethical practices, assessing compliance with regulations and company standards.</i>	Potential	Positive	Medium term	Suppliers, partners	X	X	X	X	
Ethics and integrity in business conduct	Development of the Multiutility project with positive impacts in terms of promotion of ethics and legality, generation of shared value, strategic development and innovation (which can contribute to improving the quality of life of users and the community), and promotion of sustainable practices.	Current	Positive	-	All stakeholders	X	X	X	X	X

Alia Multiutility topics	Impact description	Type		Time horizon	Main stakeholder category impacted	Value Chain				
		Current / Potential	Positive / Negative			Upstream	Own operations			Downstream
							Environment BU	Energy BU	Water BU	
Ethics and integrity in business conduct	Promotion of an integrity and compliance-oriented culture that encourages whistleblowing by enhancing transparency in governance.	Current	Positive	-	All stakeholders	X	X	X	X	X
Sustainable management of the value chain	Collaborative relationships with suppliers and contractors based on transparency and sharing of the code of procedures dictated by the Procurement Code, accurate evaluation of their performance.	Current	Positive	-	Suppliers, partners	X	X	X	X	
Ethics and integrity in business conduct	Incidents of corruption, bribery, anti-competitive behaviour, monopolistic practices and conflicts of interest with possible negative impacts (reputational and economic) on the stakeholders involved (e.g. suppliers, customers, partners, etc.).	Potential	Negative	Short term	All stakeholders	X	X	X	X	X

List of material risks and opportunities

Alia Multiutility topics	Risk / Opportunity	Description of risk/opportunity	Time horizon	Business Unit		
				Environment BU	Energy BU	Water BU
Energy transition and climate action	Risk	Physical risks related to climate change due to the occurrence of extreme weather events such as droughts and floods. This could be reflected in increased costs to cope with climate uncertainty such as building more resilient infrastructure and have negative impacts in terms of increased/reduced demand for gas/energy.	Medium term	X	X	X
Energy transition and climate action	Opportunity	Development of renewable energies (e.g. solar energy), preferably self-generated, reducing energy costs.	Medium term	X	X	X
Energy transition and climate action	Risk	Lack of alignment to a low-emission economic transition as well as regulatory changes on emissions that could increase the costs to be borne.	Medium term	X	X	X
Energy transition and climate action	Risk	Risk arising from fluctuations in the energy market.	Short term	X	X	X

Alia Multiutility topics	Risk / Opportunity	Description of risk/opportunity	Time horizon	Business Unit		
				Environment BU	Energy BU	Water BU
Energy transition and climate action	Risk	Risk of contraction of the pure gas sales market due to rising outside temperatures.	Medium term		X	
Energy transition and climate action	Opportunity	Increased demand for electricity due to the electrification of consumption and the increased use of air conditioning in summer.	Medium term		X	
Fighting pollution	Risk	Accidental spills of pollutants (fuel, oil, organic leachate, chemicals, etc.) with financial impacts on the Group due to fines and penalties.	Short term	X	X	X
Fighting pollution	Risk	Risk of leakage of microplastics from wastewater and waste treatment systems and consequent spillage into watercourses and groundwater, with reputational consequences for the company.	Medium term	X		X
Fighting pollution	Risk	Exceeding regulatory pollutant thresholds resulting in reputation damage and penalties.	Medium term	X	X	X
Fighting pollution	Risk	Risk of causing damage to the health of users with reputation damage due to poorly functioning wastewater treatment plants and the use of chemicals for drinking water treatment.	Medium term			X
Responsible management of water resources	Risk	Risk of not being able to fully meet the demand for water during the most critical periods of the year with droughts and water shortages resulting in reputational damage.	Short term			X
Responsible management of water resources	Risk	Risk of water stress caused by drought and supply problems, especially during periods of low rainfall, with negative effects on the economic and financial situation.	Short term			X
Protecting biodiversity	Risk	Risk that a prolonged period of drought (absence of rainfall) will lead to a progressive lowering of the groundwater level, reducing the availability of water for extraction and drinking water, as well as limiting the possibility of drawing water from rivers and streams).	Medium term			X
Sustainable waste management and circular economy	Opportunity	Opportunity for revamping the waste collection service infrastructure, with the aim of maximising separate waste collections, improving the quality of materials, optimising the performance of services.	Medium term	X		
Sustainable waste management and circular economy	Risk	Contamination of collected materials, if not properly separated by consumers, with repercussions on the Group's waste treatment capacity.	Short term	X		

Alia Multiutility topics	Risk / Opportunity	Description of risk/opportunity	Time horizon	Business Unit		
				Environment BU	Energy BU	Water BU
Ethics and integrity in business conduct	Risk	Infringements of the Code of Ethics, laws, regulations and company procedures, including anti-corruption legislation (Italian Legislative Decree no. 231/2001) by Group companies, its trade partners, agents or other subjects acting in its name or on its behalf, which may involve the risk incidents of active or passive corruption with criminal or civil sanctions that cause harm to the Group's reputation.	Short term	X	X	X
Sustainable management of the value chain	Risk	Risk of delayed supplier payments and/or possible interruptions in the supply chain that may affect operations.	Short term	X	X	X
Management and enhancement of human capital	Opportunity	Improved business performance through employee satisfaction, achieved through the creation of a fair and inclusive working environment and the development of professional skills. This will also lead to higher staff retention.	Short term	X	X	X
Diversity and inclusion	Opportunity	Harmonisation of the contractual characteristics of the Multiutility BUs	Short term	X	X	X
Management and enhancement of human capital	Opportunity	Work-life balance (e.g. through the introduction of remote working), with positive impacts in terms of improved quality of work, reduced turnover rate and talent retention. This opportunity also allows a company's fixed costs to be reduced in a number of ways such as utilities: fewer people equals less consumption of energy, water, heating, equipment or other.	Short term	X	X	X
Diversity and inclusion	Risk	Lack of synergies or ineffective management of the process of planning/provision of training (compulsory, technical/specialist for the in-scope/ADA companies, etc.) of employees of Group companies with possible impacts on the skills of resources and the efficiency of processes. This could be due to factors such as: - inadequate mapping of company skills; - loss of skills and know-how; - non-integrated personnel development and growth policies; - uneven process of assigning and managing MBOs among Group companies.	Medium term	X	X	X
Occupational health and safety	Risk	Failure to comply with legislation and standards related to the environment (e.g. minimum vital flows, emissions, waste management and associated records, noise levels, etc.), occupational health and safety (Italian Legislative Decree 81/2008) due to the lack of or incorrect definition, implementation and updating of policies, procedures and manuals with possible sanctions against the Company and consequent negative impacts on the Group's economic/financial situation and reputation.	Medium term	X	X	X

Alia Multiutility topics	Risk / Opportunity	Description of risk/opportunity	Time horizon	Business Unit		
				Environment BU	Energy BU	Water BU
Occupational health and safety	Risk	Lack of/ineffective cooperation/coordination/communication with the functions of RSPP (Health and Safety Manager), Emergency Manager, Quality, Safety and Environmental Manager of the Group companies for all aspects of facility management.	Short term	X	X	X
Territorial development and community involvement	Opportunity	Support for developing and increasing the number of people trained in environmental education, thanks to the introduction of specific environmental awareness and education projects involving several schools of all levels in the communities where the Multiutility operates, with positive effects in terms of reduced environmental costs and company reputation.	Medium term	X	X	X
Territorial development and community involvement	Risk	Risk of interruption, even partial, of access to water and sanitation services as a result of extraordinary events, with consequent repercussions on image.	Short term	X		X
Efficiency, reliability and security of infrastructure and networks	Opportunity	Business development resulting from the positive results of innovation and digitalisation of the Group's services. Positive results in this respect could lead the company and the Group to develop new services, improve access to services for users and end consumers, with positive effects on cash flow and the business as a whole.	Medium term	X	X	X
Efficiency, reliability and security of infrastructure and networks	Risk	Risk of loss of customer data and/or cyber attacks that may lead to fines, compensation for damage and damage to image, making the protection of privacy through security measures and regulatory compliance crucial.	Short term	X	X	X
Efficiency, reliability and security of infrastructure and networks	Risk	Ineffective customer relations management (complaints and written requests, sales quality, communication and <i>Sportello del Consumatore</i> (Customer Help Desk)).	Short term	X	X	X

Stakeholder Engagement

The Double Materiality process, as already mentioned, for this first “CSRD” reporting exercise exclusively involved internal stakeholders. This was due to the important change in methodological approach required by the regulations and standards. The involvement of the company management represented a significant opportunity to discuss and raise awareness of the sustainability issues that characterise the Group's business activities. No additional external stakeholders or experts were involved for the explicit purpose of the Double Materiality process. For the next reporting year, Alia Multiutility aims to formalise a mapping of the main external stakeholders and their engagement methods in order to contribute to the continuous improvement of the process of updating the Double Materiality.

Governance

Alia Servizi Ambientali S.p.A. is a wholly publicly owned company. Its share capital is € 362,655,325.00⁷⁰ fully paid-up.

Shareholder	Shares	Stake
Municipality of Florence	133,374,339	36.78%

⁷⁰ The list of shareholders in the Business Register will be updated at the time of filing the annual financial statements at 31 December 2024.

Shareholder	Shares	Stake
Municipality of Prato	67,266,190	18.55%
Municipality of Pistoia	19,680,386	5.43%
Municipality of Scandicci	14,204,524	3.92%
Municipality of Sesto Fiorentino	13,143,593	3.62%
Municipality of Empoli	12,309,526	3.39%
Municipality of Campi Bisenzio	9,535,642	2.63%
Municipality of Montemurlo	7,759,249	2.14%
Municipality of Quarrata	5,165,979	1.42%
Municipality of Calenzano	5,155,595	1.42%
Municipality of Fucecchio	4,913,902	1.36%
Municipality of Lastra a Signa	4,635,758	1.28%
Municipality of Vaiano	3,989,302	1.10%
Municipality of Castelfiorentino	3,752,402	1.04%
Municipality of Signa	3,665,080	1.01%
Municipality of Montelupo Fiorentino	3,350,954	0.92%
Municipality of Certaldo	3,312,251	0.91%
Municipality of Agliana	3,203,904	0.88%
Municipality of Vinci	3,199,208	0.88%
Municipality of Borgo San Lorenzo	2,767,923	0.76%
Municipality of Montespertoli	2,662,977	0.73%
Municipality of Montale	2,437,859	0.67%
Municipality of Carmignano	2,152,676	0.59%
Municipality of Cerreto Guidi	2,077,735	0.57%
Municipality of Poggio A Caiano	1,965,357	0.54%
Municipality of Pontassieve	1,782,970	0.49%
Municipality of Scarperia E San Piero	1,740,354	0.48%
Municipality of Serravalle Pistoiese	1,719,284	0.47%
Municipality of Vernio	1,700,279	0.47%
Municipality of Barberino di Mugello	1,456,922	0.40%
Municipality of Figline e Incisa Valdarno	1,231,441	0.34%
Municipality of Capraia e Limite	1,196,465	0.33%
Municipality of Poggibonsi	1,137,662	0.31%
Municipality of Cantagallo	949,383	0.26%
Municipality of Gambassi Terme	928,580	0.26%
Municipality of Reggello	781,778	0.22%
Municipality of Monsummano Terme	779,950	0.22%
CIS S.p.A.	779,084	0.22%
Municipality of Vaglia	754,882	0.21%
Municipality of Montaione	730,828	0.20%
Municipality of Bagno a Ripoli	661,662	0.18%
Municipality of San Casciano in Val di Pesa	642,345	0.18%
Municipality of Pelago	627,240	0.17%
Municipality of Impruneta	626,615	0.17%
Municipality of Terranuova Bracciolini	606,811	0.17%
Municipality of Rufina	559,215	0.15%
Municipality of Fiesole	558,613	0.15%
Municipality of Lamporecchio	530,200	0.15%
Municipality of Castelfranco Piandiscò	446,625	0.12%
Municipality of Dicomano	412,438	0.11%
Municipality of Vicchio	401,999	0.11%
Municipality of Rignano Sull'Arno	401,362	0.11%
Municipality of Greve in Chianti	381,511	0.11%
Municipality of Barberino Tavarnelle	322,866	0.09%
Municipality of Massa e Cozzile	284,696	0.08%
Municipality of Larciano	257,418	0.07%
Municipality of Uzzano	175,727	0.05%
Municipality of Londa	105,755	0.03%
Municipality of Sambuca Pistoiese	91,779	0.03%
Municipality of San Godenzo	77,997	0.02%
Municipality of San Gimignano	72,231	0.02%

Shareholder	Shares	Stake
Municipality of Marliana	39,355	0.01%
Municipality of Ponte Buggianese	27,000	<i>less than 0.01%</i>
Municipality of San Marcello Piteglio	9,585	<i>less than 0.01%</i>
Alia Servizi Ambientali S.p.A. (<i>treasury shares</i>)	982,107	0.27%
Total shares	362,655,325	

Governance and control bodies

Alia adopts a traditional governance model based on the following corporate bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors. There are also three internal board committees composed of members of the governing body.

The Shareholders' Meeting consists of the representatives of the 64 shareholders and is the body that provides the strategic guidelines and defines the general development guidelines of the Company.

	2022	2023	2024
No. of ordinary and extraordinary shareholders' meetings	4	6	4
Stake (%)	99.38%	77.11%	71.79%

In 2024, 4 shareholders' meetings were held.

The **Board of Directors** of Alia Servizi Ambientali S.p.A., whose members were appointed by the Shareholders' Meeting of 16 June 2023, is the body entrusted with the management of the Company through the preparation of strategies and their implementation with concrete actions. The members of the Board of Directors are appointed in accordance with the provisions of the By-laws, which in articles 15 and 16 provide, inter alia, that appointments are made on the basis of slates submitted by shareholders owning at least 1% of the share capital. In compliance with applicable regulations, governance is structured to ensure adequate internal control and supervision, including through the separation of executive and non-executive roles. The By-laws provide for the Board of Directors to appoint a Chief Executive Officer.

Directors will remain in office for three financial years (with the possibility of re-election) until the approval of the annual financial statements at 31 December 2025. As at 31 December 2024, the Board of Directors consisted of:

Board of Directors						
Name	Age	Gender	Position	Executive/Non-executive	Start date	End date
Lorenzo Perra	51 years	M	Chairman	Non-executive	16/06/2023	<i>approval of financial statements at 31 December 2025</i>
Alberto Irace ⁷¹	57 years	M	Chief Executive Officer	Executive	16/06/2023	<i>approval of financial statements at 31 December 2025</i>
Nicola Ciolini	52 years	M	Vice Chairman	Non-executive	16/06/2023	<i>approval of financial statements at 31 December 2025</i>
Manuela Grassi	65 years	F	Director	Non-executive	16/06/2023	<i>approval of financial statements at 31 December 2025</i>
Francesca Calamai	51 years	F	Director	Non-executive	16/06/2023	<i>approval of financial statements at 31 December 2025</i>

⁷¹ The Chief Executive Officer also holds, on an interim basis, the position of Head of the Multiutility's Innovation Office.

<i>Marco Baldassarri</i>	<i>63 years</i>	<i>M</i>	<i>Director</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Filippo Sani</i>	<i>53 years</i>	<i>M</i>	<i>Director</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Edoardo Franceschi</i>	<i>58 years</i>	<i>M</i>	<i>Director</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Libero Mannucci</i>	<i>66 years</i>	<i>M</i>	<i>Director</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Francesca Panchetti</i>	<i>51 years</i>	<i>F</i>	<i>Director</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>

Percentage by gender	<i>M</i>	<i>70%</i>
	<i>F</i>	<i>30%</i>
Percentage of independence	<i>Independent</i>	<i>30%</i>
	<i>Non-independent</i>	<i>70%</i>

As far as gender diversity is concerned, it should be noted that the proportion of women on the Board of Directors also stood at 30% in 2024. Furthermore, at least 75% of the members of the governing body have previous experience in the sector (previous positions held, membership of trade associations) and/or geographical area in which the Multiutility is located. Considering the reference business in which the Group operates, these individuals possess expertise in the field of environmental sustainability (e.g. circular economy, energy, water resources). Despite this, the Group recognises the importance of developing and strengthening specific expertise within the governance bodies to effectively manage and monitor material impacts, risks and opportunities.

As of the date of drafting this Declaration, there were no members of the Board of Directors appointed to represent employees or other workers (in terms of negotiation, consultation or simple exchange of information with employers, their organisations and workers' representatives on matters of common interest) or other diversity aspects considered and assessed at appointment. Lastly, at 31 December 2024, there were no members of the Board of Directors who are or were assigned specific roles in the area of sustainability within or outside the Group. However, it should be noted that on 18 February 2025 the scope of the Risk Control Committee was extended to include sustainability issues, adopting the name "Control, Risks & Sustainability Committee".

As mentioned in the subsection "Double Materiality Analysis", the Board of Directors is informed with respect to the process intended to identify, assess and manage material impacts, risks and opportunities; and is responsible for annually approving the outcomes that emerge in terms of material sustainability issues. The material impacts, risks and opportunities were shared in advance with the Chief Financial Officer and the Group Enterprise Risk Management function. In order to ensure continuous improvement, the Group is working on the definition of a more structured Sustainability Governance, aimed at strengthening the oversight of procedures to manage material impacts, risks and opportunities related to sustainability issues.

The **Board of Statutory Auditors** is formed of three standing members and two alternate members, appointed by the Shareholders' Meeting of 16 June 2023. The term of office is three years and the body meets at least every ninety days at the initiative of one of the auditors.

Board of Statutory Auditors						
Name	Age	Gender	Position	Executive / Non-executive	Start date	End date
<i>Sauro Settesoldi</i>	<i>62 years</i>	<i>M</i>	<i>Chairman</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>

<i>Cristina Pantera</i>	<i>69 years</i>	<i>F</i>	<i>Standing Auditor</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Massimo Armellini</i>	<i>60 years</i>	<i>M</i>	<i>Standing Auditor</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Enrico Terzani</i>	<i>57 years</i>	<i>M</i>	<i>Alternate Auditor</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>
<i>Simona De Ria</i>	<i>65 years</i>	<i>F</i>	<i>Alternate Auditor</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>approval of financial statements at 31 December 2025</i>

Percentage by gender	<i>M</i>	<i>60%</i>
	<i>F</i>	<i>40%</i>

All auditors have previous experience in the geographical area in which the Tuscan Multiutility operates. As of the date of preparation of this document, further elements of diversity were not considered relevant and pertinent when appointing the Supervisory Body.

On 14 March 2023, the Board of Directors established three internal board committees and adopted the respective Regulations governing their tasks and functions, namely:

- the Control and Risks Committee;
- the Remuneration and Appointments Committee;
- the Related-Party Transactions Committee.

The **Control and Risks Committee** (hereinafter also "CRC") is currently composed of Filippo Sani, Chairman of the Committee, Francesca Calamai, and Marco Baldassarri. The Committee performs control activities, oriented towards supervising the work of management and monitoring the corporate structure. The role of the Control and Risks Committee is to ensure the effectiveness of the system of controls and risk management, as well as to assess the correct use of accounting principles for the preparation of the financial statements.

The Committee is also tasked with supporting the Board of Directors' evaluations and decisions concerning the internal control and risk management system with an adequate preliminary activity, for which it provides consultation and proposals with regard to the definition of guidelines.

Control and Risks Committee						
Name	Age	Gender	Position	Executive / Non-executive	Start date	End date
<i>Filippo Sani</i>	<i>53 years</i>	<i>M</i>	<i>Chairman</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>until approval of financial statements at 31 December 2025</i>
<i>Marco Baldassarri</i>	<i>63 years</i>	<i>M</i>	<i>Member</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>until approval of financial statements at 31 December 2025</i>
<i>Francesca Calamai</i>	<i>51 years</i>	<i>F</i>	<i>Member</i>	<i>Non-executive</i>	<i>16/06/2023</i>	<i>until approval of financial statements at 31 December 2025</i>

Percentage by gender	<i>M</i>	<i>67%</i>
	<i>F</i>	<i>33%</i>

With a view to strengthening its Sustainability Governance model, on 18 February 2025 Alia also assigned to this internal board committee the monitoring of impacts, risks and opportunities related to sustainability issues, naming it the Control, Risks and Sustainability Committee

The **Remuneration and Appointments Committee** is currently composed of Nicola Ciolini, Chairman of the Committee, Filippo Sani, and Francesca Panchetti. The Committee formulates opinions on the size and composition of the Board of Directors itself, submits the Report on Remuneration Policy and Fees Paid to the Board of Directors for approval and, in particular, defines the Remuneration Policy for Executive Directors and Managers with Strategic Responsibilities. It provides the Board of Directors with an assessment of the nominations of the Company's executives and members of the Company's bodies whose appointment falls within the Board's remit. It assists the Board of Directors in its self-assessment activities.

Remuneration and Appointments Committee						
Name	Age	Gender	Position	Executive / Non-executive	Start date	End date
Nicola Ciolini	52 years	M	Chairman	Non-executive	16/06/2023	approval of financial statements at 31 December 2025
Filippo Sani	53 years	M	Member	Non-executive	16/06/2023	approval of financial statements at 31 December 2025
Francesca Panchetti	51 years	F	Member	Non-executive	16/06/2023	approval of financial statements at 31 December 2025

Percentage by gender	M	67%
	F	33%

The **Related-Party Transactions Committee** is currently composed of Marco Baldassarri, Chairman of the Committee, Manuela Grassi, and Filippo Sani. The Committee is tasked with providing opinions on the Company's interest in carrying out transactions with related parties, as well as on the appropriateness and substantive fairness of the terms and conditions of Transactions of Lesser Significance and Transactions of Greater Significance. The Committee also advises the Board of Directors on amendments to the Procedure for Related-Party Transactions. The Committee also resolves cases, submitted to it by the Board of Directors, in which the identification of a Related Party or the ordinary nature of a Transaction is disputed.

Related-Party Transactions Committee						
Name	Age	Gender	Position	Executive / Non-executive	Start date	End date
Marco Baldassarri	63 years	M	Chairman	Non-executive	16/06/2023	approval of financial statements at 31 December 2025
Manuela Grassi	65 years	F	Member	Non-executive	16/06/2023	approval of financial statements at 31 December 2025
Filippo Sani	53 years	M	Member	Non-executive	16/06/2023	approval of financial statements at 31 December 2025

Percentage by gender	<i>M</i>	67%
	<i>F</i>	33%

The responsibilities regarding the impacts, risks and opportunities of the members of the governance bodies are not specifically mentioned in the Group's mission; however, within this mission, Alia emphasises its desire to provide quality, effective and efficient services, in ways that are compatible and sustainable for the community and the environment; as well as to contribute to people's well-being and the sustainable development of the territory in which it operates. Moreover, within its Code of Ethics, the Company specifies that it works to contribute to ensuring sustainable development oriented towards respect for the environment and the founding values of Alia. In view of this, the mandate of the members of the governing and control bodies and the company policies are fully in line with these principles, ensuring their proper implementation.

At the date of preparation of this document, there are no formalised roles of governance and control bodies, or specific members thereof, in processes or procedures to monitor, manage and control impacts, risks and opportunities. At management level, it should be noted that the Group's Chief Financial Officer is formally in charge of preparing the sustainability report, and as such the CEO is the "Financial Reporting Officer" in charge of this reporting.

Finally, it should be noted that, in the first quarter of 2025, a specific worksite was launched to define the Group's Sustainability Plan, consistent with the broader corporate strategy. The Plan was also developed on the basis of material sustainability topics, i.e. considering the material impacts, risks and opportunities identified. Based on this, specific methods will be defined through which governance bodies and senior management will monitor (also taking into account the relevant IROs⁷²) the setting of targets related to sustainability issues, as well as progress in achieving them.

Incentive systems linked to sustainability objectives

The Group recognises the importance of incentive systems for the external credibility of its sustainability targets and their role in improving performance. For this reason, the Group has implemented a People Management System that aims to enhance the Group's Human Capital also through the definition of a People Evaluation process called Performance & Leadership Management ("P&L"). The P&L Process is designed to:

- Ensure continuous performance and leadership improvement at the individual, team and organisational levels;
- Promote a final evaluation anchored not only on performance (the measure of "what"), but also on leadership (the measure of "how");
- Promote the Excellence and Merit of the Company's resources by differentiating recognition;
- Put People at the centre, by motivating them, supporting their development and fostering the retention of key resources

The identification of objectives is a key moment for both the appraiser and the appraisee as it serves the discussion, monitoring and evaluation of individual performance throughout the year. Since individual objectives are linked to the objectives of the Structure/Function and, proportionally, to those of the Company, they represent the cornerstone of the entire Evaluation System.

Corporate objectives are of an economic and financial nature and are assigned by top management; they are the same for the entire assessed population, albeit with different impacts on pay out, depending on the organisational level of the appraisee. **Individual objectives** must be set as an interpretation of the objectives of the Head of Function/Structure to which the person reports.

The objectives include those related to sustainability issues within the incentive plans of the Chief Executive Officer, the General Manager, and all executives and non-executives, but entitled to MBO (Management by Objectives), (the objective is called "Contribution to the Sustainability Plan"). It does not, however, include specific targets related to the reduction of GHG emissions.

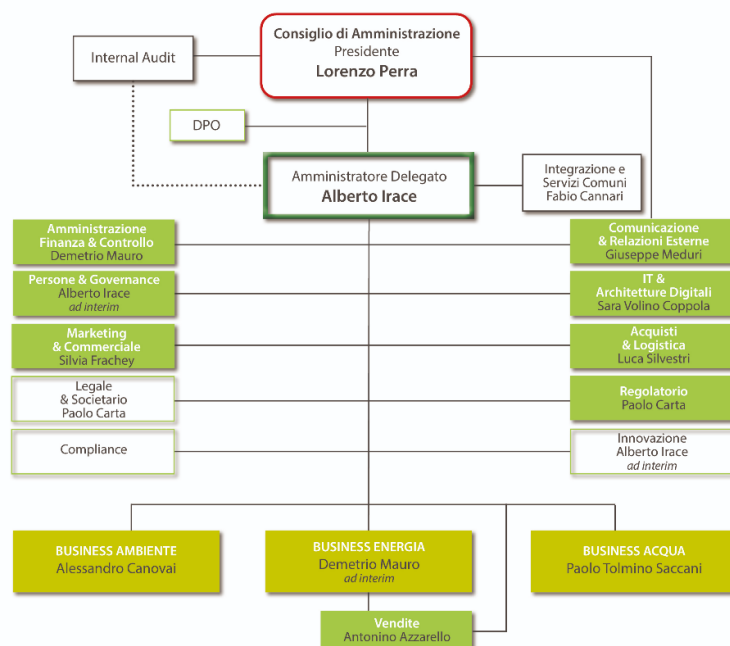
Each individual, for his or her own function, is assessed against the impacts, risks and opportunities identified in the Double Materiality analysis. Performance metrics are also embedded within the evaluation policy, assessed as MBO targets.

The proportion of variable remuneration that depends on sustainability-related targets and/or impacts is shared and approved by the Chief Executive Officer and the Parent Company's internal Remuneration and Appointments Committee and was 10%-20% in 2024.

⁷² The list of material IROs addressed by the Board of Directors is given in the sub-section "Double Materiality Analysis".

Organisational chart

At 31 December 2024, the following organisational chart was in force.



Business ethics

Alia Servizi Ambientali adopts a Code of Ethics (hereinafter also “Code”), as a corporate ethical instrument aimed at defining rules and standards of conduct to be followed by corporate bodies, members of the Supervisory Body (“SB”), managers, employees and those who collaborate with the Company in any capacity (suppliers, consultants, business partners, intermediaries, etc.). The Code guarantees the fairness, transparency, reliability and reputation of the Company, as essential principles for the proper conduct of business. In addition, the Company has defined its own Organisation, Management and Control Model (“OMM” or “231 Model”) pursuant to Italian Legislative Decree 231/2001. In line with the best available practices and as defined by Alia Servizi Ambientali, the main Group companies have defined their own Codes of Ethics and 231 Models.

Supervisory Body

According to Italian Legislative Decree 231/01 and the Company's OMM, Alia Servizi Ambientali has set up an independent, autonomous and professional Supervisory Body (whose secretariat is entrusted to Alia's Legal & Compliance function). The Supervisory Body has the following tasks and powers:

- it verifies the effectiveness of the Organisation, Management and Control Model;
- it ensures that the organisational model is concretely implemented and detects any deviations in conduct;
- it assesses the opportunity to adapt and/or update the Organisational Model due to regulatory amendments and changes in the organisational structure of the Company;
- it reports, to the Administrative and Control Bodies, the appropriate measures to be taken and violations of the Organisational Model that may be a source of the administrative liability for the Company.

Supervisory Body*

Name	Age	Gender	Position	Executive / Non-executive	Start date	End date
Antonio Porpora	56 years	M	Chairman	Non-executive	06/09//2024	approval of financial statements at 31 December 2025

*The composition of the Supervisory Body of Alia Servizi Ambientali is pending additional members

Internal Control and Risk Management System

No specific analysis of the related risks was carried out in connection with the sustainability reporting process. The Enterprise Risk Management function is involved in the Double Materiality process, i.e. the identification of impacts, risks and opportunities and the underlying assessment in terms of likelihood and magnitude. For further details, please refer to the sub-section “Double Materiality Analysis”.

For the next financial year, the Enterprise Risk Management function set itself the goal of evaluating the possibility of implementing a system and optimising the assessment of corporate risks by integrating it with the Double Materiality process. In addition, a project will be launched to define and formalise the internal control and risk management system for sustainability reporting.

Risks are weighted in terms of likelihood and magnitude. The ERM evaluation metrics are the same as those used for the assessment of risks and opportunities in the Double Materiality analysis. With reference to the ERM methodology, for risks highlighted as “Top Risk” only, the interconnection between risks and the speed of manifestation of the effects resulting from the risk itself were also assessed. Furthermore, the ERM methodology requires that for Top Risks the related ESG dimension is also represented.

The main risks monitored for 2024 were, at Group level, interest rate risk and liquidity risk, and, for the energy sector, gas and power counterparty risk and credit risk arising from the sale of gas and electricity. Analysis fact sheets were prepared for each risk analysed. The Risk Management function also manages the insurance business. Where it is decided to mitigate the existing residual risk by insurance coverage, this Function oversees the process of defining and managing the insurance coverage.

The process design provides for regular reporting to the Control and Risks Committee and the Board of Directors. At the time of writing, however, no periodic reports had been prepared and communicated, as the Group function and the operational project to develop a Group ERM were at the structuring stage.

Due diligence

The following is an explanatory mapping of the methods and sections in which the application of the main aspects and steps of the due diligence process are dealt with in this document, in order to provide a picture of actual practice with regard to due diligence.

FUNDAMENTAL ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN SUSTAINABILITY STATEMENTS
a) Integrate due diligence into the governance, strategy and business model	[ESRS 2 GOV-2] Governance Administrative, management and supervisory bodies [ESRS 2 GOV-3] Governance Administrative, management and supervisory bodies [ESRS 2 SBM-3] Business model, strategy and value chain Strategy, business model and value chain Double Materiality Analysis Material topics for Alia Multiutility, Stakeholder Engagement
b) Engage with stakeholders at all key stages of due diligence	[ESRS 2 SBM-2] Business model, strategy and value chain Interests and views of stakeholders [ESRS 2 IRO-1] Double Materiality Analysis Internal Context Analysis, External Context Analysis, Process for identifying and assessing impacts, risks and opportunities, Alia Multiutility Material Topics, Stakeholder Engagement [ESRS S1-2] ESRS S1 – Own Workforce Processes for engaging with own workers and processes to remediate negative impacts and channels for own workers to raise concerns [ESRS S2-2] ESRS S2 – Workers in the Value Chain Processes for engaging with value chain workers and processes to remediate negative impacts and channels for value chain workers to raise concerns [ESRS S3-2] ESRS S3 – Affected Communities Processes for engaging with affected communities and processes to remediate negative impacts and channels for affected communities to raise concerns [ESRS S4-2] ESRS S4 – Consumers and End-users Processes for engaging with consumers/end-users about impacts and channels for consumers/end-users to raise concerns
c) Identify and assess negative impacts	[ESRS 2 IRO-1] Double Materiality Analysis Internal Context Analysis, External Context Analysis, Process for identifying and assessing impacts, risks and opportunities, Alia Multiutility Material Topics, Stakeholder Engagement [ESRS 2 IRO-1 E1] ESRS E1 – Climate Change Description of the processes to identify and assess material climate-related impacts, risks and opportunities [ESRS 2 IRO-1 E2] ESRS E2 – Pollution Description of the processes to identify and assess material pollution-related impacts,

FUNDAMENTAL ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN SUSTAINABILITY STATEMENTS
	risks and opportunities [ESRS 2 IRO-1 E3] ESRS E3 – Water Description of the processes to identify and assess material water management-related impacts, risks and opportunities [ESRS 2 IRO-1 E4] ESRS E4 – Biodiversity and Ecosystems Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities [ESRS 2 IRO-1 E5] ESRS E5 – Resource use and circular economy Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities [ESRS 2 SBM-3 S1] ESRS S1 – Own Workforce Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities [ESRS 2 SBM-3 S2] ESRS S2 – Workers in the Value Chain Description of the processes to identify and assess material value chain worker-related impacts, risks and opportunities and their interaction with strategy and business model(s) [ESRS 2 SBM-3 S3] ESRS S3 – Affected Communities Description of the processes to identify and assess material affected community-related impacts, risks and opportunities and their interaction with strategy and business model(s) [ESRS 2 SBM-3 S4] ESRS S4 – Consumers and End-users Description of the processes to identify and assess material consumer and end-user-related impacts, risks and opportunities and their interaction with strategy and business model(s)
d) Intervene to address negative impacts	[ESRS 2 MDR-A E1] ESRS E1 – Climate Change Actions [ESRS 2 MDR-A E2] ESRS E2 – Pollution Actions [ESRS 2 MDR-A E3] ESRS E3 – Water Actions [ESRS 2 MDR-A E4] ESRS E4 – Biodiversity and Ecosystems Actions [ESRS 2 MDR-A E5] ESRS E5 – Resource use and Circular Economy Actions [ESRS 2 MDR-A S1] ESRS S1 – Own Workforce Actions Actions [ESRS 2 MDR-A S2] ESRS S2 – Workers in the Value Chain Actions [ESRS 2 MDR-A S3] ESRS S3 – Affected Communities Actions Actions [ESRS 2 MDR-A S4] ESRS S4 – Consumers and End-users Actions Actions [ESRS S1-3] ESRS S1 – Own Workforce Processes for engaging with own workers and processes to remediate negative impacts and channels for own workers to raise concerns [ESRS S2-3] ESRS S2 – Workers in the Value Chain Processes for engaging with value chain workers and processes to remediate negative impacts and channels for value chain workers to raise concerns [ESRS S3-3] ESRS S3 – Affected Communities Processes to engage with affected communities and processes to remediate negative impacts and channels for affected communities to raise concerns [ESRS S4-3] ESRS S4 – Consumers and End-users Processes to engage with consumers/end-users about negative impacts and channels for consumers/end-users to raise concerns
e) Monitor the effectiveness of interventions and communicate	[ESRS 2 MDR-T; MDR-M E1] ESRS E1 – Climate Change Targets Metrics [ESRS 2 MDR-T; MDR-M E2] ESRS E2 – Pollution Targets Metrics [ESRS 2 MDR-T; MDR-M E3] ESRS E3 – Water Targets Metrics [ESRS 2 MDR-T E4] ESRS E4 – Biodiversity and Ecosystems Targets [ESRS 2 MDR-T; MDR-M E5] ESRS E5 – Resource use and circular economy Targets Metrics [ESRS 2 MDR-T; MDR-M S1] ESRS S1 – Own Workforce Targets Targets Metrics Metrics Metrics [ESRS 2 MDR-T S2] ESRS S2 – Workers in the Value Chain Targets [ESRS 2 MDR-T S3] ESRS S3 – Affected Communities Targets Targets [ESRS 2 MDR-T S4] ESRS S4 – Consumers and End-users Targets Targets

3.9.2 Environmental Information

Disclosure pursuant to article 8 of Regulation (EU) 2020/852

As recalled in the Note, Alia Multiutility, as a company required to prepare a Consolidated Sustainability Statement pursuant to Directive (EU) 2022/2464 (implemented in Italy by Legislative Decree 125/2024), also includes in its Sustainability Reporting the disclosure required by article 8 of **Regulation (EU) 2020/852** (also referred to in this sub-section as the “Taxonomy Regulation”, “**Taxonomy**” or the “Regulation”) **and by the related Delegated Acts implementing the Regulation**, taking into account the interpretative clarifications provided by the European Commission in recent years through Communications and Q&A information sessions.

The disclosure pursuant to article 8 of Regulation (EU) 2020/852 below includes subsidiaries (i.e. consolidated on a line-by-line basis in the Group's Financial Statements) in the scope of reporting, in order to allow for a timely reconciliation of the economic and financial amounts⁷³.

European framework

The Taxonomy Regulation, which came into force on 12 July 2020 and was implemented as part of the Sustainable Finance Action Plan, establishes a **common and comparable language** for environmentally sustainable economic activities carried out within the European context. This legislation stems from the Community legislator's need to coordinate efforts to achieve the goals of the ecological transition, and to consistently **direct investments and capital flows** towards projects and activities that **effectively** contribute to one or more environmental objectives. Thus, as of 1 January 2023, the Taxonomy Regulation requires non-financial companies to publish in their sustainability reporting the required disclosures of **key performance indicators (KPIs) related to turnover, capital expenditure (CapEx) and operating expenditure (OpEx)** that are representative of their environmentally sustainable activities⁷⁴. To this end, companies are called upon to verify, through the **Delegated Acts** implementing the Regulation, and report⁷⁵, whether and to what extent their economic activities are **eligible** and **aligned** in relation to the Taxonomy.

ELIGIBLE ECONOMIC ACTIVITIES

An economic activity is considered **eligible** if it is included within the Delegated Acts, regardless of whether it fulfils the technical screening criteria laid down for it. Eligible economic activities therefore represent those activities that have the potential to align with the technical screening criteria. Otherwise, the activity will be considered ineligible.

⁷³ With respect to the scope of reporting of the Sustainability Statement, this means that the companies AL.BE, Nuova Sirio and AES Fano Distribuzione Gas (which are not consolidated on a line-by-line basis in the Group's Financial Statements) are excluded from the disclosure pursuant to article 8 of Regulation (EU) 2020/852 mentioned in this sub-section.

⁷⁴ This provision was applicable, until FY 2023, to companies subject to Directive 2014/95/EU (Non-Financial Reporting Directive – NFRD), now superseded by Directive (EU) 2022/2464, which expressly recalls – also by means of the ESRS sector-agnostic single standard – the obligation to provide a disclosure pursuant to article 8 of Regulation (EU) 2020/852.

⁷⁵ Commission Delegated Regulation (EU) 2021/2178 lays down the methodologies for calculating KPIs, the manner in which results are to be presented, and a set of disclosure requirements and deadlines that must be met as part of the reporting under article 8 of Regulation 2020/852.

ALIGNED ECONOMIC ACTIVITIES

An eligible economic activity is also considered aligned, and therefore sustainable, if it respects three basic principles:

- it **substantially contributes*** to the achievement of at least one of the six environmental objectives** set out in the Regulation itself ;
- it **does not cause significant harm to any of the remaining environmental objectives** (i.e. “Do No Significant Harm” or “DNSH”);
- **respect the minimum social safeguards** (i.e. “minimum safeguards criteria” or “MSC”)**.

Conversely, an eligible economic activity that does not simultaneously comply with the above principles will be considered **eligible but not aligned**.

(*) The substantial contribution criteria for the activities included in the European Taxonomy to date are contained in Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2022/1214, Commission Delegated Regulation (EU) 2023/2485 and, finally, Commission Delegated Regulation (EU) 2023/2486.

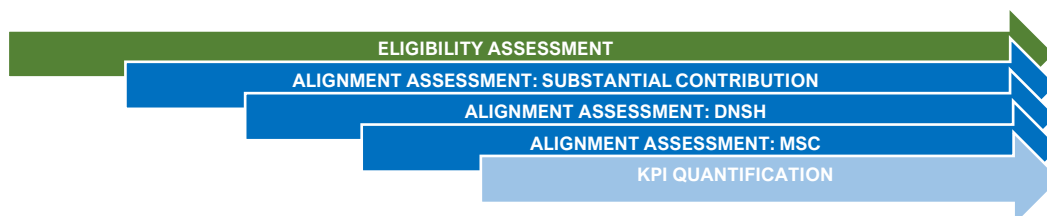
(**) There are six environmental objectives in the Taxonomy Regulation: 1) Climate change mitigation; 2) Climate change adaptation; 3) Sustainable use and protection of water and marine resources; 4) Transition to a circular economy; 5) Pollution prevention and control; 6) Protection and restoration of biodiversity and ecosystems.

(***) The MSCs refer to the provisions of article 18 paragraph 1 of Regulation (EU) 852/2020, i.e. to a set of principles and guidelines contained in international conventions and treaties such as the OECD Guidelines for Multinational Enterprises (OECD MNEs), UN Guiding Principles on Business and Human Rights (UNGPs), ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The process to identify and assess activities

In order to ensure compliance with the information required by article 8 of Regulation (EU) 2020/852, Alia Multiutility has implemented a process that analyses the applicability of the Taxonomy Regulation and its Delegated Acts to the activities carried out in each company included in its reporting scope. This analysis was carried out by an **interfunctional working group** involving the relevant functions of the Group's various business lines as well as the management control and administrative areas.

The process can be outlined as follows:



1. **Eligibility assessment:** in the first step of the process, the economic activities carried out by the Group that fall within the definitions provided by the Delegated Acts implementing the Taxonomy Regulation are identified. To this end, the categories of revenue-generating activities in Alia Multiutility and for which capital or operating expenses were incurred during FY 2024 are traced. As an analysis benchmark at this stage, reference was also made to the eligible activities traced⁷⁶ during 2023.
2. **Alignment assessment – substantial contribution:** in the second step, the **substantial contributions**⁷⁷ to the environmental objectives are analysed for the activities deemed eligible for the taxonomy mentioned in the previous step. This assessment was conducted with the technical support of the managers of the various business areas involved.
3. **Alignment assessment – DNSH:** in the third step, the **DNSH criteria relevant** to eligible activities that substantially contribute to an environmental objective are examined, i.e. activities that have passed the previous two steps, to verify that they do not cause significant harm to any of the other objectives set out in article 9 of Regulation (EU) 2020/852. This assessment was conducted with the technical support of the managers of the various business areas involved.

⁷⁶ Not all eligible activities traced in 2023 were also eligible in 2024. This is the case, for example, when an eligible activity associated with one of the taxonomy KPIs (turnover, CapEx, OpEx) in 2023 did not generate turnover or capital expenditure/operating expenses during 2024.

⁷⁷ As stipulated in Commission Delegated Regulation (EU) 2023/2486 amending Commission Delegated Regulation (EU) 2021/2178, as of 1 January 2025, the key performance indicators of non-financial undertakings must cover the economic activities included in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 as amended by Commission Delegated Regulation (EU) 2023/2485, as well as those included in the same Commission Delegated Regulation (EU) 2023/2486. This means that from 1 January 2025, the alignment assessment must be extended, where applicable, to all activities covered to date by the delegated acts.

4. **Alignment Assessment – MSC:** in the fourth step, the existence of procedures or guidelines, **within the Alia Group companies**, that ensure compliance with the treaties and conventions indicated in article 18 paragraph 1 of Regulation (EU) 2020/852 is assessed, in order to **certify compliance with the minimum safeguards** within the scope of the activities that pass the three steps indicated above. Verification of the MSCs was carried out with the technical support of the managers of the various business areas involved. At the end of the fourth step, the activities of Alia Multiutility that are **aligned** with the Taxonomy are identified.
5. **Quantification of the KPIs⁷⁸.** The final step in the process is to extract the data of interest in order to calculate the key performance indicators in the manner prescribed by Commission Delegated Regulation (EU) 2021/2178.

The process implemented allowed for the identification of Taxonomy **eligible and aligned** activities, Taxonomy **eligible but not aligned** activities, and Taxonomy **ineligible** activities; as well as for the calculation of the metrics required by the Taxonomy Regulation related to the proportion of turnover, capital expenditure (*CapEx*) and operating expenditure (*OpEx*) associated with them for FY 2024.

Eligible activities

The following is **a classification of the activities carried out** at Alia Multiutility that, on the basis of the assessments performed, are Taxonomy **eligible** or **non-eligible**.

Eligible activities	Non-eligible activities
Collection and transport of source-segregated non-hazardous waste	Collection and transport of non-source segregated non-hazardous waste
Anaerobic digestion plants	Sweeping
Composting plants	Disposal of non-hazardous waste
Recovery of materials from source-segregated non-hazardous waste	Mixing of hazardous waste
Landfill biogas capture and utilisation	Active and post-operational landfill management
Production of plastics from recycled plastic	Production and sale of potting soils and compost fertilisers
Collection and transportation of hazardous waste	Property and facility management
Disposal of hazardous waste	Information systems and telecommunications
Water collection, treatment and supply systems	Natural gas distribution networks
Wastewater collection and treatment systems	Sale of natural gas to the end-user
Production and sale of refined waters for industrial purposes	Sale of electricity to the end-user
Electricity production from photovoltaic plants	
Production of electricity from water sources	
Cogeneration from bioenergy	
Cogeneration of electricity and heat from natural gas	
Biomethane distribution networks	
Installation, maintenance and repair of energy efficiency technologies	
Installation, maintenance and repair of charging stations for electric vehicles	
Installation of smart meters	
Installation, maintenance and repair of renewable energy technology	
Data centre	
GESCO Professional Services	

Eligible activities refer to the businesses of the companies included in the reporting scope of Alia Multiutility that engage in activities falling within the categories set forth in the Delegated Acts implementing the Taxonomy Regulation, and which can be associated with specific items of turnover and capital expenditure/operating expenditure. All these activities have the potential to be environmentally sustainable according to the criteria established by the Taxonomy.

⁷⁸ The KPIs represent the proportion of turnover, capital expenditure (*CapEx*) and operating expenditure (*OpEx*) of aligned and non-aligned activities, as required by article 8 of Regulation (EU) 2020/852 and Regulation (EU) 2021/2178.

Non-eligible activities, on the other hand, refer to the businesses of the companies included in the reporting scope of Alia Multiutility that do not fall into the above categories, and therefore do not have the potential to be environmentally sustainable according to the criteria established by the Taxonomy. **Most⁷⁹ of the companies included in the reporting scope of Alia Multiutility have at least one Taxonomy-eligible activity.**

Aligned activities

Certain activities of Alia Multiutility, considered **eligible**, comply with the criteria of substantial contribution to the relevant environmental objectives and guarantee compliance with the DNSH criteria and the minimum social safeguards, and thus are **also Taxonomy aligned**. Assessments showed that Taxonomy-aligned activities were carried out in the following companies:

- Revet S.p.A
- Ambiente Energia e Risorse S.p.A.⁸⁰
- G.I.D.A S.p.A.⁸¹

and refer to the following categories provided for in the delegated acts:

- **3.17 CCM** Manufacturing of plastic materials in primary forms;
- **4.1 CCM** Electricity generation using solar photovoltaic technology;
- **5.3 CCM** Construction, extension and operation of waste water collection and treatment;
- **5.5 CCM** Collection and transport of non-hazardous waste in source-segregated fractions;
- **2.7 CE** Sorting and material recovery of non-hazardous waste.

The other Group companies with Taxonomy-eligible activities do not, however, **jointly** meet all the requirements for alignment. In this regard, the most critical issues found for alignment refer to:

- Failure to meet the **substantial contribution criteria** set by the standard for the given relevant environmental objective. For activities that did not meet this requirement, no further assessment was carried out for the purpose of the Taxonomy alignment process.
- Lack of evidence of compliance with the **general criterion of DNSH** to climate change adaptation and, specifically, with Appendix A⁸² of Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2023/2486. For activities that could not guarantee evidence of compliance with this requirement, no further assessment was carried out for the purpose of the Taxonomy alignment process.
- Lack of evidence of compliance with **specific DNSH criteria** on pollution prevention and control or on the transition to a circular economy.

KPI summary tables for Alia Multiutility activities

With regard to the **turnover** KPI, the amount included as the **denominator** concerned the sum of revenues from sales and services (relating to FY 2024) of each company included in the reporting scope of Alia Multiutility, **net of inter-company revenue streams**. The amounts as the **numerator**, representing net revenues due to eligible or aligned activities, were extracted from the general and analytical accounting systems of each company and therefore represent a precisely identifiable figure. However, for **Centria**, in light of the non-availability of turnover data associated with biomethane distribution, an estimate was made, whereby the company's overall turnover was re-proportioned on the basis of the volumes of biomethane, methane and LPG sales introduced into the network. At the same time, for **G.I.D.A.**, in the light of the non-availability of the turnover data broken down by wastewater treatment plant⁸³, an estimate was made that re-proportioned the turnover associated with urban wastewater treatment on the basis of the treatment capacity of the five plants involved.

As for the KPI related to **capital expenditure**, the amount included as **denominator** concerned the sum of the increases in fixed assets (tangible and intangible) of each company included in the reporting scope of Alia Multiutility for FY 2024, considered before amortisation, depreciation, write-downs or revaluations. Instead, the **numerator** included the proportion of expenses considered as denominator but relative:

- to taxonomy-eligible or aligned activities, capitalised expenses that are typically incurred in the ordinary or extraordinary management of taxonomy assets;
- to individual policy measures that achieve the environmental objectives of the delegated acts.⁸⁴

⁷⁹ The companies included in the reporting scope of Alia Multiutility that do not have Taxonomy-eligible activities are: Programma Ambiente Apuane, Ambiente Toscana Opco, Valdisieve, Estra, Gas Marca, Piceno Gas, Prometeo.

⁸⁰ On 20 December 2024 the company was merged into Alia Servizi Ambientali.

⁸¹ The company has an aligned activity (*5.3 CCM Construction, extension and operation of waste water collection and treatment*) on three of the five wastewater treatment plants owned, as well as an activity that is Taxonomy eligible but not aligned (*2.2 EC Production of alternative water resources for purposes other than human consumption*).

⁸² To date, most Group companies do not present evidence of compliance with general DNSH to climate change adaptation. Specifically, these companies are Alia Servizi Ambientali, Bisenzio Ambiente, Publiacqua, Idrogena, Tegolaia SPV, Caviglia SPV, Estra Clima, Ecocentro Toscana, Ecos, Ecolat, Estra Energie, Centria, Murgia Reti Gas, Gergas, and EDMA Reti Gas.

⁸³ This figure is crucial in order to understand GIDA's proportion of eligible but non-aligned activities and those that are eligible and aligned.

⁸⁴ These measures typically refer to activities 7.3 to 7.6 of Annex I and II of Commission Delegated Regulation (EU) 2021/2139.

With regard to the KPI related to **operating expenditure**, the amount included as **denominator** concerned the sum of non-capitalised direct costs (related to FY 2024) related to research and development, building renovation measures, short-term rental, maintenance and repair of property, plant and equipment necessary to ensure the continuous and effective operation of the assets.⁸⁵ For the amount to be considered as **numerator**, operating expenditure must be tracked, from among those as denominator, associated with assets or processes related to Taxonomy aligned (or eligible) economic activities, or related to individual building renovation measures, non-capitalised research and development expenses, or the purchase of products derived from aligned (or eligible) activities otherwise included in the denominator. Due to the inherent difficulty of tracing specific operating expenditure in this definition⁸⁶, the OpEx numerator was calculated using the eligibility and alignment proportions of the turnover⁸⁷.

Since Alia Multiutility also carries out activities in the field of cogeneration of electricity and heat from fossil fuels⁸⁸, the statement in accordance with Template 1 of Annex XII of Commission Delegated Regulation (EU) 2022/1214 is reported below.

Template 1 – Nuclear and fossil gas related activities

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

The financial information was gathered from the internal accounting systems used by the Company for the preparation of the Annual Consolidated Financial Statements. The data used for the calculation of the KPIs required by the regulation were therefore taken from the economic and financial records, which made it possible to extract and isolate the information of interest from the total turnover, CapEx and OpEx calculations, avoiding double counting. Below are the summary tables of the KPIs for Turnover, CapEx and OpEx, according to the presentation format required by Commission Delegated Regulation (EU) 2021/2178 Annex II, as amended and supplemented⁸⁹.

⁸⁵ The inclusion and exclusion of operating expenditure to be considered as denominator also took into account the guidance provided by the European Commission in its Communication 2022/385 in FAQ 12.

⁸⁶ For example, tracing the amount associated with specific non-capitalised maintenance work on a waste treatment plant aligned with the Taxonomy, among all maintenance expenses incurred by the analysed company during the year.

⁸⁷ In this way, it is implied, for example, that a company with 10% of its turnover eligible for the Taxonomy given its activities will likely direct 10% of its operating expenditure, included in the definition of the denominator in Commission Delegated Regulation (EU) 2021/2178, to maintenance/enhancement/development/restructuring activities on Taxonomy-eligible economic activities. The same considerations also apply to Taxonomy-aligned economic activities.

⁸⁸ This activity is carried out in the subsidiary Estra Clima.

⁸⁹ The metrics for 2023 are not reported in the templates presented, due to non-comparable data both in terms of the reporting scope and in terms of the methodology applied to the entire Taxonomy process with which the eligibility and alignment assessments were conducted.

Turnover

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Economic activities	Code	Turnover	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of turnover taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
Manufacturing of plastic materials in primary forms	3.17 CC M	€ 8,755,961	0.50%	Yes	N/E	N/E	N/E	N/E	N/E		Yes	Yes		Yes	Yes	Yes			T
Electricity production by solar/photovoltaic technology	4.1 CC M	€ 944	0.0001%	Yes	N/E	N/E	N/E	N/E	N/E		Yes		Yes		Yes	Yes			
Construction, extension and operation of waste water collection and treatment	5.3 CC M	€ 1,821,708	0.10%	Yes	N/E	N/E	N/E	N/E	N/E		Yes	Yes		Yes	Yes	Yes			
Collection and transportation of non-hazardous waste in tranches separated at source	5.5 CC M	€ 17,156,731	0.99%	Yes	N/E	N/E	N/E	N/E	N/E		Yes		Yes			Yes			
Sorting and recovery of materials from non-hazardous waste	2.7 CE	€ 34,150,545	1.96%	N/E	N/E	N/E	Yes	N/E	N/E		Yes	Yes		Yes	Yes	Yes			
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)		€ 61,885,889	3.56%	1.59%	0%	0%	1.96%	0%	0%		Yes	Yes	Yes	Yes	Yes	Yes			
Of which transition		€ 8,755,961	0.50%	%							Yes	Yes		Yes	Yes	Yes			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned)																			

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Eco nomic activities	Co de	Turnov er	Proporti on of turnove r 2024	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Minim um safegua rds	Proport ion of turnove r taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y categ ory	Transit ion activit y categor y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
Electricity production by solar/photovoltaic technology	4.1. CC M	€ 8,472,661	0.49%	E	N/E	N/E	N/E	N/E	N/E										
Electricity production from hydroelectric energy	4.5. CC M	€ 280,014	0.02%	E	N/E	N/E	N/E	N/E	N/E										
Transmission and distribution networks for renewable and low-carbon gases	4.14 · CC M	€ 786,611	0.05%	E	N/E	N/E	N/E	N/E	N/E										
Co-generation of heat/cooling energy and electricity from bioenergy	4.20 · CC M	€ 604,732	0.03%	E	N/E	N/E	N/E	N/E	N/E										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30 · CC M	€ 1,804,199	0.10%	E	N/E	N/E	N/E	N/E	N/E										
Construction, extension and operation of water collection, treatment and supply systems	5.1. CC M	€ 107,921,905	6.20%	E	N/E	N/E	N/E	N/E	N/E										
Construction, extension and operation of waste water collection and treatment	5.3. CC M	€ 73,072,166	4.20%	E	N/E	N/E	N/E	N/E	N/E										

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Eco nomic activities	Co de	Turnov er	Proporti on of turnove r 2024	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Minim um safegua rds	Proport ion of turnove r taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y categ ory	Transit ion activit y categor y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
Collection and transportation of non-hazardous waste in tranches separated at source	5.5 CC M	€ 105,152,6 27	6.04%	E	N/E	N/E	N/E	N/E	N/E										
Composting of bio-waste	5.8. CC M	€ 5,443,169	0.31%	E	N/E	N/E	N/E	N/E	N/E										
Recovery of materials from non-hazardous waste	5.9. CC M	€ 11,791,43 1	0.68%	E	N/E	N/E	N/E	N/E	N/E										
Landfill gas capture and utilisation	5.10 . CC M	€ 5,357,861	0.31%	E	N/E	N/E	N/E	N/E	N/E										
Installation, maintenance and repair of energy efficiency devices	7.3. CC M	€ 268,238	0.02%	E	N/E	N/E	N/E	N/E	N/E										
Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	7.4. CC M	€ 82,643	0.005%	E	N/E	N/E	N/E	N/E	N/E										
Installation, maintenance and repair of renewable energy technology	7.6. CC M	€ 77,204	0.004%	E	N/E	N/E	N/E	N/E	N/E										

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria																			
Eco nomic activities	Co de	Turnov er	Proporti on of turnove r 2024	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Minim um safegua rds	Proport ion of turnove r taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y categ ory	Transit ion activit y categor y										
A. TAXONOMY-ELIGIBLE ACTIVITIES																													
Data processing, hosting and related activities	8.1. CC M	€ 102,966	0.006%	E	N/E	N/E	N/E	N/E	N/E																				
Professional services related to the energy performance of buildings	9.3 CC M	€ 238,755	0.01%	E	N/E	N/E	N/E	N/E	N/E																				
Production of alternative water resources for purposes other than human consumption	2.2 CE	€ 607,274	0.03%	N/E	N/E	N/E	E	N/E	N/E																				
Collection and transportation of hazardous waste	2.1. PP C	€ 150,000	0.01%	N/E	N/E	N/E	N/E	E	N/E																				
Treatment of hazardous waste	2.2 PP C	€ 579,385	0.03%	N/E	N/E	N/E	N/E	E	N/E																				
Turnover of taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned) (A.2)		€ 322,793,841	18.55%	18.47%	0%	0%	0.03%	0.04%	0%																				
A. Turnover of taxonomy-eligible activities (A.1+A.2)		€ 384,679,730	22.10%	20.06%	0%	0%	2.00%	0.04%	0%																				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																													
Turnover of taxonomy-non-eligible activities		€ 1,355,867,807	77.90%																										

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Eco nomic activities	Co de	Turnov er	Proporti on of turnove r 2024	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Climat e change mitigat ion	Climate change adaptat ion	Sustain able use of water resources	Transit ion to a Circula r Econo my	Pollut ion preventi on and control	Biodive rsity and ecosyste ms	Minim um safegua rds	Proport ion of turnove r taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y categ ory	Transit ion activit y categ ory
A. TAXONOMY-ELIGIBLE ACTIVITIES																			

TOTAL ⁹⁰	€ 1,740,547 ,537	100%

	Proportion of turnover/total turnover	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	1.59%	20.06%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	1.96%	2.00%
PPC	0.00%	0.04%
BIO	0.00%	0.00%

Templates 2 to 5 are also given for compliance with Annex XII of Commission Delegated Regulation (EU) 2022/1214, referring to activities carried out in the context of generating electricity or heat from nuclear energy or natural gas.

Template 2 – Taxonomy-aligned economic activities (denominator)

⁹⁰ The value refers to revenues from sales and services of Alia Servizi Ambientali S.p.A. and the companies consolidated on a line-by-line basis in the Group Consolidated Financial Statements.

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of Turnover	€ 27,735,344	1.59%	€ 27,735,344	1.59%	- €	0%
8.	Total turnover	€ 27,735,344	1.59%	€ 27,735,344	1.59%	- €	0%

Template 3 – Taxonomy-aligned economic activities (numerator)

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of Turnover	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of Turnover	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of Turnover	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of Turnover	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of Turnover	- €	0%	- €	0%	- €	0%

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of Turnover	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the numerator of Turnover	€ 27,735,344	45%	€ 27,735,344	45%	- €	0%
8.	Total amount and proportion of taxonomy aligned economic activities in the numerator of Turnover	€ 27,735,344	45%	€ 27,735,344	45%	- €	0%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	€ 1,804,199	0.10%	€ 1,804,199	0.10%	- €	0%
6.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of Turnover	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy eligible but not taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of Turnover	€ 319,652,983	18.37%	€ 319,652,983	18.37%	- €	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of Turnover	€ 321,457,182	18.47%	€ 321,457,182	18.47%	- €	0%

Template 5 - Taxonomy non-eligible economic activities

	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of Turnover	€ 1,355,867,807	77.90%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of Turnover	€ 1,355,867,807	77.90%

CapEx

Financial year 2024	2024			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Economic activities	Cod e	CapEx	Proportio n of CapEx 2024	Clim ate chan ge miti gati on	Climate change adaptati on	Sustaina ble use of water resource s	Transiti on to a Circular Econo my	Pollutio n preventi on and control	Biodiversit y and ecosystem s	Clima te chan ge mitiga tion	Climate change adaptati on	Sustain able use of water resources	Transiti on to a Circular Econo my	Pollutio n preventi on and control	Biodiver sity and ecosyste ms	Minimu m safegua rds	Proporti on of CapEx taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y categor y	Transiti on activity categor y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
Manufacturin g of plastic materials in primary forms	3.17. CC M	€ 2,285,270	0.71%	Yes	N/E	N/E	N/E	N/E	N/E		Yes	Yes		Yes	Yes	Yes			T

Financial year 2024		2024		Criteria for substantial contribution						DNSH (do no significant harm) criteria										
Economic activities	Code	CapEx	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of CapEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
Electricity production by solar/photovoltaic technology	4.1. CC M	€ 176,850	0.05%	Yes	N/E	N/E	N/E	N/E	N/E		Yes		Yes		Yes	Yes				
Collection and transportation of non-hazardous waste in tranches separated at source	5.5 CC M	€ 2,380,744	0.74%	Yes	N/E	N/E	N/E	N/E	N/E		Yes		Yes			Yes				
Sorting and recovery of materials from non-hazardous waste	2.7. CE	€ 2,743,630	0.85%	N/E	N/E	N/E	Yes	N/E	N/E		Yes	Yes		Yes	Yes	Yes				
CapEx of environmentally sustainable activities (taxonomy aligned) (A.1)		€ 7,586,494	2.35%	1.50 %	0%	0%	0.82%	0%	0%		Yes	Yes	Yes	Yes	Yes	Yes				
Of which transition		€ 2,285,270	0.71%	0.71 %								Yes	Yes		Yes	Yes	Yes		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned)																				
Electricity production by solar/photovoltaic technology	4.1. CC M	€ 119,208	0.04%	E	N/E	N/E	N/E	N/E	N/E											

Financial year 2024	2024			Criteria for substantial contribution						DNSH (do no significant harm) criteria										
Economic activities	Cod e	CapEx	Proportio n of CapEx 2024	Climate change miti gation	Climate change adaptati on	Sustaina ble use of water resource s	Transiti on to a Circular Econo my	Pollutio n preventi on and control	Biodiversit y and ecosystem s	Clima te chang e mitiga tion	Climate change adaptati on	Sustain able use of water resources	Transiti on to a Circular Econo my	Pollutio n preventi on and control	Biodiver sity and ecosyste ms	Minimu m safegua rds	Proporti on of CapEx taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y categor y	Transiti on activity categor y	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
Transmission and distribution networks for renewable and low-carbon gases	4.14. CC M	€ 1,040,430	0.32%	E	N/E	N/E	N/E	N/E	N/E											
Co-generation of heat/cooling energy and electricity from bioenergy	4.20. CC M	€ 49,000	0.02%	E	N/E	N/E	N/E	N/E	N/E											
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30. CC M	€ 458,466	0.14%	E	N/E	N/E	N/E	N/E	N/E											
Construction, extension and operation of water collection, treatment and supply systems	5.1. CC M	€ 57,145,302	17.72%	E	N/E	N/E	N/E	N/E	N/E											
Construction, extension and operation of waste water collection and treatment	5.3. CC M	€ 17,423,106	5.40%	E	N/E	N/E	N/E	N/E	N/E											

Financial year 2024	2024			Criteria for substantial contribution						DNSH (do no significant harm) criteria										
Economic activities	Code	CapEx	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of CapEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
Collection and transportation of non-hazardous waste in tranches separated at source	5.5 CC M	€ 20,191,343	6.26%	E	N/E	N/E	N/E	N/E	N/E											
Anaerobic digestion of bio-waste	5.7. CC M	€ 14,230,653	4.41%	E	N/E	N/E	N/E	N/E	N/E											
Composting of bio-waste	5.8. CC M	€ 3,384,143	1.05%	E	N/E	N/E	N/E	N/E	N/E											
Recovery of materials from non-hazardous waste	5.9. CC M	€ 6,501,640	2.02%	E	N/E	N/E	N/E	N/E	N/E											
Landfill gas capture and utilisation	5.10. CC M	€ 1,642,469	0.51%	E	N/E	N/E	N/E	N/E	N/E											
Installation, maintenance and repair of energy efficiency devices	7.3. CC M	€ 154,246	0.05%	E	N/E	N/E	N/E	N/E	N/E											
Installation, maintenance and repair of e-vehicle charging stations in	7.4. CC M	€ 84,845	0.03%	E	N/E	N/E	N/E	N/E	N/E											

Financial year 2024	2024			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Economic activities	Cod e	CapEx	Proportio n of CapEx 2024	Clim ate chan ge miti gati on	Climate change adaptati on	Sustaina ble use of water resource s	Transiti on to a Circular Econo my	Pollutio n preventi on and control	Biodiversit y and ecosystem s	Clima te chan ge mitiga tion	Climate change adaptati on	Sustain able use of water resources	Transiti on to a Circular Econo my	Pollutio n preventi on and control	Biodiver sity and ecosyste ms	Minimu m safegua rds	Proporti on of CapEx taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activit y catego ry	Transiti on activity categor y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
buildings (and in building parking spaces)																			
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	7.5. CC M	€ 10,470,159	3.2%	E	N/E	N/E	N/E	N/E	N/E										
Installation, maintenance and repair of renewable energy technology	7.6. CC M	€ 50,303	0.02%	E	N/E	N/E	N/E	N/E	N/E										
Data processing, hosting and related activities	8.1. CC M	€ 4,741	0.001%	E	N/E	N/E	N/E	N/E	N/E										
Collection and transportatio n of hazardous waste	2.1. PPC	€ 49,648	0.02%	N/E	N/E	N/E	N/E	E	N/E										
Treatment of hazardous waste	2.2 PPC	€ 135,245	0.04%	N/E	N/E	N/E	N/E	E	N/E										

Financial year 2024	2024			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
Economic activities	Code	CapEx	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of CapEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
CapEx of taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned) (A.2)		€ 133,134,947	41.29%	41.24 %	0%	0%	0%	0.06%	0%										
A. CapEx of taxonomy-eligible activities (A.1+A.2)		€ 140,721,441	43.65%	42.74 %	0%	0%	0.85%	0.06%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities		€ 181,696,735	56.35%																
TOTAL		€ 322,418,176	100%																

	Proportion of CapEx/total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	1.50%	42.74%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.85%	0.85%

	Proportion of CapEx/total CapEx	
	Taxonomy-aligned by objective	Taxonomy-eligible by objective
PPC	0.00%	0.06%
BIO	0.00%	0.00%

Templates 2 to 5 are also given for compliance with Annex XII of Commission Delegated Regulation (EU) 2022/1214, referring to activities carried out in the context of generating electricity or heat from nuclear energy or natural gas.

Template 2 – Taxonomy-aligned economic activities (denominator)

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of CapEx	€ 4,842,864	1.50%	€ 4,842,864	1.50%	- €	0%
8.	Total CapEx	€ 4,842,864	1.50%	€ 4,842,864	1.50%	- €	0%

Template 3 – Taxonomy-aligned economic activities (numerator)

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of CapEx	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of CapEx	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of CapEx	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of CapEx	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of CapEx	- €	0%	- €	0%	- €	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of CapEx	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the numerator of CapEx	€ 4,842,864	63.84%	€ 4,842,864	63.84%	- €	0%
8.	Total amount and proportion of taxonomy aligned economic activities in the numerator of CapEx	€ 4,842,864	63.84%	€ 4,842,864	63.84%	€ -	0%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0%	- €	0%	- €	0%

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	€ 458,466	0.14%	€ 458,466	0.14%	- €	0%
6.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of CapEx	- €	0.00%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy eligible but not taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of CapEx	€ 132,491,588	41.09%	€ 132,491,588	41.09%	- €	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of CapEx	€ 132,950,054	41.24%	€ 132,950,054	41.24%	€ -	0%

Template 5 - Taxonomy non-eligible economic activities

	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	- €	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of CapEx	€ 181,696,735	56.35%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of CapEx	€ 181,696,735	56.35%

OpEx

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
economic activities	Eco Code	OpEx	Proportion of OpEx 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of OpEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
Manufacturing of plastic materials in primary forms	3.17. CC M	€ 333,327	0.50%	Yes	N/E	N/E	N/E	N/E	N/E		Yes	Yes		Yes	Yes	Yes			T
Electricity production by solar/photovoltaic technology	4.1. CC M	€ 36	0.0001%	Yes	N/E	N/E	N/E	N/E	N/E		Yes		Yes		Yes	Yes			
Construction, extension and operation of waste water collection and treatment	5.3. CC M	€ 69,350	0.10%	Yes	N/E	N/E	N/E	N/E	N/E		Yes	Yes		Yes	Yes	Yes			
Collection and transportation of non-hazardous waste in tranches separated at source	5.5 CC M	€ 653,133	0.99%	Yes	N/E	N/E	N/E	N/E	N/E		Yes		Yes			Yes			
Sorting and recovery of materials from non-hazardous waste	2.7. CE	€ 1,300,065	1.96%	N/E	N/E	N/E	Yes	N/E	N/E		Yes	Yes		Yes	Yes	Yes			
OpEx of environmentally sustainable activities (taxonomy aligned) (A.1)		€ 2,355,911	3.56%	1.59%	0%	0%	1.96%	0%	0%		Yes	Yes	Yes	Yes	Yes	Yes			
Of which transition		€ 333,327	0.50%	%							Yes	Yes		Yes	Yes	Yes			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned)																			

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
economic activities	Eco Code	OpEx	Proportion of OpEx 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of OpEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
Electricity production by solar/photovoltaic technology	4.1. CC M	€ 322,543	0.49%	E	N/E	N/E	N/E	N/E	N/E										
Electricity production from hydroelectric energy	4.5. CC M	€ 10,660	0.02%	E	N/E	N/E	N/E	N/E	N/E										
Transmission and distribution networks for renewable and low-carbon gases	4.14. CC M	€ 29,945	0.05%	E	N/E	N/E	N/E	N/E	N/E										
Co-generation of heat/cooling energy and electricity from bioenergy	4.20. CC M	€ 23,021	0.03%	E	N/E	N/E	N/E	N/E	N/E										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30. CC M	€ 68,683	0.10%	E	N/E	N/E	N/E	N/E	N/E										
Construction, extension and operation of water collection, treatment and supply systems	5.1. CC M	€ 4,108,439	6.20%	E	N/E	N/E	N/E	N/E	N/E										
Construction, extension and operation of waste water collection and treatment	5.3. CC M	€ 2,781,757	4.20%	E	N/E	N/E	N/E	N/E	N/E										

Financial year 2024		Year		Criteria for substantial contribution						DNSH (do no significant harm) criteria										
conomic activities	Eco Cod e	OpEx	Proporti on of OpEx 2024	Clima te chan ge mitig ation	Climat e change adaptat ion	Sustain able use of water resources	Transi tion to a Circular Econom y	Pollut ion prevent ion and control	Biodivers ity and ecosystems	Clima te chan ge mitig ation	Climat e change adaptat ion	Sustain able use of water resources	Transi tion to a Circular Econom y	Pollut ion prevent ion and control	Biodive rsity and ecosyste ms	Mini mum safegua rds	Proport ion of OpEx taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activi ty categ ory	Transit ion activit y categor y	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
Collection and transportation of non-hazardous waste in tranches separated at source	5.5 CC M	€ 4,003,017	6.04%	E	N/E	N/E	N/E	N/E	N/E											
Composting of bio-waste	5.8 CC M	€ 207,214	0.31%	E	N/E	N/E	N/E	N/E	N/E											
Recovery of materials from non-hazardous waste	5.9. CC M	€ 448,884	0.68%	E	N/E	N/E	N/E	N/E	N/E											
Landfill gas capture and utilisation	5.10. CC M	€ 203,966	0.31%	E	N/E	N/E	N/E	N/E	N/E											
Installation, maintenance and repair of energy efficiency devices	7.3. CC M	€ 10,211	0.02%	E	N/E	N/E	N/E	N/E	N/E											
Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	7.4. CC M	€ 3,146	0.005%	E	N/E	N/E	N/E	N/E	N/E											
Installation, maintenance and repair of renewable	7.6. CC M	€ 2,939	0.004%	E	N/E	N/E	N/E	N/E	N/E											

Financial year 2024	Year			Criteria for substantial contribution						DNSH (do no significant harm) criteria									
economic activities	Eco Code	OpEx	Proportion of OpEx 2024	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use of water resources	Transition to a Circular Economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum safeguards	Proportion of OpEx taxonomy aligned (A.1.) or taxonomy eligible (A.2.), 2023	Enabling activity category	Transition activity category
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy aligned)																			
energy technology																			
Data processing, hosting and related activities	8.1. CC M	€ 3,920	0.006%	E	N/E	N/E	N/E	N/E	N/E										
Professional services related to the energy performance of buildings	9.3 CC M	€ 9,089	0.01%	E	N/E	N/E	N/E	N/E	N/E										
Production of alternative water resources for purposes other than human consumption	2.2 CE	€ 23,118	0.03%	N/E	N/E	N/E	E	N/E	N/E										
Collection and transportation of hazardous waste	2.1. PPC	€ 5,710	0.01%	N/E	N/E	N/E	N/E	E	N/E										
Treatment of hazardous waste	2.2 PPC	€ 22,056	0.03%	N/E	N/E	N/E	N/E	E	N/E										
OpEx of taxonomy-eligible but not environmentally sustainable activities (taxonomy-non-aligned) (A.2)		€ 12,288,320	18.55%	18.47 %	0%	0%	0.03%	0.04%	0%										
A. OpEx of taxonomy-eligible activities (A.1+A.2)		€ 14,644,231	22.10%	20.06 %	0%	0%	2.00%	0.04%	0%										

Financial year 2024		Year		Criteria for substantial contribution						DNSH (do no significant harm) criteria										
conomic activities	Eco	Cod e	OpEx	Proporti on of OpEx 2024	Clima te chan ge mitig ation	Climat e change adaptat ion	Sustain able use of water resources	Transi tion to a Circular Econom y	Pollut ion prevent ion and control	Biodivers ity and ecosystems	Clima te chan ge mitig ation	Climat e change adaptat ion	Sustain able use of water resources	Transi tion to a Circular Econom y	Pollut ion prevent ion and control	Biodive rsity and ecosyste ms	Mini mum safegua rds	Proport ion of OpEx taxono my aligned (A.1.) or taxono my eligible (A.2.), 2023	Enabli ng activi ty catego ry	Transit ion activit y catego ry
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of taxonomy-non-eligible activities		€ 51,616,031	77.90%																	
TOTAL		€ 66,260,262	100%																	

Proportion of OpEx/total OpEx		
Taxonomy-aligned by objective		Taxonomy-eligible by objective
CCM		20.06%
CCA		0.00%
WTR		0.00%
CE		2.00%
PPC		0.04%
BIO		0.00%

Templates 2 to 5 are also given for compliance with Annex XII of Commission Delegated Regulation (EU) 2022/1214, referring to activities carried out in the context of generating electricity or heat from nuclear energy or natural gas.

Template 2 – Taxonomy-aligned economic activities (denominator)

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of OpEx	€ 1,055,847	1.59%	€ 1,055,847	1.59%	- €	0%
8.	Total OpEx	€ 1,055,847	1.59%	€ 1,055,847	1.59%	- €	0%

Template 3 – Taxonomy-aligned economic activities (numerator)

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of OpEx	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of OpEx	- €	0%	- €	0%	- €	0%

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
3.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of OpEx	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of OpEx	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of OpEx	- €	0%	- €	0%	- €	0%
6.	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of OpEx	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy aligned economic activities not referred to in rows 1 to 6 above in the numerator of OpEx	€ 1,055,847	45%	€ 1,055,847	45%	- €	0%
8.	Total amount and proportion of taxonomy aligned economic activities in the numerator of OpEx	€ 1,055,847	45%	€ 1,055,847	45%	€ -	0%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
2.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
3.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
4.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
5.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	€ 68,683	0.10%	€ 68,683	0.10%	- €	0%
6.	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of OpEx	- €	0%	- €	0%	- €	0%
7.	Amount and proportion of other taxonomy eligible but not taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of OpEx	€ 12,168,752	18.37%	€ 12,168,752	18.37%	- €	0%

	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
8.	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of OpEx	€ 12,237,435	18.47%	€ 12,237,435	18.47%	- €	0%

Template 5 - Taxonomy non-eligible economic activities

	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	- €	0%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of OpEx	€ 51,616,031	77.90%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of OpEx	€ 51,616,031	77.33%

ESRS E1 – Climate change

Energy transition and climate action

Alia Multiutility, through its Business Units, plays an active role in the energy transition and the fight against climate change, through:

- the generation of electricity and heat from renewable sources using a biomass plant, various photovoltaic plants, a hydroelectric power plant and a wind power plant;
- design and management of energy efficiency services (energy performance diagnosis of buildings, replacement of boilers, installation of heat pumps, installation of thermal insulation in apartment buildings);
- the offer of green gas and electricity tariffs to customers as well as technological solutions to monitor usage and promote good energy saving practices.

Description of processes to identify and assess material climate-related impacts, risks and opportunities

Concerning the process of identifying and assessing material climate-related impacts, risks and opportunities, please refer to the sub-section “Double Materiality Analysis”.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Energy transition and climate action</i>	<i>ESRS E1 – Climate change</i>	<i>Climate change adaptation Climate change mitigation Energy</i>

The new ESRS sector-agnostic reporting standards provide a standardised list of potentially material issues from which companies should select those that are relevant and material to their case. For this reporting exercise, the Group decided to use an autonomous nomenclature to identify its material topics (as mentioned in the “Double Materiality Analysis” sub-section).

With particular reference to the topic “Energy transition and climate action”, the Group, through a context analysis and taking into consideration the activities along the value chain and the Group’s business relations, identified its climate-related impacts, risks and opportunities⁹¹. In particular, Alia Multiutility, through its activities, actively contributes to the generation of greenhouse gases in the course of its business and along its value chain. However, the Multiutility is constantly striving to support the ecological transition by contributing to the innovation of industrial processes and the production of biomethane, renewable energies, decarbonised products also in district or community settings.

With regard to risks and opportunities arising from climate change, the Group’s Double Materiality analysis led to the identification of physical risks due to the occurrence of extreme weather events such as droughts and floods. This could be reflected in increased costs to cope with climate uncertainty such as building more resilient infrastructure and negative impacts in terms of increased/reduced demand for gas/energy.

In the medium to long term, the failure to align with a low-emission economic transition, as well as regulatory changes in relation to emissions, could result in increased costs for Alia Multiutility. In addition, a progressive increase in outside temperatures, as seen in recent years, could entail a risk of contraction in the market for the sale of pure gas, a significant business of the Group.

The development of renewable energies, such as solar energy, offers a significant opportunity for Alia Multiutility, especially if self-generated. This approach not only reduces energy costs and increases environmental sustainability, but also strengthens the Group’s competitive position in the market. In addition, the increase in demand for electricity, due to the electrification of consumption and the growing use of summer air conditioning, represents further potential for growth. Investing in efficient and sustainable energy infrastructure therefore becomes crucial to meet these new needs and capitalise on emerging opportunities.

Transition plan

At present, the Group does not have a formalised transition plan for climate change mitigation.

⁹¹ In identifying climate-related IROs, no climate scenarios were considered for the purposes of this Statement.

However, there are ongoing environmental initiatives, planned within the Business Plan, that move in this direction with a focus on energy transition and waste treatment/recovery.

On the sustainability front, the Multiutility's strategic guidelines contain objectives that are directly or indirectly related to climate change mitigation. In particular:

For the **Environment Business Unit**:

- the transformation of collection models to improve the standard of service and increase cost efficiency;
- the metering systems for switching to a reward tariff;
- the expansion of autonomous treatment capacity for integral waste management;
- increasing the volume of recycling, including through new opportunities and material recovery;
- the development of plants for circularity (conclusion of Biodigesters, Paper, Textile, WEEE and Plastic), aimed at increasing the recovery rate from 2026 onwards; planned construction of dedicated plants in order to close the waste cycle and achieve the highest material recycling rate.

For the **Energy Business Unit**:

- the expansion of electricity generation from renewables for sale to end consumers, in particular with photovoltaic technology as a green offer to users;
- support for private and industrial energy communities;
- promoting the distribution of biomethane and hydrogen to the end consumer.

For the **Water Business Unit**:

- the realisation of works for energy efficiency and self-consumption;
- the introduction of smart metering systems.

At Group level, within the update of the Business Plan from an ESG perspective, 2026 was set as the target year to formalise a Decarbonisation Strategy.

Resilience of the strategy and business model to climate change

The Group does not currently have a comprehensive, formalised analysis that highlights all aspects of the resilience of its strategy and business model against climate change. However, a targeted assessment of the resilience of key assets was carried out, with a particular focus on the choice of insurance coverage, based on the analysis of loss history, in order to identify the most appropriate and adequate solutions.

Policies

The Group's environmental policy for managing its material impacts, risks and opportunities related to climate change mitigation and adaptation is based on a commitment to ensure compliance with and observance of all applicable Community, national, regional and technical regulations. Alia Multiutility operates in full compliance with the authorisations provided by current regulations, ensuring that all activities are conducted within the framework of the applicable legal and regulatory provisions.

The Policy adopted has multiple objectives, with a particular focus on the environmental component. The main objectives include environmental education, the use of clean and renewable energies, innovative and sustainable waste treatment facilities, the promotion of sustainable cities and communities, responsible consumption and production, and the fight against climate change. The common thread that runs through all these initiatives is the preservation, protection and improvement of the quality of the environment, the protection of human health and the careful use of natural resources.

The management of waste treatment plants takes place within a strict regulatory framework, based on Community principles that favour a hierarchy of actions: prevention, reuse, recycling, recovery and, finally, minimisation of environmental impacts. These objectives are also pursued through the application of specific Monitoring and Control Plans, which form an integral part of the authorisations issued for the plants. These plans ensure constant monitoring of operations and make it possible to verify compliance with regulations and the effectiveness of the measures taken.

Other elements of the Group policy mentioned relate to the topic of the circular economy. These represent concrete actions that will be implemented by the Multiutility and will indirectly contribute to climate change mitigation. For more details, please refer to sub-section "ESRS E5 – Resource use and circular economy".

Responsibility for the implementation of the policy lies with the Operational Management and the Managers of the relevant areas.

Emissions into the atmosphere, soil and water are constantly monitored and controlled by the Group. This process includes compliance with the limits set out in the authorisations for plants with complex authorisation procedures, with reference to various specific parameters depending on the type of plant. In addition, monitoring also takes place from the point of view of waste collection, as the parameter kg CO₂/tonne of waste collected is adopted as an indicator for measuring the environmental efficiency of the service, allowing any material impacts to be identified, assessed and managed.

Targets

As of the date of drafting this Statement, Alia Multiutility has not set climate-related targets at Group level, nor specific climate change mitigation objectives. However, as indicated in the sub-section "Strategy, business model and value chain", the Multiutility has defined its own 2025-2029 **Business Plan** at Group level, which has also been updated with a view to the complete integration of ESG factors into the corporate strategy. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning climate change and energy transition, under the pillar called "Transformation".

Reference is made to the objectives of the Multiutility Group's Business Plan in terms of the environment, which indirectly contribute positively to climate change.

Furthermore, on the basis of its Code of Ethics, with a view to climate change mitigation and adaptation, Alia Servizi Ambientali undertakes to:

- design, build, operate and maintain treatment, recovery, recycling and disposal facilities, while minimising negative effects on the environment and risks to health and safety in the workplace, using the best available and economically feasible technologies on the market;
- design and deliver services to the territory by adequately responding to the sector's regulatory instruments, adapting them to the needs and expectations of users and the market, but also in full compliance with budget objectives and minimising direct and indirect impacts on the environment and health and safety risks in the workplace;
- pursue the improvement of environmental performance through the proper use of natural resources, promoting energy savings and the use of alternative sources.

The objectives and principles of the Company's Code of Ethics constitute limits and constraints for all the subsidiaries of Alia Servizi Ambientali S.p.A., as well as inspiring principles for associated companies.

Integrating sustainability performance into incentive schemes

At the time of writing, no climate-related aspects (such as greenhouse gas emission reduction targets) were taken into account in the remuneration of members of the governing, management and control bodies.

Actions

The Alia Multiutility Group, in the context of the objectives defined for its **Environment Business Unit**, has structured an action plan based on targeted actions to strengthen sustainability and optimise the efficiency of the environmental management system.

One of the main interventions concerns the development of plants for circularity, with the completion and implementation of dedicated infrastructure, including biodigesters, plants for paper, textiles, WEEE, plastic and scrap. These plants aim to significantly increase the recovery rate from 2026, with the goal of closing the waste cycle and achieving the highest possible recycling rate, in line with circular economy strategies.

Another key element is investment in the transformation of collection, aimed at adopting a hybrid model that allows a service efficiency improvement of more than 30%. This approach aims to increase volumes of separate waste collection, exceeding the European target of 75%, and to introduce innovative services such as the switch to a reward tariff and on-demand collection methods, designed to meet the needs of domestic and non-domestic users.

Finally, the plan envisages revamping and upgrading existing plants, with a specific focus on TMBs (Italian acronym referring to Mechanical Biological Treatment plants), as well as the redevelopment and remediation of other plant sites. These measures not only improve efficiency and operational capacity, but also reduce environmental impact and optimise the entire waste treatment chain.

One of the main actions implemented by the Multiutility concerns the **implementation of optimal collection models**. This initiative indirectly contributes to climate change mitigation and will be further described in sub-section "ESRS E5 – Resource use and circular economy".

The new collection models will cover both urban and rural areas, adapting to the different population densities and infrastructural characteristics of the areas served. Its implementation involves various stakeholder groups, including municipalities, local communities and waste value chain operators.

In terms of timing, starting in 2024, the implementation of the collection models would progress gradually, until the entire territory served is completely transformed in 2030.

It is estimated that annual CO₂ emissions from collection vehicles will decrease 17% by 2030, if all planned industrial conversions are completed. Furthermore, in the optimised digital transformation scenario, the expected reduction in emissions reaches 22%⁹²

Within the **Energy Business Unit**, the Business Plan envisages a series of actions aimed at climate change mitigation and adaptation through strategic investments in energy transition and increased energy efficiency. The resources allocated to these interventions are aimed at enhancing energy production from renewable sources, improving existing infrastructure and developing innovative solutions for environmental sustainability.

A central action concerns the expansion of green energy production, with a steady increase in photovoltaic generation capacity, thus strengthening the supply of renewable energy for end consumers.

In the gas network sector, investments in regulated assets are planned for the extension and maintenance of distribution networks, ensuring the maintenance of margins and the security of the service, and the promotion of the distribution of biomethane and hydrogen to the end consumer.

At the level of energy communities, there are plans to install 34 MW from photovoltaics for the benefit of private individuals and companies for their own energy consumption. In addition, complementary value-added services, including TLC infrastructure and smart security solutions, will be trialled to improve energy management and security.

Metrics

Energy consumption and energy mix

Through its companies, Alia Multiutility operates in different sectors, mainly focused on waste collection and management, gas and electricity sales and distribution, and water supply.

Below is a table summarising the Group's scope, and the respective sectors in which the Group operates, in line with the classification defined by Commission Delegated Regulation (EU) 2023/137 of 10 October 2022.

Company	Sector ⁹³
Idrogena S.r.l.; Tegolaia SPV S.p.A.; Caviglia SPV S.P.A.; E.S.TR.A. Energie S.r.l.; Centria S.r.l.; Gas Marca S.r.l.; Piceno Gas S.r.l.; Prometeo S.p.A.; Murgia Reti Gas S.r.l.; Gergas S.p.A.; EDMA Reti Gas S.r.l.; A.E.S. Fano Distribuzione Gas S.r.l.; Nuova Sirio S.r.l.	D – ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
ALIA Servizi Ambientali S.p.A.; Ecocentro Toscana S.r.l.; Bisenzio Ambiente S.r.l.; Ecos S.r.l.; Ecolat S.r.l.; GIDA S.p.A.; Publiacqua S.p.A.; Revet S.p.A.; Programma Ambiente Apuane S.p.A.; Ambiente Energia Risorse S.p.A.; Ambiente Toscana Opco S.p.A.; Valdisieve Scrl; AL.BE S.r.l.	E – WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES

⁹² These estimates refer to an assessment carried out in 2024, of the environmental impact in terms of emissions generated by the waste collection phase. The assessment adopted is not based on the literature, but on a trial carried out as part of a collaboration between ALIA and the Department of Civil and Environmental Engineering of the University of Florence.

⁹³ The sectors of activity are indicated in line with Commission Delegated Regulation (EU) 2023/137 of 10 October 2022 amending Regulation (EC) no. 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2

E.S.TR.A. S.p.A.; Estra Clima S.r.l.	F – CONSTRUCTION
ESTRACOM S.p.A.	K – TELECOMMUNICATION, COMPUTER PROGRAMMING, CONSULTING, COMPUTING INFRASTRUCTURE AND OTHER INFORMATION SERVICE ACTIVITIES

As defined in Commission Delegated Regulation (EU) 2022/1288, those listed in Sections A to H and Section L of Commission Delegated Regulation (EU) 2023/137 are identified as high impact climate sectors. Therefore, the Multiutility Group, with its companies, operates in high impact climate sectors, with the exception of Estracom S.p.A., which operates in the telecommunications sector.

With regard to the Alia Group's energy consumption and energy mix data, the figures below refer to all companies in the reporting scope for which there was energy consumption in 2024⁹⁴.

Total energy consumption (MWh)		2024
1. Total energy consumption from fossil sources		299,956
2. Total energy consumption from nuclear sources		0
3. Total energy consumption from renewable sources		65,672
3 a. consumption of fuels from renewable sources, including biomass, biofuels, biogas, hydrogen from renewable sources, etc.	Energy generated from wood chips ⁹⁵	18,853
	Biogas for anaerobic digestion	1,458
3 b. consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired – Purchased electricity		42,706
3 c. consumption of self-generated renewable energy without using fuels		2,655

Self-produced renewable energy (MWh)		2024
Self-generated renewable energy without using fuels		33,403
<i>of which consumed</i>		2,655
<i>of which returned to the network</i>		30,749

Self-generated renewable energy is energy that is produced from renewable resources, i.e. those that are naturally replenished on a human time scale, such as sunlight, wind, rain, tides, waves and geothermal heat. Over the years, the Alia Group has equipped itself with technologies capable of generating renewable energy: electricity and heat production plants from landfill biogas, and photovoltaic plants. The Multiutility aims to contribute to the promotion of electricity production from renewable sources in the internal electricity market, the protection of environmental resources and the reduction of pollutant emissions. This is why it has also equipped itself with plants to generate electricity from solar sources and from 2023, with the consolidation of Estra, also plants from hydroelectric and biomass sources.

⁹⁴ The following Group companies did not contribute to energy consumption in 2024: Programma Ambiente Apuane S.p.A. (not operational in the reporting period); Ambiente Toscana Opco Spa (not operational in the reporting period); Valdisieve Srl (not operational in the reporting period); AL.BE S.r.l. (not operational in the reporting period); Piceno Gas S.r.l. and Gas Marca S.r.l. (both represent Estra Energie business unit leases). The consumption figures of GIDA S.p.A. refer to the second half of 2024, in line with the period of consolidation within the Group. The data for Publiacqua, which are available for the entire year 2024, were remeasured over the consolidation period, i.e. from 1 June 2024.

⁹⁵ The consumption of renewable energy generated by wood chips is calculated from the total number of tonnes of wood chips in 2024 and considering a heating value of wood chips of 2.23 MWh/t. This calculation is gross of efficiency losses in power generation.

Energy consumption from fossil sources in high impact climate sectors ⁹⁶ – MWh	2024
1) Consumption of coal fuel and coal products	0
2) Fuel consumption from crude oil and petroleum products	
2.1) Diesel	1,465
2.2) Diesel – company fleet	71,482
2.3) Petrol	0
2.4) Petrol – company fleet	8,671
2.5) LPG	11
2.6) LPG – company fleet	670
3) Fuel consumption from methane	
3.1) Methane	90,997
3.2) Methane leaks	33,377
3.3) Methane – company fleet	14,844
4) Fuel consumption from other fossil sources not mentioned above	0
5) Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired – Electricity	78,352
Total energy consumption from fossil sources	299,870

Energy intensity ⁹⁷ (MWh / k €)	2024
Total energy consumption of activities in high impact climate sectors (MWh)	364,668
Net revenue from activities in high impact climate sectors (€k) ⁹⁸	1,734,245.349
Total energy consumption of activities in high impact climate sectors compared to net revenues from these activities	0.210

Energy consumption is related to the vehicle fleet, plants, collection centres, operational sites and, to a lesser extent, administrative offices.

For the Group, the monitoring of energy consumption and resources of the various companies is based on various data sources. Consumption data were acquired through direct readings of consumption meters and from the invoices of the respective purchased energy carriers. For consumption data as at 31 December 2024, where not already available at the time of reporting for this report, estimates were made based on historical consumption in the same period in the year 2023. The consumption data of the company fleet are extracted from the reference management systems. Regarding the production of renewable energy from photovoltaic plants⁹⁹, data are obtained from the various monitoring systems installed on photovoltaic plants.

With regard to energy consumption from fossil sources, methane accounts for a significant portion of the Group's total consumption. Much of this is needed to power one of the Energy BU's core business activities — gas distribution. In particular, the main cause of overall methane consumption is the need to supply the M&R stations, which are essential structures for the distribution of gas in the company network. Before being entered into the grid for use, the methane gas is heated, decompressed and regulated using specific infrastructure known as M&R (metering and regulation) stations. Furthermore, the plants, with varying

⁹⁶ Data on energy consumption from fossil sources refer to Group companies operating in high impact climate sectors. Specifically, the consumption of the company Estracom S.p.A. is therefore excluded from this data, as it is the only company in the Group that does not operate in high impact climate sectors.

⁹⁷ Information on energy intensity is derived exclusively from the total energy consumption and net revenues of activities in high impact climate sectors.

⁹⁸ Net revenues from activities in high impact climate sectors correspond to the sum of the net revenues of the individual Group companies recorded in the consolidated financial statements excluding the revenues of Estracom S.p.A. (1,740,547,537 - 9,876,305 = € 1,730,671,232), and of the net revenues of the individual jointly controlled companies consolidated using the equity method (Nuova Sirio S.r.l., in the amount of € 144,178) and affiliated companies (A.E.S. Fano Distribuzione Gas S.r.l., in the amount of € 3,429,939) over which it has operational control. AL.BE S.r.l. had no net revenue for FY 2024.

⁹⁹ For Nuova Sirio, the renewable energy plant is 50% owned by E.S.T.R.A. S.p.A.; therefore, the production taken into account in the Group's figures is half of the plant's total production.

functions, that fall within the Group's scope of consolidation also consume a significant amount of methane, especially the cogeneration plants.

Methane is also used to ensure the full operation of the sorting and waste treatment plants of the companies within the Environment BU, and by the plants of the Water BU.

Lastly, for a comprehensive overview, in addition to the methane consumption mentioned above, there is one final area of methane consumption that must be considered: methane leaks. Methane leaks fall into two distinct categories: those resulting from environmental accidents, and those resulting from normal losses. The latter category refers to the normal network losses typical of methane gas distribution performed by Centria, Gergas, Murgia Reti Gas and Edma Reti Gas. Murgia Reti Gas and Gergas did not record any methane leaks due to environmental incidents during 2024.

Scope 1, 2, 3 and total GHG emissions

As defined by the GHG Protocol, emissions are divided into:

- Scope 1: direct CO₂eq emissions produced, originating from sources owned or controlled by the company;
- Scope 2: indirect Co₂eq emissions deriving from the company's activities, originating from the use of electricity taken from the grid;
- Scope 3: indirect CO₂eq emissions from a company's value chain.

Emissions of the consolidated accounting Group

Total emissions	unit	2024
Gross GHG emissions – Scope 1	tCO ₂ e	98,494
Gross GHG emissions – Scope 2 – Location-based		31,589
Gross GHG emissions – Scope 2 – Market-based		39,217
Gross GHG emissions – Scope 3		3,263,635
Total GHG emissions (location based)		3,393,719
Total GHG emissions (market based)		3,401,347

Emissions of jointly controlled Group companies and associates with operational control¹⁰⁰

Total emissions	unit	2024
Gross GHG emissions – Scope 1	tCO ₂ e	35.95
Gross GHG emissions – Scope 2 – Location-based		6.75
Gross GHG emissions – Scope 2 – Market-based		3.25
Gross GHG emissions – Scope 3		-
Total GHG emissions (location based)		42.7
Total GHG emissions (market based)		39.2

Regarding the emission factors applied for Scope 1 direct emissions in 2024, fuel data were collected with the reference unit of measurement and multiplied by the emission factors obtained from the DEFRA 2024

¹⁰⁰ This includes jointly controlled companies consolidated using the equity method (AL.BE S.r.l. and Nuova Sirio S.r.l.) and associated companies (A.E.S. Fano Distribuzione Gas S.r.l.).

Database. Methane emissions are calculated with a methane GWP of 27.9, as indicated by the scientific paper of the Intergovernmental Panel on Climate Change (IPCC) "Fifth Assessment Report IPCC". Furthermore, the quantity of methane is based on an estimate of gas leaks relating to incidents recorded by Centria and Edma Reti Gas, while Gergas and Murgia Reti Gas did not record any incidents. Finally, to calculate emissions resulting from physical gas leaks along the distribution network the Group used ARERA Resolution 39/2020/R/GAS, which refers to the documents published by the Technical Association of the European Gas Industry (Marcogaz), specifically "Assessment of methane emissions for Gas Transmission & Distribution System Operators" and "Survey Methane Emissions for Gas Distribution in Europe."

Regarding the calculation of Scope 2 indirect emissions (location-based), these emissions were calculated by multiplying the electricity purchased from the national electricity grid by the emission factor given in the Emission Factors 2024 Database – Data product – IEA (International Energy Agency).

Using the market-based approach, on the other hand, Scope 2 indirect emissions were calculated by multiplying the quantity of electricity purchased from the national electricity grid (net of renewable energy consumed) by the residual mix emissions factor for Italy according to the European Residual Mixes, AIB – 2024 data.

Gross GHG emissions – Scope 3

In 2024, the Multiutility calculated its Scope 3 GHG emissions, i.e. the emissions along its upstream and downstream value chain, in line with the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard". The scope of the calculation, with reference to the current reporting year, is as follows:

1. **Alia Servizi Ambientali S.p.A.**
2. **Estra Group:** Estra S.p.A., Centria S.r.l., Estra Clima S.r.l., Estracom S.p.A., Estra Energie S.r.l., Bisenzio Ambiente S.r.l.,- Ecocentro Toscana S.r.l., Ecolat S.r.l., Prometeo S.p.A., Murgia Reti Gas S.r.l., Gergas S.p.A., Edma Reti Gas S.r.l., A.E.S. Fano Distribuzione Gas S.r.l., Ecos S.r.l.
3. **Publiacqua S.p.A.**
4. **Gestione Impianti Depurazione Acque S.p.A.,**
5. **Revet S.p.A.**
6. **Ambiente Energia Risorse S.p.A.**

Following an analysis of the Group's scope and the operating context of each individual entity, the following companies were excluded from the calculation of Scope 3 emissions, due to their negligible emissions footprint: Programma Ambiente Apuane S.p.A.¹⁰¹, Ambiente Toscana Opco S.p.A., Valdisieve Scrl¹, Idrogena S.r.l., Tegolaia SPV S.p.A., Caviglia SPV S.P.A., Gas Marca S.r.l.¹, Piceno Gas S.r.l.¹⁰², Al.Be S.r.l.¹², Nuova Sirio S.r.l.

Nevertheless, even excluding these companies, the scope of the emissions calculation covered for the Group represents more than 99% of the Multiutility's turnover, a percentage considered adequate to assess the Group's overall emissions performance.

Following an in-depth discussion with company management and a sector-based benchmarking analysis, aimed at assessing the Group's specificities, all 15 emissions categories of the GHG Protocol's Corporate Value Chain (Scope 3) Standard were examined. This made it possible to conduct a materiality analysis, which revealed that **9 categories** were material for the company's scope of reference, while the remaining ones had no material impact or direct applicability. Below is the list of excluded categories, accompanied by a summary of the reasons for their exclusion:

- **Category 6** "Business Travel": was not relevant for Multiutility due to the limited amount of business travel;
- **Category 8**: "Upstream leased assets": considered immaterial in view of the fact that leased assets, in general, are very limited for the Multiutility;
- **Category 9** "Downstream transportation and distribution": this category includes all transport paid for by the customer and/or supplier, which has been excluded due to the absence of this type of transportation in light of the core business;
- **Category 10** "Processing of sold products": not considered relevant, as the core business of the various Group companies does not involve this activity. The only exception is Revet¹⁰³ for which the category was not calculated due to a lack of timely information;

¹⁰¹ These companies were not operational for the reporting period.

¹⁰² The companies Piceno Gas S.r.l. and Gas Marca S.r.l. are business unit leases of Estra Energie.

¹⁰³ This exclusion was also made in line with the Scope 3 emission categories that Revet is quantifying for the purpose of obtaining UNI EN ISO 14064 certification.

- **Category 12** “End-of-life treatment of sold products”: not applicable due to the core businesses of the individual companies of the Multiutility;
- **Category 14** “Franchises”: activity not conducted within the Group.

Below are the consolidated emissions for the Alia Group, reported by individual category, for an overall total of 3,263,635 tCO₂eq

Scope 3 Category	tCO ₂ eq
Cat 1 – Purchased goods and services	163,327
Cat 2 – Capital goods	32,658
Cat 3 – Fuel- and energy-related activities not included in Scope 1 and Scope 2	413,417
Cat 4 – Upstream T&D	30,069
Cat 5 – Waste generated in operations	190,029
Cat 7 – Employee commuting	6,126
Cat 11 – Use of sold products	2,261,773
Cat 13 – Downstream leased assets	329
Cat 15 – Investments	165,907
Total	3,263,635

As can be seen from the table above, 68% of total Scope 3 GHG emissions are accounted for by category 11. As for the specifics of the individual categories and the various calculation methodologies:

- With regard to Category 1 “Purchased goods and services”, there are no limitations with respect to the scope shown above. The analysis was conducted using a **spend-based** methodology referring to the Income Statement, using EEIO (environmentally extended input-output) emission factors per NACE code. The source of the data is internal: each company shared the main cost items in its 2024 Income Statement;
- The above for Category 1 can also be said for Category 2 “Capital goods”, except that the data were taken from the 2024 Balance Sheet;
- With regard to Category 3 “Fuel- and energy-related activities not included in Scope 1 and Scope 2”, there are no scope restrictions, as the Scope 1 and 2 emissions figure has been consolidated at Group level. The only exception concerns certain Group companies. This category also includes emissions associated with transport, generation and network losses related to electricity sold. The data used refer to the volumes of electricity sold by the companies Estra Clima S.r.l., Estra Energie S.r.l. and Prometeo S.p.A. The data come from specific data collection sheets prepared for the purpose of the Statement, used for reporting energy consumption and Scope 1 and 2 emissions, as well as from internal sources for the generation and transport of electricity for sale. Finally, the associated emissions factors were those of the Department for Environment, Food & Rural Affairs (DEFRA) 2024. The “**average data method**” was adopted for the calculation.
- For Category 4, the only Company not reporting was A.E.S. Fano Distribuzione Gas S.r.l., the method was **spend-based** and the emissions factors used were those of the EEIO per NACE code, while the data came mainly from the item “Transport expenses” in the Income Statement and from internal electricity data;
- With regard to Category 5 “Waste generated in operations”, there were some limitations¹⁰⁴ of scope and exclusions, due to the fact that only waste managed and treated by third-party plants was considered, thus not considering those treated by companies belonging to the Group, in order to avoid double counting of emissions. The method used was the “**average data method**”, with emissions factors derived from DEFRA 2024 and the Ecoinvent database¹⁰⁵. In order to ensure a prudent approach, in cases where the end of life or the type of products were uncertain, the most cautious assumption was made, applying the highest emissions factor. The waste data came both from the data collection sheets prepared for the sustainability reporting, and from internal sources;

¹⁰⁴ Scope limitations also included the fact that for the following companies, it was not possible to perform the calculation for this category due to the non-availability of the data necessary to perform the calculation within the prescribed timeframe. - Bisenzio Ambiente S.r.l., Ecos S.r.l., Murgia Reti Gas S.r.l., Gergas S.p.A. and EDMA Reti Gas S.r.l.

¹⁰⁵ The Ecoinvent database was used for waste related to Alia Servizi Ambientali S.p.A., due to the company's core business.

- Category 7 “Employee commuting” was the least emission intense of the categories considered, and there were no scope restrictions for this category. The calculation methodology was “**distance based**”, i.e. based on the kilometres travelled by the employee, the mode of travel (an “average” petrol-powered car was assumed) and the days worked (no remote working policies were taken into account). The emissions factors were those of DEFRA 2024 and the database came from internal analyses carried out by individual companies on the commuting of their staff;
- Category 11 “Use of sold products”: this was the category with most Scope 3 emissions and was calculated exclusively for the Estra Group, specifically for the companies Centria S.r.l., Estra Energie S.r.l., Estra Clima S.r.l. and Prometeo S.p.A. The method used was “**direct use phase emissions**”, while the emissions factors adopted were the national ones provided by the NIR 2023 and DEFRA 2024. The source of the data was internal;
- Category 13 “Downstream leased assets”: the scope was represented exclusively by Estracom S.p.A., the calculation methodology was the “**direct use phase emissions**”, the emission factors from the Life Cycle Upstream Emissions Factors 2024 – Data product – IEA database and the source of the data was internal;
- Associated and jointly controlled companies over which no operational control is exercised were taken into account for Category 15 “Investments”¹⁰⁶. The calculation methodology was the “**average data method**” and EEIO emissions factors per NACE code.

For the sake of completeness, it should also be noted that in the case of available partial data (e.g. only 9 months) or companies that joined the Group during 2024 (e.g. in June), the total tCO₂eq were appropriately redistributed over the 12-month total. The companies for which this redistribution took place were those belonging to the Estra Group, Alia Servizi Ambientali S.p.A., Publiacqua S.p.A. and GIDA S.r.l.

GHG intensity based on net revenue¹⁰⁷

tCO ₂ eq / €k	2024
Total GHG emissions (location-based) (tCO ₂ eq)	3,393,761
Total GHG emissions (market-based) (tCO ₂ eq)	3,401,386
Net revenue (€k) ¹⁰⁸	1,744,052.172
Total GHG emissions (location-based) in relation to net revenue (tCO ₂ eq/€k)	1.946
Total GHG emissions (market-based) in relation to net revenue (tCO ₂ eq/€k)	1.950

GHG removals and GHG mitigation projects financed through carbon credits

As of the date this Statement was prepared, the Multiutility Group had not developed any projects, as part of its own operations, that involved the absorption and storage of GHG emissions. Furthermore, based on the information available to date, the Group had not contributed to GHG emission absorption and storage projects along the upstream and downstream value chain.

However, within the Multiutility, the Energy BU is committed, through the companies Estra Energie and Prometeo, to expand its range of green products and services, creating gas and electricity tariffs for domestic and business customers to meet the demand of market and consumers who are increasingly conscious of the environment and the responsible management of their energy consumption.

¹⁰⁶ The companies in this regard were: REAL S.r.l., Irmel S.r.l., Sea Risorse S.p.A., Toscana Energia S.p.A., Acque S.p.A., Acque20 S.p.A., Blugas Infrastrutture S.r.l., SIG S.p.A., Servizi Ecologici Integrati Toscana S.r.l., Vetro Revet S.r.l., Vaiano Depur S.p.A., Ingegnerie Toscane S.r.l., Le Soluzioni Scarl, and Ti Forma S.r.l.

¹⁰⁷ The total emissions reported in the table include the values recognised for Alia Servizi Ambientali S.p.A., for companies consolidated on a line-by-line basis in the Group Consolidated Financial Statements, and for jointly-controlled companies consolidated using the equity method and associated companies over which there is operational control.

¹⁰⁸ The value of revenues considered corresponds to the total value of revenues from net sales and services recorded in the Group's consolidated financial statements (€ 1,740,547,537) and to the value of net revenues of jointly controlled companies consolidated using the equity method (Nuova Sirio S.r.l., in the amount of € 144,178) and affiliated companies (A.E.S. Fano Distribuzione Gas S.r.l., in the amount of € 3,429,939) over which it has operational control. AL.BE S.r.l. had no net revenue for FY 2024.

In fact, new electricity tariffs were created using 100% renewable energy certified with Guarantee of Origin certificates, and new gas tariffs that offset the CO₂ generated by customers' gas consumption by funding international renewable energy and climate action projects.

For these tariffs, an agreement was signed with AzzeroCO₂, a company owned by Legambiente and Kyoto Club specialising in sustainability and energy, and launched a structured offsetting programme for CO₂ emissions generated during the combustion phase of the Group's methane gas sales to retail customers and SMEs. The emissions are offset through the purchase of CO₂ credits on the voluntary market from certified Gold Standard international renewable energy projects selected for their exemplary social, environmental and economic characteristics and which comply with the leading internationally recognised auditing standards.

Target s	Vintage (Crediting Period CP1)	Nation	Project	Type of credits	Credits cancelled Q1- Q3 2024 (tCO ₂ e)	Credits cancelled Q4 2024 – estimated (tCO ₂ e)
Mass market ¹⁰⁹	2007-2012	Mongolia	Wind Energy	CERs	70,288	0
Mass market	2021	Indonesia	Hydroelectricity	CERs	200,000	0
Mass market	2021	India	Wind Energy	CERs	35,152	137,029
Busines s	2016	India – Uttaranch al	Vishnuprayag Hydroelectric Project (VHEP) by Jaiprakash Power Ventures Ltd (JPVL)	CERs	7,565	1,576

Data refer to carbon credits cancelled to offset emissions from gas combustion in the year 2024, including estimates of Q4 2024 credits for the mass market target. Cancellations of carbon credits are made on a final basis, i.e. taking into account the actual volume of gas consumed invoiced to customers and extracted from the QLIK company tool. For this reason, the data are extracted at a later date than their effective occurrence. Estimates for Q4 2024 for the retail target were made taking into account both the sales and cancellation trend of previous years over the same period and the expected temperature curve. Business customer estimates, on the other hand, were provided by KAMs (Key Account Managers).

As of the date of this Statement, no information was available on the tonnes of CO_{2eq} expected to be cancelled in the future. However, Estra Energie and Prometeo are also committed by 2025 to purchase carbon credits in quantities to offset the emissions associated with the volumes of gas consumed by customers in the same period.

Internal carbon pricing

With regard to internal carbon pricing systems, it should be noted that, as at the date of drafting this Statement, the Multiutility Group did not apply an internal carbon price.

¹⁰⁹ "Mass Market" refers to retail customers

ESRS E2 – Pollution**Fighting pollution**

The energy transition and the fight against climate change are closely linked to the need to reduce pollution in all its forms. Alia Multiutility is constantly striving to replace fossil energy sources with renewable ones, such as solar and wind energy, not only with a view to contributing to the reduction of greenhouse gas emissions, but also to directly address the problem of air pollution. Furthermore, the adoption of cleaner and more sustainable technologies for energy production and consumption can significantly reduce the environmental impact of industrial and everyday activities. This integrated approach is essential to ensure a healthier and more sustainable future, in which combating climate change and reducing pollution go hand in hand.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Fighting pollution</i>	<i>ESRS E2 – Pollution</i>	<i>Air pollution</i> <i>Water pollution</i> <i>Soil pollution</i> <i>Substances of concern</i> <i>Substances of very high concern</i> <i>Microplastics</i>

Description of processes to identify and assess material pollution-related impacts, risks and opportunities

Concerning the process of identifying and assessing material pollution-related impacts, risks and opportunities, please refer to the sub-section “Double Materiality Analysis”.

The Alia Group faces several challenges related to the environmental impacts of its activities. The generation of air pollutant emissions, such as PM10 (fine airborne particulate matter) and NOX (nitrogen oxides), from sites, plants and vehicles can have negative effects on human health and air quality. Furthermore, the entry and potential mishandling of hazardous or very hazardous substances during the Group's activities could pose a significant risk. Another critical issue could concern the possible mismanagement of waste treatment activities, in particular the fragmentation of plastic materials during treatment or recycling, which could result in the degradation of plastic waste and the release of microplastics in the environment. These impacts underline the importance of adopting more sustainable and responsible practices to mitigate environmental risks and protect public health.

Alia Multiutility must also address several environmental and operational risks that could have significant impacts. Exceeding the thresholds of pollutants set by the regulations may result in reputational damage and penalties for the Group. Furthermore, the risk of causing damage to the health of users due to poorly functioning wastewater treatment plants and the use of chemicals for drinking water treatment poses a threat to public image. Accidental spills of pollutants such as fuel, oil, organic leachate and chemicals can have significant financial consequences due to fines and penalties. Finally, leakage of microplastics from wastewater and waste treatment systems and consequent spillage into watercourses and groundwater, could further damage the Group's reputation. These risks highlight the need to take strict preventive and management measures to mitigate negative impacts and protect the Multiutility's position in the market.

Policies

The Alia Group's policy, also with regard to pollution prevention and control, is based on compliance with and respect for all applicable Community, national, regional and technical regulations concerning air, water, soil, subsoil, land and all other elements potentially subject to pollution.

For more information on the Alia Group's Environmental Policy, please refer to the Policies section within sub-section “ESRS E1 – Climate Change”.

The Multiutility constantly works to mitigate the negative impacts related to air, water and soil pollution by adopting prevention and control measures. To this end, projects systematically draw on BATs (Best Available Techniques), ensuring state-of-the-art technological solutions to minimise environmental impacts. Plants are subject to a continuous monitoring system, where parameters allow, or to spot checks, in order to mitigate the impact on environmental matrices. All plants are authorised in accordance with European, national, regional and municipal environmental regulations. They are regularly audited by internal and external quality auditors, as well as by public control bodies such as ARPAT, USL and other competent authorities. The authorisation regulations are complex and directly influence operating procedures, generating database-structured reporting that is also used to improve operational processes and environmental performance.

Alia, as a company active in the collection, processing and disposal of waste, is committed to managing unwanted substances that arrive at its plants, ensuring that they are harmless and treated in accordance with current regulations. In addition, the Company has completely eliminated the use of substances of concern within its operations.

The Group adopts strict operating policies to prevent accidents both in its own plants and during collection, requiring the same commitment from its suppliers. In the event of an accident, the Company has set up specific emergency procedures that are activated according to the severity of the situation, in order to control and minimise the impact on the environment and the safety of people.

Targets

As of the date of drafting this Statement, Alia Multiutility has not set pollution-related targets at Group level. However, for more information on targets related to the broader topic of the environment, please refer to the "Targets" section in sub-section "ESRS E1 – Climate Change".

Actions

The actions taken by the Multiutility, and in particular by Alia, to avoid environmental impacts, in terms of pollution, focus mainly on the adoption, during the design phase, of technical and design solutions aimed at preventing impacts at source. This includes, among other measures, the careful selection of the most suitable site for new developments in order to reduce negative interference with the environment.

In this context, the design of new plants, as well as modifications to existing ones, is subject to strict Environmental Impact Assessment (EIA) and Screening procedures. These processes are aimed at assessing in advance the possible health and environmental effects of the implementation and operation of planned interventions.

Environmental education and awareness campaigns against the abandonment of materials that have a negative impact on the environment in terms of pollution are also an integral part of the actions.

Compliance with the requirements of authorisation provisions, including those arising from Environmental Impact Assessments (EIA), is one of the main actions taken by Alia to reduce and minimise pollution during the construction and operation phases of plants. These provisions are based on the application of and compliance with Best Available Techniques (BATs), ensuring an approach in accordance with the criteria of pollution prevention and control.

To support these objectives, the Multiutility carries out specific mitigation works at the various plant sites, including:

- planting of specific species to mitigate the landscape impact and encourage naturalistic integration with the territorial context;
- systems for the treatment of rainwater and wastewater, aimed at their reuse within production processes, with the objective of reducing the use of water resources;
- installation of photovoltaic panels to produce energy from renewable sources, thus contributing to the reduction of pollutant emissions.

In addition, plants are operated in accordance with Monitoring and Control Plans, which form an integral part of the authorisation documents. These plans include the constant and systematic measurement of potentially polluting parameters, the monitoring of the main parameters of the production process and the verification of the efficiency of abatement systems.

Alia S.p.A.'s company plant sites are the subject of continuous technological revamping, aimed at making production more efficient, optimising processes and increasing environmental sustainability. These

interventions aim to restore, regenerate and transform ecosystems potentially affected by operations. The actions taken include:

- Expansion of the Casa Sartori plant, with the addition of an anaerobic digestion plant to the existing composting system. This intervention made it possible to transform the organic fraction of waste collected separately not only into compost, but also into biomethane, which can be used as motor fuel or fed into the national gas grid as fuel.
- Implementation of an automatic sorting unit at the Case Passerini plant, designed to separate metals and reusable plastics contained in the overflow of non-separated municipal waste, thus contributing to the recovery of resources and the reduction of environmental impact.

In addition to these interventions, there is the “landfill mining” project for existing landfills, which envisages volume recovery operations and environmental regeneration of the sites, with the aim of reducing previous impacts and returning the areas to a more sustainable and integrated condition with the territory.

In addition, with regard to Revet's second raw material recovery activities, in view of the doubling of the production lines of the recycled plastic granule plant, planned for 2025, around € 1,000,000 was invested in 2023 (actions continued in 2024) for the expansion of the purification plant with the construction of the equalisation and maintenance tank, the doubling of the MBR (membrane bioreactor) section, and an osmosis plant to treat water taken from the well. Within Revet, frequent monitoring of water emissions is also carried out through sampling and analyses to assess the effectiveness of wastewater treatment.

For more information on Alia Multiutility's actions in the area of pollution prevention and control, please refer to the “Actions” section within sub-section “ESRS E1 – Climate Change”.

Metrics

Pollution of air, water and soil

Water emissions	UoM	2024
Total	<i>T</i>	693.26
Nitrates		638.18
Phosphates		55.08

With regard to the data on pollutants discharged into water, the values of the substances for the emissions of the Multiutility complexes that exceed the respective applicable threshold values indicated in Annex II of Regulation (EC) no. 166/2006 are reported. Only the pollutants emitted by the company GIDA of the Multiutility Group were above the threshold. The above data was collected and monitored through direct measurements and periodic analytical evaluations. On the other hand, there were no pollutants in air and soil that exceeded the applicable threshold values of Regulation (EC) no. 166/2006.

With regard to GIDA, the reported impacts related to the emissions generated by the discharge of pre-purified water and the in-house treatment of sewage sludge; however, these data do not fully represent the actual performance of the purification plants, which instead allow a significant reduction of the initial pollution. In fact, the purification activity involves significant abatement performance, which varies according to the type of pollutant considered. Specifically, in the second half of 2024, based on the estimates and measurements made, GIDA achieved the following pollutant abatement results: total abatement N (as nitrate) = 1,139.6 tonnes; total abatement P (as phosphate) = 108.4 tonnes; total abatement COD (chemical oxygen demand) = 4,713 tonnes.

Substances of concern and substances of very high concern

Alia Multiutility employs a number of products containing substances of concern within its own plants and in the broader scope of its operations. These substances are used to ensure the proper functioning of industrial processes, particularly in purification treatments, waste management and plant maintenance activities. Alia Multiutility is committed to minimising the environmental and health impact of using these substances, promoting sustainable and transparent practices in line with environmental and safety regulations, and ensuring compliance with current regulations.

Hazardous substance(s) ¹¹⁰	Use	UoM	Quantity
sodium hydroxide	air treatment	t	249.99
sodium hydroxide	water treatment	t	1.01
sulphuric acid 25%	air treatment – wastewater treatment	t	139.34
sulphuric acid 90%	air treatment	t	320.62
acetic acid 80%	water treatment	t	108.38
hydrogen peroxide	air treatment	t	18.00
sodium hypochlorite	air treatment water treatment	t	33.04
hydrochloric acid	air treatment water treatment	t	245.73
hydrogen chloride	air treatment	t	1.50
phosphoric acid	water treatment	t	3.58
nitric acid	water treatment	t	3.58
anhydrous citric acid	water treatment	t	53.87
morpholine	boiler water corrosion inhibitor	t	0.16
cyclohexylamine	boiler water corrosion inhibitor	t	0.16
sodium hydroxide	water treatment	t	0.08
tetrasodium ethylenediaminetetraacetate	water treatment	t	0.08
aminoethanol	water treatment	t	0.08
ethanol	water treatment	t	18.68
acetone	water treatment	t	18.68
methanol	water treatment	t	18.68
formic acid	water treatment	t	0.25
reaction mixture of different urea derivatives ¹¹¹	maintenance	t	0.01
Organic aromatic compound with aliphatic groups ¹¹²	maintenance	t	0.01
Organic compound with long aliphatic chains ¹¹³	maintenance	t	0.01

No substances of very high concern (SVHC) understood according to the REACH Regulation were found among the substances consumed within the owned plants.

¹¹⁰ The figures refer to hazardous substances consumed by Alia Servizi Ambientali and Revet. In cases where a product consumed contains several hazardous substances, the quantity of each substance has been estimated by assuming equal quantities, in the absence of information regarding the percentage of the substance contained within the product consumed. As far as Publiacqua, GIDA, Estracom and AES Fano are concerned, based on the information available as at the date of this report, there were no hazardous or extremely hazardous substances consumed within their own operations. For the other companies of the Multiutility Group, these data were not available at the date of this report.

¹¹¹ International Chemical Identification: reaction mass of: 3,3'-dicyclohexyl-1,1'-methylenebis(4,1-phenylene) diurea; 3-cyclohexyl-1-(4-(4-(3-octadecylureido) benzyl)phenyl)urea; 3,3'-dioctadecyl-1,1'-methylenebis(4,1-phenylene) diurea.

¹¹² International Chemical Identification: 3,3'-dicyclohexyl-1,1'-methylenebis(4,1-phenylene) diurea.

¹¹³ International Chemical Identification: 3,3'-dioctadecyl-1,1'-methylenebis(4,1-phenylene) diurea

ESRS E3 – Water and marine resources**Responsible management of water resources**

For the Multiutility, the issue of water resource management has become particularly relevant since the entry into the Group of Publiacqua S.p.A., as a manager of the Integrated Water Service (IWT). Until then, water consumption was mainly related to civil/domestic uses (e.g. toilets, changing rooms, etc.), and industrial uses, related to the washing of collection vehicles, street sweeping, and the operation of treatment plants. The water supply, depending on the sites and uses, is provided by public aqueduct and/or well.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Responsible management of water resources</i>	<i>ESRS E3 – Water and Marine Resources</i>	<i>Water</i>

Description of the processes to identify and assess material water resource management-related impacts, risks and opportunities

Concerning the process of identifying and assessing material impacts, risks and opportunities related to the materiality management of water resources, please refer to the sub-section “Double Materiality Analysis”. Water resource management represents a crucial challenge for the Company, with significant impacts and associated risks.

Water losses, due to sub-optimal management, ageing and maintenance of the network, compromise system efficiency and resource sustainability. Significant water withdrawals affect the quantitative status of water sources, jeopardising the long-term sustainability of the resource supply in relation to natural groundwater recharge. In addition, the generation of wastewater from the Group's activities and value chain actors represents a further environmental impact to be carefully managed.

The main risks could include not being able to fully meet the demand for water during the most critical periods of the year, characterised by droughts and water shortages, with consequent damage to the reputation of the Multiutility. Water stress caused by drought and supply problems, especially during periods of low rainfall, could have negative repercussions on the economic and financial situation of Publiacqua and, therefore, the Group. It is therefore crucial to adopt sustainable water management strategies to mitigate these impacts and risks, while ensuring continuity and reliability of service.

Policies

The Alia Group's policy is based on compliance with and respect for all applicable Community, national, regional and technical regulations, including those concerning water management.

For more information on the Alia Group's Environmental Policy, please refer to the Policies section within sub-section “ESRS E1 – Climate Change”.

At the level of the Water Business Unit, there are ordinary plans drawn up by Publiacqua, which drafts proposals for the Intervention Plan in accordance with the regulatory periods. These proposals are sent to the Regional Regulatory Authority (Tuscan Water Authority) for approval, ensuring that they are aligned with the regulatory objectives and technical standards set for the integrated water service.

The Intervention Plans, once approved by the Tuscan Water Authority, are sent to the National Regulatory Authority (ARERA). They are accompanied by an analytical document that identifies the main critical issues in water service delivery in the territory and proposes intervention strategies to overcome them. This document is defined and discussed with the Tuscan Water Authority itself, ensuring transparent and shared management of water resources.

A central element of the Plan is the qualitative and quantitative development of purification processes and the wastewater collection system, which make up about 50% of the planned interventions.

The Intervention Plan is subject to monitoring by the competent regulatory authorities, both with regard to the implementation of the main investment lines, with particular attention to compliance with the indicated timeframes, and to the verification of the achievement of the defined quantitative objectives in terms of technical service quality.

In addition, the plan to reduce water losses, which Publiacqua is implementing thanks also to NRRP funding, is being specifically monitored by the relevant Ministry.

The highest management level responsible for the approval and implementation of the Intervention Plan is the Board of Directors.

In accordance with Alia's environmental policy and in full compliance with all applicable regulations, the Intervention Plan is implemented in accordance with environmental regulations, among which, in particular, Italian Legislative Decree 152/2006, and the relevant regulatory regulations.

The Plan includes investment forecasts dedicated to the water supply and drinking water sectors. In addition, interventions are planned for the development of interconnections between the different territorial areas served, with the aim of ensuring sustainable management of local water resources. These interconnections are designed to preserve the most vulnerable water resources, particularly exposed to critical events during prolonged periods of drought.

The Intervention Plan includes a section devoted to actions aimed at reducing water leaks. In particular, Publiacqua presented an intervention plan under the NRRP calls for proposals, obtaining specific funding for the reduction of water dispersion.

Targets

As of the date of drafting this Statement, Alia Multiutility has not set water resource management-related targets at Group level. However, as indicated in the sub-section "Strategy, business model and value chain", the Multiutility has defined its own 2025-2029 **Business Plan** at Group level, which has also been updated with a view to the complete integration of ESG factors into the corporate strategy. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning water resource management, under the pillar called "Transformation". The macro-objective within this Plan is to reduce water loss and direct discharges. The ESG Plan, as already mentioned, is part of the wider Business Plan. Within the framework of the Business Plan, strategic guidelines were also defined involving the Water Business Unit. Planned interventions include:

- The implementation of the ordinary plans of Publiacqua and Acque, together with the construction of strategic regional works for the integrated water service;
- The upgrading of existing supply and distribution systems to improve efficiency and reduce network losses;
- The realisation of works for energy efficiency and self-consumption, thus helping to reduce the environmental impact of the water sector;
- The reorganisation of the sewage system in urban areas, the introduction of smart metering systems for smart monitoring of consumption, and the extension of water networks to improve access to the service.

Actions

Progressive drought phenomena and periods of water shortages require a more sustainable use of the resource, imposing significant investments in process efficiency and leakage reduction on operators. The actions envisaged in the Business Plan for the water sector aim to increase efficiency and ensure the sustainability of the system. These include:

- The definition of a Master Plan for the upgrading of large water supply infrastructure. There are plans to upgrade the metropolitan water system to serve approximately 1.1 million inhabitants;
- The definition of a Master Plan for the reduction of water losses through maintenance work on sewerage systems in densely urbanised areas, including the reorganisation of the sewerage system in the Florence area, which will affect approximately 400,000 inhabitants;
- The extension of the aqueduct network into non-served areas, to guarantee access to the water service to new areas currently excluded from the network.

As indicated in the Business Plan, the total CapEx budget allocated to the Master Plans pertaining to the Water BU in the time frame 2025-2029 is € 910 million.

Metrics

Water consumption

Water withdrawal by source	UoM	2024	
		All areas	Areas of high water stress
Surface water	m3	43,741,051	-
Groundwater		25,927,483	-
Seawater		-	-
Water produced		1,544,282	-
Third-party water		18,355,118	-
Total water withdrawal		89,567,934	-

Water discharges by destination	UoM	2024	
		All areas	Areas of high water stress
Surface water	m3	72,003,988	-
Groundwater		57,618	-
Seawater		-	-
Water produced		-	-
Third-party water		190,944	-
Total water discharge		72,252,550	-

Total water consumption	UoM	2024	
		All areas	Areas of high water stress
Total water withdrawal	m3	89,567,934	-
Total water discharge		72,252,550	-
Total water consumption		17,315,384	-

2024	
Total water recycled (m³)	<i>1,994,676.00¹¹⁴</i>
Total water re-used (m³)	<i>1,544,676.00</i>

Total water consumption (m³)	17,315,384
Net revenue from own operations (€k)	1,744,121.654 ¹¹⁵
Water intensity	9.93

The above figures refer to the entire Alia Group¹¹⁶.

Data on withdrawals and discharges are derived from direct readings of the purchase and discharge meters. These readings are taken periodically by personnel of the various companies. As far as Revet is concerned, the company uses water extracted from the phreatic zone via wells for its activities. The needs of production far exceed the availability of the resource and therefore the wastewater is treated and recycled, in percentages varying between 85 and 90%, to the production lines (recycled plastic granule production plant). Water withdrawal from wells is constantly measured, while water discharged to surface water is currently not measured. This is then estimated and assumed to be equal to the amount of water withdrawn.

Lastly, the figure related to GIDA S.p.A. includes the data referring to the second half of 2024, in line with the period of consolidation within the Multiutility Group. As far as Publiacqua is concerned, in order to take into account the data for the consolidation period (as of 1 June 2024), the data for FY 2024 have been re-proportioned for the months of consolidation. For the latter, data are derived from the measurement systems pertaining to the classification and preparation of the annual Water Balance Sheet typical of IWS management (reporting on the Technical Quality Regulation of the Integrated Water Service (RQTI) regulated by the Authority for Energy, Networks and the Environment (ARERA).

Finally, it is specified that for the Multiutility Group, the total water stored was 0.

¹¹⁴ Revet's figures for the flow of recycled water to the production lines are estimated considering that the water used for washing amounts to approximately 1800 cubic metres/day for 5 days/week for 50 weeks/year resulting in 450,000 cubic metres/year of treated water. Of this quantity, we can consider that 62,300 cubic metres are actually taken and discharged to surface water.

¹¹⁵ The value of revenues considered corresponds to the total value of revenues from net sales and services recorded in the Group's consolidated financial statements (€ 1,740,547,537) and to the value of net revenues of jointly controlled companies consolidated using the equity method (Nuova Sirio S.r.l., in the amount of € 144,178) and affiliated companies (A.E.S. Fano Distribuzione Gas S.r.l., in the amount of € 3,429,939) over which it has operational control. AL.BE S.r.l. had no net revenue for FY 2024.

¹¹⁶ It is specified that for the following companies: Gas Marca, Picena Gas, Idrogena, AES Fano, Nuova Sirio, Programma Ambiente Apuane, Ambiente Toscana Opco, Valdisieve, and AL.BE water consumption was 0 for 2024

ESRS E4 – Biodiversity and Ecosystems

Biodiversity strategy

At the time of writing, the Alia Group has not included any specific biodiversity levers in its strategy. However, as already mentioned, the Multiutility has implemented a Business Plan that, through strategic levers, will also indirectly contribute to the biodiversity and ecosystem of its areas of operation.

Transition plan on biodiversity and ecosystems

At the time of writing, Alia Multiutility did not have a transition plan focusing on biodiversity and ecosystems.

Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The impacts, risks and opportunities identified as material with regard to biodiversity and ecosystems relate to the dependence on rainfall as an ecosystem service on which the activity of the Water BU, its relationship with the Integrated Water System (IWSS) and the areas managed by it depend.
IROs related to subtopics of direct impact on biodiversity loss, species status and the extent and condition of ecosystems were not considered material.

Protecting biodiversity

Biodiversity is closely linked to the availability of natural resources, and climate change is putting this balance to the test.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
Protecting biodiversity	ESRS E4 – Biodiversity and Ecosystems	Impacts and dependencies on ecosystem services

Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

Concerning the process of identifying and assessing material biodiversity and ecosystem-related impacts, risks and opportunities, please refer to the sub-section “Double Materiality Analysis”.
On the topic of “Protecting biodiversity”, a prolonged period without rainfall can negatively affect natural ecosystems and the fauna that depend on these resources. Moreover, the risk that a prolonged period of drought will lead to a progressive degradation of natural habitats is significant. This not only reduces the availability of vital resources for many species, but also limits the ability of ecosystems to regenerate and maintain their biodiversity. Protecting biodiversity therefore becomes an imperative priority to mitigate these impacts and risks, ensuring the resilience of ecosystems and the preservation of species for future generations

Policies

The Group's policy for the management of material impacts and dependencies related to biodiversity and ecosystems is based on compliance with applicable regulations. Alia Multiutility guarantees compliance with current authorisations, ensuring that all activities are carried out in accordance with the applicable legal provisions.
For more information on Alia's Environmental Policy, please refer to the Policies section within sub-section “ESRS E1 – Climate Change”.

Targets

As of the date of drafting this document, Alia Multiutility has not set biodiversity and ecosystem-related targets at Group level. In any case, as previously mentioned, the Multiutility has defined its own 2025-2029

Business Plan at Group level, updated from an ESG perspective. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning biodiversity, under the pillar called “Territory”. The macro-objective within this Plan is to promote initiatives aimed at improving local biodiversity.

However, for more information on targets, please refer to the “Targets” section in sub-section “ESRS E1 – Climate Change”.

Actions

The Alia Group’s main actions to protect biodiversity and ecosystems focus on naturalistic interventions and environmental analyses conducted at the Case Passerini landfill:

- Following an agreement with the WWF, a renaturalisation of the areas unaffected by the landfill began in 2009. This intervention led to the creation and ongoing maintenance of green spaces and stonework, contributing to the enhancement of the local ecosystem;
- In addition, Alia entrusted the company ECOSISTEMA s.r.l. with the second year of environmental and wildlife monitoring of the landfill in Sesto Fiorentino.

Renaturalisation of the Case Passerini landfill site

The monitoring and maintenance of the renaturalisation works carried out at the Case Passerini landfill site is ongoing, in accordance with the agreement with the WWF, started in 2009. The intervention included the creation of an ecological stone corridor, known as the “Linear Habitat”, designed to encourage local biodiversity and improve the environmental integration of the area after the closure of the landfill.

In addition to this, the project included the setting up of a nursery of native plants within the landfill facility, with the aim of promoting the plant regeneration of the area. An action to revitalise and renaturalise the surface of the landfill was also initiated, through the introduction of native plant species as part of the final covering of the plant.

The intervention is part of the actions for the protection of biodiversity and environmental regeneration, guaranteeing the conservation and functionality of the works carried out. The current monitoring aims to verify the effectiveness of the project and to ensure the maintenance of the habitat, in line with the objectives of environmental sustainability and landscape integration of the redeveloped landfill.

Environmental Fauna Study

In compliance with the prescriptions set forth in the posthumous environmental compatibility measure (Regional Government Decree DGR 254/22), Alia entrusted the company ECOSISTEMA S.r.l. with the environmental and fauna study for the second year of monitoring (2024), continuing the activities started in 2023. At the time of writing, the study is still under development.

ESRS E5 – Resource use and circular economy**Sustainable waste management and circular economy**

The environmental sector is one of the core businesses of the Alia Multiutility Group, and so the latter strives to create the necessary conditions to achieve a circular economy both in the integrated waste cycle and in the energy sector. As the sole waste manager of the ATO Central Tuscany, Alia implements virtuous processes to encourage waste recycling in the territory. It is also developing sustainable environmental solutions in the special waste sector to meet the needs of the local area and the free market. In fact, the Group is developing investment projects for state-of-the-art waste treatment plants with the aim of full regional plant autonomy.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Sustainable waste management and circular economy</i>	<i>ESRS E5 – Circular Economy</i>	<i>Resource flows related to products and services Waste</i>

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Concerning the process of identifying and assessing material resource use and circular economy-related impacts, risks and opportunities, please refer to the sub-section “Double Materiality Analysis”.

In the context of the circular economy, resource use and waste management represent crucial challenges and opportunities for a group like Alia Multiutility. The significant production of sludge that is not destined for recovery or reuse poses an environmental risk, while the recovery and rematerialisation of waste, waste matter and water offer the possibility of valorising the secondary raw material, reducing environmental impact.

However, the increase in the amount of waste going to landfill has serious consequences in terms of soil and water pollution, greenhouse gas emissions, loss of resources, land occupation and risks to public health. To mitigate these impacts, it is essential to increase the percentage and quality of separate waste collection through digitalisation of processes and the use of innovative technologies such as reverse vending machines and switching to a reward tariff. However, contamination of the collected materials poses a significant risk, as it can compromise the capacity for waste treatment. In this context, the revamping of waste collection service infrastructure emerges as a strategic opportunity to maximise separate collections, improve the quality of materials and optimise the performance of services, thus contributing to a more sustainable development model.

Policies

The Alia Group's Environmental Policy promotes a sustainable resource management model, with a specific focus on reducing environmental impacts and optimising the life cycle of materials.

The adopted policy focuses on sustainable waste management throughout the entire value chain. Core activities include optimising collection and transport systems, with models directly involving users to improve the quality of the sorted waste fractions. It also provides for the enhancement of in-house treatment capacity and the construction of innovative facilities that reduce the use of external facilities outside the area or region, ensuring the principles of self-sufficiency and proximity.

The Policy covers the treatment of waste from biodegradable, plastic, cellulose and glass fractions. The focus is on recovery and recycling, with the production of end materials such as biogas, compost, recycled plastics, paper and glass. In addition, the creation of a supply chain for the production of fuels with recycled carbon through gasification processes is planned.

The area of application covers the territories managed by the Group, with a focus on bridging local infrastructure gaps to reduce high economic and environmental costs.

For more information on the Group's Environmental Policy, please refer to the Policies section within sub-section “ESRS E1 – Climate Change”.

Targets

As of the date of drafting this document, Alia Multiutility has not set resource use and circular economy-related targets at Group level. However, within the update of the 2025-2029 **Business Plan** from an ESG

perspective, a process was initiated to define strategic sustainability ambitions, as well as the related objectives, including those concerning the circular economy and re-materialisation, included within the pillar called "Transformation". The macro-objective on this topic within the Plan is to encourage waste recycling and recovery.

In addition, strategic targets were set to valorise the waste streams produced in industrial recycling chains, integrating them into the broader process of circular economy and sustainable resource management. The targets set concern the maximum recovery of treated materials, with specific valorisation targets for the main industrial sectors. The achievement of these targets is in line with the scheduling of plant operations in the Business Plan.

In the glass sector, for example, the expected recovery rate is 95%, with only 5% of waste sent to landfill, demonstrating a commitment to minimise residual waste and maximise reuse. For the biomethane and compost chain, derived from biodegradable waste, recovery reaches 85%, with a significant valorisation of organic fractions transformed into biomethane and quality compost. In the processed and semi-processed plastics chain, the recovery rate target is 65%, while in the paper chain it reaches 92%. The bulky waste chain also contributes to the company's targets with 70% recovery. These results are achieved through the adoption of advanced technologies and the strict application of the principle of sustainability.

The defined recovery targets are aligned with the increase in the material circular utilisation rate, turning waste streams into resources for the market and reducing waste, and waste management and preparation for proper treatment, ensuring appropriate treatment of waste and minimising residues sent for final disposal.

Furthermore, the plant system implemented by Alia integrates research and development, sustainable design and technological innovation, with the aim of maximising the efficiency of recovery processes and minimising the use of primary raw materials.

Actions

Alia has initiated an integrated plan of plant engineering interventions with the aim of improving environmental sustainability, promoting the circular economy, and optimising waste management processes. These interventions are developed on several fronts, including the optimisation of collection and transport systems, the enhancement of internal treatment capacity and the construction of new infrastructure dedicated to the valorisation of resources.

Plant engineering interventions

The plant system is designed as an integrated supply chain linking the different phases of treatment, recovery, recycling and disposal. Advanced technologies are adopted to ensure economic sustainability and environmental protection by optimising the quality of the materials processed. As already mentioned under the sub-section "ESRS E2 – Pollution", the most relevant interventions includes the construction of the anaerobic digestion plant at Casa Sartori, which complements the existing composting plant and allows the organic fraction of waste to be transformed into biomethane for automotive use or for the national grid, in addition to the production of compost. At Case Passerini, on the other hand, an automatic sorting unit is to be installed for the separation of metals and reusable plastics, reducing recourse to unsustainable disposals. A further step is the "landfill mining" project for existing landfills, aimed at volume recovery and environmental regeneration of sites, minimising the negative impacts of the past. In addition, there are plans to develop new industrial sectors, including biogas, paper, glass and plastic.

These actions cover the entire value chain, involving separate waste collection, in-house treatment and the production of high-quality recycled materials for the raw materials market. The area of reference for these transformations is the Tuscan territory managed by Alia, with the aim of bridging infrastructure gaps and responding to European and national regulatory guidelines.

The completion of the plant engineering interventions, as indicated in the Business Plan, is scheduled for 2029.

As indicated in the Business Plan, the total CapEx budget allocated for plant circularity in the 2025-2029 timeframe is €233.5 million, of which € 87 million is for plant revamping and upgrading.

Reward tariff

Alia S.p.A. has initiated a plan to introduce a reward tariff for municipal waste management. This tariff system, based on the quantities effectively delivered, aims to promote virtuous behaviour among citizens and non-domestic users, improving separate waste collection performance and reducing non-separated waste. The project envisages the aggregation into supra-municipal tariff areas, with the aim of standardising

collection models and overcoming the operational fragmentation of services. The reward tariff is structured into a fixed part, calculated on the basis of the area occupied, and a variable part, determined by the quantity of waste delivered. Incentives are provided for virtuous behaviour, such as a tariff reduction for those who minimise residual waste and maximise separate waste collection. These mechanisms not only promote more sustainable waste management, but also contribute to reducing greenhouse gas emissions by reducing non-separated waste and improving material recovery and recycling.

The initiative covers the entire territory managed by Alia S.p.A. in the ATO Central Tuscany and involves various stakeholders, including municipal administrations, citizens and non-domestic users.

The expansion of the tariff scope will continue in the coming years, with the aim of extending the model to the entire managed territory by 2030.

The implementation of the plan started in 2023, involving 12 Municipalities with a total of 200,000 inhabitants in the Empolese Valdelsa, Valdinievole, Mugello and Florence belt territories. In 2024, another 4 Municipalities were added, bringing the total to 250,000 inhabitants.

As indicated in the Business Plan, the estimated CapEx investment budget for reward tariff (TARIC) PAP (Door to Door) equipment in the time frame 2025-2029 is € 4 million.

Implementation of optimal collection models

One of the main actions implemented by the Multiutility concerns the implementation of optimal collection models. Alia S.p.A. has undertaken an innovative initiative to improve waste management through the implementation of optimal collection models. This action is based on the introduction of a standardised methodology adapted to the specific characteristics of the different territorial areas, with the aim of increasing efficiency, reducing environmental impact and improving the overall sustainability of the service. The initiative involves the adoption of advanced technologies, including digital systems for optimising the routes taken by collection vehicles, which minimise the kilometres travelled, thereby reducing CO₂. In addition, sensors are used to monitor the filling level of the containers, improving planning and reducing operational resource misuse. The action aims to enhance separate waste collection and recycling, increasing material recovery capacity and reducing waste sent to final disposal. This approach contributes significantly to climate change mitigation by reducing greenhouse gas emissions along the entire value chain. At the same time, the adaptation of collection models to specific territorial needs makes the system more resilient and able to respond to the challenges posed by climate change.

As indicated in the Business Plan, the total CapEx budget allocated for vehicles and equipment, necessary both for the continuation of the collection service and for the transition to optimal collection models, in the timeframe 2025-2029, is € 115 million.

With reference to the Energy BU, the Estra Group, as part of its commitment to environmental sustainability, has joined the PrintReleaf certification system, an automated platform for global reforestation that allows paper consumption to be offset through certified reforestation projects. Thanks to this system, the Group's paper consumption is constantly monitored and translated into the equivalent number of trees cut down for its production. These trees are then replanted in areas of the planet most in need of reforestation, such as Brazil, the Dominican Republic, India, Ireland, Madagascar, Mexico and the United States.

The PrintReleaf platform ensures that each reforestation operation is verified through an eight-year audit process, conducted by SGS International, a world leader in inspection, verification, testing and certification services. This monitoring makes it possible to assess the progress and survivability of the planted trees, ensuring the effectiveness of interventions in the long term.

The initiative will continue in the coming years with the aim of consolidating the balance between resource consumption and environmental restoration. Participation in the PrintReleaf programme covers the scope of the company's operations and also involves printing service suppliers, thus creating a positive impact along the entire value chain.

Metrics

Outgoing materials

Within the Multiutility Group, different types of materials leave the processes of the various companies. Specifically, water is distributed and invoiced to users by Publiacqua; secondary raw materials are produced and sold by Revet, namely Tetra Pak, proler and plastic granules; mixed composted soil improver and biomethane are sold by Alia Servizi Ambientali; and finally, sand, gravel and grit are resold by Ecocentro

Toscana through DDT to construction companies that reuse them as overlay material or for concrete aggregates.

Ecocentro

2024	Total weight (tons) of materials leaving the process (including packaging)	41,730.84
	Weight (tons) of materials leaving the company's production process (including packaging) designed according to circular principles	11,494.56
	Weight (%) of materials leaving the circular production process (including packaging)	28%

Alia Servizi Ambientali

2024	Total weight (tons) of materials leaving the process (including packaging)	13,316.91
	Weight (tons) of materials leaving the company's production process (including packaging) designed according to circular principles	N/A
	Weight (%) of materials leaving the circular production process (including packaging)	0%

Revet

2024	Total weight (tons) of materials leaving the process (including packaging)	15,463.275
	Weight (tons) of products designed to improve/enable the circular economy along the value chain	15,463.275
	Weight (%) of products designed to improve/enable the circular economy along the value chain	100%

Publiacqua

2024	Total weight (tons) of materials leaving the process (including packaging)	81,509,552.83 ¹¹⁷

¹¹⁷ The figure for the entire fiscal year 2024 is 139,730,662 tons (where 1 mc=1 ton). For the purposes of reporting within the Multiutility Group, the figure was spread over the period of consolidation of Publiacqua within the Group (i.e. from 1 June 2024).

	Weight (tons) of materials leaving the company's production process (including packaging) designed according to circular principles	N/A
	Weight (%) of materials leaving the circular production process (including packaging)	0%

Waste

The Multiutility, through its Environment BU, oversees of the hygiene of the territory as well as the management of the integrated waste cycle through different actions, such as:

- separate collection of municipal and similar waste;
- waste treatment, recovery and disposal;
- periodic sanitisation of collection containers;
- cleaning of streets, market areas and public green spaces;
- collection of bulky waste at home or fly tipping;
- management of recycling/waste collection centres.

Waste management is a central pillar of Alia Multiutility's activities, and is one of the Group's main areas of intervention. Through an integrated collection, treatment and recovery system, the Group works to ensure a circular economy model oriented towards sustainability and innovation. It should be noted that the data reported within this Statement include both waste produced internally as part of the Group's operations and waste collected and treated within the Group's own plants, confirming Alia's commitment to responsible management of resources and reduction of environmental impact.

Following a waste input of 874,990 tonnes (of which 606,813 tonnes of sorted municipal waste, 244,343 tonnes of non-sorted municipal waste and 23,834 tonnes of special waste) from the Group's waste collection activities, see below for the figures for waste generated by the Multiutility Group¹¹⁸.

Waste generated	Waste composition		Uo M	2024			
Type of waste generated	Associa ted EWC	Materials present in waste		Waste generated	Waste recovered	Disposal of waste	Waste recovere d in 2024 (%)
04, 06 (040106; 060205 to 060503) → Sludges and salts from industrial treatment 07 (070612) → Sludges from treatment 11 (110101, 110110) Sludges and filter cakes 12 (120114, 120118) Metal and machining sludges 19 (190501 to 190899) → Sludges from waste and sewage treatment 20 (200399) → Municipal wastes not otherwise specified	040106, 06, 07, 11, 12, 19, 20	Screenings, sands, sludges and salts	T	171,935.67	58,023.24	113,912.44	34%
10 (100101 to 100103) → Bottom ash and fly ash 19 (190901 to 191211) → Solid waste from filtration and mechanical treatment 19 (190117 to 190204) --> Pyrolysis wastes and premixed wastes	10, 19	Ash, filter cakes		184,154.86	161,976.09	22,178.76	88%

¹¹⁸ The following Group companies did not contribute to the generation of waste in 2024: Nuova Sirio S.r.l., Idrogenera S.r.l., Programma Ambiente Apuane S.p.A. (not operational in the reporting period); Ambiente Toscana Opco Spa (not operational in the reporting period); Valdisieve Scrl (not operational in the reporting period); AL.BE S.r.l. (not operational in the reporting period); Piceno Gas S.r.l. and Gas Marca S.r.l. (both represent Estra Energie business unit leases). The waste generated figures of GIDA S.p.A. refer to the second half of 2024, in line with the period of consolidation within the Group. The data for Publiacqua, which are available for the entire year 2024, were remeasured over the consolidation period, i.e. from 1 June 2024.

Waste generated	Waste composition		Uo M	2024			
Type of waste generated	Associa ted EWC	Materials present in waste		Waste generated	Waste recovered	Disposal of waste	Waste recovere d in 2024 (%)
12 (120101 to 120113) → Metal filings, welding wastes 15 (150101 to 150107) → Paper packaging, plastic, glass, wood, metal 17 (170401 to 170411) → Mixed metals, cables, iron and steel	12, 15, 17	Iron, cables, packaging		26,056.09	26,049.61	6.48	100%
13 (130110 to 130802) → Engine oils, lubricating oils, emulsions 14 (140602 to 140603) → Solvents and mixtures 16 (160303 to 161004) → Pressure containers, liquid wastes, hazardous materials	13, 14, 16	Spent kits, containers, water, chemicals, oils and emulsions		31,316.91	196.62	31,120.29	1%
16 (160211 to 160216) → Wastes from electrical and electronic equipment (WEEE) 20 (200101 to 200307) → Electronic waste, fluorescent tubes, batteries	16, 20	Municipal waste, WEEE and electronic components		95,452.19	59,427.65	36,024.54	62%
02 (020108 to 020109) → Agrochemical waste 04 (040109 to 040222) → Textile wastes; wastes from dressing and finishing 20 (200108 to 200110) → Offcuts, pruning, food waste	02, 04, 20	Textile, organic and biodegradable waste		88,410.16	88,364.83	45.33	100%
06 (060105 to 060204) --> Sodium and potassium acids and hydroxide 08 (080111 to 080409) → Paints, toners, adhesives with organic solvents 16 (160103 to 161103) → End-of-life vehicles and wastes from dismantling 18 (180103 to 180202) → Infectious waste and expired medicines 20 (200113 to 200119) → Solvents, acids, detergents	06, 08, 16, 18, 20	End-of-life vehicles, drugs and chemicals (solvents, acids, paints)		1,007.78	920.17	87.61	91%
17 (170101 to 170904) → Cement, wood, glass, insulation materials, plaster, soil 19 (191212) → Mixed waste treatment waste	17, 19	Construction and demolition wastes		203,935.65	47,285.48	156,650.17	23%
02 (020304 to 020704) Wastes unusable for consumption or processing	02	Wastes unusable for consumption or processing		25.43	25.43	-	100%
07 (070215 to 070608) Wastes from additives, halogenated organic solvents, other still bottoms and reaction residues, solid wastes containing hazardous substances, aqueous solutions	07	Wastes from additives, halogenated organic solvents, other still bottoms and reaction residues, solid wastes containing hazardous substances,		468.78	47.98	420.80	10%

Waste generated	Waste composition		UoM	2024			
Type of waste generated	Associated EWC	Materials present in waste		Waste generated	Waste recovered	Disposal of waste	Waste recovered in 2024 (%)
		aqueous solutions					
070213; 090102; 090101; 100115; 100125; 150110; 150111; 150202; 150203	07, 09, 10, 15	Other ¹¹⁹		426.94	270.58	156.36	63%
Total waste generated				803,190.46	442,587.69	360,602.77	55%

Waste diverted from disposal	Associated recovery codes	UoM	2024
Hazardous waste			4,146
Preparation for re-use	R2-R6-R9		-
Separate waste collection	R3-R4-R5		6
Other recovery operations	R1-R7-R8-R10-R11-R12-R13		4,140
Non-hazardous waste		T	438,441
Preparation for re-use	R2-R6-R9		-
Separate waste collection	R3-R4-R5		62,465
Other recovery operations	R1-R7-R8-R10-R11-R12-R13		375,997
Total			442,588

Waste sent for disposal	Associated disposal codes	UoM	2024
Hazardous waste		T	6,352
Incineration	D10-D11	T	1,943
Landfill	D1-D5-D12	T	2,535
Other disposal operations	D2-D3-D4-D6-D7-D14-D15-D13-D9-D8	T	1,873
Non-hazardous waste		T	354,251
Incineration	D10-D11	T	51,347
Landfill	D1-D5	T	122,340
Other disposal operations	D2-D3-D4-D6-D7-D12-D14-D15-D13-D9-D8	T	180,564
Total		T	360,603

¹¹⁹ Plastic waste, contaminated packaging, absorbents, wastes from fuel storage and preparation of thermal power plants; solid waste from flue-gas treatment containing hazardous substances; water-based developer and activator solutions; water-based offset plate developer solutions.

The table below shows the total quantities of hazardous waste for 2024. It should also be noted that no radioactive waste was produced.

2024	Total quantity of hazardous waste (T)	10,498

The data on waste generated by the various Group companies are taken from internal management systems, forms, and waste loading and unloading records referring to 2024.

3.9.3 Social Information

ESRS S1 – Own Workforce

Alia Multiutility is committed to ensuring the professional growth and development of its people, fully respecting the equal opportunities of each individual worker, and ensuring fair treatment based on criteria of merit, without any form of discrimination. The Group is also committed to respecting workers' rights in accordance with the provisions of national collective labour agreements (CCNLs) and current regulations, with particular regard to workplace health and safety regulations.

Interests and views of stakeholders

In its long-term strategic vision, Alia Multiutility strives to become a large, inclusive and attractive team that cares about people and is able to anticipate the demand for new skills for future business trends, as well as the driver of an innovative and integrated ecosystem. In this context, the interests, views and rights of workers (including through Representatives) are central to the development of the Group's strategy and business model.

For the purposes of this report, Group management was also involved in the Double Materiality Analysis, as indicated in the sub-section "Double Materiality Analysis" (a process that identified material IROs also in the Group's own workforce). In addition, a further important example of engagement with management took place while updating the Multiutility's 2025-2029 Business Plan from an ESG perspective.

Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities

With regard to the process of identifying and assessing material impacts, risks and opportunities "IROs") related to own workforce, please refer to the sub-section "Double Materiality Analysis". As specified in the dedicated sub-section, the material IROs were mapped by analysing the Group's operating context, as well as its Business Model and the Multiutility's 2025-2029 Business Plan.

The IROs related to the topics below are attributable to the Group's operations and refer to all types of workers that make up the Multiutility's own workforce, operating in the various BUs, as well as workers hired from third-party companies.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
Management and enhancement of human capital	ESRS S1 – Own Workforce	Working conditions
		Other work-related rights
		Equal treatment and opportunities for all
Diversity and inclusion	ESRS S1 – Own Workforce	Working conditions
		Equal treatment and opportunities for all
Occupational health and safety	ESRS S1 – Own Workforce	Working conditions

With particular reference to the topic "**Management and enhancement of human capital**", the Double Materiality analysis carried out by the Group identified the following:

- according to the "inside-out" perspective, positive impacts in terms of the Multiutility's contribution to secure employment and adequate working hours and wages; the improvement of working conditions thanks to constant social dialogue and freedom of association; the possibility of access to structured and effective training, with a view to ensuring the development of individual and professional skills; the

improvement of corporate welfare thanks to the development of initiatives, facilities, benefits and welfare plans aimed at fostering a work-life balance. The Group also identified a potential negative impact related to inadequate employee data management, with possible negative effects in terms of loss of sensitive data. To protect this, the Multiutility pays particular attention to the protection of personal data and operates in accordance with the principle of accountability and with a view to continuous improvement (taking into account the evolution of technology), as well as in compliance with Regulation (EU) 2016/679;

- According to the “outside-in” perspective, improving work-life balance and creating a fair, inclusive and stimulating work environment represent an opportunity to attract and retain talent within the Multiutility.

With reference to the topic **“Diversity and inclusion”**, the Double Materiality analysis carried out by the Group identified the following:

- according to the “inside-out” perspective, a potential negative impact related to incidents of discrimination among and against employees, with repercussions on the mental health and psychophysical well-being of those subjected to discriminatory behaviour. In order to protect this, Alia’s Code of Ethics, as well as those of the Group companies that have one (including Estra, Publiacqua and Revet), expressly forbids any form of discrimination and there is a specific channel aimed at reporting any such cases, as indicated in the previous section;
- according to the “outside-in” perspective, an opportunity for the harmonisation of the contractual characteristics of the Multiutility BUs, as well as a risk connected to the lack of synergies or ineffective management of the process of planning/provision of training for Group company employees with possible negative effects on skills, resources and process efficiency, as well as possible repercussions in economic and financial terms. In this respect, the Group is committed to minimising these risks through the creation of joint committees, in which training issues are also addressed. Moreover, following the update of the Multiutility’s 2025-2029 Business Plan from an ESG perspective, specific actions and objectives are planned to continue and strengthen the harmonisation path undertaken by the Group companies.

With reference to the topic **“Occupational health and safety”**, the Double Materiality analysis carried out by the Group identified the following:

- according to the “inside-out” perspective, occupational accidents, injuries and diseases that could generate negative impacts on the health and safety of its own people;
- according to the “outside-in” perspective, non-compliance with environmental and occupational health and safety regulations and standards – due to the failure to define, implement and update policies, procedures and manuals, or to incorrectly define, implement and update them – which could generate possible sanctions against Group companies with repercussions also on reputation. A further risk mapped concerns ineffective coordination with the functions covering the role of Health and Safety Manager (RSPP), Emergency Manager, Quality, Safety and Environmental Manager of the Group companies for all aspects of facility management. The Multiutility is constantly striving to minimise the risk of injury through various means, including: information, education and training, the presence and dissemination of operating procedures, the use of specific personal protective equipment, and the maintenance and periodic checks on equipment and machinery. Again, it should be noted that the Business Plan includes specific objectives related to occupational health and safety training (including near misses).

Processes for engaging with own workers and processes to remediate negative impacts and channels for own workers to raise concerns

For the Multiutility, its own workforce constitutes the main stakeholder group. With this in mind, the Group’s main objective is to contribute, through its business model and strategy, to the well-being of people and the minimisation of possible negative impacts on them. Workers are involved both directly, by virtue of their contractual relationship, and indirectly through representatives. There is, in fact, a specific Industrial Relations Protocol, at Multiutility level, involving Regional, Unitary (RSU) and Company (RSA) Trade Union Representatives. There are also joint committees with which specific aspects related to their workers are addressed, such as training, welfare, and health and safety in the workplace.

The Multiutility manages trade union relations, as well as meetings and negotiations which take place systematically and when necessary on social, safety, economic and environmental topics. Sector-specific workplace unions (RSUs) are active, as a collective body representing all workers. The presence of the RSU

now allows for a more rapid and effective dialogue between the company and the workers on company strategies and various specific topics. These processes enable the best possible orientation of business decisions and related activities in the management of material current or potential impacts on the workforce. The corporate figure in charge of personnel engagement and relations with their representatives is the Chief People & Governance Officer of the Multiutility. Employees who are members of the RSU may, in case of need, contact the latter directly or the People & Governance Department (in particular, to the HR contact persons or HR Business Partners, as liaison figures between the People & Governance Department and the business lines).

In order to remediate or minimise any negative impacts that may affect its people, Alia has also adopted a specific procedure for handling reports (the whistleblowing procedure¹²⁰), with the aim of promoting transparency, fairness and legality, as well as implementing the provisions of Italian Legislative Decree 24/2023 and therefore encourage the reporting of conduct, acts or omissions that represent – even potentially – violations of internal rules and regulations. The procedure, which applies to all Group companies, governs the process of receiving, analysing and processing reports and provides indications on the contents, recipients and methods for sending reports, as well as on the forms of protection offered to the whistleblower and the reported party. The procedure is available on Alia's institutional website www.aliaserviziambientali.it, extending the right to report to all persons operating in the work environment of the Multiutility (i.e. also to the non-employee workforce)¹²⁰.

Reports can be made in writing or in spoken format, through:

- Dedicated IT platform accessible via institutional website (also via voice messaging system);
- Direct meeting with the Whistleblowing Manager (which can always be requested via the platform).

Within the framework of this procedure, a “Whistleblowing Committee” was also set up as a Group board body consisting of the following corporate figures: Head of the Group Internal Audit Function, Chief People & Governance Officer, Chief Legal Officer and the first-level Head of the Compliance Function.

The process of handling reports provides for a specific procedure involving several stages: management of receipt of the report; initiation of the internal investigation and performance of checks; reporting and follow-up.

Following the receipt of a report, the Group Internal Audit function involves the Supervisory Body of the company concerned if the potential violation relates to alleged unlawful conduct within the meaning of Italian Legislative Decree 231/2001. For more information, please refer to the section “Corporate culture and business conduct policies” in sub-section “ESRS G1 – Business Conduct”.

Management and enhancement of human capital

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
Management and enhancement of human capital	ESRS S1 – Own Workforce	Working conditions Other work-related rights Equal treatment and opportunities for all

Alia Multiutility, in the area of Human Resources management, sees sustainability as an enabling factor of its long-term strategic vision. Aware that the transformation requires the full deployment of a culture focused on the continuous improvement of production processes, the Group is investing in the strategic management of skills and the development of its people.

Policies

Employment is protected through policies that promote professional well-being, with the aim of improving motivation, performance and retention. The Group attracts, develops and enhances human capital mainly through training activities, career progression opportunities and corporate policy.

With reference to the **selection and recruitment** process, Alia has adopted a specific “Personnel Selection Regulation” aimed at defining the criteria followed by the company in its selection process, for all types of employment provided for by the Italian Civil Code and laws on subordinate and semi-subordinate employment relations. Personnel are selected on the basis of the company's needs and with respect for equal opportunities

¹²⁰ In the event that a report of a material violation under Italian Legislative Decree 24/2023 has not been effectively followed up or where there may be a risk of retaliation, or that the violation may constitute an imminent or obvious danger to public interest, the whistleblower has the option of reporting the matter to **ANAC** through the website <https://www.anticorruzione.it/-/whistleblowing> or, in the cases and in the manner provided for by the procedure, use other external channels (i.e. public disclosure, report to the judicial or accounting authorities).

for those concerned. Selection activities are guided by the criteria of impartiality and objectivity and with full respect for the persons involved and the interests of the Company.

Estra has also adopted a “Selection Process” procedure that applies to all Estra Group companies. The Group People & Governance Department is responsible for the implementation of the documents.

With reference to **performance appraisal**, a special manual called the “New People Management System” has been defined to enhance the Group’s human capital. The objective of the Manual is to formalise in a timely manner the steps characterising the “Performance & Leadership Management Process” (P&L), as well as the crucial processes closely related to it: Talent Management and Succession Planning. The actors in the P&L process are the Multiutility employees (managers and middle managers) being evaluated, as well as the Appraisers (i.e. the direct managers of the people being evaluated).

In this context, the *calibration* process, which aims to ensure homogeneity and comparability in the appraisal criteria by discussing, reviewing and proposing possible changes to the preliminary appraisals of individuals, is also extremely important. *Calibration* takes shape in a series of meetings between several Appraisers, meeting in Appraisal Committees, coordinated by the Chief People & Governance Officer. The implementation of the Manual is the responsibility of the aforementioned persons, i.e. the Appraisers, while the Group People & Governance Department is in charge of coordination and compliance with the People Management System. For more information on the incentive systems linked to sustainability goals, please refer to the “Governance and control bodies” section of the “Governance” sub-section. This appraisal system applies to Alia and its subsidiaries.

In addition, on 22 July 2024, a Trade Union Agreement was signed for the application of second-level corporate bargaining with economic content for the three-year period 2024-2026 (the Performance Bonus) concerning the employees of Alia Servizi Ambientali, with the exclusion of Executives and Middle Managers, for whom Management undertakes to pay a bonus on the basis of the objectives assigned and/or on the basis of an overall appraisal of their performance for the reference year. Also with reference to the Estra Group companies, an Agreement was entered into for the payment of the Performance Bonus for the three-year period 2022-2024.

With explicit reference to Publiacqua, a company belonging to the Water BU, for more than 10 years it has had a system for mapping the professional profiles present in the company, mapping that appreciates the organisational weight of each one and their correct classification within the national collective labour agreement (CCNL). The system is maintained and is constantly evolving, as such being able to capture the professional development of Publiacqua. As far as the incentive/MBO system is concerned, the entire Publiacqua population is covered by a trade union agreement on the performance bonus, which is in fact a “15th month” payment, assessed on the basis of the achievement of company objectives (EBITDA), individual organisational unit objectives and on the basis of individual contribution. On the other hand, Publiacqua managers with more sensitive roles and responsibilities are subject to an annual MBO focusing on annually defined corporate objectives.

As part of the 2025-2029 Business Plan from an ESG perspective, the process of harmonising corporate policies and procedures at Group level will continue.

Material IROs related to “Management and enhancement of human capital” are indicated in the section “Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities” of this sub-section. They are appropriately managed through Group policies.

The Group People & Governance Department is responsible for the implementation of the policies.

Targets

As of the date of drafting this Statement, Alia Multiutility has not formalised objectives related to the “Management and enhancement of human capital” as part of its corporate strategy. However, as indicated in the sub-section “Strategy, business model and value chain”, the Multiutility has defined its own 2025-2029 **Business Plan** at Group level, which has also been updated with a view to the complete integration of ESG factors. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning its own people, under the pillar called “Human Value”. The ESG Plan, as already mentioned, is part of the wider Business Plan.

Notwithstanding the above, in the shorter-term time horizon (< 1 year), the Multiutility has set itself objectives concerning:

- the **definition of a clear career path** within the Company for all employees, which will be made possible by the release of the human capital management platform (Workday) in 2025. The new management system will improve all major human resources management processes and will also be a useful tool for individual employees to monitor their professional life.

- the **enhancement of internal operational staff** through the development of the “Corporate Academy” project by 2025. The Multiutility aims to train operational staff by having them upgrade their licences to C and CQC (driver qualification card), thus enabling them to become drivers, with a view to people development and career opportunities. The project is dictated by the difficulty of finding professionals with C and CQC licences on the market;
- the **development of a new Welfare Plan**, aimed at improving workers' welfare and work-life balance. The launch is planned for 2025 and will involve the entire corporate population;
- with a view to skills development and personnel promotion, the opening (by 2025) to all Multiutility employees of the **online training platform** currently reserved for Alia employees. In addition, a project is being drafted to **join the New Skills Fund**, which allows companies to upgrade workers' skills by allocating part of their working hours to training.

Actions

Key actions undertaken by the Multiutility, also consistent with the objectives set out in the previous section, include:

- the **renovation of the company canteens**, which in 2024 saw the complete renovation of the canteen premises at the Alia offices in Via Paronese in Prato and Via Baccio da Montelupo in Florence, with the aim of improving the well-being of workers and their daily working conditions;
- the **Change Management Programme**, a project that – from the beginning of 2024 until today – involved first Management then more and more employees until almost all of them, in a path towards establishing the Multiutility, in order to become a single entity from many separate companies. This is why a platform (**UNICA**) was created to accompany this journey and to create a common identity for all. In the course of 2024, various events were held, always with different target audiences, aimed at fostering integration between people, managerial development and personal fulfilment. The project is scheduled for completion by 2025;
- the opening, in September 2024, of the **new Multiutility head offices** in Via Torre degli Agli 48 in Florence, with the aim of improving the well-being of its people, starting with the working environment;
- the launch, in 2024, of a series of actions linked to the **Digital Transformation** project, affecting the entire Multiutility in a transversal manner, with the aim of fostering the training and development of people (*ongoing action*);
- the launch, in July 2024, of the operational process of adopting the **new human capital management platform** (Workday) to foster skills development and personal fulfilment. The official go-live, for use by the People & Governance Department, is expected in the first quarter of 2025;
- the creation of an internal **job posting** system for the Estrada Group, aimed at fostering internal staff mobility and promoting professional growth and development.

The reported actions enable effective management of impacts, risks and opportunities identified and assessed as material within its own workforce.

The effectiveness of these actions is constantly monitored by the People & Governance Department, as well as by the other corporate figures involved with reference to specific projects. All of the above actions involve the allocation of specific financial resources.

Further specific actions in this regard will be defined following the validation of the sustainability objectives envisaged within the framework of the updated Business Plan from an ESG perspective.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

Metrics

The data shown in the following tables, concerning employees and non-employees (i.e. workers within the company's own workforce, attributable to individual contractors supplying labour to the company – so-called “self-employed workers” – and to workers provided by companies whose main activity is the search, selection and supply of personnel, as per NACE code N78), cover the entire scope of Alia Multiutility, with the exception of the following Group companies with no personnel: Idrogena S.r.l.; Tegolaia SPV S.p.A.; Caviglia SPV S.p.A.; Gas Marca S.r.l.; Piceno Gas S.r.l.; Nuova Sirio S.r.l.; Programma Ambiente Apuane S.p.A.; Ambiente Toscana Opco Spa; Valdisieve Srl; AL.BE S.r.l..

In this regard, the figures relating to GIDA S.p.A. and Publiacqua S.p.A. represent personnel in the workforce at 1 July 2024 and 1 June 2024, respectively, the dates from which consolidation into the Group took place. All metrics below refer to FY 2024.

Characteristics of the undertaking's employees

Employees by gender	Employees
Women (no.)	1287
Men (no.)	3173
Total employees (no.)	4460

Country	Employees
Italy (no.)	4460

Employees by contract type	Women	Men	Total
Permanent (no.)	1284	3150	4434
Temporary (no.)	3	23	26
Variable hours (no.)	0	0	0
Total employees (no.)	1287	3173	4460

Employees by working hours	Women	Men	Total
Full-time (no.)	1169	3143	4312
Part-time (no.)	118	30	148
Total employees (no.)	1287	3173	4460

Terminated employees (no.)	181
Turnover rate (%)	4.06

The figures are given in number of people and represent the number of effective employees at 31 December 2024. This value includes the legal personnel active on the date indicated, including any secondments to companies outside the Group's scope.

In the calculation of the turnover rate, terminated interns and terminated agency staff are not included in the number of terminated employees (numerator), while the denominator considers the active legal personnel at the end of the reporting period.

The extracted data come from the management software used by Human Resources of the various Group entities.

Characteristics of non-employee workers in the undertaking's own workforce

Non-employees by type and hours of employment	Non-employees
Workers supplied by undertakings engaged in research, selection and supply of personnel (agency staff) (no.)	126
<i>full-time (no.)</i>	<i>123</i>
<i>part-time (no.)</i>	<i>3</i>

Employees seconded by companies outside the Group (no.)	3
<i>full-time (no.)</i>	<i>3</i>
<i>part-time (no.)</i>	<i>0</i>
Total non-employee workers (no.)	129

The figures are given in number of people and represent the number of effective non-employees at 31 December 2024.

The extracted data come from the management software used by Human Resources of the various Group entities and do not cover self-employed workers not picked up by the company's business intelligence software.

Collective bargaining coverage and social dialogue

Collective bargaining coverage	Own workforce
Employees covered by collective bargaining agreements (no.)	4,460
Coverage rate on total employees (%)	100.00
Non-employees covered by collective bargaining agreements (no.)	129
Coverage rate on total non-employees (%)	100.00

Social dialogue	No. of Employees
Employees covered by workers' representatives (no.)	3,975
Coverage rate (%)	89.13

In accordance with the relevant legislation, the percentages of employees covered by collective labour agreements and employees covered by workers' representatives are calculated using the total number of employees.

The Multiutility operates solely within Italy, i.e. within the EEA (European Economic Area), and therefore its employees are covered in their entirety by national collective agreements, as shown in the table above. The types of CCNL include but are not limited to: trade, gas-water and rubber-plastic.

There are no arrangements within the Group for representation by Committees.

Adequate wages

All employees of Alia Multiutility receive an adequate wage, in line with the applicable benchmarks.

In particular, the minimum wages used for the calculation of the adequate wages were determined on the basis of the minimum wage rates set out in the relevant Collective Bargaining Agreements, in accordance with Directive (EU) 2022/241 of the European Parliament and of the Council.

Social protection

All Alia Multiutility employees are guaranteed the forms of social coverage and protection provided for by current legislation and governed by the relevant CCNL.

Persons with disabilities

Percentage of employees with disabilities	Employees
Employees with disabilities (no.)	187
<i>of which women (%)</i>	<i>30</i>
<i>of which men (%)</i>	<i>70</i>

Ratio to total employees (%)	4.19

The figures, expressed in number of people, represent the total number of employees with disabilities effective at 31 December 2024. The information is extracted from the management software used by Human Resources of the various Group entities.

Training and skills development metrics

Average training hours per employee	Men	Women	Total
Managers (no.)	7.33	5.06	6.93
Middle managers (no.)	10.60	13.12	11.33
Clerical workers (no.)	12.38	8.79	10.67
Manual workers (no.)	19.68	11.42	18.29
Total (no.)	17.22	9.79	15.07

For the indicator on “career development” (ESRS S1-13, par. 83(a)), the Multiutility with reference to this Statement has availed of the *phase-in* option provided for in Provision 10.4 of ESRS 1 of Commission Delegated Regulation (EU) 2772/2024 and, in particular, in Appendix C “List of phased-in Disclosure Requirements”.

Work-life balance metrics

Work-life balance	Men	Women
Employees <u>entitled to</u> family-related leave (no.)	3173	1287
Eligible employees who <u>took</u> family-related leave (no.)	432	239
Percentage of eligible employees (%)	100.00	100.00
Percentage of employees who took parental leave of those eligible (%)	16.75	23.14

Family-related leave includes maternity leave, paternity leave, parental leave and caregiver leave, as provided for by national legislation and collective agreements.

Diversity and inclusion

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Diversity and inclusion</i>	<i>ESRS S1 – Own Workforce</i>	<i>Equal treatment and opportunities for all Working conditions</i>

The Multiutility believes that the promotion of all the people working in the Company is fundamental. Management is committed to ensuring that all employees are treated fairly on the basis of merit, without discrimination, and to fostering the professional growth of each individual as set out in Alia's “**Company Policy**” document. This Policy was prepared in 2021 and is currently being reviewed and updated. Senior Management is responsible for the implementation, enforcement and respect of the “Company Policy”. The Multiutility supports equal opportunities, non-discrimination on the basis of the age, sex, sexuality, health status, race, nationality, political opinions, trade union membership and religious beliefs of employees or candidates, users, suppliers, shareholders and stakeholders in general. The Group implements a management style that respects human rights, both towards direct and indirect personnel, through the application of selection criteria that guarantee the rights of all workers involved, including disadvantaged individuals.

Policies

The protection of diversity and equal opportunities is enshrined in Alia's **Code of Ethics** (as well as in the Codes of Ethics of the individual Group companies that have decided to adopt such an instrument, such as Estra, Publiacqua and Revet) and is also a guideline in personnel selection activities. Specifically, Alia's Code of Ethics states that: *"The Company undertakes not to discriminate arbitrarily on the basis of the age, sex, sexuality, health status, race, nationality, political opinions, trade union membership and religious beliefs, of its employees, users, suppliers, shareholders and stakeholders in general"*.

The Alia Group is committed to respecting the principles of inclusion, equal opportunities and non-discrimination through personnel recruitment and management policies. With reference to the process of selection and evaluation of skills, please refer to the "Policies" section.

Publiacqua, a Group company belonging to the Water BU of the Multiutility, obtained **UNI PdR 125:2022 certification on Gender Equality** in 2024. The PdR 125:2022 is a national *Prassi di Riferimento* (reference practice) that defines criteria, technical provisions and functional elements for gender certification; this practice recalls the management systems typical of ISO standards and provides for the measurement, reporting and evaluation of gender-related data in organisations with the aim of closing the current gaps. By virtue of this, Publiacqua adopted its own Gender Equality, Equity, Diversity and Inclusion Policy and a Gender Equality and Diversity, Equity and Inclusion Steering Committee (available at <https://www.publiacqua.it>). Since 2022, the Company also has a Diversity & Inclusion Policy.

Within the broader framework of the Multiutility, an ESG Plan has been defined (as also indicated in the previous paragraphs), which provides, among other things, for the formalisation of a Group Code of Ethics and a Group Policy on Diversity, Inclusion, Equal Opportunities and Human Rights. This is with the general aim of an overall harmonisation of the internal regulatory system of the Multiutility.

Material IROs related to "Diversity and inclusion" are indicated in the section "Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities" of this sub-section. They are appropriately managed through Group policies.

The Group People & Governance Department is responsible for the implementation of the policies.

RESPECT FOR HUMAN RIGHTS

Respect for human rights is a fundamental principle, intrinsic to the proper and responsible management by the Multiutility of its business activities. These are inalienable rights to which all persons are entitled. The fundamental values by which it is inspired are formalised in Alia's Code of Ethics (as well as in those adopted by the individual Group companies that decided to formalise such an instrument, including Estra and Publiacqua), which is considered a corporate ethics tool that aims to disseminate the principles and standards of conduct underlying the activities carried out.

The Multiutility operates in the conviction that ethical management should be pursued as a prerequisite for good economic growth of the company. Respect for human rights, understood in its general sense, is a condition ensured in a Group that provides services. The associated potential risks identified may concern incidents of discrimination, and prohibitions or restrictions related to freedom of association. These risks may also be indirectly linked to the outsourcing of services to social cooperatives.

In view of the offences referred to in Italian Legislative Decree 231/2001, having assessed the company processes and areas at risk of offences, Alia's Organisation, Management and Control Model provides for safeguards to protect human rights.

In particular, the Company has protocols in place to prevent, both during recruitment and pending the employment relationship established with the Company, any discrimination or prejudicial conduct.

*Within the Multiutility, in 2023 **Estra** adopted a **Human Rights Policy** inspired by the Sustainable Development Goals. The policy is valid for all Estra Group companies.*

The Human Rights Policy is addressed to all members of the Boards of Directors, employees and workers of the Group, all of the Group's collaborators, and all other people and companies who act, operate or collaborate in the name and on behalf of the Estra Group. Estra is committed to promoting and applying international, European and domestic regulations, as well as the internal governance and reporting tools adopted by the Group (such as the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Code of Ethics, Certifications and Sustainability Reporting). Specifically, the Human Rights Policy provides details on:

- the commitment to combat workplace bullying and harassment;
- the rejection of the use of child labour and all forms of labour abuse and violence;
- the respect for freedom of association and collective bargaining;
- the protection of occupational health and safety;
- the link with the region and communities;
- respect for privacy and confidentiality.

In drafting the Policy, Estra was inspired by national and international guidelines and principles, including but not limited to: UN Guiding Principles on Business and Human Rights, International Labour Organization (ILO) Convention, UN Global Compact Principles, national laws on equal opportunities, etc.

The Policy is available on the institutional website <https://corporate.estra.it/>, on the corporate intranet and by means of notices posted in company offices.

*With specific reference to the additional companies of the Alia Group, for the sake of full disclosure, **Centria** (part of the Estra Group) has certified according to SA 8000 since 2015, a certification that examines aspects of corporate social responsibility such as respect for human rights; respect for labour law; protection against child exploitation; and compliance with occupational health and safety standards. It is a voluntary standard that is verified by third-party audits.*

Targets

As of the date of drafting this Statement, Alia Multiutility has not formalised objectives related to “Diversity and inclusion” as part of its corporate strategy. However, as indicated in the sub-section “Strategy, business model and value chain”, the Multiutility has defined its own 2025-2029 **Business Plan** at Group level, which has also been updated with a view to the complete integration of ESG factors. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning its own people, under the pillar called “Human Value”. The ESG Plan is part of the wider Business Plan.

Actions

Alia, Estra and Publiacqua signed the **Utilitalia Agreement – Diversity makes a Difference**, the objective of which is to promote the inclusion and enhancement of gender diversity. The Agreement is promoted by Utilitalia itself, the federation of water, environmental and energy companies in Italy. The aim is to foster the promotion and management of diversity in individual companies, as well as to create good practices starting from the diversity management experiences adopted by the companies that signed the agreement, identifying possible improvement systems and new policies. This is in order to make diversity a larger part of corporate strategies and to enable companies to reap the benefits of its proper management.

THE UTILITALIA “DIVERSITY MAKES A DIFFERENCE” AGREEMENT

The “Utilitalia Agreement – Diversity makes a Difference” binds the signatory companies to apply a Diversity & Inclusion approach that includes:

- *the implementation of inclusive company policies that, following a top-down logic, start from the top and then radiate to all organisational levels below, permeating the entire organisation;*
- *the introduction of staff selection and recruitment methods based exclusively on professional and human skills able to meet the Group's needs, thus ensuring an approach that does not discriminate on gender, age, culture or ability grounds.*
- *the adoption of organisational models that offer the possibility for a healthy work-life balance, while also strengthening and improving company welfare;*
- *the introduction of more transparent and objective mechanisms in staff appraisal and career advancement processes, as well as in the related incentive and reward schemes;*
- *engaging staff as much as possible in the processes to define training initiatives to meet specific training needs;*
- *the implementation of an adequate annual monitoring system able to verify and objectively report on the levels achieved in diversity management;*
- *reporting of company progress in terms of diversity and the adoption of policies both within and outside the company to raise awareness on the importance of the inclusion measures adopted.*

Further specific actions in this regard will be defined at a later stage based on the sustainability goals of the ESG Plan.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

Metrics

All metrics below refer to FY 2024.

Diversity

Distribution of Senior Management in own workforce by gender	Men	Women
Senior Management employees (no.)	138	48
Total employees in own workforce (no.)	3173	1287
<i>Proportion of Senior Management to workforce (%)</i>	<i>4.35</i>	<i>3.73</i>

Senior Management refers to employees with the qualifications of Executives and Middle Managers within the company workforce.

Employees by job category and age group	Under 30 years		30-50 years		Over 50 years	
Job category	Men	Women	Men	Women	Men	Women
Managers (no.)	0	0	8	0	34	9
Middle managers (no.)	1	0	37	10	59	29
Clerical workers (no.)	29	25	472	412	378	366
Manual workers (no.)	107	24	800	160	1248	252
<i>Total (no.)</i>	<i>137</i>	<i>49</i>	<i>1317</i>	<i>582</i>	<i>1719</i>	<i>656</i>

Compensation – pay gap and total compensation

Gender pay gap (%)	-1.84
Total pay ratio (no.)	13.56

The methodology used to calculate the **gender pay gap** follows the standard “S1-16 RA 98” and was applied using the following formula:

Gender pay gap (%) = [(Average gross hourly wage of male employees - Average gross hourly wage of female employees) / Average gross hourly wage of male employees] x 100

This calculation was performed for each company belonging to the Group. Subsequently, in order to obtain an aggregate value that accurately reflected company reality, a weighted average of the gender pay gaps of the individual companies was calculated. The weighting was done by considering the number of employees in each company in relation to the total number of employees in the Group, thus ensuring that the final result adequately represented the relative weight of the different entities and their respective gender pay gaps.

The following companies were excluded from the calculation, for which no data was available: Ecolat; Ecos; Ecocentro; Bisenzio Ambiente.

The methodology used to calculate the **total pay ratio** follows the standard “S1-16 RA 101(c)” and was applied using the following formula:

Total pay ratio (no.) = Annual total remuneration of the highest paid individual in the Group / Median annual total remuneration of employees (excluding the highest paid individual)

To ensure uniformity at Group level, the calculation took into account the highest salary recorded at Group level and, as a reference, the centralised median annual total remuneration of all employees of the Group companies, excluding the individual with the highest salary.

Incidents, complaints and severe human rights impacts

The Alia Group recorded no incidents of **employment-related discrimination** on the grounds of gender, race or ethnic origin, nationality, religion or personal beliefs, disability, age, sexual orientation or other relevant forms of discrimination, including harassment, within its workforce.

No **complaints** were made through the channels available to workers to raise concerns, including grievance mechanisms. Furthermore, there were no **severe** human rights **incidents**.

Occupational health and safety

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Occupational health and safety</i>	<i>ESRS S1 – Own Workforce</i>	<i>Working conditions</i>

The Multiutility is constantly striving to eliminate hazards and minimise the risk of accidents through the following means: information and training, operating procedures, use of specific personal protective equipment, training, maintenance and regular checks on the equipment used by workers; design and organisation of the service that takes into account the measures necessary to reduce/contain the risk; use of means and equipment that guarantee optimal ergonomics of collection; collective and individual prevention and protection measures; and use of specific equipment (e.g. lift work platforms, scaffolding, ladders) that complies with the standard and is subject to regular maintenance and checks.

Policies

Health and safety of its employees is guaranteed through specific procedures, guidelines and regulations that are regularly updated. The continuous improvement of the health and safety of its people is an essential objective for the Group, and this is also enshrined in the “Company Policy” (available online at <https://www.aliaserviziambientali.it/it-it> and disseminated among employees also by means of publication on the company intranet and notices in the offices) and in the Code of Ethics of Alia Servizi Ambientali.

In addition, Alia Servizi Ambientali has a system for the prevention of risks of occupational accidents and diseases, which complies with **UNI ISO 45001:2018** requirements, and promotes a series of initiatives to increase worker participation and consultation.

Underlying the **Occupational Health and Safety Environmental Management System**, which at Alia is **integrated** with the Quality and Environmental Management Systems (compliant with UNI ISO 9001 and UNI ISO 14001, respectively), is the assumption that occupational health and safety must be pursued with constant and continuous commitment. In addition to being a moral duty and a regulatory obligation, the management of these aspects requires a transparent and systematic approach. Alia therefore has an Integrated Management System Manual and Policy.

For Alia Servizi Ambientali, adopting an Occupational Health and Safety Management System means having a tool to:

- improve occupational health and safety levels resulting in reduced risks;
- identify binding legal requirements and transpose them correctly and in full;
- know and keep under control the health and safety aspects related to operations;
- adopt the necessary procedures for the operational management of safety and the monitoring of risk factors;
- establish and maintain precise responsibilities;
- aim to minimise business risks as much as possible by involving stakeholders in the improvement process;
- identify and meet training needs and obligations.

In accordance with UNI ISO 45001:2018, Alia has developed a formalised context analysis that identifies the material external and internal factors over its purpose and influencing the Company's ability to achieve its expected results, and assesses their impacts on stakeholders and with respect to different needs/expectations.

The scope of application of the Integrated Management System (IMS), at Alia, includes all activities contributing to the definition of the quality of the end service, to the satisfaction of the relevant stakeholders, to comply with the mandatory requirements and to ensure the achievement of objectives both in terms of performance and in terms of environment and safety.

In addition to Alia Servizi Ambientali, within the Group, Estra, Estra Energie, Estra Clima, Prometeo, Estracom, Ecolat, Centria, Gergas, Ecos, Edma Reti Gas, Revet and Publiacqua also have an Integrated Management System for Quality, Environment and Safety. These companies have an Integrated Management System Manual and Policy.

The company Murgia Reti Gas holds ISO 9001 and ISO 45001 certification, while the companies Gida and Ecocentro Toscana hold ISO 9001 and ISO 14001 certification. Finally, Bisenzio Ambiente is ISO 45001 certified.

Material IROs related to "Occupational health and safety" are indicated in the section "Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities" of this sub-section. They are appropriately managed through Group policies.

The Group People & Governance Department and the Health & Safety Managers are responsible for the implementation of the policies.

Targets

As of the date of drafting this Statement, Alia Multiutility has not formalised objectives related to "Occupational health and safety" as part of its corporate strategy. However, as indicated in the sub-section "Strategy, business model and value chain", the Multiutility has defined its own 2025-2029 **Business Plan** at Group level, which has also been updated with a view to the complete integration of ESG factors into the corporate strategy. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning its own people, under the pillar called "Human Value". The ESG Plan is part of the wider Business Plan.

Notwithstanding the above, since its establishment, Alia Servizi Ambientali has set as one of its primary objectives the implementation of a company Integrated Management System, certified according to ISO international standards, with the goal of continuous performance improvement. This commitment is explicitly stated in the Company Policy, which Senior Management shares with its employees and all stakeholders.

The development and application of an Integrated System aims to promote the participation and satisfaction of all internal and external stakeholders. The analysis of the company context starts by surveying the needs of stakeholders, prioritising their interests, in order to research and implement increasingly advanced operating and management methods, guarantee an increasingly efficient service, and protect environmental resources and the health and safety of workers.

Through the tools of the Integrated Management System, the consolidation of the organisational structure and cooperation between the various corporate functions is also promoted.

Actions

Future health and safety actions will be defined in order to pursue the sustainability goals set out in the Business Plan.

Without prejudice to the foregoing, the main actions implemented by the Group in FY 2024 included the implementation of a **training programme** for operating personnel on new devices and technologies used in their work, to prevent/minimise the risk of occupational accidents and diseases.

In addition, with specific reference to Alia, a project was started to implement **ADAS devices** (Advanced Driver Assistance Systems) on company-owned vehicles, with the aim of reducing the risk of pedestrian accidents and work-related stress for collection vehicle drivers. This action was scheduled for completion in February 2025. For the implementation of ADAS devices, an estimated € 10 thousand per vehicle was estimated.

In order to mitigate the greatest impact by extension, i.e. the effect of manual handling of loads during PAP (Door to Door) collection, the decision was made to equip all compactors with a **rear pouch** where the municipal waste bins could be emptied, without having to exceed critical heights for the upper limbs. This action was completed in October 2024. For the implementation of the devices, an estimated € 10 thousand per vehicle was estimated.

Also with a view to ensuring the well-being of its own people, and in particular of Alia's operators, **electrolyte drinks** are made available during the summer months to counteract and reduce the effect of dehydration.

In order to mitigate risks related to emergencies of various kinds, Alia has also prepared a plan to update all the **Emergency and Evacuation Plans** of its sites. Effectiveness in practice will be evaluated through emergency drills.

The Prevention and Protection Service monitors the effectiveness of the safety measures implemented also in relation to accident, prevention and company well-being indices.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

Metrics

All metrics below refer to FY 2024.

Health and safety

Coverage of the health and safety system	Employees	Non-employees
Workers covered by the health and safety system (no.)	4382	123
Total number of own workforce (no.)	4460	129
<i>Coverage rate (%)</i>	<i>98.25</i>	<i>95.35</i>

Incidence of accidents	Employees	Non-employees
Number of total hours worked (no.)	7,140,439	434,189
Number of accidents at work (no.)	214	43
<i>Accident incidence rate (*1,000,000)</i>	<i>29.97</i>	<i>99.04</i>

Recordable occupational diseases	Employees
<i>Number of recordable occupational diseases</i>	<i>25</i>

Days lost due to occupational accidents and diseases for employees	
Days lost due to occupational accidents (no.)	5,819
Days lost due to occupational diseases (no.)	0

In line with regulations, the percentage of the company's own workers covered by the company's health and safety management system is reported on the basis of the number of actual employees at 31 December 2024. The scope of data reported covers all Group entities that have a Health and Safety Management System compliant with UNI ISO 45001:2018.

The accident incidence rate, in line with legislation, was calculated by dividing the corresponding number of cases by the total number of hours worked by own workers and multiplied by 1,000,000. The number of hours worked is collected via the various Single Employment Ledgers, according to mandatory INAIL provisions.

The data occupational on accidents, recordable occupational diseases and days lost for these were collected by the management software used by Human Resources of the various Group entities. Commuting accidents were excluded from the calculation of occupational accidents.

There were no fatalities related to occupational accidents or diseases, among either employees or non-employed workers.

ESRS S2 – Workers in the Value Chain**Interests and views of stakeholders**

The actors in the value chain with which the Group operates, and thus their respective persons, contribute to the image and reputation of the Multiutility, as well as a large part of the driver by which the business model operates. Therefore, the interests, views and rights of value chain workers are central to the development of corporate strategy and the overall improvement of Alia Multiutility's performance.

For the purposes of this reporting, as indicated in the "Double Materiality Analysis" sub-section, no stakeholder engagement activity was undertaken, as stakeholder engagement was limited to company management only (at least for this reporting year). However, the process of identifying and assessing IROs also took into account value chain workers.

Description of the processes to identify and assess material value chain worker-related impacts, risks and opportunities and their interaction with strategy and business model(s)

Concerning the process of identifying and assessing material impacts, risks and opportunities related to value chain workers, please refer to the sub-section "Double Materiality Analysis". As specified in the dedicated sub-section, the material IROs were mapped by analysing the Group's operating context, as well as its Business Model and the Multiutility's Business Plan.

The IROs can be traced back to all types of workers in the value chain pertaining to the three Business Units of the Multiutility, as listed below:

Environment Business Unit	Upstream Value Chain	Downstream Value Chain
• Associated companies of the Group similar to actors in the upstream ¹²¹ and downstream ¹²² chain	x	x
• Treatment and disposal plants	x	
• Vehicle and plant maintenance	x	
• Collection tools	x	
Fuel and energy	x	
• External suppliers for the concession service	x	
• <i>Citizens and businesses we serve*</i>		x
• Customers of recovered materials and energy produced		x
• Consortia – valorisation of waste collections/selected products		x
• Industrial customers and other concession holders		x
Energy Business Unit		
• Gas and electricity procurement	x	
• Infrastructure services	x	
• Network maintenance	x	
• Transmission and distribution network operators	x	
• Indirect sales network (e.g. agencies, stores, branches, call centres)	x	
Customer service	x	
Other supplies for sales and distribution service	x	
• <i>Distribution service users*</i>		
• <i>End customers (domestic users, SMEs, Public Administration, large customers, industrial, power resellers. Wholesalers) *</i>		x

¹²¹ Organisations belonging to the sectors of: purification of wastewater from production facilities.

¹²² Organisations related to: collection, processing, sorting, transformation and storage of waste paper; collection, recovery, processing and marketing of glass cullet.

Water Business Unit		
• Associated companies of the Group similar to actors in the upstream ¹²³ value chain	x	
• Chemical suppliers	x	
• Cleaning and sanitation services	x	
• Network/plant/building maintenance	x	
• Suppliers of GAC paper and cartridges	x	
• Suppliers of gas and electricity	x	
• End customers (domestic users, PA, SMEs, large customers, industrial)		x

[*] actors in the chain included for completeness, but within which there are no “value chain workers”, as they are related to customers and end-users.

The actors in the value chain are based in Italy and, for the most part, in the Tuscany region. No areas with a high risk of child or forced labour were found.

With reference to the “inside-out” perspective, potential negative impacts were identified as material such as: poor commitment to issues of gender equality, diversity and inclusion, training, inadequate working conditions, as well as other rights by the value chain over its workforce; failure to respect the human rights of workers along the value chain; as well as accidents at work and occupational diseases of workers along the value chain, in particular at subcontractors and contractors. The Multiutility recognises the importance of these topics in the operation of its business model and, for this reason, is committed to mitigating and managing the impacts associated with them.

As already indicated in other sections of this document, the update of the 2025-2029 Business Plan from an ESG perspective envisages a series of interventions also on the value chain, which also concern the monitoring of ethical and social aspects related to the non-employee workforce.

With reference to the “outside-in” perspective, no material risks and opportunities were identified by the Group in the value chain.

Processes for engaging with value chain workers and processes to remediate negative impacts and channels for value chain workers to raise concerns

As reported in the “Interest and views of stakeholders” section of this sub-section, at the time of writing, value chain workers were not involved in specific engagement processes. The Multiutility undertakes to constantly implement and strengthen its due diligence process and to consider the possibility of engaging, directly or indirectly, with value chain workers in decision-making processes, so as to better capture their point of view. In order to remediate or minimise any negative impacts that may affect value chain workers, Alia adopted a specific procedure for handling reports (the “whistleblowing”). For more information, please refer to the section “Corporate culture and business conduct policies” in sub-section “ESRS G1 – Business Conduct”. The whistleblowing platform, as specified in detail in the aforementioned sub-section, can also be used by collaborators, self-employed workers, freelancers, consultants and all suppliers working for the Multiutility.

Sustainable management of the value chain – Value chain workers

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
Sustainable management of the value chain	ESRS S2 – Workers in the Value Chain	Working conditions Equal treatment and opportunities for all Other work-related rights

Policies

¹²³ Organisations in the fields of: management of contact centre services and meter reading; design of hydraulic works and related activities.

At the time of writing, there were no specific policies concerning value chain workers. The main aspects of interest can be found in the contracts concluded.

Furthermore, Alia's Code of Ethics states that relations with suppliers must be based on mutual loyalty, transparency and cooperation. Likewise, the Codes of Ethics of the Group companies that have one also stipulate that relations with suppliers and partners must be managed in an ethical, transparent, responsible and professional manner.

With regard to human rights aspects, please refer to the "Policies" section of sub-section "ESRS S1 – Own Workforce", as the same principles concerning the own workforce apply to value chain workers.

With a view to harmonising procedures, the Multiutility set itself the goal of drawing up a single Code of Ethics, as well as a Group Due Diligence and Human Rights procedure. This objective was included in the 2025-2029 Business Plan.

Targets

As of the date of drafting this Statement, Alia Multiutility has not formalised objectives related to "Sustainable management of the value chain" (with specific reference to value chain workers) as part of its corporate strategy. However, as indicated in the sub-section "Strategy, business model and value chain", the Multiutility has defined its own 2025-2029 **Business Plan** at Group level, which has also been updated with a view to the complete integration of ESG factors into the corporate strategy. In this regard, a process was initiated to define the strategic ambitions for sustainability, as well as the related objectives, including those concerning management of supplier relations and due diligence activities, included under the pillars called "Territory" and "Human Value" respectively.

Actions

As of the date of drafting this Statement, Alia Multiutility has not formalised actions related to "Sustainable management of the value chain" (with specific reference to value chain workers) as part of its corporate strategy. Specific actions will be defined related to the achievement of the sustainability targets set out in the Business Plan.

Therefore, at the time of writing, there were no operating expenditure (OpEx) and/or capital expenditure (CapEx) associated with actions related to workers in the value chain.

ESRS S3 – Affected Communities**Interests and views of stakeholders**

Aware that the engagement and participation of communities and territories is fundamental to the development of the Group's strategy and business model, the Multiutility considers the interests, views and rights of communities to be indispensable and extremely important.

For the purposes of this reporting, as indicated in the "Double Materiality Analysis" sub-section, no stakeholder engagement activity was undertaken, as stakeholder engagement was limited to company management only (at least for this reporting year). However, the process of identifying and assessing IROs also took into account affected communities.

Notwithstanding the above, initiatives and ways of listening to communities were undertaken. The table below shows the main categories of stakeholders involved, how and to what extent they are involved, and the actions taken:

Public administrators

<i>Engagement methods</i>	<i>Purpose of engagement</i>
<i>Consultation, focus groups, institutional relations, listening activities.</i>	<i>Identification of the needs and requirements of citizens and communities, participation in defining projects, sharing objectives and communication strategies, information and awareness projects aimed at citizens. Furthermore, each time a communication project is activated, municipal administrators are informed and the objectives, tools and goals of the initiative are shared with them, in order to ensure adequate information and engagement of citizens on services, good practices, and separate waste collection and upkeep targets.</i>
<i>Actions taken</i>	
• "Che Prato" project: an awareness project aimed at improving the levels of separate waste collection and street upkeep in the city, planned together with the Municipality, which included a listening and meeting activity with the various stakeholders, prior to the design of the communication phase, which was also multilingual; • "Florence circular city" project: a multi-year communication project to accompany the service transformation plan planned together with the Municipal Administration, which included, among other activities, monitoring and listening in the area; • "Environmentally sustainable market" project: dedicated to improving separate waste collection levels in local markets by raising awareness among street traders, designed in synergy with the Services Production Department and the affected Municipalities; • "Guerilla Marketing" project: dedicated to the issue of fly tipping and with the participation of the Municipal Administration in identifying critical points at which to carry out Guerilla activities and disseminate correct information on access to waste services; • "Alia Community" project: a process of engagement and listening to Alia's territories and communities that involves the creation of specific round tables (territorial and regional), to which, on each occasion, representatives from institutions, economic and social categories, representatives from the world of education, the tertiary sector, companies, environmental associations, etc., expressions of the reference territory, are invited to participate, encouraging open discussion between services, development prospects and synergy. <i>The above projects are given as examples. Generally speaking, whenever a project involving a territory and its community is activated, engagement with institutional representatives is envisaged for the purposes detailed above.</i>	

Citizens

<i>Engagement methods</i>	<i>Purpose of engagement</i>
<i>Focus groups, questionnaires surveying the degree of satisfaction with services and activities and surveying information needs, territorial educational and listening activities, presence at territorial fairs and events, online and offline communication campaigns.</i>	<i>Intercepting needs, requirements and degree of satisfaction and, at the same time, informing and raising awareness of good environmental practices by ensuring knowledge and proper access to the services provided.</i>
<i>Actions taken</i>	
• <i>Annual customer satisfaction survey involving, through the administration of a telephone questionnaire, a representative sample of citizens and companies throughout the territory served;</i> • <i>monitoring and responding to comments and questions posted on the company's social channels;</i> • <i>questionnaires to measure the satisfaction of the experience at branches, recycling centres, etc. (by the Customer Department), listening, education and territorial engagement activities;</i>	

- constant updating of the corporate portal with content and information organised and structured by target group and type of information;
- information, communication and awareness campaigns and projects, press campaigns, communication via social channels.

Among the various communication projects is the 2024/2025 annual campaign **"Keeping the city clean is team play"**, a cross-media campaign developed in all the Municipalities served by Alia that aims to keep citizens' focus and engagement high on issues of good environmental practices, sustainability and urban upkeep. In order to identify the most coherent and effective messages, the communication project was defined in collaboration with the team of researchers in Behavioural Economics of the PhD course in "Social Sciences for Sustainability and Well-being" promoted by the Department of Economics and Enterprise (Disei) of the University of Florence. This agreement made it possible to share data analysis models based on user sentiments, so as to build messages capable of motivating positive behaviour through the universal language of sport.

We also note the campaign **"Don't get rid of your packaging at random, the future of the planet is at stake"**, with the aim of improving the quality and quantity of separate waste collection of packaging. The cross-media campaign covered all the Municipalities served by Alia and made use of pop graphics, iconic colours and puns to enhance the appeal and memorability of the message.

Foreign communities

Engagement methods	Purpose of engagement
Listening through consultation with their representatives such as associations and economic categories.	Identification of specific needs and identification of the most appropriate tools and channels to facilitate access to services and clear and complete information.
Actions taken	
• Production of multilingual printed and digital material aimed at different foreign communities and different types of users (non-domestic and domestic users and tourists); • Meetings at representative moments for the various communities (see, for example, engagement with staff and ad hoc material at Chinese New Year in Prato). The materials produced include, for example, the waste dictionary, with over 300 words, translated into English, French, Spanish, German, Arabic, Chinese and Urdu, the separate waste collection guide translated into the same languages, videos on separate waste collection and access to services translated into Chinese. The materials produced for the "Florence Circular City" project were also translated into the languages mentioned above.	

Journalists

Engagement methods	Purpose of engagement
Reports, conferences, events and press releases.	Ensuring timely, transparent and correct information to citizens and the public and ensuring the correct positioning of the Company.
Actions taken	
Ongoing media relations activities aimed at informing and engaging with the media (local, regional and national) about services, projects and initiatives. Depending on the content to be conveyed, the most appropriate channels and methods are identified each time: press release, press conferences, meetings with media operators, interviews and participation in TV or radio broadcasts. The information activities carried out meet the needs of the service, territories and projects implemented. In 2024, more than 140 press releases were produced, 180 news briefs published on the home page of the company website and in apps for immediate use by citizens. More than 30 press conferences were held in 2024.	

Teachers, children and students of different grades, Universities, Academies

Engagement methods	Purpose of engagement
Educational activities, creative contests, live streaming, podcasts	Spreading good environmental practices and proper waste management starting with the younger generations. Encouraging active reflection and the conveyance of issues related to the circular economy and environmental sustainability through expressive and innovative forms and languages such as art in its various interpretations, to enhance the appropriation of messages.
Actions taken	
• Educational projects aimed at different age groups. Alia pays special attention to the younger generations through educational courses aimed at schools of all levels, with the objective of raising awareness among students and school communities, triggering virtuous mechanisms that also reach families (more than 17,000 children and 600 classes are involved each year). With specific reference to the Estra Group, mention should be made of the development of the Scuole Viaggianti (Travelling Schools) projects, aimed at children and young people from pre-school to junior high school, which deal with sustainability and inclusiveness issues (the 2023-2024 edition, sponsored by ASVIS and ANCI, involved 838 schools for over 16,000 hours of activities); and the PCTO course for transversal skills and guidance aimed at promoting the message that	

"the energy transition leads the way" (a 40-hour certified pathway promoted by Estra, in collaboration with ITS Energia e Ambiente di Colle Val d'Elsa and La Fabbrica, which in 2023-2024 involved over 1,800 students); the agreement between the University of Siena and ESTRA for the partial funding of a scholarship for the attendance of a PhD in Economics for 2022-2025, as well as for the co-funding of a national PhD scholarship in Sustainable Development and Climate Change between Estra and Scuola Universitaria Superiore IUSS in 2024-2027

- *Educational workshops;*
- *Projects with Universities;*
- *Participation in sector trade fairs (for example, Alia, Estra, Publiacqua and Revet at **Fiera Didacta**, an event dedicated to the world of training and schools with the primary objective of publicising educational activities for schools of various types and grades and promoting awareness and knowledge of good environmental practices. The event is also an opportunity to meet many teachers from the territories served);*
- *Production of dedicated information material;*
- **Second Life Tutto Torna** (Second Life, It All Adds Up), a national contest designed to enhance the creativity of young artists through the creation of works related to environmental sustainability. The works are displayed in an exhibition at prestigious locations. In addition to the exhibition, the project linked to the contest includes a dedicated website secondlifecontest.it and the printing of a catalogue, the organisation of educational workshops with schools and associations in the area, and the year-round promotion of the contest among Fine Arts Academies throughout Italy, youth associations and art schools.

Companies and Organisations

Engagement methods	Purpose of engagement
Through the signing of sustainability protocols and the definition and implementation of joint activities.	Definition of shared pathways for waste management, circular economy and sustainability with the aim of fostering the dissemination of good environmental practices and proper waste management.
Actions taken	
Ongoing relations and meetings aimed at signing "sustainable companies" protocols. As part of the protocols, co-branded communication activities (such as information materials, meetings, events, workshops, training, etc.) are implemented to promote good practices and raise awareness. Examples of protocols already signed include: Palazzo Strozzi, University of Florence, Meyer Hospital, the ACF Fiorentina football club. In addition, a Voluntary Self-Regulation Protocol was signed, concerning unsolicited practices and contracts, whereby Estra adopted a series of measures to protect customers and potential customers when concluding electricity and gas supply contracts. A Control Body was set up with the signatory Consumer Associations to ensure and monitor compliance with the Protocol. (the protocol is currently being revised).	

Opinion leaders, citizens, representatives of institutions, administrators, economic categories, environmental and cultural associations

Engagement methods	Purpose of engagement
Direct consultation through interviews, meetings, reports, digital information, editorial tools.	Intercepting needs and creating a widespread and shared environmental culture and awareness, fostering adequate information and engagement on services, good practices, and key environmental issues.
Actions taken	
• Publication of the "Toc" magazine, an information tool (in print and digital format) and engagement tool to raise awareness among citizens, institutions and stakeholders on the main environmental and industrial development issues in the sector (to date, 4 issues have been circulated, with over 100 articles produced), organisation of the company website (constantly updated) by target audience and content; • Alia Community project (mentioned above); • Dissemination of a monthly digital newsletter (addressed to about three thousand private and institutional stakeholders). Over the years, more than 60 issues have been sent out; • The call to action "L'Energia delle buone pratiche" (The Energy of Good Practices), a project promoted by Estra that rewarded and supported sports clubs that, through their actions, developed the role of sport as a tool for social responsibility and inclusion. In the edition that ended in 2024, 158 associations in the regions of Abruzzo, Marche, Molise, Tuscany and Umbria participated, from which 9 winners were selected and awarded a cash prize; • Solidarity orchards, actions promoted by Estra and carried out at the "N.C.P. Sollicciano" prison in Florence and on the land of the "Terra d'Incontro" farm in Montecassiano (MC), managed by the Cooperativa Sociale la Fraternità. These interventions are part of the Orto-Frutteto Solidale Diffuso campaign, promoted by AzzerCO2 and Legambiente, and have seen the planting of 120 fruit trees in each of the aforementioned locations.	

Employees

Engagement methods	Purpose of engagement
<i>Relations and active listening.</i>	<i>Supporting the transmission of internal information and, at the same time, promoting corporate identity, values and a customer and service quality-oriented culture.</i>
Actions taken	
<i>Opening (April 2022) of the company intranet, with the aim of creating an easily accessible space to exchange and foster internal communication at all levels. The platform is constantly updated with news mainly concerning the company's services and activities. The features include TG Alia, which, with a journalistic slant, recounts the company's main events and initiatives, and the "People and Professions" feature, which reports on people and professions on a voluntary basis. Together with the intranet, monitors installed in the various company sites offer a preferential channel for the dissemination of information and internal communications.</i>	

Description of the processes to identify and assess material affected communities-related impacts, risks and opportunities and their interaction with strategy and business model(s)

Concerning the process of identifying and assessing material affected community-related impacts, risks and opportunities, please refer to the sub-section "Double Materiality Analysis". As specified in the dedicated sub-section, the material IROs were mapped by analysing the Group's operating context, as well as its business model and the Multiutility's Business Plan. In fact, the material IROs are closely linked to the company's business model and guide the corporate strategy. Dependencies on the community and the territories in which the Group operates are typical and characteristic elements of the Multiutility business model. For instance, the waste collection and management activities depend on the cooperation of citizens for proper sorting and separation; on environmental education to promote virtuous behaviour by the community; on local infrastructure that can affect the efficiency of the services offered; and on cooperation with local administrations to maintain and improve these infrastructure and, therefore, the quality of services offered and the lives of citizens.

The IROs related to the issues below can be traced to the Group's operations and those of its value chain, and relate to all the communities and territories in which the Multiutility operates. In particular:

- as for the **Environment Business Unit**, the affected communities are included within the Ambito Territoriale Ottimale (Optimal Territorial Area) Central Tuscany, in which Alia operates, which includes the provinces of Florence, Pistoia and Prato;
- as for the **Energy Business Unit**, the affected communities are those pertaining to the territory served, i.e. the national territory (mainly Central and Southern Italy);
- as for the **Water Business Unit**, the affected communities fall within the 46 Municipalities managed by Publiacqua in the Tuscany region.

The communities in the above territories refer to citizens living and/or working near the operating sites, plants (including landfills) and offices of the Group companies or its value chain actors. No communities of indigenous peoples or vulnerable groups were noted.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Territorial development and community involvement</i>	<i>ESRS S3 – Affected Communities</i>	<i>Economic, social and cultural rights of communities</i>
<i>Efficiency, reliability and security of infrastructure and networks</i>		

With particular reference to the topic "**Territorial development and community involvement**", the Double Materiality analysis carried out by the Group identified the following:

- according to the "inside-out" perspective, positive impacts concerning the enhancement of elements of territorial beauty, pursuing activities while respecting the local landscape; as well as socioeconomic impacts on communities and regions through the development of initiatives/services that meet community needs (ESG districts); the development and increase in the number of people trained in environmental education, thanks to the introduction of specific environmental awareness and education projects involving several schools of all levels in the communities where the Multiutility operates. As well as managing infrastructure efficiently, including through the use of technological innovations, ensuring the resilience of infrastructure and networks to safeguard the community;

- according to the “outside-in” perspective, the potential risk of interruption, even partial, of access to water and sanitation services as a result of extraordinary events was identified, with consequent financial and reputational repercussions. In addition, an opportunity was identified related to supporting the development and increase in the number of people trained in environmental education, thanks to the introduction of specific environmental awareness and education projects involving several schools of all levels in the communities where the Multiutility operates, with positive effects in terms of reduced environmental costs and company reputation. This opportunity appears to be closely linked to the positive impact, mentioned above, related to the development and growth of people trained in environmental education.

With reference to the topic **“Efficiency, reliability and security of infrastructure and networks”**, the Double Materiality analysis carried out by the Group identified the following:

- according to the “inside-out” perspective, two negative impacts: the first related to the occurrence of road accidents, to the detriment of the citizens of the affected communities, by Alia vehicles (or its suppliers). These events may in fact occur mainly during waste collection and sweeping, and are attributable to incidents that actually occurred. The second related to community safety due to accidental or extraordinary events causing impacts on the gas distribution network;
- According to the “outside-in” perspective, no material risks and opportunities related to ESRS S3 were detected.

The IROs mapped are systemic in the sectors and contexts in which the organisation operates directly or, indirectly, through its value chain.

Processes for engaging with affected communities about impacts and processes to remediate negative impacts and channels for affected communities to raise concerns

Alia is committed to ensuring maximum disclosure of information about the impacts of its activities and the effects they may have on affected communities. This commitment includes the activation of all corporate channels and communication and information tools (offline and online) aimed at ensuring the maximum dissemination of messages, as well as action by stakeholders, representatives and opinion leaders of reference for that community.

Generally speaking, engagement is primarily with the legitimate representatives of the affected communities, first and foremost the local administrators who often participate in the definition of the actions and activities undertaken. In addition, contact persons from the economic and business sectors, trade unions, civic and environmental associations, and contact persons from public institutions and bodies also involved where appropriate.

Engagement takes place constantly throughout all project phases, thus, in general, in the preparatory phase to listen to needs; in the design phase to define tools and actions; in the implementation phase; and in the dissemination of results.

The effectiveness of the Multiutility's commitment to affected communities is monitored through project-specific measurement indicators, questionnaires and satisfaction surveys, and appropriate consultation with community representatives.

In order to facilitate access to its services and information, also to categories considered vulnerable or disadvantaged such as foreign communities, children and digitally excluded persons, Alia ensures – through its contact channels (physical and otherwise) – maximum territorial coverage, the production of diversified target and content materials as well as diversified information and communication: print, digital, multilingual, with appropriate languages for the target audience.

Senior Management is operationally responsible for ensuring that these processes run smoothly.

With regard to the processes put in place to remediate or cooperate in remediating negative impacts on affected communities, the approach adopted by Multiutility aims at activating all channels, tools, initiatives and contact methods that, in the presence of such a situation, can reach affected communities in a timely and specific manner to ensure a return to and restoration of normalcy as soon as possible.

In this regard, the Group provides its customers with a call centre service and public branches located throughout the territory served. In addition, there is the network of recycling centres and recycling vans also located throughout the territory, manned by specialised personnel. There are also environmental inspectors, active in many of the municipalities served, who, in addition to their control and territorial supervision function, provide information, raise awareness and listen to users. Digital channels through which citizens can express their requests and needs are also available: **Aliapp**, the application accessible from PCs and smartphones that contains a specific section for reports; the company website that contains all references and contact

channels; and the company's social networks that allow users to leave comments and interact with the company. In addition to this, the same service operators (particularly in municipalities where the door-to-door service is active) are a point of reference for users, as are the staff present at company stands at initiatives and events. As already mentioned, a customer satisfaction survey is also carried out every year and, at the various contact points (counters, recycling centres), there are special questionnaires (handled by the Customer Department) that allow people to express their requests and needs. Feedback and reports received are constantly noted and monitored in order to take appropriate corrective action if necessary.

The Group is committed to the widest possible dissemination of its channels in order to promote information among its target audience and ensure its accessibility. In addition to the corporate website, which lists all contact channels with times, access modes and addresses, on all corporate communications (press releases, flyers, posters, adverts, bills, information and communication aids, etc.), contact channels are made explicit with precise references. This is demonstrated by the number of accesses and contacts recorded, as well as by the results of customer satisfaction and questionnaires. In addition, the Group has a whistleblowing channel as an additional means of sending reports, as described in the section "Corporate culture and business conduct policies" of sub-section "ESRS G1 – Business Conduct".

Territorial development and community involvement

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Territorial development and community involvement</i>	<i>ESRS S3 – Affected Communities</i>	<i>Economic, social and cultural rights of communities</i>
<i>Efficiency, reliability and security of infrastructure and networks</i>		

Policies

Alia Servizi Ambientali adopts a "Company Policy" shared by Senior Management, which is responsible for its implementation, by all employees and stakeholders. This Policy places the interest of communities at the centre of its actions, while ensuring high standards of safety and health protection for all workers.

The development and implementation of the "Company Policy" aims to encourage active engagement and ensure the satisfaction of all internal and external stakeholders.

The Company Policy is disseminated internally to all employees and made accessible to stakeholders through publication on the company website.

The activities of the Alia Group take place in contexts where there is no direct involvement or impact, risk or opportunity on the rights of indigenous peoples. Activities are identified and planned taking into account the needs and requirements of local communities. This process involves constant dialogue with stakeholders in the area, including municipal administrations, civic and environmental associations, economic and business categories, bodies and institutions, schools of all kinds and levels and all stakeholders in general. In addition, the company conducts listening and customer satisfaction monitoring activities in order to continuously improve the quality of the services and initiatives provided.

Alia, as well as other Group companies that have decided to adopt it (including Estra, Publiacqua and Revet), has a Code of Ethics that enshrines its commitment to ensuring a fair and inclusive environment, prohibiting any form of discrimination based on age, gender, sexual orientation, state of health, ethnicity, nationality, political opinions or religious beliefs. This principle applies to all employees, users, suppliers, shareholders and stakeholders of the Company.

In addition, Alia has implemented a whistleblowing reporting channel, which allows people to report violations of the Code of Ethics. For more information, please refer to the section "Corporate culture and business conduct policies" in sub-section "ESRS G1 – Business Conduct".

With regard to the human rights of affected communities, as of the date of drafting this Statement, no instances of non-compliance with the UN Guiding Principles on Business and Human Rights or the ILO Declaration on Fundamental Principles and Rights at Work have been reported in Alia's own operations or upstream and downstream in the value chain.

In this regard, the Group adopts a proactive approach to ensure respect for human rights in all its activities, actively working to prevent any violation, with particular attention to dignity, social inclusion and access to its services. Company policies ensure that all communities, including foreign ones, can benefit from the services offered in full compliance with company standards, without any form of discrimination. For more information, please refer to the "Policies" section of this sub-section.

With specific reference to the Water BU, it should be noted that Publiacqua operates under a concession, expiring on 31 December 2025. Therefore, for this company, the company policies pertaining to affected communities are based on Deeds of Concession.

Targets

As of the date of drafting this Statement, Alia Multiutility has not set Group targets related to territorial development and community involvement.

However, Alia Servizi Ambientali has set the following objectives within its 2025 Communication Plan aimed at managing the material affected community-related impacts, risks and opportunities, through information, awareness and active engagement with stakeholders:

1. Information and facilitation for the use of and access to services through offline and online channels;
2. Facilitating the relationship between company and customers;
3. Promoting actions aimed at improving the quantity and quality of separate waste collection and urban upkeep;
4. Promoting sensitivity and awareness of sustainability issues and the circular economy;
5. Sustainable partnerships with local businesses, cultural organisations and institutions;
6. Conventions and events to promote good environmental practices;
7. Engaging with citizens and stakeholders for active collaboration;
8. Supporting activities and events related to the topic of sustainability;
9. Engaging with the corporate population to promote widespread awareness of corporate identity and values.

Specifically, the information, communication and awareness activities will be implemented through innovative and engaging tools and languages, with the aim of increasing the appeal of the contents, the memorability of the messages and the reinforcement of positive actions. Strategies include, for example, the use of advertising techniques, guerilla marketing, the use of art and creative expression for the dissemination of environmental issues, and the involvement of influencers and testimonials to amplify the reach of initiatives.

Specifically, the 2025 Communication Plan is structured with the following short-term objectives:

- Accessibility to services: Restyling of the company website to improve access to information and services;
- Environmental education: Educational projects to disseminate good practices in schools and artistic initiatives to raise environmental awareness;
- Awareness and information: Targeted campaigns on proper separate waste collection, local events and protocols for sustainable companies, with measurement of citizen engagement.

The following targets are envisaged for the medium term:

- Active engagement and urban upkeep: Annual campaigns to promote citizen engagement and combat littering through innovative strategies such as “guerilla marketing”;
- Communication and information: Creation of editorial content (newsletters, magazines), enhancing digital communication and strengthening media relations;
- Stakeholder listening and engagement: Measurement of customer satisfaction, institutional relations and meetings with administrations and associations to ensure constant dialogue with the territory;

All targets are accompanied by measurement indicators, such as the number of events held, the engagement rate and the improvement of urban quality.

In line with the corporate policy of valuing the needs of local communities, the identification of objectives is based on an activity of listening to and analysing needs, conducted through the aforementioned channels and tools (such as surveys, consultations, focus groups, etc.). This process engages with communities, their representatives (e.g. public administrators, associations) and the relevant company departments.

Monitoring and the detection of possible improvements are carried out through the qualitative and quantitative analysis of the indicators established for each project, including the percentage of increase in separate waste collection, the number of downloads and interactions, as well as data from customer satisfaction surveys.

Lastly, it should be noted that within the scope of the Business Plan update from an ESG perspective, objectives have been set related to increasing the number of schools involved in initiatives aimed at raising awareness and disseminating good waste management practices, reducing energy waste, and the responsible use of water resources in the domestic sphere. These objectives were included in the “Territory” pillar.

Actions

The Group is implementing a crisis plan to define effective actions, methods and communication channels to ensure a timely response in emergency situations. The plan provides for the coordinated involvement of various corporate figures and the activation of all communication channels, both internal and external, to ensure a clear and targeted dissemination of the necessary information. The proper adoption of and compliance with the provisions of the crisis plan ensure timely and effective intervention in critical situations, thus helping to mitigate any negative impacts. This includes optimised management of facilities, including water facilities, to ensure service effectiveness, implementation of measures to reduce the environmental footprint of business operations, and collaboration with industry-leading partners.

The crisis plan adopted is designed to manage negative impacts and risks on affected communities through a four-step methodology:

1. **Listening and monitoring** – Identifying signs of a potential critical situation by monitoring reports from stakeholders;
2. **Preparation and prevention** – Defining information content and preparing an effective communication strategy aimed at involving all stakeholders;
3. **Communication and containment** – Implementation of the communication strategy, aimed at responding to stakeholder needs and containing the possible spread of misinformation or negative perceptions;
4. **Strengthening of positioning** – Consolidation of the relationship with stakeholders through follow-up actions, aimed at re-establishing trust and implementing any corrective measures.

Further actions are planned in connection with the achievement of the objectives included in the 2025-2019 Business Plan. For more information on the specific actions implemented for each category of affected communities, please refer to the section “Interests and views of stakeholders”.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

Efficiency, reliability and security of infrastructure and networks

Relations with affected communities

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Efficiency, reliability and security of infrastructure and networks</i>	<i>ESRS S3 – Affected Communities</i>	<i>Economic, social and cultural rights of communities</i>

Policies

As of the date of preparation of this Statement, Alia Multiutility has not established a Group policy to manage material impacts related to the efficiency, reliability and safety of infrastructure and networks.

However, the Group undertakes to comply with all the rules and measures for the regulation of the safety and continuity of the gas distribution service regulated by the Regulatory Authority for Energy, Networks and Environment (ARERA).

Targets

The Multiutility has not set targets related to the reliability and security of infrastructure and networks at Group level (with specific reference to ESRS S3). However, Alia Servizi Ambientali has set targets to raise awareness of these issues in its 2025 Communication Plan. For more information on this, please refer to the “Targets” section.

Actions

In 2024, Alia Servizi Ambientali confirmed its commitment to road safety through a series of actions aimed at preventing and mitigating the negative impacts of using its vehicles in daily waste collection and urban cleaning operations. Among the initiatives undertaken, the company installed new advanced driver-assistance systems (ADAS) on the first 200 trucks in its fleet, with the aim of reducing the risk of road accidents and improving safety for the community. At the same time, it strengthened its awareness campaign, involving citizens in an educational path aimed at promoting responsible and mindful behaviours.

The initiative culminated in the presentation of the new musical piece by the Tuscan singer-songwriter Lorenzo Baglioni, entitled *Il camion della spazzatura* (The Bin Lorry), a project in collaboration with Alia to raise public awareness, through irony and lightness, on the importance of road safety and respect for the operational vehicles involved in waste collection. This project was part of a broader communication strategy, which saw information posted in the 58 municipalities served by Alia, the publication of digital content in newspapers, social media and local television stations, and the application of maxi-stickers on company vehicles, transforming them into travelling awareness-raising tools.

The implementation of ADAS was an important step in the strategy to mitigate negative impacts. These devices use advanced computer vision technology, based on four side fish eye cameras, a central master camera and three signalling devices installed in the vehicles' cockpits. The system monitors blind spots, preventing collisions with pedestrians, cyclists and other vehicles, particularly during turning manoeuvres. Thanks to the integrated artificial intelligence, the system is able to calculate the trajectories of any moving obstacles in real time, alerting the driver if there is a risk of impact.

In the regulatory context, the adoption of ADAS has brought forward the obligation under Italian law for newly registered HGVs from July 2024. Alia decided to extend this innovation to vehicles already in use, going above and beyond the legal requirements and demonstrating a concrete commitment to road safety.

In collaboration with the University of Florence, the company also conducted a driver assistance system trial, evaluating the effectiveness of the systems in reducing blind spot accidents. The positive outcome of this phase led to the decision to implement the system on an increasing number of vehicles over the next year.

From a communication perspective, both qualitative and quantitative monitoring is conducted, with a specific focus on media and social media sentiment analysis. In addition, a structured analysis of the reports received through the different contact channels is carried out, an activity supervised by the Customer Department, in order to assess the perception and any criticalities reported by the affected communities.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

ESRS S4 – Consumers and End-users**Interests and views of stakeholders**

For the Multiutility, the issue of consumer and end-user engagement is particularly delicate and complex, as the Group operates through entities that interact directly and indirectly with different stakeholders.

Alia Servizi Ambientali, as well as the subsidiaries belonging to the **Environment BU** that operate in the integrated management of urban and similar waste in the ATO Central Tuscany, operate under a concession, awarded through a public procedure. **Consumers**¹²⁴ and **end-users**¹²⁵ are natural persons (citizens) and legal persons (private and public) who benefit from the services offered.

With reference to the companies belonging to the **Energy BU** – through the sale of natural gas and electricity; the distribution of natural gas; the technical and operational management of telecommunications networks and marketing of the relative services; the provision and exploitation of plants producing energy from renewable sources with particular reference to solar and biomass sources; the design, installation and management of energy efficiency plants for businesses, apartment buildings and individual dwellings; the treatment of solid and liquid, hazardous and non-hazardous waste; and the marketing of liquid propane gas – these are aimed at end-users and private consumers (households, SMEs, industry, large customers) and those belonging to the Public Administration. Furthermore, the companies belonging to the “gas distribution” division operate in a market regulated by the Regulatory Authority for Energy, Networks and Environment (ARERA).

The company belonging to the **Water BU** (Publiacqua), which manages the Integrated Water Service in ATO 3 Medio Valdarno, also operates under a concession. Also in this case, consumers and end-users are natural persons (citizens) and legal persons (private and public) who benefit from the services offered.

This distinction makes it clear that dialogue with consumers and end-users is **intrinsically linked to engagement with affected communities**. The services offered by the Group directly affect people's quality of life and the economic and social fabric of the region, making dialogue with all stakeholders a central element of the company's strategy.

For this reason, many of the engagement initiatives aimed at communities also include activities dedicated to consumers and end-users.

Aware of the importance of the engagement and participation of **consumers and end-users** in the development of its strategy and business model, the Group considers their interests, views and rights to be essential and of primary importance.

For the purposes of this report, as indicated in the sub-section “Double Materiality Analysis”, no direct stakeholder engagement activity was undertaken, since for this year the stakeholder engagement process was limited exclusively to company management. However, in the process of identifying and evaluating IROs, the relevance of **trade associations, citizens, businesses and municipalities** was considered.

Although there was no structured engagement, there were nevertheless initiatives and ways of listening directly and indirectly to consumers and end-users. The below table shows the main categories of stakeholders involved, how and to what extent they are involved, as well as the actions taken:

Trade associations

<i>Engagement methods</i>	<i>Purpose of engagement</i>
<i>Dialogue with trade associations takes place through remote meetings, public and private meetings and dedicated consultations, with the aim of ensuring direct and constructive discussion.</i>	<i>Providing clear and detailed information, gathering feedback on members' needs and promoting active engagement on issues of common interest.</i>
<i>Actions taken</i>	
<i>Organisation of meetings on specific topics, such as the transition to the Reward Tariff.</i> <i>Provision of information materials to facilitate communication between associations and their members.</i> <i>Active engagement in the consultation phases to make services more accessible and effective.</i> <i>Involvement of the Consumer Associations that signed the Self-Regulation Protocol, by setting up a Control Body with the task of ensuring compliance with the Protocol itself and, more generally, with the principles of fairness and good faith. The Body is chaired by the Chairman of Estra S.p.A. and composed of the following corporate structures: Corporate Communications Service, Legal Affairs Service, Internal Auditing Service, Process Management and Quality System.</i>	

¹²⁴ Individuals who purchase, consume or use goods and services for personal use, whether for their own account or for others, and not for resale or commercial, business or professional purposes.

¹²⁵ Individuals who ultimately use or intend to use a certain product or service.

In 2024, no specific meetings were held, but the established body was nevertheless active.

For more information on this, please refer to the sub-section "Opinion leaders, citizens, representatives of institutions, administrators, economic categories, environmental and cultural associations" within the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".

Citizens / End-users

<i>Engagement methods</i>	<i>Purpose of engagement</i>
<i>Citizens are involved through surveys, public meetings, digital and paper communications, thus ensuring wide access to information.</i>	<i>Raising citizens' awareness of the services available, gathering opinions to improve their effectiveness and encouraging active engagement in the proposed initiatives.</i>
<i>Actions taken</i>	
<i>Sending out surveys to collect data to create predictive models and improve the quality of services.</i> <i>Organisation of meetings to inform and engage with citizens on new initiatives or updates.</i> <i>Regular communications, both digital and printed, to provide updates and clarifications on available services.</i> <i>Distribution of information material directly to citizens via leafleting, to ensure widespread dissemination of information on new services.</i> <i>Creation of the first joint branch by Estra and Alia Multiutility as an innovative initiative that combines the skills of both companies to offer citizens a more complete and efficient service in waste management and gas and energy supply. The new branch is located in Borgo San Lorenzo and was created in response to the objective of offering a quality service and optimising resources in the area, simplifying procedures and improving citizens' access to information.</i>	
<i>For more information on this, please refer to the sub-section "Citizens" within the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".</i>	

Companies and Organisations

<i>Engagement methods</i>	<i>Purpose of engagement</i>
<i>Dialogue with companies is developed through surveys, meetings, digital and paper communications, offering opportunities for discussion and operational support.</i>	<i>Helping companies to better manage the services available, collecting data to improve the quality of supply and fostering effective collaboration between the public and private sectors.</i>
<i>Actions taken</i>	
<i>Collection of feedback through surveys, to develop more accurate analysis and planning models.</i> <i>Dedicated meetings to illustrate new services, optimise procedures and respond to specific business needs.</i> <i>Sending targeted communications to constantly update companies on news and service improvements.</i> <i>Home visits to provide personalised advice on waste management and the TARI (waste tax), offering concrete and direct support.</i>	
<i>For more information on this, please refer to the sub-section "Companies and Organisations" within the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".</i>	

Municipalities

<i>Engagement methods</i>	<i>Purpose of engagement</i>
<i>Collaboration with municipalities takes place through discussion and planning meetings, with the aim of developing shared strategies and improving the integration of services at the local level.</i>	<i>Working in synergy with local administrations to plan and implement initiatives that meet the needs of the territory and its citizens.</i>
<i>Actions taken</i>	
<i>Development of joint projects to improve the management and delivery of services in the various Municipalities.</i> <i>Activation of working tables to define shared strategies and optimise resources and processes.</i> <i>Technical and operational support for the implementation of new solutions, with a focus on sustainability and administrative efficiency.</i>	

For more information on this, please refer to the sub-section "Public Administrators" within the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".

Customers and Former Customers

Specific engagement method for Estra

Engagement methods	Purpose of engagement
<i>The relationship with customers and former customers is mainly through survey and analysis actions on company touch points, both during active interaction with the services (for current customers) and after termination of the contract (former customers). These activities aim to detect different key drivers, KPIs (such as NPS, CSAT, CES) and specific qualitative aspects according to the type of survey carried out.</i>	<i>Measuring the level of satisfaction (CSAT), retention (NPS) and ease of interaction with the company (CES), as well as identifying areas for improvement, strengths and gather general opinions. For former customers, the aim is also to understand the reasons that led to the termination of the contract or to provide useful information for the possible reinstatement of the contract, particularly in the case of an involuntary switch out.</i>
Actions taken	
• <i>Periodic customer surveys to monitor satisfaction, loyalty and ease of use of services.</i> • <i>Dedicated surveys for former customers to investigate the reasons for the switch out and identify any corrective or informative actions to be taken.</i> <i>For more information on this, please refer to the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".</i>	
Engagement methods	Purpose of engagement
<i>The relationship with customers and former customers is mainly through survey and analysis actions on company touch points, both during active interaction with the services (for current customers) and after termination of the contract (former customers). These activities aim to detect different key drivers, KPIs (such as NPS, CSAT, CES) and specific qualitative aspects according to the type of survey carried out.</i>	<i>Measuring the level of satisfaction (CSAT), retention (NPS) and ease of interaction with the company (CES), as well as identifying areas for improvement, strengths and gather general opinions. For former customers, the aim is also to understand the reasons that led to the termination of the contract or to provide useful information for the possible reinstatement of the contract, particularly in the case of an involuntary switch out.</i>
Actions taken	
• <i>Periodic customer surveys to monitor satisfaction, loyalty and ease of use of services.</i> • <i>Dedicated surveys for former customers to investigate the reasons for the switch out and identify any corrective or informative actions to be taken.</i> <i>For more information on this, please refer to the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".</i>	

Users

Specific engagement method for Publiacqua

Engagement methods	Purpose of engagement
Users are engaged with through regular Customer Satisfaction (CS) surveys, meetings and assemblies to address specific service-related issues and materiality analyses.	Constantly monitoring the level of user satisfaction with the services offered, identifying any issues and discussing significant interventions that could impact the area, in order to gather useful feedback for continuous improvement.
Actions taken	
- Implementation of targeted actions to improve aspects that show lower levels of satisfaction or show a significant reduction. - Organisation of meetings and assemblies to discuss specific issues and works impacting the area directly with users. For more information on this, please refer to the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".	

Trade Associations and Consumer Associations

Specific engagement method for Publiacqua

Engagement methods	Purpose of engagement
Through periodic meetings and materiality analyses, with direct engagement or through bodies such as Cispel Toscana in the working tables of ANCI Toscana and the Consumer Associations.	Presenting and discussing projects and works that can have a significant impact on the territory, gathering feedback and defining shared strategies to improve the effectiveness of interventions.
Actions taken	
Participation at institutional tables to ensure continuous dialogue with representative stakeholders and agree on effective interventions. For more information on this, please refer to the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".	

Tuscan Water Authority

Specific engagement method for Publiacqua

Engagement methods	Purpose of engagement
Engagement through meetings and materiality analyses to discuss regulatory issues, define the action plan and identify strategic objectives.	Working closely together to plan targeted interventions, presenting projects that influence the territory and establishing common goals for service development.
Actions taken	
- Definition and sharing of the intervention plan. - Detailed presentation of significant interventions planned or in progress. For more information on this, please refer to the section "Interests and views of stakeholders" of sub-section "ESRS S3 – Affected Communities".	

Description of the processes to identify and assess material consumer and end-user-related impacts, risks and opportunities and their interaction with strategy and business model(s)

Similarly to the above, the process for identifying and assessing material consumer and end-user-related IROs is interlinked with the process for affected communities, for more information please refer to the sub-section "Double Materiality Analysis".

As outlined in the dedicated sub-section, the material IROs were mapped by analysing the Group's operating context, its business model and the Multiutility's Business Plan. The material IROs are directly related to the business model and drive the Group's strategy. The relationship and dependencies with consumers and end-users where the Group carries out its activities are characteristic elements of a multiutility business model. Examples of these dependencies include the active collaboration of citizens in separate waste separation and waste management, environmental education to encourage sustainable behaviour, the influence of local

infrastructure on the efficiency of services, and cooperation with local governments to maintain and improve this infrastructure, thereby raising the quality of services and the well-being of the population.

The IROs related to the identified topics concern the operations of the Group and its value chain, affecting all consumers and end-users where the Multiutility operates. In particular, similar to what was said above for affected communities:

- For the **Environment Business Unit**, users are located in the Ambito Territoriale Ottimale (Optimal Territorial Area) Central Tuscany, comprising the provinces of Florence, Pistoia and Prato, where Alia operates. In this context, consumers and end-users need accurate, clear and accessible information on the services provided (such as separate waste collection manuals and information on how to handle waste) in order to prevent behaviour that could cause health or environmental risks;
- For the **Energy Business Unit**, consumers mainly concern the national territory, with particular reference to Central and Southern Italy;
- For the **Water Business Unit**, with reference to Publiacqua, users are located in the 46 Municipalities of the Tuscany region (ATO 3 Medio Valdarno).

These consumers include citizens who reside and/or work in the vicinity of the operating sites, facilities (including waste treatment facilities) and offices of Group companies or its value chain.

It also involves consumers of services that could have a negative impact on their privacy rights and the protection of personal data.

No particularly vulnerable consumer groups such as children or the financially vulnerable were identified.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Customer at the centre, responsibility and quality of services</i>	<i>ESRS S4 – Consumers and End-users</i>	<i>Impacts related to consumer and/or end-user information Personal safety of consumers and/or end-users Social inclusion of consumers</i>
<i>Efficiency, reliability and security of infrastructure and networks</i>	<i>ESRS S4 – Consumers and End-users</i>	<i>Impacts related to consumer and/or end-user information Personal safety of consumers and/or end-users Social inclusion of consumers</i>

With particular reference to the topic **"Customer at the centre, responsibility and quality of services"**, the Double Materiality analysis carried out by the Group identified the following:

- according to the "inside-out" perspective, positive impacts resulting from increasing the direct engagement with consumers and end-users, ensuring their freedom of expression and fostering participation through representative associations; and from clear, transparent and effective communication to consumers and end-users, increasing awareness of and trust in the services offered. At the same time, a potential negative impact arises from the possible mishandling of personal information of consumers and end-users. In particular, inadequate management, characterised by inaccurate or insufficiently protected information, could lead to significant impacts on the security and privacy of users, including potential damage resulting from unauthorised access or inadvertent disclosure of sensitive data. Finally, a potential negative impact related to possible deficiencies in maintenance, operational errors or defects in gas distribution systems or in the quality of the water supplied also emerges as material;
- According to the "outside-in" perspective, no material risks and opportunities related to ESRS S4 were detected.

With reference to the topic **"Efficiency, reliability and security of infrastructure and networks"**, the Double Materiality analysis carried out by the Group identified the following:

- according to the "inside-out" perspective, a positive impact linked to the guarantee of effective efficiency and reliability of the services offered, as well as continuous access to distribution services (gas, water, etc.) by users. This is ensured through constant monitoring of the state of the infrastructure in the municipalities served, in order to prevent disruptions and ensure high standards of quality, safety and continuity of service;
- according to the "outside-in" perspective, a risk of losing customer data or suffering cyber-attacks, leading to possible regulatory sanctions, compensation claims and a negative impact on corporate image, to be dealt with by appropriate IT security measures and full compliance with privacy regulations. In addition, there is a risk of ineffective customer relationship management, especially with regard to complaints, written requests and communication, undermining customer trust and the corporate reputation. On the other hand, a significant opportunity is identified in the effective adoption of innovative and digitised

processes, which improve the quality of services and facilitate access by users and consumers, generating potential benefits on cash flow and overall business success.

Processes for engaging with consumers and end-users about impacts and processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Bearing the above in mind regarding the ways in which Multiutility considers the interests and views of consumers and end-users, the latter can directly guide the Group's decisions and operations through:

- Direct involvement of the consumers themselves or interested end-users, depending on their preference of contact channels, thus favouring the development and implementation of digital and smart solutions;
- The collection and analysis of significant and recurring requests from consumers and end-users, which may lead to changes in the regulations and/or operating procedures adopted by the Group.

Engagement phases occur throughout the period of use of active services and take place through:

- The continuous management and analysis of requests and reports from customers while using the services;
- The periodic administration of surveys, including the customer satisfaction survey, at least once a year or during specific projects.

Alia Servizi Ambientali may carry out surveys to ascertain the degree of user satisfaction with the quality of services rendered or to find out specific needs or interest in the types of services and organisational methods. Surveys can be extended to stakeholders. A user satisfaction survey of the services provided in the previous year is carried out at least annually with reference to the services provided. The survey, published on the website, is aimed at improving the services rendered and identifying any needs on the part of citizen-users, and may also be extended to other stakeholders.

Senior Management is operationally responsible for ensuring that these processes run smoothly.

In the event that the Group finds that it has caused or contributed to causing a material negative impact on its users, the general approach envisages a process for handling complaints and reports, regulated by the Quality Charter approved by ATO Central Tuscany and drafted in compliance with ARERA Resolution no. 15 of 18 January 2022. This process includes remedial and compensatory measures (e.g. compensation), with periodic evaluation of the effectiveness of the remedies adopted through performance indicators and direct feedback from consumers themselves.

The process for handling complaints and corrections includes:

- Formalisation of the complaint or request for rectification in writing through various channels;
- Obligatory indication of the users identification data and details of the service involved, as well as bank or postal details for possible compensation;
- Reasoned response sent as a priority by e-mail within 30 days for complaints and enquiries, and within 30 days for requests to rectify amounts;
- Exclusion from whistleblowing management of incomplete reports or reports lacking essential identification elements.

Users can communicate using one of the following contact points: a) branch; b) call centre; c) hotline; d) e-mail; e) certified e-mail (PEC); f) online user section.

Alia Servizi Ambientali provides users with periodic information on the management of the service, not only through the channels indicated above, but also by means of: a) communication and awareness campaigns (posters, newspaper advertisements, radio and television adverts, billboards, online campaigns, flyers, brochures, notices, etc.); b) educational activities in schools (environmental education projects with the possibility of visiting waste disposal, sorting and treatment plants and collection centres); c) press releases and editorials and newsletters and information sheets to be distributed to be attached to the collection document; d) setting up of information points at widely attended events; e) messaging service through SMS, e-mail, social networks and dedicated apps

The Quality Charter is published on the Alia Servizi Ambientali website, www.aliaserviziambientali.it, and on the website of the Municipality if it directly manages tariffs and relations with users. Users with a direct, concrete and current interest have the right to access the documents and information held by Alia in the manner provided for by Italian Law no. 241/1990 and Italian Legislative Decree no. 195/2005.

The Estra Group and Publiacqua also have public documents relating to the quality of services provided. With reference to the Estra Group, the Charter of Responsibilities is published on the website www.estra.it as a digital tool updated in real time and available for consultation by citizens/users. The latter can communicate with the Group through three channels, listed by speed of response: dedicated hotline (fast response time),

sending a message on Facebook (average response time) or writing using the online form (slower response time).

With reference to Publiacqua, the Service Charter can be requested from the public offices indicated on the Charter itself, in writing or by telephone; the document can also be downloaded from the websites www.publiacqua.it and www.autoritaidricatoscana.it. In the event of dissatisfaction with the outcome of a complaint or billing adjustment submitted to the Operators, users may follow the Conciliation procedures governed by the “Regulations on Conciliation in the Integrated Water Service” published on the website of the Tuscan Water Authority. Through the online branch accessible at <https://sportellotelematico.autoritaidrica.toscana.it/>, the user can file a conciliation request.

For more information on the relevant policies, please refer to the “Policies” section of this sub-section.

Furthermore, in order to ensure that users are aware of the tools and facilities to express their needs and receive appropriate assistance, regular communications, both digital and printed, are sent out to provide updates and clarifications on available services.

For more information on engagement processes, please refer to the section “Processes for engaging with affected communities about impacts and processes to remediate negative impacts and channels for affected communities to raise concerns” in the subsection “ESRS S3 – Affected Communities”. Finally, for more information on the possibility of reporting, please refer to the section “Corporate culture and business conduct policies” in sub-section “ESRS G1 – Business Conduct”.

Customer at the centre, responsibility and quality of services

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Customer at the centre, responsibility and quality of services</i>	<i>ESRS S4 – Consumers and End-users</i>	<i>Impacts related to consumer and/or end-user information Personal safety of consumers and/or end-users Social inclusion of consumers</i>

Policies

At the time of writing, Alia Multiutility has not established a Group policy related to consumers and end-users on this specific issue.

However, within the scope of the services offered, the Multiutility undertakes to operate in compliance with all the Regulations and Provisions issued by the Regulatory Body ARERA, thus guaranteeing the protection of the relationship with consumers and users, the principles of which are described within the codes of conduct of the various entities.

More specifically, the “Quality Charter” of the integrated municipal waste management service (hereinafter referred to as the “Charter”), approved by ATO Central Tuscany and drafted in compliance with ARERA Resolution no. 15 of 18 January 2022 and with the national, regional and regulatory provisions in force, governs the procedures for using the service and the rules of relations between users and Alia Servizi Ambientali (the “Operator”), specifying the obligations and quality levels that the latter must guarantee. The content of the Charter is supplemented by the Municipal Waste Management Regulation and the Tariff Regulation, both of which are available on the Operator’s website, in the section dedicated to each Municipality, on the Municipality’s website and in branch. This Charter is valid and applied in all the Municipalities managed by Alia Servizi Ambientali and governs relations with the users of each management in the ATO Central Tuscany. The Charter is available on the institutional website www.aliaserviziambientali.it.

The monitoring of service quality is the responsibility of the Regulatory Office and is carried out by means of an electronic register, which enables an annual report to be drawn up and sent to the regulatory body ARERA. Alia complies with the provisions of the advanced quality level obligations set out in quadrant IV of the regulatory matrix of the consolidated act for the regulation of quality of the municipal waste management service (TQRIF) and, when improvement-related, those set out in the Service Agreement.

As indicated in its Quality Charter (specifically, in art. 4 “General Standards”), Alia Servizi Ambientali is committed to respecting the principle of equal rights of users, without any form of discrimination on the grounds of age, gender, sexuality, state of health, race, nationality, political opinions or religious beliefs. Equal treatment of services provided in different geographical areas and between different categories or user groups is also guaranteed under the same technical conditions. Conduct towards users is inspired by criteria of objectivity, justice, fairness and impartiality.

With reference to the Energy BU, the companies of the Multiutility belonging to the Estra Group have adopted a “Charter of Responsibilities” that stems from the need shared with consumer associations to offer

customers further opportunities to learn about the Estra world, its services and its quality standards (through, for example, Guides and FAQs). The Estra Group's staff have always been committed to providing prompt and reliable responses, to offer good service and reasonable rates, and to resolve any critical issues as quickly as possible. The Charter in question is published on the institutional website www.estra.it. With specific reference to the gas distribution companies (Centria, Gergas and Murgia Reti Gas), the specific and general levels of commercial quality of the gas distribution service, relating to the various services provided for by ARERA in Resolution 569/19, are indicated in a specific document also available on the institutional website, called "Distribution: Centria, Gergas and Murgia Reti Gas". In addition, the "Protocollo di Autoregolazione Volontaria" (Voluntary Self-Regulation Protocol) can be consulted on the Estra Group's website, which illustrates the measures adopted to offer additional guarantees to those already provided for by the regulations, so as to strengthen the Estra Group's commitment and responsibility for the protection of rights when stipulating electricity and gas contracts.

With reference to the Water BU, there is a "Standard and Quality Service Charter" in force as of 1 August 2022 and approved by resolution of the Board of Directors of Publiacqua no. 8 of 22 July 2022. The Charter is available at www.publiacqua.it.

The Group's Legal and Regulatory function, reporting directly to Alia's CEO, is responsible for representing the Multiutility's position in managing relations with Authorities and Regulatory Bodies, reference associations and comparable operators, as well as in the participatory process of forming regulations, overseeing the related consultation and reform and revision processes for the remuneration criteria of business activities.

Targets

Considering the reference businesses, there are targets relating to the service standards set at national level (by ARERA) and those that Group companies set themselves as "guaranteed service levels".

In addition, as part of the update of the Multiutility's 2025-2029 Business Plan from an ESG perspective, the following objectives were identified in advance:

- Increase in the number of users involved on the basis of the TARIC reward tariff, which is expected to be reached by 2029 (baseline 2024);
- Launch of digital billing initiatives to promote digitisation (no. of digital bills / no. of total bills), to be achieved by 2029 (baseline 2024);
- Encourage digitisation through the number of contracts handled by digital channels (no. of contracts handled by digital channels / no. of total contracts), to be achieved by 2029 (baseline 2024);
- Increase in the number of reverse vending machines (no. of reverse vending machines / no. of total bins), to be achieved by 2028 (baseline 2024);
- Optimisation of Alia Servizi Ambientali's info point services in the territory (no. of integrated waste and energy info points), to be achieved by 2026 (baseline 2024).

Further objectives in this regard are set out in Alia's 2025 Communication Plan. For more information on this, please refer to the section "Targets" of sub-section "ESRS S3 – Affected Communities".

Actions

The Group implements periodic monitoring of service performance, adopting measures for continuous improvement where possible, in order to ensure compliance with the national standards set by ARERA and the achievement of the service levels that the Group companies undertake to maintain as guaranteed objectives.

The Group's future actions will be defined and implemented within the framework of the Multiutility's 2025-2029 Business Plan, with an ESG approach.

With specific reference to the potential negative impact related to the inadequate management of consumer and end-user personal information, Alia and the Tariff Manager (the Municipality for the management of the TARI waste tax and Alia for the reward tariff) act as Data Controller respectively.

They undertake to carry out the processing operations, functional to the provision of the activities of their respective remit, in implementation of the regulations dictated by Regulation (EU) 2016/679 (General Data Protection Regulation, GDPR) and Italian Legislative Decree no. 196/2003 (Personal Data Protection Code).

The Data Controller undertakes to take all appropriate measures to provide, to the data subject, the information referred to in articles 13 and 14 of the GDPR and to ensure the full exercise of the rights referred to in articles 15-22 of Regulation (EU) 2016/679. The disclosures pursuant to articles 13 and 14 of the GDPR are also published on the website in a dedicated section.

Please refer to the sub-section “ESRS S3 – Affected Communities” for more information on initiatives to manage impacts related to this specific topic.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

Efficiency, reliability and security of infrastructure and networks

Relations with consumers and end-users

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Efficiency, reliability and security of infrastructure and networks</i>	<i>ESRS S4 – Consumers and End-users</i>	<i>Impacts related to consumer and/or end-user information</i> <i>Personal safety of consumers and/or end-users</i> <i>Social inclusion of consumers</i>

Policies

At the time of writing, Alia Multiutility has not established a Group policy related to consumers and end-users on this specific issue.

The Group undertakes to comply with all regulations and control standards by the relevant authorities. In fact, all services offered by the Multiutility are subject to regulation by ARERA, which deals with regulation and control in the electricity, natural gas, water services and waste cycle sectors.

For more information on consumer and end-user policies, please refer to the “Policies” section of this sub-section.

Targets

In relation to its reference businesses, the Group is committed to complying with both the service standards set at national level by ARERA and the guaranteed service levels that the Group companies set themselves as targets.

The Multiutility’s 2025-2029 Business Plan includes ESG-oriented targets. For more information on this, please refer to the section “Targets” of sub-section “ESRS S3 – Affected Communities”.

Actions

The Group is committed to continuous, regular and consistent service. In the event of service suspensions or interruptions, the Operator shall notify users promptly and take all necessary measures to limit the duration of the disruptions.

Initiatives to ensure the efficiency and reliability of infrastructure and networks, its processes and related monitoring are conducted in compliance with the relevant ARERA provisions.

For more information on the process of managing the efficiency and security of infrastructure and networks, please refer to the “Actions” section of this sub-section.

Finally, with regard to this section, the implementation of these actions does not entail any operating expenditure (OpEx) and/or capital expenditure (CapEx) considered financially significant for the Group.

3.9.4 Governance Information

ESRS G1 – Business Conduct

The role of the administrative, management and supervisory bodies

As also recalled in its own 231 Model, the corporate governance mechanisms adopted by Alia are geared towards making the organisational structure compliant with the applicable regulatory provisions and suitable to oversee the various risk areas, as well as to prevent possible offences. In this context, the Board of Directors is called upon to ensure the adequacy of the Company's organisational, administrative and accounting structures; therefore, it is entrusted with the exclusive management and performance of the operations necessary to implement the corporate purpose, as well as to ensure "good" business conduct. The members of the Board of Directors must meet the requirements of professionalism, good repute and independence to the extent and under the terms laid down in the regulations.

Furthermore, it is the task of the Board of Directors to ensure the effective implementation of the 231 Model, by evaluating and approving the actions necessary for its implementation or modification. To identify such actions, the Board of Directors is supported by the Supervisory Body (described under "Business Ethics"). The Governing Body has the task of preparing and implementing the Model's programme, working in concert with the Supervisory Body, which is responsible for verification activities. The effective and concrete implementation of the Model is also ensured:

- by the Supervisory Body, in the exercise of the powers of initiative and control conferred on it over the activities carried out by the individual organisational units in sensitive areas;
- by the Heads of the various Departments and Functions of the Company in relation to the activities at risk carried out by them.

The Board of Directors has delegated operational powers to the Managing Director, who was also entrusted with the operational management of the Company.

The Board of Statutory Auditors monitors compliance with the law and the by-laws, as well as compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure of the Company and its proper functioning. The Board of Statutory Auditors also reports the outcome of its supervisory activities to the Shareholders' Meeting at the time of the approval of the Financial Statements. Without prejudice to the rules in force on incompatibility of appointments, the members of the Board of Statutory Auditors must meet the requirements of good repute, professionalism, independence and on the accumulation of appointments laid down by the legislation in force at the time.

In terms of expertise, the aforementioned bodies have a full understanding of their roles and responsibilities in relation to business conduct. This also includes overseeing company policies, managing risks and ensuring that the company operates in compliance with applicable regulations. The members of the bodies possess specific subject matter expertise, demonstrated above all by their professional experience and educational background. Furthermore, the Governing, Management and Control Bodies have access to all the resources and information they need to be able to make informed decisions, as well as continuously monitor corporate practices and ensure that they are aligned with the Multiutility's strategic objectives.

For more information on the roles and characteristics of the governance, management and control bodies, please refer to the section "Governance and control bodies" within the "Governance" sub-section.

Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities

Concerning the process of identifying and assessing material business conduct-related impacts, risks and opportunities, please refer to the sub-section "Double Materiality Analysis". As specified in the dedicated sub-section, the material IROs were mapped by analysing the Group's operating context, as well as its business model and the Multiutility's Business Plan. In fact, the material IROs are closely linked to the company's business model and guide the corporate strategy.

Central to the Group is the issue of ethical conduct, which is supported through training initiatives on the prevention of corruption, implementation of systems to monitor the sustainability of the supply chain, and the development of projects aimed at promoting legality and sustainable innovation. Alia Multiutility is committed to maintaining an organisational culture based on transparency and integrity, promoting the reporting of offences and establishing collaborative and transparent relations with suppliers and contractors. At the same time, particular attention is paid to the reputational and economic risks arising from incidents of corruption,

anti-competitive practices and conflicts of interest, in order to protect corporate credibility and the trust of local stakeholders.

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Ethics and integrity in business conduct</i>	<i>ESRS G1 – Business Conduct</i>	<i>Corporate culture Protection of whistleblowers Corruption and bribery</i>
<i>Sustainable management of the value chain</i>	<i>ESRS G1 – Business Conduct (Supply Chain)</i>	<i>Management of relations with suppliers, including payment practices</i>

With particular reference to the topic “**Ethics and integrity in business conduct**”, the Double Materiality analysis carried out by the Group identified the following:

- according to the “inside-out” perspective, positive impacts resulting from training activities aimed at preventing and detecting corruption, which contribute to creating a healthy socioeconomic system based on ethical principles and respect for rules. At the same time, a corporate culture based on integrity is promoted, encouraging the reporting of offences and thus enhancing transparency in corporate governance. Moreover, the development of the Multiutility project generates positive impacts in promoting ethics and legality, fostering strategic development and innovation, and contributing to improving the quality of life of users and communities through sustainable practices. Finally, particular attention is paid to the effective management of reputational and economic risks arising from possible incidents of corruption, anti-competitive behaviour, monopolistic practices and conflicts of interest, to protect the stakeholders involved (suppliers, customers, partners, etc.);
- according to the “outside-in” perspective, the potential risk of violations of the Code of Ethics, current regulations and company procedures, including the anti-corruption provisions defined by Italian Legislative Decree no. 231/2001. Such violations, possibly committed by Group companies or third parties such as business partners, agents or other intermediaries acting on behalf of the Group, could lead to episodes of corruption or bribery, with possible consequences such as criminal and civil sanctions, and significant negative impacts on the Group’s overall reputation and reliability.

With particular reference to the topic “**Sustainable management of the value chain**”, the Double Materiality analysis carried out by the Group identified the following:

- according to the “inside-out” perspective, positive impacts related to the sustainable management of the value chain, fostered by the establishment of collaborative relationships with suppliers and contractors, based on transparency, shared compliance with the procedures set out in the Procurement Code and rigorous evaluation of their performance. Further benefits come from implementing structured systems and processes to continuously monitor and assess sustainability throughout the supply chain, improving the ESG profile of third parties and optimising operational practices to reduce costs, resource consumption and waste generation. Such processes include, for example, the systematic collection and analysis of information on suppliers’ environmental, social and ethical practices, as well as verification of their compliance with company regulations and standards;
- according to the “outside-in” perspective, the potential risk of late payments to suppliers and/or possible interruptions in the supply chain was identified, which could adversely affect the company’s operations, generating inefficiencies, additional costs and potential damage to reputation and relations with suppliers.

Ethics and integrity in business conduct

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Ethics and integrity in business conduct</i>	<i>ESRS G1 – Business Conduct</i>	<i>Corporate culture Protection of whistleblowers Corruption and bribery</i>

Corporate culture and business conduct policies

Below are the main corporate policies on business culture and conduct for Alia Multiutility, prepared in order to manage and/or remediate the material IROs described in the sub-section “Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities”, linked to the topic “Business Ethics and Integrity”, as well as to promote and strengthen the related corporate culture.

Whistleblowing management

In order to promote transparency, fairness and legality, as well as in implementation of the provisions of Italian Legislative Decree no. 24/2023 on whistleblowing, Alia Multiutility encourages the reporting of conduct, acts or omissions that integrate or potentially integrate violations of rules (Regulations and Laws) and “internal rules” (Models, procedures, etc.).

The **whistleblowing procedure**, adopted by Alia Servizi Ambientali and Estra (and which applies to all Multiutility companies), governs the process of receiving, analysing and processing reports and provides indications on the contents, recipients and methods for sending reports, as well as on the forms of protection offered to the whistleblower and the reported party.

The **whistleblowing channel** is available for internal reports, which can be made by individuals (internal and external) working in the Company’s work context, such as:

- employees of the Company or Group Companies;
- self-employed workers, collaborators, freelancers and consultants working for the Company (e.g. Suppliers);
- volunteers and trainees, paid and unpaid;
- shareholders and persons with administrative, management, supervisory or representative functions, even if such functions are exercised on a de facto basis.

However, for specific cases governed by the procedure, an external report can be made to the special channel set up by Italy’s National Anti-Corruption Authority ANAC.

Reports, which can be made either orally or in writing, are mainly made through a dedicated IT platform, accessible from the corporate website and intranet, which guarantees anonymity and confidentiality through encryption tools. The platform allows users to attach documentation, interact with the whistleblower and provide updates on the outcome of the investigation. An anonymous voice messaging system is also available, as well as the possibility of requesting a direct meeting with the Whistleblowing Manager.

The internal investigation is conducted by the Internal Audit Function, which operates independently and does not carry out operational activities. The policy adopted by the Group also regulates cases of conflict of interest, stating that any reported individual must be excluded from the whistleblowing management process. When a report concerns a member of the Internal Audit Function, the Whistleblowing Committee or the Supervisory Body, the individual involved must avoid any activity relating to the handling of the report. In such circumstances, whistleblowing is entrusted to external professionals with appropriate professionalism and autonomy.

On receipt of a report, the Internal Audit Function issues a confirmation within seven days (except in special cases), interacts with the whistleblower for any further details and carries out a preliminary verification of the requirements laid down in Italian Legislative Decree no. 24/2023. If these requirements are not met, it forwards the report to the competent corporate functions as an ordinary report. If the report concerns potential breaches of Italian Legislative Decree no. 231/2001, it is forwarded anonymously to the Supervisory Body. The Function decides whether to file (when unfounded) or to proceed with an in-depth investigation, informing the Whistleblowing Committee. The whistleblower always receives preliminary feedback within three months, followed by final feedback. In the event of a conflict of interest in management, whistleblowing is entrusted to uninvolved internal persons or qualified external professionals.

The whistleblowing management procedure is made available to interested parties by means of publication on the corporate intranet and publication on the institutional website and the institutional websites of the individual Group Companies.

Contractual relations with suppliers include a clause informing them about the establishment of the reporting channel and the adoption of the relevant procedure.

Alia Multiutility guarantees specific technical and organisational measures to protect whistleblowers from retaliation and to ensure their anonymity throughout the entire process, until any disciplinary procedures. If it is necessary to reveal the identity of the whistleblower, this is only done with the whistleblower’s explicit consent.

The identity of the whistleblower, the person reported, the persons involved, the facilitators and anyone mentioned in the report, as well as any information enabling their direct or indirect identification, may not be disclosed. This obligation of confidentiality is strictly guaranteed at all stages of the proceedings, including any communications to the competent authorities.

The identity of the persons involved or named in the report is protected until the final conclusion of the proceedings, with the same guarantees as for the whistleblower. In the case of anonymous reports, the utmost confidentiality is ensured even when the identity may be incidentally obtained during the investigation.

Investigation activities are coordinated by the Whistleblowing Committee, which relies on the Internal Audit Function, supported, if necessary, by other competent Functions or qualified external experts. If the report constitutes a criminal offence with potential criminal implications, the Whistleblowing Committee assesses the possibility of mandating an external lawyer to conduct the defence investigation in accordance with the Code of Criminal Procedure.

Every six months, the Internal Audit Function prepares a periodic report summarising the activities carried out, including the data provided by the Group Companies through the Half-Yearly Reports, to be submitted to the Whistleblowing Committee, before being sent to:

- CEO and Chairman of the Board of Directors;
- Chairman of the Control and Risks Committee;
- Chairman of the Board of Statutory Auditors;
- Chairman of the Supervisory Body.

For the Group Companies concerned in the reporting period, an extract of the aforementioned report is prepared and forwarded to the equivalent Governance, Supervisory and Control Bodies and Senior Management, as appropriate.

An annual report is also submitted to the Board of Directors and the Supervisory Body summarising the reports received and their outcome.

The highest management level responsible for the implementation of the Procedure is the Board of Directors, which relies on the technical and operational support of the Internal Audit Function and the Whistleblowing Committee.

Prevention and detection of corruption or bribery

At the date of drafting this Statement, Alia Multiutility had not yet adopted a formal Group policy for combating corruption and bribery, nor had it defined specific timelines for its implementation. However, the Group concretely manifests its commitment through specific initiatives aimed at preventing and countering any incidents of corruption and bribery by promoting principles of integrity and transparency in all its activities. In any case, Alia Multiutility's 2025-2029 Plan provides for the harmonisation of procedures and policies at Group level (including the Anti-Corruption Policy).

In addition, policies and processes concerning the fight against corruption and bribery are regulated within the **Organisational, Management and Control Models pursuant to Italian Legislative Decree 231/2001** of Alia Servizi Ambientali and the individual Group entities that have decided to adopt one. In particular, in accordance with the ANAC guidelines, the 231 Model was supplemented with a specific appendix dedicated to the prevention of corruption and bribery. In addition, company policies provide for additional control measures to identify and manage potential conflicts of interest, thereby strengthening the safeguards to prevent corruption risks.

By adopting its own 231 Organisational Model, Alia Servizi Ambientali supports the adoption and effective implementation by its subsidiaries of their own 231 Organisational Models, in compliance with the provisions of the Parent Company's Model. The Group Companies determine and implement the most appropriate measures and safeguards to prevent their configuration and appoint their own Supervisory Bodies.

Alia and the various Group entities that have adopted the 231 Organisational Model, have implemented dedicated procedures to ensure a timely, independent and objective investigation of possible breaches of business conduct, including incidents of corruption and bribery. For more information, please refer to the "Whistleblowing management" section of this sub-section.

Alia prepares **communication and training** aimed at fostering the dissemination of the provisions of the Decree and of the 231 Organisational Model adopted in its various components (the Model's prerequisite tools, purposes, structure and fundamental elements, the system of powers and proxies, the identification of the Supervisory Body, information flows to the latter, etc.), including whistleblowing and the related management process. This is to ensure that subject matter knowledge and respect for the resulting rules form an integral part of the professional culture of each corporate body, corporate representative, employee and internal staff of the Company.

In particular, the training policy on business conduct within the organisation is referred to in the 231 Model, which requires Alia to ensure proper knowledge and dissemination of the rules of conduct and behaviour contained in the Model. The level of training and information, as well as the frequency, are determined according to the different degree of involvement of human resources in so-called sensitive activities (i.e. activities potentially at risk of "231" offences being committed¹²⁶, as well as the qualification of the recipients

¹²⁶ In view of the business in which the Group operates, the corporate roles most exposed to potential risks of corruption and bribery (also on the basis of the "231" Control & Risk Self Assessment) concern all persons as defined in art. 5 of Italian Legislative Decree 231/2001.

and the different levels of their involvement in such sensitive activities (i.e. the corporate activities potentially at risk of corrupt offences being committed).

The highest level of management responsible for the implementation of the 231 Model (as well as of all the documents that form an integral part of it) is the Board of Directors of Alia Servizi Ambientali S.p.A., which is called upon to approve any updates, amendments or additions to the Model. In order for the Model (and the related Code of Ethics¹²⁷) to be accessible to the interested parties and for them to fully understand its implications, it is available on the company intranet (for staff members) and publicly accessible (the “General Part” only) on the corporate website www.aliaserviziambientali.it

As part of its tasks, the Supervisory Body verifies the adequacy of the organisational solutions adopted for the implementation of the Model, including the training of personnel and governance bodies.

Compliance and anti-corruption training includes a programme to ensure the dissemination of a corporate culture based on ethics and integrity. In particular, basic training on the 231 Model, including a specific module on whistleblowing, is provided for new hires, regardless of their role, and for workers who change jobs, moving from non-risk to risk activities, ensuring full coverage of training for risk functions.

In 2024, Alia’s training on corruption prevention and the Code of Ethics was delivered in an on-demand and e-learning format through the company platform, allowing participants to complete it flexibly. The programme provided approximately 74 hours of compulsory training (e-learning) and 35 hours of voluntary training (on-demand) on the company platform in 2024.

Specifically, the courses covered the following topics:

- Introduction to the 231 legislation and corporate administrative liability;
- Penalties and responsibilities under Italian Legislative Decree 231/01;
- Functioning of the Organisation and Management Model (OMM);
- Code of Ethics and Principles of Business Integrity;
- Whistleblowing: whistleblowing procedures and protection of whistleblowers;
- Role of the Supervisory Body (SB) and control activities.

In 2024, the training programme involved 89 employees (more than 97% of whom were in functions with potential risk). This programme is compulsory for new hires in the onboarding phase. In 2024, training on this subject did not involve the governing and control bodies.

Metrics – Confirmed incidents of corruption or bribery

At the time of writing, there were no confirmed incidents of corruption or bribery during the year. Therefore, the number of convictions and the amount of fines imposed for violations of anti-corruption laws was zero. Finally, no cases associated with one or more members of the value chain directly involving Multiutility employees were reported during the reporting period.

Sustainable management of the value chain

Relations with the supply chain

Material topics for Alia Multiutility	Associated ESRS topics	ESRS sub-topic
<i>Sustainable management of the value chain</i>	<i>ESRS G1 – Business Conduct (Supply Chain)</i>	<i>Management of relations with suppliers, including payment practices</i>

Policies

Below are the main corporate policies on sustainable management of the value chain for Alia Multiutility, prepared in order to manage and/or remediate the material IROs described in the sub-section “Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities”, linked to the topic “Sustainable management of the value chain”, as well as to promote and strengthen the related corporate culture.

¹²⁷ Within the Multiutility Group, the Code of Ethics of the parent company Alia Servizi Ambientali S.p.A. prevails, which offers foundations to the subsidiaries when drafting their own (with the sole exceptions of Ambiente Toscana Opco S.p.A., AL.BE S.r.l. and Valdisieve Scrl.) and the Estra Code of Ethics – which applies to all Estra Group companies, with the exception of A.E.S. Fano Distribuzione Gas S.r.l., which has adopted its own Code.

Alia Multiutility adopts a dual procurement process, governed by both private and public law. Both flows are governed by Alia Servizi Ambientali's Code of Ethics, published on the site and referred to in both the qualification and sourcing and contracting phases.

In the public context, Alia applies the current Public Contracts Code, ensuring compliance with fundamental EU principles such as transparency, equal treatment and equal access. For purchases of a private nature, specific procedures and regulations are adopted (e.g. Procurement Procedure, Rules for Entry in the Supplier Register, General Terms and Conditions of Contract), based on the same guiding principles, in order to ensure consistency and uniformity in the procurement process.

Alia's payment policy, for all suppliers (including SMEs), is geared towards ensuring quality and compliance in procurement, through:

- Continuous monitoring of suppliers by updating their qualification data in the Register and vendor rating activities on executed contracts;
- Verification of compliance with workplace safety regulations, with particular attention to interference risks;
- The guarantee of a correct labour law framework in contracts and subcontracts under the Public Contracts Code, ensuring employment protection in the event of contractor turnover.

Alia applies its policy uniformly, irrespective of the area of procurement and the territorial location of suppliers.

The Chief Procurement Officer (CPO) is responsible for the implementation and monitoring of the procurement policy, which is carried out in compliance with the Service Agreement for the Integrated Management of Urban Waste of ATO Central Tuscany, Italian Legislative Decree 36/2023 (Public Contracts Code), Italian Legislative Decree 231/2001 and the GDPR on personal data protection.

In managing relationships with suppliers, Alia considers the risks associated with its supply chain and the impacts on sustainability topics. In particular, during the qualification and contract stipulation phase, proof of the regularity of the economic operators' contributions and remuneration is required in order to guarantee the respect of workers' rights.

The Company integrates social and environmental criteria in the selection of suppliers. To perform certain services, the use of a low-emission vehicle fleet and, for relevant activities, the possession of environmental certification is required, encouraging sustainable practices along the supply chain.

In order to support vulnerable suppliers and SMEs, Alia favours multi-year credit lines, where possible, to allow for economically sustainable operational planning. It also provides for the recognition of advance payments or the reduction of payment terms compared to standard ones, depending on the needs of suppliers and market conditions.

Procurement activities are aimed at supporting the delivery of an effective and efficient service, responding to the needs of key stakeholders. Alia ensures adequate publicity and transparency towards stakeholders, in accordance with applicable legislation.

Metrics – Payment practices

With regard to Alia Multiutility's payment practices, the average payment time is 62.5 days

Considering the Group's main supplier categories – clustered in the two macro-categories: "companies" and "professionals") – the standard payment terms for companies and professionals respectively are 48.4 and 44.8 days.

For the "companies" category, the number of payments in line with the standard is 96,642 (77% of the total number of payments in the category), amounting to more than € 645 million (62% of the total amount of payments in the category).

For the "professionals" category, the number of payments in line with the standard is 1,530 (72% of the total number of payments in the category), amounting to more than € 8 million (72% of the total amount of payments in the category).

To date, there are no pending court cases due to late payment.

During the year, no specific sampling was carried out to measure the average payment days of suppliers. This figure was calculated on the basis of information extracted from the accounting systems of all invoices paid during the financial year, distinguishing between professionals and companies. Specifically, the average payment times, standard and actual, were calculated as the weighted average (by amount) of the contractual and actual payment terms, respectively, of the invoices paid in the financial year. Whereas, payments made by the tenth day following the contractual deadline were defined as "late".

3.9-5 ESRS Content Index

Statement of use	Alia Multiutility has submitted a Sustainability Statement in accordance with the ESRS Standards for the period 1 January 2024 to 31 December 2024
ESRS 1 standard	ESRS 1 – General Requirements – 31 July 2023
Relevant ESRS sector Standards	Not applicable

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
ESRS 2 BP-1 General basis for preparation of sustainability statements	Methodology and general basis for preparation of the Statement	
ESRS 2 BP-2 Disclosures in related to specific circumstances	Methodology and general basis for preparation of the Statement, Double Materiality Analysis	
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	Governance Governance and control bodies	
ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance Governance and control bodies	
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Governance Governance and control bodies	
ESRS 2 GOV-4 Statement on due diligence	Governance Due diligence	
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	Governance Internal Control and Risk Management System	
ESRS 2 SBM-1 Strategy, business model and value chain	Business model, strategy and value chain Strategy, business model and value chain	
ESRS 2 SBM-2 Interests and views of stakeholders	Business model, strategy and value chain Interests and views of stakeholders	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Business model, strategy and value chain Strategy, business model and value chain Double Materiality Analysis Material topics for Alia Multiutility, Stakeholder Engagement	
ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	Double Materiality Analysis Internal Context Analysis, External Context Analysis, Process to identify and assess impacts, risks and opportunities Material topics for Alia Multiutility, Stakeholder Engagement	
ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Double Materiality Analysis Material topics for Alia Multiutility	
ESRS 2 Minimum disclosure requirement – Policies MDR-P	Please refer to the MDR-P disclosed in each topic standard below.	
ESRS 2 Minimum disclosure requirement – Actions MDR-A	Please refer to the MDR-A disclosed in each topic standard below.	
ESRS 2 Minimum disclosure requirement – Targets MDR-T	Please refer to the MDR-T disclosed in each topic standard below.	

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
ESRS 2 Minimum disclosure requirement – Metrics MDR-M	Please refer to the MDR-M disclosed in each topic standard below.	
ENVIRONMENTAL INFORMATION		
ESRS 1 CLIMATE CHANGE		
ESRS 2 GOV-3 E1 Integration of sustainability-related performance in incentive schemes	Governance Governance and control bodies ESRS E1 – Climate Change Transition Plan	
ESRS E1-1 Transition plan for climate change mitigation	ESRS E1 – Climate Change Transition Plan	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	ESRS E1 – Climate Change Description of the processes to identify and assess material climate-related impacts, risks and opportunities, Resilience of strategy and business model to climate change	
ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	ESRS E1 – Climate change Description of the processes to identify and assess material climate-related impacts, risks and opportunities	
ESRS E1-2, MDR-P Policies related to climate change mitigation and adaptation	ESRS E1 – Climate change Policies	
ESRS E1-3, MDR-A Actions and resources in relation to climate change policies	ESRS E1 – Climate change Actions	
ESRS E1-4, MDR-T Targets related to climate change mitigation and adaptation	ESRS E1 – Climate change Targets	
ESRS E1-5 Energy consumption and mix	ESRS E1 – Climate change Metrics Energy consumption and mix	
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	ESRS E1 – Climate Change Metrics Scope 1, 2, 3 and total GHG emissions	
ESRS E1-7 GHS removals and GHG mitigation projects financed through carbon credits	ESRS E1 – Climate Change Metrics GHG removals and GHG mitigation projects financed through carbon credits	
ESRS E1-8 Internal carbon pricing	ESRS E1 – Climate change Metrics Internal carbon pricing	
ESRS E1-9 Potential financial effects from material physical and transition risks and potential climate-related opportunities		For FY 2024, which corresponds to the first year of preparation of the sustainability report according to ESRS, the Alia Multiutility Group decided to make use of the phase-in option, as provided for in Transitional Provision 10.4 in connection with the disclosure of the expected financial effects of material physical and transitional risks.
ESRS E2 POLLUTION		
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	ESRS E2 – Pollution Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
ESRS E2-1, MDR-P Policies related to pollution	ESRS E2 – Pollution Policies	
ESRS E2-2, MDR-A Actions and resources related to pollution	ESRS E2 – Pollution Actions	
ESRS E2-3, MDR-T Targets related to pollution	ESRS E2 – Pollution Targets	
ESRS E2-4, Pollution of air, water and soil	ESRS E2 – Pollution Metrics Pollution of air, water and soil	
ESRS E2-5 Substances of concern and substances of very high concern	ESRS E2 – Pollution Metrics Substances of concern and substances of very high concern	
ESRS E2-6 Potential financial effects from pollution-related impacts, risks and opportunities		For FY 2024, which corresponds to the first year of preparation of the sustainability report according to ESRS, the Alia Multiutility Group decided to make use of the phase-in option, as provided for in Transitional Provision 10.4 in connection with the disclosure of the expected financial effects of material physical and transitional risks.
ESRS E3 WATER AND MARINE RESOURCES		
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	ESRS E3 – Water Description of the processes to identify and assess material water resource management-related impacts, risks and opportunities	
ESRS E3-1, MDR-P Policies related to water and marine resources	ESRS E3 – Water Policies	
ESRS E3-2, MDR-A Actions and resources related to water and marine resources	ESRS E3 – Water Actions	
ESRS E3-3, MDR-T Targets related to water and marine resources	ESRS E3 – Water Targets	
ESRS E3-4 Water consumption	ESRS E3 – Water Metrics Water consumption	
ESRS E3-5 Potential financial effects from water and marine resources-related impacts, risks and opportunities		For FY 2024, which corresponds to the first year of preparation of the sustainability report according to ESRS, the Alia Multiutility Group decided to make use of the phase-in option, as provided for in Transitional Provision 10.4 in connection with the disclosure of the expected financial effects of material

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
		physical and transitional risks.
ESRS E4 BIODIVERSITY AND ECOSYSTEMS		
ESRS E4-1 Transition plan on biodiversity and ecosystems	ESRS E4 – Biodiversity and Ecosystems Transition plan on biodiversity and ecosystems	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	ESRS E4 – Biodiversity and Ecosystems Material impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	ESRS E4 – Biodiversity and Ecosystems Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	
ESRS E4-2, MDR-P Policies related to biodiversity and ecosystems	ESRS E4 – Biodiversity and Ecosystems Policies	
ESRS E4-3, MDR-A Actions and resources related to biodiversity and ecosystems	ESRS E4 – Biodiversity and Ecosystems Actions	
ESRS E4-4 Targets related to biodiversity and ecosystems	ESRS E4 – Biodiversity and Ecosystems Targets	
ESRS E4-6 Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities		For FY 2024, which corresponds to the first year of preparation of the sustainability report according to ESRS, the Alia Multiutility Group decided to make use of the phase-in option, as provided for in Transitional Provision 10.4 in connection with the disclosure of the expected financial effects of material physical and transitional risks.
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY		
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	ESRS E5 – Resource use and circular economy Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	
ESRS E5-1, MDR-P Policies related to resource use and circular economy	ESRS E5 – Resource use and circular economy Policies	
ESRS E5-2, MDR-A Actions and resources related to resource use and circular economy	ESRS E5 – Resource use and circular economy Actions	
ESRS E5-3, MDR-T Targets related to resource use and circular economy	ESRS E5 – Resource use and circular economy Targets	
ESRS E5-4 Resource inflows		It should be noted that, following the Double Materiality Analysis, the subtopic “Resource inflows, including resource

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
		use" was found to be non-material.
ESRS E5-5 Resource outflows	ESRS E5 – Resource use and circular economy Metrics Resource outflows, Waste	
ESRS E5-6 Potential financial effects from resource use and circular economy-related impacts, risks and opportunities		For FY 2024, which corresponds to the first year of preparation of the sustainability report according to ESRS, the Alia Multiutility Group decided to make use of the phase-in option, as provided for in Transitional Provision 10.4 in connection with the disclosure of the expected financial effects of material physical and transitional risks.
SOCIAL INFORMATION		
S1 OWN WORKFORCE		
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS S1 – Own Workforce Interests and views of stakeholders	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	ESRS S1 – Own Workforce Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities	
ESRS S1-1, MDR-P Policies related to own workforce	ESRS S1 – Own Workforce Policies Policies Policies	
ESRS S1-2 Processes for engaging with own workers and workers' representatives about impacts	ESRS S1 – Own Workforce Processes for engaging with own workers and processes to remediate negative impacts and channels for own workers to raise concerns	
ESRS S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	ESRS S1 – Own Workforce Processes for engaging with own workers and processes to remediate negative impacts and channels for own workers to raise concerns	
ESRS S1-4, MDR-A, Taking action on material impacts on own workforce, and approaches to mitigating material risk and pursuing material opportunities related to own workforce, and effective of those actions	ESRS S1 – Own Workforce Actions Actions Actions	
ESRS S1-5, MDR-T Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S1 – Own Workforce Targets Targets Targets	
ESRS S1-6 Characteristics of the undertaking's employees	ESRS S1 – Own Workforce Metrics Characteristics of the undertaking's employees	
ESRS S1-7 Characteristics of non-employee workers in the undertaking's own workforce	ESRS S1 – Own Workforce Metrics Characteristics of non-employee workers in the undertaking's own workforce	

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
ESRS S1-8 Collective bargaining coverage and social dialogue	ESRS S1 – Own Workforce Metrics Collective bargaining coverage and social dialogue	
ESRS S1-9 Diversity metrics	ESRS S1 – Own Workforce Metrics Diversity	
ESRS S1-10 Adequate wages	ESRS S1 – Own Workforce Metrics Adequate wages	
ESRS S1-11 Social Protection	ESRS S1 – Own Workforce Metrics Social protection	
ESRS S1-12 Persons with disabilities	ESRS S1 – Own Workforce Metrics Persons and disabilities	
ESRS S1-13 Training and skills development metrics	ESRS S1 – Own Workforce Metrics Training and skills development metrics (S1-13)	For FY 2024, which corresponds to the first year of preparation of the sustainability report according to ESRS, the Alia Multiutility Group decided to make use of the phase-in option, as provided for in Transitional Provision 10.4, for the indicator related to “career development” (ESRS S1-13, paragraph 83(a))
ESRS S1-14 Health and safety metrics	ESRS S1 – Own Workforce Metrics Health and Safety	
ESRS S1-15 Work-life balance metrics	ESRS S1 – Own Workforce Metrics Work-life balance metrics	
ESRS S1-16 Compensation metrics (pay gap and total compensation)	ESRS S1 – Own Workforce Metrics Compensation – pay gap and total compensation	
ESRS S1-17 Incidents, complaints and severe human rights impacts	ESRS S1 – Own Workforce Metrics Incidents, complaints and severe human rights impacts	
S2 WORKERS IN THE VALUE CHAIN		
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS S2 – Workers in the Value Chain Interests and views of stakeholders	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	ESRS S2 – Workers in the Value Chain Description of the processes to identify and assess material value chain worker-related impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S2-1, MDR-P Policies related to value chain workers	ESRS S2 – Workers in the Value Chain Policies	
ESRS S2-2 Processes for engaging with value chain workers about impacts	ESRS S2 – Workers in the Value Chain Processes for engaging with value chain workers and processes to remediate negative impacts and channels for value chain workers to raise concerns	
ESRS S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	ESRS S2 – Workers in the Value Chain Processes for engaging with value chain workers and processes to remediate negative impacts and channels for value chain workers to raise concerns	

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
ESRS S2-4, MDR-A, Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	ESRS S2 – Workers in the Value Chain Actions	
ESRS S2-5, MDR-T Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S2 – Workers in the Value Chain Targets	
S3 AFFECTED COMMUNITIES		
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS S3 – Affected Communities Interests and views of stakeholders	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	ESRS S3 – Affected Communities Description of the processes to identify and assess material affected communities-related impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S3-1, MDR-P Policies related to affected communities	ESRS S3 – Affected Communities Policies Policies	
ESRS S3-2 Processes for engaging affected communities about impacts	ESRS S3 – Affected Communities Processes for engaging with affected communities about impacts and processes to remediate negative impacts and channels for affected communities to raise concerns	
ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	ESRS S3 – Affected Communities Processes for engaging with affected communities about impacts and processes to remediate negative impacts and channels for affected communities to raise concerns	
ESRS S3-4, MDR-A Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effective of those actions	ESRS S3 – Affected Communities Actions Actions	
ESRS S3-5, MDR-T Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S3 – Affected Communities Targets Targets	
S4 CONSUMERS AND END-USERS		
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS S4 – Consumers and End-users Interests and views of stakeholders	
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	ESRS S4 – Consumers and End-users Description of the processes to identify and assess material consumer and end-user-related impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S4-1, MDR-P Policies related to consumers and end-users	ESRS S4 – Consumers and End-users Policies Policies	
ESRS S4-2 Processes for engaging with consumers and end-users about impacts	ESRS S4 – Consumers and End-users Processes for engaging with consumers and end-users about impacts and processes to remediate negative impacts and channels for	

Disclosure obligations	Reference sub-section	Notes
GENERAL INFORMATION		
	consumers and end-users to raise concerns	
ESRS S4-3 Channels for consumers and end-users to raise concerns	ESRS S4 – Consumers and End-users Processes for engaging with consumers and end-users about impacts and processes to remediate negative impacts and channels for consumers and end-users to raise concerns	
ESRS S4-4, MDR-A, Taking action on material impacts on consumers and end-users and effectiveness of those actions, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users	ESRS S4 – Consumers and End-users Actions Actions	
ESRS S4-5, MDR-T Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S4 – Consumers and End-users Targets Targets	
G1 BUSINESS CONDUCT		
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	ESRS G1 – Business conduct – The role of the administrative, management and supervisory bodies	
ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	ESRS G1 – Business conduct Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities	
ESRS G1-1, MDR-P Corporate culture and business conduct policies	ESRS G1 – Business conduct Corporate culture and business conduct policies	
ESRS G1-2 Management of relationships with suppliers	ESRS G1 – Business conduct Sustainable management of the value chain Policies Management of relationships with suppliers	
ESRS G1-3 Prevention and detection of corruption or bribery	ESRS G1 – Business conduct Corporate culture and business conduct policies, Prevention and detection of corruption or bribery	
ESRS G1-4 Confirmed incidents of corruption or bribery	ESRS G1 – Business conduct Confirmed incidents of corruption or bribery	
ESRS G1-5 Political influence and lobbying activities		It should be noted that, following the Double Materiality Analysis, the subtopic “Political influence and lobbying activities” was found to be non-material.
ESRS G1-6 Payment practices	ESRS G1 – Business conduct Metrics – Payment practices	

3.9.6 Appendix B ESRS 2

Below is the “Table of datapoints deriving from other EU legislation”, prepared in accordance with Appendix B “List of datapoints from cross-cutting and topical standards that derive from other EU legislation” of ESRS 2 “General Information”.

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (¹) Pillar 3	reference (²)	Benchmark Regulation reference (³)	EU Climate Law reference (⁴)	Statement
ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)	Annex I, Table 1, Indicator 13		Commission Delegated Regulation (EU) 2020/1816, Annex II		Governance Governance and control bodies
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		Governance Governance and control bodies
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, Table 3, Indicator 10				Governance Due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	Annex I, Table 1, Indicator 4	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 – Qualitative Information on Environmental risk and Table 2 – Qualitative Information on Social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Business model, strategy and value chain Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)	Annex I, Table 2, Indicator 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Business model, strategy and value chain Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	Annex I, Table 1, Indicator 14		Article 12(1) of Commission Delegated Regulation (EU) 2020/1818 and Annex II of Commission Delegated Regulation (EU) 2020/1816		The Alia Multiutility is not involved in activities related to controversial weapons, paragraph 40(d)(iii)
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)			Article 12(1) of Commission Delegated Regulation (EU) 2020/1818 and Annex II of Commission Delegated Regulation (EU) 2020/1816		Alia Multiutility is not involved in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16(g)		Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate change transition: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d) to (g) and (2) of Commission Delegated Regulation (EU) 2020/1818		Alia Multiutility is not excluded from Paris-aligned EU Benchmarks, paragraph 16(g)

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (¹) Pillar 3	reference (²)	Benchmark Regulation reference (³)	EU Climate Law reference (⁴)	Statement
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, Table 2, Indicator 4	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition: Alignment metrics	Article 6 of Commission Delegated Regulation (EU) 2020/1818		ESRS E1 – Climate change Targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high impact climate sectors), paragraph 38	Annex I, Table 1, Indicator 5 and Annex I, Table 2, Indicator 5				ESRS E1 – Climate change Metrics Energy consumption and mix
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, Table 1, Indicator 5				
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, Indicator 6				
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, Table 1, Indicators 1 and 2	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate change transition: Credit quality of exposures by sector, emissions and residual maturity	Article 5(1), 6 and 8(1) of Commission Delegated Regulation (EU) 2020/1818		ESRS E1 – Climate Change Metrics Scope 1, 2, 3 and total GHG emissions
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, Table 1, Indicator 3	Article 449-bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition: Alignment metrics	Article 8(1) of Commission Delegated Regulation (EU) 2020/1818		
ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits, paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	ESRS E1 – Climate Change Metrics GHG removals and GHG mitigation projects financed through carbon credits It should be noted that, for the indicator relating to “GHG removals and GHG mitigation projects financed through carbon credits”, the Multiutility, with reference to

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (¹) Pillar 3	reference (²)	Benchmark Regulation reference (³)	EU Climate Law reference (⁴)	Statement
					this Statement, has availed itself of the phase-in option provided for by Provision 10.4 of ESRS 1 of Commission Delegated Regulation (EU) 2772/2024 and, in particular, by Appendix C "List of phased-in Disclosure Requirements".
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II of Commission Delegated Regulation (EU) 2020/1818 and Annex II of Commission Delegated Regulation (EU) 2020/1816		For FY 2024, which corresponds to the first year of sustainability reporting according to ESRS, Alia Multiutility has decided to make use of the phase-in option, provided for in Provision 10.4 of ESRS 1 of Commission Delegated Regulation (EU) 2772/2024 and, in particular, in Appendix C "List of phased-in Disclosure Requirements", in relation to the disclosure of the expected financial effects of material physical and transition risks.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)		Article 449-bis of Regulation (EU) no. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453, Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes, paragraph 67(c)		Article 449-bis of Regulation (EU) no. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453, Template 2: Banking book – Indicators of potential climate change transition: Loans collateralised by immovable property – Energy efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Annex II to Commission Delegated Regulation (EU) 2020/1818		
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRT Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Annex I, Table 1, Indicator 8; Annex I, Table 2, Indicator 2; Annex 1, Table 2, Indicator 1; Annex I, Table 2, Indicator 3				ESRS E2 – Pollution Metrics Pollution of air, water and soil
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, Indicator 7				ESRS E3 – Water Policies

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (¹) Pillar 3	reference (²)	Benchmark Regulation reference (³)	EU Climate Law reference (⁴)	Statement
SRS E3-1 Dedicated policy, paragraph 13	Annex I, Table 2, Indicator 8				
ESRS E3-1 Sustainability of oceans and seas paragraph 14	Annex I, Table 2, Indicator 12				
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Annex I, Table 2, Indicator 6.2				
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Annex I, Table 2, Indicator 6.1				ESRS E3 – Water Metrics Water consumption
ESRS 2 IRO-1 – E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator 7				ESRS E4 – Biodiversity and Ecosystems Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities
ESRS 2 IRO-1 – E4 paragraph 16(b)	Annex I, Table 2, Indicator 10				
ESRS 2 IRO-1 – E4 paragraph 16(c)	Annex I, Table 2, Indicator 14				
ESRS E4-2 Sustainable land/agricultural practices or policies, paragraph 24(b)	Annex I, Table 2, Indicator 11				ESRS E4 – Biodiversity and Ecosystems Policies
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24(c)	Annex I, Table 2, Indicator 12				
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Annex I, Table 2, Indicator 15				
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, Indicator 13				ESRS E5 – Resource use and circular economy Metrics Waste
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, Table 1, Indicator 9				
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	Annex I, Table 3, Indicator 13				ESRS S1 – Own Workforce Description of the processes to identify and assess material own workforce-related impacts, risks and opportunities
ESRS 2 – SBM3 – S1 Risk of child labour, paragraph 14(g)	Annex I, Table 3, Indicator 12				
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, Table 3, Indicator 9 and Annex I, Table 1, Indicator 11				ESRS S1 – Own Workforce Policies
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1 – Own Workforce Policies

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (¹) Pillar 3	reference (²)	Benchmark Regulation reference (³)	EU Climate Law reference (⁴)	Statement
Conventions 1 to 8, paragraph 21					
ESRS S1-1 Procedures and measures to prevent human trafficking, paragraph 22	Annex I, Table 3, Indicator 11				ESRS S1 – Own Workforce Policies
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Annex I, Table 3, Indicator 1				ESRS S1 – Own Workforce Policies
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Annex I, Table 3, Indicator 5				ESRS S1 – Own Workforce Processes for engaging with own workers and processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Annex I, Table 3, Indicator 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1 – Own Workforce Metrics Health and Safety
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88(e)	Annex I, Table 3, Indicator 3				
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Annex I, Table 1, Indicator 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1 – Own Workforce Metrics Compensation – pay gap and total compensation
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Annex I, Table 3, Indicator 8				
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Annex I, Table 3, Indicator 7				ESRS S1 – Own Workforce Metrics Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104(a)	Annex I, Table 1, Indicator 10 and Annex I, Table 3, Indicator 14		Annex II of Commission Delegated Regulation (EU) 2020/1816 and article 12(1) of Commission Delegated Regulation (EU) 2020/1818		
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Annex I, Table 3, Indicators 12 and 13				ESRS S2 – Workers in the Value Chain Description of the processes to identify and assess material value chain worker-related impacts, risks and opportunities and their interaction with strategy and business model(s)
ESRS S2-1	Annex I, Table 3, Indicator 9 and				ESRS S2 – Workers in the

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (¹) Pillar 3	reference (²)	Benchmark Regulation reference (³)	EU Climate Law reference (⁴)	Statement
Human rights policy commitments, paragraph 17	Annex I, Table 1, Indicator 11				Value Chain Policies
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex I, Table 3, Indicators 11 and 4				
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 19	Annex I, Table 1, Indicator 10		Annex II of Commission Delegated Regulation (EU) 2020/1816 and article 12(1) of Commission Delegated Regulation (EU) 2020/1818		
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, Table 3, Indicator 14				ESRS S2 – Workers in the Value Chain Actions
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, Table 3, Indicator 9 and Annex I, Table 1, Indicator 11				ESRS S3 – Affected Communities Policies
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines, paragraph 17	Annex I, Table 1, Indicator 10		Annex II of Commission Delegated Regulation (EU) 2020/1816 and article 12(1) of Commission Delegated Regulation (EU) 2020/1818		ESRS S3 – Affected Communities Policies
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, Table 3, Indicator 14				ESRS S3 – Affected Communities Actions
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Annex I, Table 3, Indicator 9 and Annex I, Table 1, Indicator 11				ESRS S4 – Consumers and End-users Policies
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	Annex I, Table 1, Indicator 10		Annex II of Commission Delegated Regulation (EU) 2020/1816 and article 12(1) of Commission Delegated Regulation (EU) 2020/1818		ESRS S4 – Consumers and End-users Policies
ESRS S4-4 Human rights issues and incidents, paragraph 35	Annex I, Table 3, Indicator 14				ESRS S4 – Consumers and End-users Actions
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, Table 3, Indicator 15				ESRS G1 – Business conduct Corporate culture and business conduct policies

Disclosure Requirement and related datapoint [IRO-2 56]	SFDR reference (1) Pillar 3	reference (2)	Benchmark Regulation reference (3)	EU Climate Law reference (4)	Statement
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Annex I, Table 3, Indicator 6				ESRS G1 – Business conduct Corporate culture and business conduct policies
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24(a)	Annex I, Table 3, Indicator 17		Annex II to Commission Delegated Regulation (EU) 2020/1816		ESRS G1 – Business conduct Confirmed incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Annex I, Table 3, Indicator 16				

3.10 The main characteristics of the existing risk management and internal control system in relation to the process of financial disclosure, also consolidated

The completeness, correctness and promptness of the financial disclosure is ensured by the adoption of an effective and efficient Group internal control system, the subject of constant improvement and adjustment to the evolution of the corporate activities, the legislative framework and the economic and social context.

The Group uses accounting and administrative procedures inspired by the Internal Control System on Financial Reporting regulated by Italian Law 262/05, which are constantly updated and monitored.

The system used for the formation of the 2024 financial statements comprises:

- identification of the controls that reside in the management processes overseeing the risks on financial disclosure;
- definition of the information flows that must run between the Group's units and the Administration and Financial Statements area;
- codification of the tasks, responsibilities and deadlines of the units tasked with preparing the accounting documents;
- the procedures that define the operating methods adopted by the parent company and by the Group companies for the main administrative/accounting processes and for preparing the corporate accounting documents.

As integral parts of the internal control system as a whole, the following components must also be considered:

- the Code of Ethics, containing the principles and general rules that characterise the organisation and that are in keeping with the business and market context;
- the organisation, management and control model adopted in order to ensure the prevention of the crimes contemplated by Italian Legislative Decree 231/2001;
- The rules that govern the activity of the company and the Group in terms of HSE (health, safety and environment).

As a result of corporate and organisational changes to the Group, the integrated risk management model is currently being updated and amended, based on standards recognised at the international level in the field of Enterprise Risk Management (ERM) developed according to the reference model generally accepted at the international level in the field of internal control, issued by the Committee of Sponsoring Organizations of the Treadway Commission (known as CoSO Report).

This ERM model is aimed at supporting the Management in identifying the main business risks and the methods through which they are managed, and at defining the methods through which to organise the monitoring system protecting against the aforesaid risks.

The Integrated Control and Risk Management System, integrated into the organisational and governing structures, helps to guarantee business conditions in line with the company objectives, in that it makes it possible to identify, assess, manage and monitor the main risks in relation to their ability to influence the achievement of those objectives.

3.11 Report on Corporate Governance and Ownership Structure

Art. 123-bis of the Consolidated Act on Financial Intermediation (Italian Legislative Decree no. 48 of 2008) provides that companies with securities admitted to trading on regulated markets must disclose in a specific section of the annual report – called the “*Report on Corporate Governance and Ownership Structure*” – the detailed information indicated in paragraphs 1 and 2. Paragraph 5 of the aforementioned article states that “companies without shares admitted to trading on regulated markets or multilateral trading facilities may omit the publication of the information referred to in paragraphs 1 and 2, with the exception of the information referred to in paragraph 2(b)”.

Therefore, the following information is provided, as indicated in paragraph 2(b) of art. 123-bis of the TUF, concerning the existing risk management and internal control systems in relation to financial reporting with reference to the management, organisation and control model pursuant to Italian Legislative Decree no. 231/2001 (231 OMM) and the application of Italian Legislative Decree no. 262/05.

Part of the risk management and internal control system in relation to financial reporting at Alia is the 231 OMM, as a result of the nature of the model itself. In fact, art. 6(2) of Italian Legislative Decree no. 231/2001 states that the model must “identify the activities within the scope of which offences may be committed”.

Alia analysed the types of offences and identified the processes or corporate areas in which there was a risk of the offences indicated by the Decree, including the offences of false corporate communications (articles 2621 and 2621-bis of the Italian Civil Code) and false corporate communications of listed companies (art. 2622 of the Italian Civil Code).

For each of these processes/areas, the individual sensitive activities were therefore identified and the principles of control and conduct to be followed by all individuals working in them were qualified.

As reported in the section on the OMM, in 2023 the company continued to update the procedures set out in the Organisation and Control Model and to comply with the Code of Ethics.

3.12 Business outlook

Albeit in a market context that remains characterised by high economic and geopolitical uncertainty, the Group will continue its constant commitment to generating value for its stakeholders in 2025, focusing on the development and consolidation of the Tuscan Multiutility project, pursuing targets for improvement of its performance and industrial strengthening, including through implementation of the new governance structure and the search for synergy and efficiency through integration.

In addition to the implementation of its strategies, the Group's results may be affected by further possible changes in the reference context such as, in particular, any new tariff measures issued by the Regulatory Authority, changes in the geopolitical and market context, trends in consumption, supplies, pricing and the policies for the procurement of commodities, as well as developments in the conflict between Russia and Ukraine, the geopolitical crisis involving the Middle East, and the macroeconomic scenario in general.

3.13 Industry Regulations

The following is a summary of the highlights of legislative changes in 2024 in relation to the various areas of Estra Group business.

TRANSVERSAL ISSUES

Italian Decree Law no. 19/2024 – “Further urgent provisions for the implementation of the National Recovery and Resilience Plan” (“Omnibus Decree” or “NRRP Quater Decree”), containing – among other things – provisions to simplify and accelerate the existing rules for the implementation of the NRRP investments and rules to prevent and combat irregular work.

Italian Law 213 of 30 December 2023 – Budget Law for 2024-2026 three-year period. The law includes measures on health, pensions, taxation, public administration, family and civil service. Note also the simplification of the financial management of NRRP resources for holder beneficiaries and public administrations of the measures; corporate welfare measures are also envisaged, with an increase in the tax exemption threshold for fringe benefits.

Italian Law 86/2024 on Differentiated Autonomy “Provisions for the implementation of the differentiated autonomy of ordinary statute regions pursuant to article 116(3) of the Constitution”. The measure, which came into force on 13 July 2024, defines the general principles and procedures for granting special forms and conditions of autonomy to the Regions, on the basis of specific agreements with the State, pursuant to art. 116(3) of the Constitution, in specific matters. The subjects of interest are “protection of the environment, ecosystem and cultural heritage”, “protection and safety at work” and “national energy production, transport and distribution”.

Sustainability Reporting – publication in the Official Gazette of Legislative Decree no. 125 of 6 September 2024 transposing the EU Directive on Corporate Sustainability Reporting. The decree, effective 25 September 2024, applies mainly to large companies, listed SMEs, and certain categories of financial institutions, with exceptions provided for micro-enterprises and other specific entities.

ITALIAN LEGISLATIVE DECREE 113/2024 “Omnibus Decree” – “Urgent fiscal measures, extensions of regulatory deadlines and economic interventions”. Note, in particular, art. 10, containing “Provisions on publicly controlled companies and the implementation of NRRP measures”, paragraph 6 of which fills the regulatory gap in the TUSP, since whereas in the original body of the TUSP there was no suitable indication to clarify whether the companies issuing financial instruments referred to in art. 26 were to be regarded as falling within its scope of application when the relevant financial instruments had reached maturity. It supplements art. 26 with paragraph 5-bis, which clarifies that the exclusion from the application of the TUSP will continue to operate “by virtue of the extension of the instrument of subsequent issues made in substantial continuity”.

Italian Decree Law no. 153 of 17 October 2024 – “Urgent provisions for environmental protection, streamlining of environmental assessment and authorisation procedures, promotion of circular economy, implementation of interventions on hydrogeological instability remediation” and Italian Conversion Law 191/2024 – The Decree establishes new rules for water, integrated environmental authorisations, reclamation, circular economy, waste, protection and environmental impact assessments.

Italian Legislative Decree no. 138/2024 (“Cybersecurity Decree”) – implemented in Italy the 2022 European directive on cybersecurity (NIS2 Directive), concerning measures for a high level of cybersecurity in the European Union. The new NIS (Network and Information Security) Directive aims to ensure an increase in the level of cybersecurity by harmonising the rules applicable in the Member States and strengthening standard security levels. The directive extended the application of cybersecurity obligations to numerous companies operating in the energy and environment sectors.

M.E.F. Decree 6 December 2024 – Simplification of procedures for the disbursement of resources – The Decree establishes the criteria and methods to be followed by administrations in charge of the National Recovery and Resilience Plan (NRRP) measures and the implementing entities of the relevant interventions in fulfilling the obligations set out in art. 18-*quinquies*, Decree Law 113/2, defining the timeframe for the transfer of the necessary financial resources and stipulating that checks and controls on the supporting documentation be concentrated in the final stage of the procedure, before the balance is paid.

Italian Law no. 193 of 16 December 2024 – “Annual Market and Competition Law 2023” – Provides, *inter alia*, for measures on the access by vulnerable household customers to the gradual protection service and amendments to Italian Legislative Decree 152/2006.

Publication of Italian Decree Law 21 December 2024, no. 208, “Urgent organisational measures to address situations of particular emergency, as well as for the implementation of the National Recovery and Resilience Plan” – The Decree, with a view to ensuring the timely and urgent implementation of the actions related to the NRRP, introduces a series of urgent measures, including those to combat water scarcity, to upgrade and adapt water infrastructure, and on PPAs (long-term renewable power purchase agreements).

Italian Law no. 207 of 30 December 2024 “State Budget for the 2024 financial year and multiannual budget for the 2025-2027 three-year period” – Known as the 2025 Budget Law, introduced several tax, social security and economic support measures. In particular, it contains: Reform of IRPEF (personal income tax) and Reduction of the Tax Wedge; Measures for Households and Workers; Interventions on Shareholdings and Crypto-assets; Public Sector and Social Security; Support for Employment and Enterprises.

Italian Legislative Decree no. 209 of 31 December 2024 – “Supplementary and corrective provisions to Italian Legislative Decree 31 March 2023, no. 36” – Approval by the Council of Ministers of the corrections to the Public Contracts Code. The measure introduces some changes and corrections to support public investment, with particular reference to issues including fair compensation, employment protections, digitalisation and price revision.

EUROPEAN FRAMEWORK

Publication in the OJEU of Directive (EU) 2024/1760 – Corporate Sustainability Due Diligence Directive (CSDDD) on corporate sustainability due diligence. The Measure amends Directive (EU) 2019/1937 (on whistleblowing) and Regulation (EU) 2023/2859, establishing a single European access point (the ESAP Regulation), establishing due diligence requirements for companies to prevent and mitigate negative impacts on human rights and the environment. The Directive extends ESG transparency obligations to the entire supply chain and introduces plans for corporate climate compatibility.

Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings. The Directive promotes the improvement of the energy performance of buildings and the reduction of greenhouse gas emissions from buildings within the Union in order to achieve a zero-emission building stock by 2050, taking into account local conditions, outdoor weather conditions, indoor climate quality requirements and cost-effectiveness.

Electricity Market Design (EMD), July 2024 – In the Official Journal of the European Union (OJEU), Directive (EU) 2024/1711 and Regulation (EU) 2024/1747, reforming electricity market regulations, were published. The measures provide for a reorganisation of the main instruments to support the evolution of the electricity markets towards the energy transition.

EU Gas Package 2 August 2024 – Directive (EU) 2024/1788 and Regulation (EU) 2024/1789 were published in the Official Journal of the European Union, updating the EU natural gas market rules and introducing a new regulatory framework for dedicated hydrogen infrastructure under the “Fit for 55”.

INDIVIDUAL BUSINESS TOPICS

Natural gas sales

RESOLUTION 6 FEBRUARY 2024 31/2024/R/gas – *Update to the variable CRVi fee covering the expenses to contain gas consumption.* This measure updates the variable CRVi fee covering the expenses to contain gas consumption.

RESOLUTION 28 MARCH 2024 112/2024/R/gas – *Update of the QVD component of the economic conditions of the vulnerability protection service and amendments to the TIVG and the UG2c element of the UG2 component.* This measure defines the values of the QVD component to cover the costs of marketing the natural gas sales service to customers who use the vulnerability protection service in force from 1 April 2024 and the UG2 component.

RESOLUTION 9 APRIL 2024 134/2024/R/gas – *Redetermination of tariffs of reference for the services of distribution and metering of gas, for the years 2017 to 2022.* The tariffs for gas distribution and metering

services for the years 2017 to 2022 are hereby redetermined in order to take into account: (i) the granting of tariff redetermination requests related to the discovery of previously unavailable accounting documents and (ii) requests for adjustments submitted by distribution companies. This measure also redetermines the reference tariffs for the years 2020 to 2022, limited to the portion relating to the coverage of the recognised operating costs for the distribution service, in order to take into account the correction of the calculation error found by the Regional Administrative Court in the context of the appeals against Resolution no. 570/2019/R/GAS, which took place with Resolution no. 409/2023/R/GAS.

RESOLUTION 16 April 2024 146/2024/R/gas – *Determination of the definitive tariffs of reference for the services of distribution and metering of gas, for the year 2023.* This measure approves the definitive tariffs of reference for the services of distribution and metering of gas for the year 2023, on the basis of the provisions of article 3, paragraph 2, of the RTDG, considering the requests for correction of data presented by 15 February 2024.

RESOLUTION 14 MAY 2024 186/2024/R/gas – *Determination of the provisional tariffs of reference for the services of distribution and metering of gas for the year 2024 and redetermination of definitive reference tariffs for the year 2023. Changes to RTDG.* With this measure, the provisional reference tariffs for gas distribution and metering services for the year 2024 are approved and the definitive tariffs for the year 2023 are redetermined for certain locations, in order to rectify a material error found in Resolution 146/2024/R/gas; with the same measure, a material error in Table 9 of the RTDG is remedied, reporting the unit values of the penalty for failure to install metering units for the years 2023-2025, and the values of certain tariff components, as set out in Table 5 of the RTDG, are redetermined following the redetermination of the rate of change of the deflator for the year 2024.

RESOLUTION 10 JULY 2024 282/2024/R/gas – *Approval of a proposal to update the Network Code of Snam Rete Gas S.p.A.* This measure approves a proposal to update the Snam Rete Gas Network Code aimed at implementing the latest provisions on the reform of transportation capacity at city gates and the provisions approved with Resolution 421/2023/R/gas

RESOLUTION 24 SEPTEMBER 2024 376/2024/R/gas – *Redetermination of the tariffs of reference for the services of distribution and metering of gas, for the years 2015 to 2023.* This measure redetermines the values of the reference tariffs for natural gas distribution and metering services for the tariff years 2015 to 2023 in accordance with the operating methods set out in Decision 1/2023 DINE and on the basis of the smart meter disposals communicated as part of the extraordinary session of the GAS RAB data collection; this measure also remedies material errors detected with reference to 6 tariff locations.

RESOLUTION 26 NOVEMBER 2024 498/2024/R/gas – *Determination of the Cp fee to cover the costs arising from insurance for gas end customers, with effect from 1 January 2025, pursuant to article 8 of Annex A to Authority Resolution 85/2024/R/gas.*

The measure sets the value of the annual fee to cover the costs of insurance for the benefit of gas customers, which will be applied from 2025 in bills for insured redelivery points.

Electricity sales

RESOLUTION 12 DECEMBER 2023 583/2023/R/eel – *Provisions on the methodology for defining the capacity market exercise price, pursuant to Authority resolution 399/2021/R/eel.*

This measure made amendments and supplements to resolution 399/2021/R/eel, in relation to the method for determining the exercise price set out by article 9 of resolution ARG/elt 98/11, for year of delivery 2024.

RESOLUTION 28 DECEMBER 2023 625/2023/R/eel – *Update of dispatching fees, as of 1 January 2024.* This provision provides for the updating of the dispatching fees for the year 2024.

RESOLUTION 28 DECEMBER 2023 626/2023/R/eel – *Update, for the quarter 1 January - 31 March 2024, of the economic conditions of the sale of electricity in higher protection. Determination of the Cpstgm fee for the gradual protection service for micro-enterprises, amendments to the TIV and to Authority Resolution 362/2023/R/eel.* This measure updates, for the quarter 1st January to 31 March 2024, the economic conditions of the sale of electricity in the context of the higher protection service and makes changes to the TIV.

RESOLUTION 28 DECEMBER 2023 632/2023/R/eel – *Determination of the tariffs of reference for the transmission and dispatching service and transmission tariffs of electricity, for the year 2024.* With this

measure, the Authority determines the reference revenues to cover the costs of Terna's transmission and dispatching service and the transmission tariffs for 2024, consistent with the forecasts set forth in the Electricity Transmission Service Tariff Regulation for the period 2024-2027 (RTTE 6PRTE)

RESOLUTION 23 JANUARY 2024 5/2024/R/eel – *Definition of criteria and procedures for the identification and management of uncollected and otherwise unrecoverable receivables to be paid to Terna.* With this resolution, the Authority defines the criteria and procedures for the identification, management and recognition to Terna of receivables that cannot be recovered due to the insolvency of dispatching users or that may arise under contracts signed with parties selected to finance interconnectors or with parties providing virtual import service.

RESOLUTION 22 FEBRUARY 2024 48/2024/R/eel – *Start of proceedings for the revision of the regulation of the service with gradual protections for small enterprises and their awarding methods, as of 1 July 2024.* This resolution launches proceedings for the revision of the regulation of the service with gradual protections for small enterprises and their awarding methods from 1 July 2024.

RESOLUTION 28 March 2024- 111/2024/R/eel – *Update, for the quarter 01 April – 30 June 2024, of the economic conditions of the sale of electricity in higher protection. Determination of the δ parameter and the Cpstgm and Cpstg fees for the gradual protection service for small and micro-enterprises and amendments to the TIV and to Authority Resolution 362/2023/R/eel. Determinations regarding RCV components.* This measure updates, for the quarter 1st April to 30 June 2024, the economic conditions of the sale of electricity in the context of the higher protection service and makes changes to the TIV.

RESOLUTION 2 APRIL 2024 119/2024/R/eel – *Provisions for the provision of the gradual protection service for small enterprises and for the awarding of the service as of 1 July 2024 and amendments to Annex A to Authority Resolution 362/2023/R/eel.* This resolution defines the provisions for the provision of the service with gradual protections for small enterprises and for the awarding of the service as of 1 July 2024

RESOLUTION 28 MAY 2024 205/2024/R/eel – *Adaptation of the early procedures for the activation of the gradual protection service for small enterprises as from 1 July 2024 and amendments to Annex A to Authority Resolution 362/2023/R/eel.* This resolution adapts certain procedures for the activation of the gradual protection service for small enterprises governed by the TIV as last amended by Resolution 119/2024/R/eel. 2024 and amendments to Annex A to Authority Resolution 362/2023/R/eel

RESOLUTION 27 JUNE 2024 261/2024/R/eel – *Update, for the quarter 1 July - 30 September 2024, of the economic conditions of the sale of electricity in higher protection. Determination of parameter γ and the CPSTGD, CPSTGM and CPSTG fees of the gradual protection service for non-vulnerable household customers, micro and small enterprises and amendments to the TIV.* This measure updates, for the quarter 1st July to 30 September 2024, the economic conditions of the sale of electricity in the context of the higher protection service and makes changes to the TIV.

RESOLUTION 27 JUNE 2024 262/2024/R/eel – *Update of the RCV and DISPBT components and of the PCV fee relating to the marketing of electricity of the greater protection service for vulnerable household customers and amendments to Annex A to Authority Resolution 362/2023/R/eel.* This measure updates the RCV and DISPBT components and the PCV fee of the greater protection service

RESOLUTION 1 JULY 2024 264/2024/R/eel – *Update, as of 1 July 2024, of the parameter α of the gradual protection service for small enterprises and amendments to the TIV.* This resolution updates the value of the parameter α of the gradual protection service for small businesses as of 1 July 2024

RESOLUTION 27 SEPTEMBER 2024 383/2024/R/eel – *Update, for quarter 1 October – 31 December 2024, of the economic conditions of the sale of electricity in higher protection and changes to the TIV.* This measure updates, for the quarter 1st October to 31 December 2024, the economic conditions of the sale of electricity in the context of the higher protection service and makes changes to the TIV.

RESOLUTION 27 SEPTEMBER 2024 384/2024/R/com – *Update, from 1 October 2024, of the tariff components destined to cover the general expenses and of further components of electrical sector and the gas sector. Provisions on the TIVG and RTTG components.*

Update as of 1 October 2024 of general charges and further components for the electricity and gas sector. Provisions on TIVG.

RESOLUTION 3 OCTOBER 2024 397/2024/R/com – *Adjustment of the value of the QT component referred to in Authority resolution 384/2024/R/com.* This resolution rectifies the value of the Qt component stated in resolution 384/2024/R/com

Natural gas and electricity sales

RESOLUTION 17 SEPTEMBER 2024 364/2024/R/com – *Operational provisions on the reimbursement to thermoelectric producers of the portion of the CRVOS component used to cover the costs of the last resort filling service.* This measure approves the methods for providing for the refund to thermoelectric producers of the portion of the CRVOS component covering the costs of the last resort storage filling service and the methods for allocating these costs to electricity system customers.

RESOLUTION 28 DECEMBER 2023 633/2023/R/com – *Update, from 1 January 2024, of the tariff components destined to cover the general expenses and of further components of electrical sector and the gas sector. Provisions on the TIVG and RTTG components. Provisions referring to the Energy and Environmental Services Fund.* Update of TIPPI, RTTG and RTDG tariff components for Q1 2024. Update of social bonuses for the year 2024. Provisions referring to the Energy and Environmental Services Fund.

RESOLUTION 28 MARCH 2024 113/2024/R/com – *Update, from 1 April 2024, of the tariff components destined to cover the general expenses and of further components of electrical sector and the gas sector. Provisions on the TIVG and RTTG components. Provisions referring to the Energy and Environmental Services Fund. Amendments to the TIPPI.* Quarterly update of general electricity and gas charges.

RESOLUTION 23 APRIL 2024 158/2024/R/com – *Start of proceedings to define the provision to authorised third parties by end customers of electricity and natural gas input and withdrawal data and initial implementation methods.* The measure launches the procedure for defining the rules for making electricity and natural gas input and withdrawal data available to third parties authorised by end customers pursuant to the Competition Act 2022, and at the same time defines the first implementation methods for the list of third parties and the access register.

RESOLUTION 27 June 2024 – 263/2024/R/com

Update, from 1 July 2024, of the tariff components destined to cover the general expenses and of further components of electrical sector and the gas sector. Provisions on RTTG components. Provisions referring to the Energy and Environmental Services Fund. Amendments to the TIPPI. Update of general electricity and gas sector charges for Q3 2024.

RESOLUTION 23 JULY 2024 309/2024/R/com – *Renewal of the natural gas PLACET offer referred to in article 2.3 of Authority Resolution 100/2023/R/com aimed at non-vulnerable end customers (PLACET offer in derogation) and adjustment of article 18 of Annex A to Authority Resolution 555/2017/R/com.* This measure provides for amendments and additions to the regulation on the renewal of the natural gas PLACET offer referred to in article 2.3 of resolution 100/2023/R/com of 14 March 2023 aimed at non-vulnerable end customers of the natural gas protection service (PLACET offer in derogation) and adjustment of article 18 of Annex A to Authority Resolution 555/2017/R/com.

Natural gas distribution

Tariffs

Resolution 28 November 2023 556/2023/R/com – *Update of the weighted average cost of capital for the infrastructure services of the electricity and gas sectors, for the year 2024.* The resolution provides for the updating of the weighted average cost of capital employed for infrastructure services in the electricity and gas sectors for the year 2024, pursuant to article 8 of Annex A (TIWACC 2022-2027) of Authority Resolution 614/2021/R/com

Resolution 28 December 2023 - 631/2023/R/gas – *Update of the tariffs for the gas distribution and metering services, for the year 2024.* This measure approves the obligatory tariffs for the natural gas distribution, metering and marketing services, pursuant to article 42 of the RTDG, the different gas tariff options, pursuant to article 71 of the RTDG, and the amounts of bi-monthly equalisation in advance related to the natural gas distribution service, pursuant to article 47 of the RTDG, for the year 2024. It approves the maximum amount of the recognition of higher expenses deriving from the presence of concession fees, pursuant to article 59 of the RTDG, for distribution companies that have presented and application and provided suitable documentation. This measure also rectifies a material error detected in Table 5 of the RTDG and extends to 31 December 2024 the deadline for the conclusion of the proceedings initiated by Resolution 634/2021/R/gas.

Resolution 8 May 2024 173/2024/R/gas – *Recognition, on an extraordinary basis, of the effects resulting from revisions to the Istat data used to determine the change in the gross fixed capital formation deflator for gas distribution and measurement services.*

The resolution concludes the procedure for the recognition, on an extraordinary basis, of the effects resulting from revisions to the Istat data used to determine the change in the gross fixed capital formation deflator for gas distribution and measurement services.

Resolution 14 May 2024 186/2024/R/gas – *Determination of the provisional tariffs of reference for the services of distribution and metering of gas for the year 2024 and redetermination of definitive reference tariffs for the year 2023. Changes to RTDG.* With the measure, the provisional reference tariffs for gas distribution and metering services for the year 2024 are approved and the definitive tariffs for the year 2023 are redetermined for certain locations, in order to rectify a material error found in Resolution 146/2024/R/gas; with the same measure, a material error in Table 9 of the RTDG is remedied, reporting the unit values of the penalty for failure to install metering units for the years 2023-2025, and the values of certain tariff components, as set out in Table 5 of the RTDG, are redetermined following the redetermination of the rate of change of the deflator for the year 2024.

RESOLUTION 10/07/2024 - 283/2024/R/EFR - *Determining a tariff contribution to be paid to distributors in the scope of the energy efficiency certificates mechanisms for the obligation year 2023.*

A tariff contribution is approved, to be paid to distributors complying with their energy saving obligations in the scope of the EEC for the obligation year 2023.

Resolution 28 November 2024 513/2024/R/com – *Update of the weighted average cost of capital for the sub-period 2025-2027 and of the beta asset parameter for infrastructure services in the electricity and gas sectors.* This measure provides for the updating of the relevant parameters for the determination of the rate of return on capital subject to revision for the sub-period 2025-2027 pursuant to the TIWACC (Annex A of Resolution 614/2021/R/com), and of the beta asset parameter, with reference to the infrastructure services of the electricity and gas sectors.

Resolution 27 December 2024 - 587/2024/R/gas – *Update of the tariffs for the gas distribution and metering services, for the year 2025.* This measure approves the obligatory tariffs for the natural gas distribution, metering and marketing services, pursuant to article 42 of the RTDG, the different gas tariff options, pursuant to article 71 of the RTDG, and the amounts of bi-monthly equalisation in advance related to the natural gas distribution service, pursuant to article 47 of the RTDG, for the year 2024. It approves the maximum amount of the recognition of higher expenses deriving from the presence of concession fees, pursuant to article 59 of the RTDG, for distribution companies that have presented and application and provided suitable documentation. Finally, this measure extends the deadline for the conclusion of the proceedings initiated by Resolution 634/2021/R/gas to 31 December 2025.

Area Tenders

Resolution 6 February 2024 35/2024/R/gas – *Start of procedure to simplify and accelerate tendering procedures for the natural gas distribution service.* The purpose of the measure is the launch a procedure to simplify and accelerate tendering procedures for the natural gas distribution service

Resolution 16 July 2024 296/2024/R/gas – *Approval of the Integrated Text of the Authority's provisions on natural gas distribution tenders.* The resolution approves the Integrated Text of the Authority's provisions on natural gas distribution tenders

Supply, transportation and storage of natural gas

Gas Settlement

RESOLUTION 2 APRIL 2024 120/2024/R/gas – *Amendments to the Integrated Gas Balancing Text*

This measure makes amendments to the integrated gas balancing text (TIB) with regard to the gas necessary for the operation of the system, taking into account the relevant provisions introduced by the RTTG.

RESOLUTION 30 JULY 2024 333/2024/R/gas – *Amendments and supplements to the Consolidated Text of provisions for the settlement of physical and economic items of the natural gas balancing service (TISG).* This measure provides for amendments and/or additions to the TISG in order to incorporate in the settlement procedures the change of treatment from MY to MM for re-delivery points equipped with G4 and G6 smart meters installed pursuant to Resolution 296/2022/R/gas.

Transport of natural gas

RESOLUTION 17 SEPTEMBER 2024 363/2024/R/gas – *Provisions on the early termination of annual transportation capacity for re-delivery points supplying thermoelectric and industrial users.* This resolution amends Resolution 137/02 to incorporate the provisions on early termination of transportation capacity of annual duration set forth in Resolution 444/2023/R/gas.

RESOLUTION 17 SEPTEMBER 2024 365/2024/R/gas – *Provisions on the application of the CMT gas transportation service measurement fee in case of capacity deviations. Changes to RTTG.* This resolution clarifies the application methods of the CMT fee to thermoelectric and industrial re-points in the case of intermittent contributions.

AUTHORITY RESOLUTION 24 September 2024 374/2024/R/gas

Amendments to the regulation on the gas transport default service – This measure supplements the procurement methods by the party responsible for balancing the gas supplied within the transport default service.

RESOLUTION 15 OCTOBER 2024 415/2024/R/com – *Further adjustment of the value of the QT component referred to in Authority Resolution 384/2024/R/com.* This resolution makes additional adjustments to the value of the Qt component stated in resolution 384/2024/R/com.

RESOLUTION 29 OCTOBER 2024 447/2024/R/gas – *Approval of the proposal to update the network code of the company Snam Rete Gas S.p.A. to implement the regulatory criteria for the quality of the natural gas transportation service for the sixth regulatory period 2024-2027 and amendments to the RQTG.* The measure provides for the approval of the proposal to update the network code of the company Snam Rete Gas S.p.A. to implement the regulatory criteria for the quality of the natural gas transportation service for the sixth regulatory period 2024-2027 and amendments to the RQTG

Natural gas storage

RESOLUTION 04 APRIL 2023 129/2024/R/GAS - *Provisions for the conferment of storage capacity for thermal year 2024/2025.* With this measure, taking into account the provisions of Decree 28 March 2024, the provisions related to the conferment of storage capacities for thermal year 2024/2025 are approved

Energy efficiency and renewables

On 19 June 2024, the **Ministry of Environment and Energy Security** issued the “**FER 2 Decree**” to incentivise innovative or high-cost renewable energy plants, such as those powered by biogas, geothermal and offshore wind. The **Ministry of the Environment and Energy Security** subsequently published the new draft of the **Transitional FER X Decree (Italian Decree Law 8 November 2021)** aimed at incentivising the development of 17.65 GW of new renewable capacity by the end of 2025, providing direct-access incentives

for small plants (<1 MW) with a maximum quota of 3 GW, while the remaining 14.65 GW will be allocated through tenders for plants above 1 MW.

On **21 June 2024**, the **Ministry of the Environment and Energy Security** published the **Eligible Areas Implementation Decree**, which governs the identification of land and areas that are suitable for the installation of renewable source plants.

In **July 2024**, the final text of the **National Integrated Energy and Climate Plan (NIECP)**, prepared by the **Ministries for Economic Development, Environment, and Infrastructure and Transport**, was published. It confirmed the goal of reaching 131 GW of capacity from renewable energy sources (*FER*) by 2030 and reducing total CO₂ emissions by 18% compared to 2022 levels.

Ministerial Decree of 13 November 2024 – Support for the self-generation of energy from renewable sources in SMEs – Requirements, access methods and criteria for use of public investments subsidies intended to support micro, small and medium-sized enterprises in undertaking investment programmes for the self-generation of electricity for immediate self-consumption, through the installation of photovoltaic systems or mini wind farms and, where applicable, through the installation of related power storage systems.

Italian Legislative Decree no. 190 of 25 November 2024 – “Regulation of administrative regimes for the production of energy from renewable sources, in implementation of article 26, paragraphs 4 and 5(b) and (d), of Italian Law no. 118 of 5 August 2022” – Simplifications for administrative regimes for the production of energy from renewable energy sources (*FER/RES*). The decree aims to encourage the spread of RES plants by streamlining and reorganising procedures in line with European directives.

On **30 December 2024**, **Italian Legislative Decree 190/2024 “Consolidated Law on Renewable Energy”** came into force. It simplifies and clarifies the pre-existing legislation by putting an end to the legislative fragmentation on the subject, defining the administrative regimes for the construction and operation of plants producing energy from renewable sources, as well as modification, upgrading, renovation and related works.

Italian Decree Law no. 63/2024 – Agriculture Decree containing “Urgent provisions for agricultural, fishing and aquaculture enterprises, as well as for enterprises of strategic national interest.” – The decree introduces measures on agrivoltaics, aimed at limiting the use of agricultural land. Environmental and regional provisions include a ban on ground-mounted photovoltaic systems and the expansion of existing ones in agricultural areas, with the exception of agrivoltaic plants and installation in specific areas such as disused quarries, industrial sites and areas adjacent to transport infrastructure.

Renewable energy communities

On **2 February 2024**, **Resolution no. 15/2024/R/eel** was published with which the **Regulatory Authority for Energy, Networks and the Environment** amended the Integrated Text on Widespread Self-Consumption (TIAD) and approved the Technical Operating Rules on Energy Communities of GSE (the Italian Energy Services Operator).

On **23 February 2024** the **Ministry of the Environment and Energy Security** published **Director’s Decree no. 22**, which also approved the GSE’s Technical Operating Rules, making the rules and procedures for accessing the incentive tariffs and capital contributions provided for by the NRRP fully official.

On **22 April 2024**, with **Decree no. 170 of the Head of the Energy Department of the Ministry of the Environment and Energy Security**, a new version of the GSE’s Technical Operating Rules was approved, which introduced elements to update the regulation on the following aspects:

- the end of the transitional incentive scheme
- a description of the calculation criteria for applying the formulas for determining the incentive in the case of cumulation with contributions and other forms of public support
- how to determine the shared energy quota threshold value
- the introduction of the assignment of credit and the mandate for collection

Transition 5.0

Article 38 of Italian Decree Law no. 19 of 2 March 2024, converted, with amendments, by Italian Law no. 56 of 29 April 2024, on “Further urgent provisions for the implementation of the National Recovery and Resilience

Plan (NRRP)", established the new **Transition 5.0 Plan**, introducing a tax credit for companies that make new investments, as of 1 January 2024 and until 31 December 2025, destined for companies located in Italian territory, as part of innovation projects that entail a reduction in the energy consumption of the production structure of no less than 3%, or, alternatively, a reduction in the energy consumption of the processes involved in the investment of no less than 5%.

The **interministerial decree of 24 July 2024, issued by the Ministry of Enterprises and Made in Italy in agreement with the Ministry of Economy and Finance**, therefore identified the implementing procedures for the regulation of the new tax credit, with particular reference to the subjective and objective scope, as well as the extent of the benefit, the provisions concerning the procedure for accessing the tax benefit, its use and the related document costs.

With **Director's Decree of 6 August 2024** and **Director's Decree of 11 September 2024, of the Ministry of Enterprises and Made in Italy**, provisions were therefore made for the opening and functionality of the "Transition 5.0" IT Platform, accessible from the GSE website, for the submission of communications relating to innovation projects and the related tax credit.

Finally, **Italian Law no. 207 of 30 December 2024 (2025 Budget Law)**, paragraphs 427-429, introduced significant changes to the rules of the Transition 5.0 Plan, broadening the scope and simplifying the procedures for accessing the benefit.

Energy performance of buildings

On **8 May 2024 Directive (EU) 2024/1275** on the energy performance of buildings was published in the Official Journal of the European Union. The text requires all new buildings to be zero-emissions by 2030. By 2050, this obligation will be extended to all buildings in the European building stock.

Telecommunications

Resolution 255/24/CONS – Adoption of the framework and quality indicators for customer care services in the electronic communications and audiovisual media services sector. With this resolution, the Communications Guarantee Authority intervened to modernise the regulation of customer care services in the electronic communications sector.

Resolution 457/24/CONS – Start of proceedings and public consultation concerning provisions for the protection of end-users with regard to transparency in the offer of electronic communication services and presentation of the calling number.

Resolution 258/24/CONS – Launch of proceedings concerning the procedures for the allocation and rules for the use of the frequencies available in the 24.25-26.5 GHz band for terrestrial electronic communications systems in order to foster the development of 5G networks.

Resolution 142/24/CONS – Regulation of the quality of the service measurement campaign for broadband data on the mobile network for the year 2024. The resolution approves the start of the 2024 drive test of the quality of broadband data service on the mobile network pursuant to Resolution no. 23/23/CONS.

Resolution 46/24/CONS – Launch of the preliminary investigation to identify and analyse the markets for voice call termination on mobile networks. The resolution launches the preliminary proceedings concerning the sixth round of market analysis for mobile voice call termination services, in order to establish whether to remove, amend or confirm the regulation imposed by resolution no. 599/18/CONS, taking into account that the European Commission, pursuant to art. 75 of the Code, has defined the single mobile termination rates imposed on all European operators.

Environment

RESOLUTION 621/2023/RIF OF 28 DECEMBER 2023 – Launch of a procedure for the gradual extension to the municipal waste sector of the system of protections for the empowerment and settlement of disputes of customers and end-users of the regulated sectors, with an initial round table between stakeholders and associations held on 14 June 2024.

RESOLUTION 7/2024/RIF OF 23 JANUARY 2024 – Repeal of the waste treatment tariff method for the two-year period 2022-2023 with effect from 2024 and provision for the years 2022-2023 of the application of the regimes prior to national regulation, in order to comply with the Council of State rulings annulling the criteria for identifying minimum treatment plants (ARERA confirms the institution of minimum cycle closure plants, but with effect from the two-year period 2024-2025). Essentially, the Resolution updates the WACCs for the period 2022-2025, setting them at 6.3% for the municipal hygiene service and 6.6% for the treatment service (only for “minimum” plants).

RESOLUTION 27/2024/RIF OF 30 JANUARY 2024 – Launch of proceedings for the definition of guidelines for the separation of accounts and administration in the municipal waste sector, also for the purpose of correct cost disaggregation.

RESOLUTION 74/2024/E/RIF OF 27 DECEMBER 2024 – Approval of the provisions for the gradual extension to the municipal waste sector of the system of safeguards for the empowerment and settlement of disputes of customers and users of the regulated sectors.

RESOLUTION 596/2024/R/RIF OF 27 DECEMBER 2024 – Definition of the template of the call for tenders for the awarding of the integrated municipal waste management service.

Integrated Water System

Resolution 10/2024/R/com by which ARERA, following Resolution 565/2023/R/com, defined the new urgent provisions in favour of the populations affected by the weather events of May 2023 and extended the terms for the issuance of subsidies until 31 October 2024.

As regards the territory managed by Publiacqua, the Municipality involved in the aforementioned subsidies is the Municipality of Londa.

Resolution 50/2023/R/com – The Authority has regulated further measures in favour of the populations affected by the weather events of 2 November 2024 in the streets, roads, squares, etc. of the Municipalities referred to in Commissarial Order no. 98 of 15 November 2023 as indicated in Annex A of the resolution. In particular, the Authority has established that the suspension of payment terms is equal to 6 months starting from 2 November 2023 until 2 May 2024; for the beneficiaries of the suspension of payment terms, the regulations on suspensions for arrears do not apply; finally, the instalment of invoices is automatically made without the payment of interest by the end-user. Finally, at the end of the suspension period, and in any case within two months of the end of the suspension period, the IWS operators shall communicate the following information to end-users:

- a) unpaid and instalment amounts;
 - b) the instalment plan and the non-application of interest charged to the user;
 - c) the end-user's option to pay in instalments and any alternative instalment terms offered by the operator.
- These provisions do not apply if the total amount to be paid in instalments, with reference to the individual supply or user, is less than € 50.

Consultation Document 245/2024/R/IDR The Authority, in defining the template for the call for tenders, intends to establish that the competitive tension, for the awarding to third parties and for the selection of the private partner, must promote improvements with reference to the parameters adopted in the regulation of both tariffs and technical and contractual quality. The document illustrates the approach and general criteria that ARERA intends to adopt for the definition of the model tender scheme for the entrusting of the IWS. In particular, the Authority's guidelines on the minimum contents of the template call for tenders concerning the subject and value of the award with the definition of the scope of the service put out to tender and the interventions necessary for the provision of the same service (POS), as well as all the other relevant issues (such as arrears); the guidelines on the requirements for participation including the management capacity of an operator to carry out interventions, and regulatory compliance, in particular compliance with regulatory obligations and the achievement of contractual and technical quality performance.

ARERA has collected comments from stakeholders, but has not yet issued a resolution on the subject.

Opinion 244/2024/I/idr: with this document, ARERA issued its opinion to the Minister for Infrastructure and Transport on the Prime Ministerial Decree containing the list of interventions, selected in application of the methods and criteria defined by Interministerial Decree 350/22, which will make up the National Plan of

Infrastructural Interventions and for Safety in the Water Sector (NPIISWS). The Authority gave a favourable opinion as it considered it necessary to promote full implementation, in line with the timetables and targets defined at EU level, in support of water supply infrastructure.

This document pursued the twofold objective of guaranteeing the centrality of the NPIISWS as the main instrument of public financing, and of initiating a process of procedural simplification on the formation and updating of the Plan, as well as on the reporting and monitoring of financed investments.

Publiacqua submitted 7 projects within the NPIISWS, 6 of which were accepted for financing.

Resolution 570/2024/R/idr: the Authority identified a theoretical purchase mix for the definition of the reference cost of electricity for the purpose of calculating adjustments for the year 2027, in accordance with the provisions of the Water Tariff Method MTI-4. For the purpose of calculating the adjustments relating to electricity for 2027, ARERA established an incidence of 90% for variable prices and 10% for fixed prices. The weights for the following years will be defined by subsequent measures.

Resolution 595/2024/R/idr: ARERA began a trial phase of monitoring and collecting quantities for the construction of the M0 macro-indicator (water resilience), and in particular the M0b indicator (water resilience at superordinate level). The main issues addressed in the measure concern the application of the incentive mechanism to the advanced and excellence levels (Stages III, IV and V) starting from the two-year assessment period 2026-2027, while maintaining the obligation to record data for the two-year period 2024-2025; the definition of the territorial reference dimension of the M0b indicator with the competent District Basin Authority or the reference territory of the Region to which it belongs; in addition, with regard to the timeframe for water availability from reservoirs, surface water bodies and groundwater, the prompt survey of volumes shall be considered from 1 June to 30 September, re-proportioned on an annual basis.

The measure envisages that as of **1 January 2025**, the shared registration between operator and EGA of the data relating to the various sources of water availability/withdrawal points and the consumption data used for the calculation of M0b (identification number, category of availability sources/consumption, databases used, date and protocol of request/sending data to/from the relevant bodies, etc.) will be mandatory.

The following is reported on the appeals:

- AEEGSI Resolutions 664/15 and 655/15: AEEGSI Resolutions 664/15 and 655/15 were challenged before the Lombardy Regional Administrative Court with both appeals dated 29 February 2016.

The Company filed an appeal on additional grounds to the main appeal, against Resolution 655/15, challenging:

- the Resolution of the Shareholders' Meeting of the Tuscan Water Authority no. 22 of 22 July 2016;
- the Decision of the Director of the Water Systems Department of the AEEGSI no. 5 of 6 December 2016;
- the Resolution of the Regulatory Authority for Energy, Networks and the Environment no. 311/2019/R/IDR of 16 July 2019;

The Company filed an appeal on additional grounds to the main appeal, against Resolution 664/15, challenging:

- the Resolution of the Authority for Electricity, Gas and the Water System no. 687/2017/R/idr of 12 October 2017;
- the Resolution of the Authority for Electricity, Gas and the Water System no. 918/2017/R/idr of 27 December 2017.

The cases are still pending.

- ARERA Resolutions 547/19 and 580/19: ARERA Resolutions 547/19 and 580/19 were challenged before the Lombardy Regional Administrative Court with appeals notified on 17 February 2020 and 26 February 2020.

The Company filed an appeal on additional grounds to the main appeal, against Resolution 580/19, challenging:

- the Resolution of the Regulatory Authority for Energy, Networks and the Environment (ARERA) no. 235/2020/R/IDR of 23 June 2020
- the Resolution of the Tuscan Water Authority no. 3/2020 of 26 June 2020.
- the Resolution of the Regulatory Authority for Energy, Networks and the Environment no. 639/2021/R/IDR of 30 December 2021, concerning "Criteria for the two-yearly update (2022-2023) of the tariff arrangements for the integrated water service".
- the Resolution of the Regulatory Authority for Energy, Networks and the Environment no. 229/2022/R/IDR of 24 May 2022, concerning "conclusion of the procedure for the review of certain criteria
- for the two-yearly updating of the tariff arrangements for the integrated water service, in compliance with the ordinances of the Regional Administrative Court for Lombardy, Milan (section one) nos.373/2022, 383/2022, 384/2022, 385/2022 and 386/2022".

- the Resolution of the Regulatory Authority for Energy, Networks and the Environment no. 495/2022/R/IDR of 13 October 2022, concerning the “reopening of the terms for the financial advance payment aimed at mitigating the effects related to the growth of the cost of electricity on the operators of the integrated water service”.

The cases are still pending.

- ARERA Resolution 609/21: ARERA Resolution 609/21 was challenged before the Lombardy Regional Administrative Court with an appeal notified on 18 February 2022.

The case is still pending.

Relations with the Tuscan Water Authority (TWA)

In 2024 Publiacqua took part in various meetings with TWA officials for the definition of the Addendum to the Regulations, the tariff data collection for the fourth regulatory period (MTI-4 2024/2029) concluded by the same Authority with the sending in July of the 2024-2025 tariff arrangements to ARERA for the approval of the tariffs according to the MTI-4 method, the collection of information in advance of the preparation, by TWA, of the tender for the identification of the new operator, the regulatory acts approved by the EGA (Addendum and Service Charter), the presentation of the gradual process of the ex-GIDA industrial tariffs to the regulatory methodology provided for by ARERA in the TICSİ for the fee due by industrialists.

The Company met the reporting deadlines required by the regulatory regulations and contributed to the validation phases of the transmitted data. During 2024, the TWA, through its bodies, issued the following acts that were relevant to the Company:

Shareholders' Resolution no. 8/2024: with this act the TWA provided for the inclusion of the wastewater treatment service performed by GIDA S.p.A. within the scope of the integrated water service of the Territorial Conference no. 3 Medio Valdarno area from **1 January 2025** and provided for the technical extension of the awarding of the IWS to the company Publiacqua S.p.A. under the same conditions as the one currently carried out for the time necessary for the conclusion of the public procedure to select the private partner of the new operator and identify the new award of the service. This extension will end no later than 31 December 2025, unless further extensions are granted due to the time required to complete this tender, the call for which, at the date of approval of these financial statements, has yet to be published by TWA;

Shareholders' Resolution no. 9/2024: this resolution is related to the approval of the guidelines for the preparation of the tender for the new assignment of the integrated water service in the Territorial Conference no. 3 Medio Valdarno, through an open procedure pursuant to the Procurement Code, with awarding according to the criterion of the most economically advantageous offer for the identification of the private partner.

Shareholders' Resolution no. 21/2024: the TWA approved the amendments to the Regulation on tariff application and acceptability in the public sewerage system of industrial discharges concerning the valorisation of the fixed fee for the purification service for users with private sewerage service.

Governing Council Resolution no. 2/2024: this resolution approved the new Service Charter, effective as of 1 June 2024, updated with the new provisions set forth in ARERA Resolution no. 637/2023/R/idr on the updating of the technical quality regulation.

Governing Council Resolution no. 4/2024: this resolution approved the Addendum to the Publiacqua IWS Regulation, effective as of 1 June 2024.

Governing Council Resolution no. 18/2024: by which the TWA approved the tariff convergence mechanism for former GIDA industrial users, defining an 8-year process through which industrial tariffs would be adjusted to the TICSİ.

Director's Decree no. 151/2024: the TWA approved the takeover of Publiacqua S.p.A. as of 1 January 2025 in the management of the purification plants managed by GIDA S.p.A. with the signed service agreement that provides for the transfer of GIDA's plants to SII.

It should also be noted that the Territorial Conference 3 met on 5 December 2024 at the request of certain Mayors in the area. At this meeting, the minutes of which have been drawn up, it was substantially agreed that,

before the publication of the call for tenders to identify Publiacqua's private partner, another step would be taken within the Territorial Conference and that the time available would be used for further in-depth studies, also from a political point of view, without prejudice to the fact that these in-depth studies could not call into question what had been decided by TWA up to this point, and therefore without this being tantamount to admitting that there were shortcomings or illegitimacy upstream of the choice made. To date, we have no information about the timing of the publication of the call for tenders.

3.14 Risks and uncertainties

Pursuant to Art. 2428 paragraph 2, section 6-bis) of the Italian Civil Code, as amended by Italian Legislative Decree no. 394/03, the information required is shown below.

• Risk related to legislation and regulations

The Group operates in a highly regulated industry, which includes not only the electricity and natural gas sectors, but also environmental services, the integrated water service and energy production from renewable sources. The rapid and sometimes unpredictable evolution of the legal and regulatory framework represents a significant risk factor for the company's activities. In particular, the introduction of new laws and regulations, which may concern fundamental aspects such as the functioning of the energy market, tariff plans, energy distribution methods, service quality standards and technical/operational requirements, is something that must be constantly monitored.

In a context of increasing focus on sustainability, the ecological transition and digitalisation of the energy sector, regulations are evolving to meet new global and local needs, such as decarbonisation, energy efficiency, environmental protection and climate change management. For example, the transposition of European Green Deal regulations and the increasing pressure to adopt green and renewable solutions may lead to changes in licensing criteria and natural resource management obligations.

In this scenario, regulatory changes could generate direct and indirect impacts on the Group. For example, the introduction of new price and tariff regulation measures could affect operating margins. In addition, complying with stricter sustainability and environmental safety regulations may require significant investments in infrastructure, technology and management systems, as well as changes in adopted business models. Such changes could lead to lower revenues, increased operating costs or even the abandonment of certain activities that are no longer compatible with the new provisions.

The Group has implemented a regulatory and regulatory risk management policy aimed at minimising the impact of these developments. In particular, the Group:

- Continuously monitors sector regulations and legislative initiatives, with a special focus on amendments to the Green Certificates regulation, the introduction of new energy management technologies and the evolution of support mechanisms for renewable energies.
- Actively cooperates with public institutions and regulatory authorities to understand and influence future regulatory developments, as well as with trade associations and standardisation bodies to stay ahead of new compliance requirements.
- Promotes participation in institutional working tables to analyse the impacts of European policies, such as those related to the Third Energy Package, decarbonisation policies and common energy market regulatory instruments.
- Implements a continuous process of adapting and updating its operational and business strategies, with the aim of responding flexibly and timely to regulatory changes.

Some of the main issues that could undergo significant developments include:

- The regulations concerning the granting of concessions for gas and electricity distribution services: in a context of digitalisation and decarbonisation, new requirements for energy efficiency and the management of renewable resources may emerge, with possible impacts on distribution methods and concessions themselves.
- The regulation of economically significant local public services, with an increasing focus on the resilience and sustainability of services, which could lead to a review of the way the sector is managed and controlled.

- The evolution of the Green Certificates market regulations: in particular, changes in incentive policies for renewable energy production and emission management, with possible impacts on costs and benefits for operators.

- The European Union's Third Energy Package aims to strengthen the integration of the European energy market and promote security of supply by increasing pressure on network regulation and energy efficiency.

In this context, the Group is committed to constantly monitoring regulatory developments, ensuring compliance with all local and European regulations and optimising its risk management strategy to address any regulatory changes in a timely manner, thereby minimising operational and economic impacts.

- **Risks associated with the expiry of gas distribution concessions/contracts held by Estra and other Group companies.**

The activities of distribution and sale of natural gas, electricity and other energy services, as well as the operation of facilities, are subject to concessions or authorisations issued by public bodies or other competent authorities. In particular:

(a) Distribution of natural gas and operation of LPG networks: These activities are carried out under concessions granted by local public authorities.

(b) Sale of natural gas and electricity, LPG, electricity from renewable sources, operation of telecommunications networks and heating plants: These activities are subject to obtaining specific authorisations from the competent authorities, which vary depending on the service provided.

Risks associated with the award, maintenance and loss of concessions and authorisations: the Estra Group is exposed to risks associated with the award, maintenance and loss of concessions and authorisations. In particular, for expired concessions and awards, the Group may not be able to secure their renewal at current economic conditions, nor obtain new concessions. Moreover, obtaining new concessions or authorisations, where necessary, could be a lengthy, complex and uncertain process, with bureaucratic processes involving costs and uncertain implementation times.

- a) Risks associated with the award and renewal of concessions: Concessions for the distribution of natural gas and the management of LPG networks are generally obtained through direct awarding or tenders called by individual Municipalities. Many of these concessions have expired, but the Group's activities continue on an extension basis, which extends the duration of the concession relationship until a new tender is called. During the extension period, the concession holder is required to continue operating the service, limited to ordinary administration, and must pay the concession fee to the granting entity. However, the renewal of concessions is not guaranteed and could take place under less favourable conditions.

Since 2000, with the introduction of Italian Legislative Decree no. 164/2000 (Letta Decree) and subsequent implementing decrees, concessions for natural gas distribution have been awarded through public tenders called by Municipalities or ATEMs (Minimum Territorial Areas). Despite the fact that the law stipulates precise timeframes for the launch of tenders and the publication of calls for tenders, many concessions have expired without the calls for tenders having been published yet, due to delays and administrative difficulties. As a result, the Group may not be able to participate in or be awarded new concessions, and even if this were to happen, the economic conditions may differ from the previous ones, which could have a negative impact on the Group's economic and financial situation.

- b) Risks related to authorisations for other activities: The Estra Group is also exposed to the risk of loss or non-renewal of authorisations needed to carry out activities such as the sale of natural gas and electricity, the management of photovoltaic plants and the sale of LPG. These authorisations are issued by the competent authorities on the basis of compliance with certain regulatory requirements. There is no guarantee that these authorisations can be renewed or that the Group will not suffer revocations, which could jeopardise its ability to operate in the sector. Moreover, obtaining new authorisations could be subject to lengthy and costly bureaucratic processes, with unpredictable outcomes.

• **Risks associated with malfunctioning and/or breakdowns of the network and plant infrastructures**

The Group companies operate in strategic sectors whose activities depend heavily on the continuous operation of network infrastructure (such as electricity and natural gas transmission and distribution networks) and plants (such as storage facilities, thermoelectric power plants, waste-to-energy plants, etc.). These infrastructure are essential for the continuous provision of services, and any malfunction or interruption can have a significant impact on the Group's operations.

As technologies evolve and systems become more complex, the risks associated with infrastructure failure have increased, as have the potential impacts on business. The main risk factors include:

- **Technological failures and operational malfunctions:** Increasing digitalisation and the adoption of advanced technologies, such as the Internet of Things (IoT) and automation systems, increase vulnerability to technology failures, software errors and malfunctions in network and facility management systems. These events can compromise business continuity and require costly and time-consuming corrective action.
- **Cyber risks:** The rise of cyber threats and attacks on industrial control systems (ICS). The Group's plants and infrastructure are increasingly connected to digital systems and vulnerable to cyber attacks, such as ransomware or hacking, which could seriously compromise security and operational reliability.
- **Natural disasters and climate change:** Extreme weather events such as storms, floods, fires and droughts are becoming more frequent and intense due to climate change. Such events can damage physical infrastructure and disrupt services, especially in geographically vulnerable areas, with impacts on both service continuity and operational costs.
- **Acts of terrorism and sabotage:** Although rare, deliberate attacks on critical infrastructure, including power plants and transport networks, remain a real threat. Acts of terrorism or sabotage can cause serious material damage, prolonged interruptions of services and significant economic impacts.
- **Regulatory and administrative measures:** Measures issued by judicial or administrative authorities, such as orders to suspend activities or obligations to adapt infrastructure, may temporarily or permanently restrict the operation of certain plants or networks. Regulatory changes, including decarbonisation and energy transition policies, may require significant changes in plant operations, with possible disruptions or the need for additional investment to adapt to new requirements.

The consequences of such interruptions could include:

- **Total or partial interruptions of activities:** The loss of operation of essential plants or networks can stop production or reduce distribution capacity, causing disruptions that impact the quality and continuity of service to customers. Such interruptions can have direct economic effects such as loss of revenue, and indirect effects such as loss of trust on the part of customers and regulators.
- **Increased operating costs:** In the event of malfunctions or interruptions, extraordinary maintenance, technology upgrades or replacement of infrastructure components may be required, which may lead to increased costs. Furthermore, the adoption of back-up and business continuity measures, such as the implementation of back-up systems, entails an additional financial outlay.
- **Reputational risks:** The management of interruptions or malfunctions can also have an impact on the reputation of the Group. The ability to respond quickly and effectively to such events is crucial to maintaining the confidence of customers, investors and authorities.

To mitigate these risks, the Group has adopted a structured approach to infrastructure management and operational resilience. Some of the main risk management measures are:

- **Resilience and business continuity plans:** The adoption of contingency and business continuity plans to cope with technological failures, natural disasters, cyber attacks and other unforeseen disruptions. These plans include solutions for the rapid restoration of operations and to ensure the protection of critical infrastructure.
- **Advanced cybersecurity:** Investment in cybersecurity systems, continuous monitoring and staff training to prevent and manage cyber threats, in particular with regard to industrial control systems (ICS).
- **Cooperation with the authorities:** Ongoing dialogue with local authorities, civil protection agencies and security forces to coordinate responses to natural disasters, acts of sabotage or other emergencies.
- **Technology upgrading and regulatory compliance:** The adoption of state-of-the-art technologies, the continuous review and adaptation of infrastructure to changing regulations, and the commitment to reduce environmental risks and ensure the sustainability of operations in the long term.

• **Risks related to White Certificates**

The Group is subject to the obligations established by national legislation for the achievement of annual energy saving targets, as determined by the Decree of the Italian Ministry for Economic Development for the

four-year period 2021-2024. These targets are measured by obtaining “white certificates” (or Energy Efficiency Certificates, EECs), which the Group has to produce directly or acquire on the market in order to meet the set deadlines.

Should the Group fail to produce or acquire a sufficient number of white certificates to reach the annual target, it will be required to purchase them on the market, with the risk of facing a significant increase in costs. Recently, prices for white certificates have risen significantly, a trend that may persist or even intensify in the coming years due to various factors, including increased demand, reduced availability of certificates on the market, and possible regulatory changes.

Moreover, failure to achieve the required amount of white certificates would not only result in the need to purchase them at potentially high prices, but also in the application of sanctions by ARERA (the Regulatory Authority for Energy, Networks and the Environment). These penalties, together with the additional costs of purchasing the missing white certificates, could have a significant impact on the Group’s economic performance.

The risk is further heightened by possible legislative changes that could raise energy saving targets or change the way white certificates are awarded. The continuous evolution of energy policies, especially in a context of increasing emphasis on ecological transition and sustainability, could in fact lead to a more stringent alignment of energy efficiency obligations, generating more pressure on the Group.

To mitigate these risks, the Group adopts a strategy that includes the following measures:

- **Optimisation of energy efficiency measures:** The Group is continuing with the implementation of internal projects to improve energy efficiency and the direct production of white certificates. Investment in innovative technologies and strategic planning of interventions can enable white certificates to be obtained at relatively low costs compared to market purchase.
- **Constant market monitoring:** The market for white certificates is continuously monitored to assess price trends and availability, with the aim of acquiring the necessary certificates at the most convenient time possible, thus reducing the economic impact of purchases on the market.
- **Supplier diversification strategy:** The Group explores different options for the supply of white certificates through a network of market players, reducing the risk of having to purchase certificates from sole suppliers or in times of high demand.
- **Prevention of regulatory risks:** The Group maintains a constant dialogue with relevant institutions and actively participates in discussions on future regulatory developments, influencing the definition of energy saving targets so as to best manage economic and operating commitments.
- **Analysis of the impact of regulatory changes:** The evolution of energy efficiency and sustainability policies is closely monitored to anticipate any changes that might affect white certificate obligations, enabling the Group to adapt in a timely manner and optimise its compliance strategy.

In summary, although the increase in white certificate prices and uncertainties related to regulatory developments represent a significant risk, the Group is taking proactive measures to limit the impact of these risks and ensure that energy saving targets are achieved in an efficient and economically sustainable manner.

• **Risks relating to quality standards**

The Group is subject to strict quality standards for the supply of natural gas and electricity to end-users, as well as for the distribution of natural gas, with a particular focus on safety, service continuity and commercial quality aspects. Quality standards are governed by national and European regulations that set precise parameters concerning reliability, timeliness of supplies and safety of infrastructure. Failure to meet these standards could result in the payment of indemnities to end-users, administrative sanctions and fines, which could have a negative impact on the Group’s economic profile.

In recent years, regulations concerning service quality and infrastructure safety have seen a progressive tightening, with an increased focus on the energy transition and sustainability. In particular, the new regulations require energy and gas suppliers to meet higher standards in terms of energy efficiency, emissions reduction, and network resilience. In addition, the introduction of advanced technologies such as smart grids and smart meters has introduced new challenges for performance management and service quality.

The main risk areas related to quality standards include:

- **Operational risks related to service continuity:** Any interruptions in the distribution service, such as infrastructure failures or delays in repairs, could lead to a breach of service continuity standards. In particular, the growing demand for energy, combined with ageing infrastructure and difficulties in procurement of critical materials, increases the risk of disruptions. Emergency management, particularly in times of high demand such as summer or winter, is one of the main challenges.
- **Safety risks:** Compliance with safety standards, especially with regard to the integrity of the distribution networks and protection from environmental hazards (such as fire or earthquakes), is crucial. Any

accidents or breaches of safety regulations could have serious repercussions not only for public health and safety, but also economically, through fines or compensation due to users.

- **Energy transition and sustainability:** With increasing regulation and commitments to sustainability (e.g. decarbonisation targets, energy from renewable sources), the Group may need to address the adaptation of its infrastructure to meet environmental and service quality standards. The management of networks for the integration of renewable sources (e.g. solar, wind) requires a different approach to quality management, as the variability of these sources can impact service stability and continuity.
- **Adaptation to new technologies and innovation:** The adoption of smart meters, smart grids and other digital technologies has improved the management and quality of service, but also entails risks related to the reliability and interoperability of the new solutions. The collection of large amounts of data and the management of digital systems can create challenges in terms of security, privacy and fairness in the interpretation of quality of service information.
- **Legal and regulatory risks:** Developments in service quality and safety regulations are becoming increasingly stringent. For example, the increasing emphasis on the digitalisation of meters and transparency in consumption management could generate new obligations for the Group, increasing the risk of non-compliance and related penalties. European regulations, such as the Clean Energy for All Europeans Package, set challenging targets that could lead to the need for structural changes in the Group's operations, as well as the risk of not meeting the set standards.

The consequences of any violations of quality standards could include:

- **Indemnities and compensation to end-users:** In the event of disruptions or failure to meet quality standards, the Group would be required to compensate its customers through indemnities that could have a direct economic impact. In particular, prolonged interruptions or disruptions at peak times could result in significant compensation, damaging the company's reputation and finances.
- **Penalties and fines:** Non-compliance with quality standards could lead to sanctions imposed by the regulatory authorities, particularly if the Group fails to meet the parameters set by ARERA or other competent authorities. The fines could adversely affect the Group's financial situation, adding an economic burden to its operating costs.
- **Reputational damage and loss of trust:** Inadequate management of quality standards can damage the reputation of the Group, affecting customer confidence and competitiveness on the market. Perceptions of unreliability or a lack of attention to security and service could reduce the customer base and undermine the market position.

To mitigate these risks, the Group has implemented a number of strategies:

- **Continuous monitoring of service quality:** The Group has developed advanced monitoring systems to ensure compliance with quality standards and to identify potential areas for improvement at an early stage.
- **Continuous professional development:** To ensure that all operators are up-to-date with current regulations, the Group promotes the continuous training of its staff in safety, operational efficiency and service quality to reduce the risks of human error.
- **Constant dialogue with regulatory authorities:** The Group maintains proactive dialogue with the competent authorities in order to stay informed about regulatory developments and to ensure that all operations always comply with changing regulations.

In summary, while the Group currently complies with quality and safety standards, the increasing complexity of the industry and the challenges of the energy transition and technological innovation require constant monitoring and strategic investments to maintain and improve service standards.

• **Risks arising from the approval of new tariff systems**

As an operator in the sector of electricity and natural gas distribution and sales, the Group is subject to a tariff system regulated by ARERA (Regulatory Authority for Energy, Networks and the Environment), which establishes the criteria for updating and determining tariffs for the supply of energy services. At present, the Group's revenues partly depend on tariffs set according to a system that is periodically updated according to criteria set by the Authority. Though these tariffs are designed to ensure a balance between the costs incurred by the Group and the economic return required to sustain operations, it cannot be ruled out that the introduction of new legislative or regulatory measures could negatively affect the Group's revenues.

In recent years, the legislative and regulatory context of the energy sector has seen a growing focus on the energy transition, with an increase in decarbonisation policies and the promotion of renewables, which could lead to a review of tariff systems. The main variables that could influence the approval of new tariff systems include:

- **Review of tariffs to encourage the ecological transition:** The adoption of policies in favour of sustainability, such as the promotion of renewable energy, energy efficiency and electric mobility, could lead

to changes in tariff systems. It is possible that regulators will introduce incentives for the integration of renewables or penalties for carbon-intensive technologies. These changes could have an impact on the Group's revenues, especially if the new tariff systems do not adequately compensate for the costs resulting from the adaptation of infrastructure and services.

- **Changes to network access tariffs and distribution tariffs:** Evolving business models in the energy sector, such as the increasing deployment of smart grids and microgrids, could influence the cost of access to infrastructure and distribution networks. Distribution tariffs could be revised to better reflect the costs of maintaining networks and the need to invest in new technologies, with a potential impact on Group revenues.
- **Tariff reform for gas and electricity supply service:** Recent discussions on the transitional tariff model and the phasing-out of regulated end-customer tariffs could introduce new ways of pricing. Market liberalisation and the adoption of competition-based tariff models could reduce the predictability of revenues, especially if tariffs do not align with the actual costs incurred by the Group.
- **Increased system tariffs for decarbonisation:** The introduction of additional tariffs to finance decarbonisation targets and the energy transition could lead to an increase in end-user tariffs, affecting the demand for energy and gas. These changes could affect the Group's revenues in two ways: on the one hand, an increase in consumer costs could reduce energy consumption, while on the other hand, the Group could be forced to adjust its tariffs to cover the additional costs of decarbonisation.
- **Tariff reform in response to the global energy crisis:** Following the recent turbulence in the global energy markets, linked to factors such as the war in Ukraine and the slowdown in gas supplies, regulators may adopt new tariff systems to protect consumers and stabilise the market. However, these adjustments could be to the detriment of operators, reducing their ability to generate revenue and increasing pressure on profit margins.

The main consequences of a change in tariff systems could include:

- **Reduced profit margins:** If the new tariffs do not adequately compensate for the operating costs and investments required to comply with sustainability regulations, the Group could experience a squeeze in profit margins. In particular, the increase in operating costs related to the energy transition may not be adequately offset by an increase in tariffs.
- **Revenue uncertainties:** Tariff changes imposed by regulatory authorities could increase the uncertainty of the Group's future revenues. If tariffs are not set in a transparent and predictable manner, there may be fluctuations in revenues that impact on economic stability and long-term planning.
- **Impact on competitiveness:** In a context of increasing market liberalisation, the introduction of uncompetitive tariffs could reduce the Group's ability to attract and retain customers, with potential negative impacts on turnover. Tariff policies could, in fact, favour more agile operators able to adapt quickly to changes, putting pressure on the Group's performance.

To mitigate these risks, the Group has adopted a number of strategic measures, including:

- **Monitoring and anticipating regulatory changes:** The Group closely monitors discussions and regulatory changes related to tariffs in order to be able to adapt in a timely manner and anticipate any high-impact changes.
- **Dialogue with regulatory authorities:** The Group actively participates in public consultations and working groups set up by ARERA and other authorities to positively influence the formulation of new tariff systems, protecting its own interests and those of its customers.
- **Diversification of revenue streams:** In response to uncertainties over tariff systems, the Group is seeking to diversify its revenue streams, with investments in renewable energy, energy efficiency solutions and innovative services that are not solely dependent on gas and electricity sales tariffs.
- **Optimisation of operating costs:** The Group adopts policies to limit operating costs and improve management efficiency in order to cope with any negative fluctuations in revenues resulting from changes in tariff systems.

In summary, the risk arising from the approval of new tariff systems is related to uncertainty about future regulatory changes, which could negatively affect the Group's revenues. However, the Group is adopting proactive strategies to mitigate these risks, constantly monitoring the evolution of the regulatory framework and adjusting its operations in an agile and sustainable manner.

• **Risk related to competition**

The Group operates in a highly competitive market, characterised by the presence of national and multinational players, some of which have superior financial resources and operational capabilities. The increasing liberalisation of the energy market and the rapid evolution of technology are expanding the number of direct competitors, including new entrants who, thanks to the adoption of advanced digital solutions and innovative business models, are able to offer more agile and customised services.

Though the Group enjoys competitive advantages stemming from its long-standing presence in the territory, consolidated experience and strong focus on service quality, the intensification of competition could bring significant challenges, especially in a context of increasing digitalisation of energy services, the decline of regulated tariffs, and greater focus on environmental sustainability policies. In particular, risk related to competition can manifest in various ways:

- **Increased competition from technologically advanced operators:** The digitalisation of the sector, through the adoption of smart meters, smart grids and consumption management platforms based on artificial intelligence, is reducing entry barriers for new operators. These players are able to provide more flexible and customer-oriented solutions, responding in real time to consumer needs with dynamic pricing and customised services. If the Group failed to adapt quickly to these new dynamics, it could lose its market share to more agile and technologically advanced players.
- **Competition on value-added services:** Competition is no longer limited to the supply of energy and gas, but extends to complementary services, such as energy efficiency, e-mobility and renewable energy solutions. Competitors, especially those more focused on the energy transition, are expanding their offer with solutions that go beyond the simple sale of energy, thus responding to the growing demand for integrated and sustainable services. If the Group does not evolve its business proposition, it risks losing ground in strategic market segments.
- **Sustainability and decarbonisation as competitive drivers:** The energy market is undergoing a profound transformation, with an increasing orientation towards environmental sustainability. Operators investing in renewables, CO₂ reduction solutions and green technologies are gaining a competitive edge, responding not only to regulatory requirements, but also to the expectations of increasingly environmentally conscious consumers. The Group's ability to respond to these challenges will be crucial to maintaining competitiveness. Otherwise, the company could face a reduction in demand from consumers and companies increasingly oriented towards a green economy.
- **Risk of reduced customer base and margins:** Should the Group not be able to respond effectively to these competitive challenges, there could be a reduction in customers and a squeeze on margins. Competition could weaken the Group's ability to maintain a stable and profitable customer base, which would have a direct effect on its growth prospects and financial position. The reduction in margins could be linked to aggressive pricing policies by competitors, who, taking advantage of their financial strength, could adopt penetration strategies to gain market shares.
- **Liberalisation and deregulation of markets:** With the introduction of new tariff models and the liberalisation of the energy markets, the Group may find itself at a disadvantage compared to larger competitors with greater market power. Price liberalisation policies and competition between operators could reduce the Group's bargaining power, especially if competitors manage to charge more competitive rates or offer more favourable conditions for customers.

Consequences for the Group:

- **Pressure on margins:** Increased competition could reduce operating margins, especially if the Group cannot maintain an efficient cost structure or sufficiently differentiate its offer. If competitors adopted aggressive pricing policies, the Group could be forced to reduce its prices, which would have a negative impact on profit margins.
- **Decline in market share:** Market competitiveness could lead to a loss of customers, especially if the Group fails to offer innovative services and solutions in line with consumer expectations. Customer retention, which also depends on reliability and service quality, could be challenged by new market entrants, with the risk of reducing the customer base and the ability to generate revenue in the long term.
- **Compromising future growth:** The difficulty in maintaining a competitive position could hinder the Group's growth prospects, limiting the possibility of expansion into new markets or the development of new business lines. This could also affect the ability to attract external investment.

Mitigation strategies:

- **Innovation and diversification of supply:** The Group is investing in technological innovation, including digitisation projects, automation and smart solutions for its customers. In addition, it is focusing on offering integrated services such as energy efficiency solutions, e-mobility, and photovoltaic systems to meet the growing demand for sustainable and value-added solutions.
- **Investments in renewable energy:** The Group is directing part of its investments towards renewable energy production, not only as a response to decarbonisation regulations, but also as a competitive lever to attract consumers who are increasingly sensitive to environmental issues.
- **Optimisation of operating costs:** To cope with the pressure on margins, the Group is taking measures to optimise its operating costs by improving the efficiency of its networks and business processes, without compromising the quality of service offered to customers.

In summary, though the Group enjoys competitive advantages stemming from its long-standing presence in the territory and its consolidated experience, the intensification of competition, fuelled by technological, regulatory and market changes, represents a significant challenge. However, the Group is adopting a number of strategies to address these challenges, ensuring its competitiveness and long-term growth.

• **Risks associated with future consumer trends**

The Group, in the gas distribution business, sees its revenues influenced by the tariff system currently in force, which provides for the annual updating of revenues based on criteria established by ARERA – the Regulatory Authority for Energy, Networks and the Environment. These criteria reflect an implicit growth rate of the volumes of natural gas fed into the transmission network. However, the volumes of natural gas fed into the grid and, more generally, the demand for electricity, depend on a number of factors that are not directly under the Group's control, and which can lead to unpredictable fluctuations. These factors include:

- The price of natural gas compared to other fuels, particularly in a context of geopolitical instability and global price fluctuations. Rising natural gas prices, exacerbated by international crises such as the war in Ukraine, could lead consumers to reduce consumption or choose alternative sources, resulting in a reduction in distributed gas volumes.
- The evolution of the electricity sector, with the increasing spread of renewable sources and the rise of energy storage technologies that can reduce the demand for gas for power generation in favour of more environmentally friendly solutions. The electrification of consumption, while a positive goal in terms of decarbonisation, could reduce gas consumption for thermal and industrial purposes.
- Macroeconomic dynamics and tax policies: In an unstable or slow-growth economic environment, such as that which can result from global economic recessions or financial crises, demand for gas and electricity could decrease, negatively affecting the Group's revenues. Similarly, tax policies that penalise energy consumption or incentivise alternative solutions (e.g. rebates for the purchase of photovoltaic systems or heat pumps) could reduce the use of natural gas by end consumers.
- Climate change: Particularly hot or cold periods, which affect energy consumption for cooling and heating, could create significant fluctuations in consumed volumes. Climate change is leading to an increase in the frequency and intensity of extreme events (such as heat waves and cold weather), which can impact energy consumption in an unpredictable way, making it more difficult for the Group to plan for demand trends.
- Environmental policies and carbon pricing regulations: The introduction of stricter regulations on energy consumption and CO₂ emissions could lead to a growing preference for more sustainable energy solutions, reducing the demand for natural gas. The implementation of new decarbonisation laws, increased carbon pricing and energy efficiency incentives could push businesses and consumers towards greener alternatives, with impacts on gas and electricity consumption.
- Availability and costs of imported natural gas: The continuous availability of natural gas from foreign countries, and the transport capacity of pipelines, are decisive for the stability of supply. During disruptions to the global supply chain, costs could increase and, if not sustainable for consumers, a reduction in demand could occur.

Implications for the Group's activities:

- Impact on revenues: Lower-than-expected growth in demand for natural gas and electricity, or a drop in consumption as a result of energy-saving policies or a change in consumer preferences towards more sustainable solutions, could lead to a reduction in revenues from the sale of gas and electricity. A slowdown in demand could also be reflected in squeezed margins, as fixed distribution and sales costs remain unchanged, but volumes decrease.
- Risk of market saturation: If the adoption of environmentally friendly technologies, such as photovoltaic systems or heat pumps, continues to grow, this could lead to a reduction in demand for gas for domestic and industrial use, resulting in slower sales growth for the Group. This scenario would be further influenced by the progressive electrification of consumption, particularly in the industrial and residential sectors.
- Volatility of operating margins: Dependence on gas consumption, influenced by unforeseeable external factors, could make operating margins more volatile. The Group may face fluctuations in sales volumes and, consequently, in revenues, making long-term financial planning more difficult.

Mitigation strategies:

- Monitoring of consumption and macroeconomic trends: The Group has implemented a system to continuously monitor gas and electricity consumption trends in relation to macroeconomic developments, energy policies and climate forecasts. The aim is to detect early signs of any downturn or increase in demand so that commercial and operational strategies can be adjusted quickly.

- **Diversification of supply and sustainable energy solutions:** To counteract a possible slowdown in gas consumption, the Group is aiming for commercial diversification, including solutions that respond to the growing demand for renewable energy and energy efficiency, such as the installation of photovoltaic systems, the management of energy storage solutions and support for electric mobility.
- **Investment in innovation and digitalisation:** The Group is investing in digital technologies that optimise energy demand management, such as smart metering systems and consumption management platforms, which allow consumers to monitor and control their consumption in real time, leading to a more efficient use of energy and a reduction in operating costs.
- **Adaptation to environmental regulations:** The Group is anticipating regulatory developments and carbon pricing policies, preparing its operations to progressively reduce carbon intensity and respond positively to the growing demand for more sustainable energy solutions in order to remain competitive even in more restrictive regulatory scenarios.

- **Risks related to renewable energies**

The Group's renewable energy business is exposed to a number of operational, economic and regulatory risks that could affect its ability to generate sustainable revenues and maintain competitiveness in the market. Though commitment to renewable energy is a fundamental part of the Group's long-term strategy, the production of electricity from renewable sources (such as photovoltaic plants and wind farms) is subject to various factors outside the Group's direct control:

- **Operational and infrastructural risks:** Renewable energy production plants, such as wind farms and photovoltaic plants, are exposed to risks related to natural disasters, fire, mechanical failure, malfunctioning of equipment and control systems, plant manufacturing defects and damage due to exceptional events. Such events may result in temporary or permanent interruption of production, reducing the volumes of energy generated and, consequently, the Group's revenues. A malfunction or significant damage could result in extraordinary costs for repair and resumption of the production process.
- **Risk of regulatory non-compliance:** The renewable energy sector is subject to complex regulation including authorisations, permits and licences for the construction and operation of plants. The Group is required to comply with the terms and conditions set out in the authorisations in order to avoid the risk of sanctions by the competent authorities. Failure to comply with the regulations may lead, in addition to financial penalties, to ineligibility for future incentives and the obligation to return incentives already received. Energy transition policies and incentives related to decarbonisation are constantly evolving, with regulatory changes that may introduce new procedures and requirements to be met. The introduction of stricter regulations or changes in the way incentives are allocated could lead to additional costs for adapting plants to the new regulations.
- **Production and revenue volatility:** Electricity production from renewable sources is inherently variable and highly dependent on the weather conditions of the sites where the plants are located. In particular, wind farms are subject to fluctuations due to wind variability, while photovoltaic plants are affected by the availability of sunlight, which may be reduced during periods of bad weather, persistent clouds or harsher winters. Though the Group has diversified the location of its plants across Italy to take advantage of different weather conditions (e.g., with plants located in areas with higher solar radiation or stronger winds), weather volatility can still cause significant fluctuations in production volumes. This has a direct impact on revenues, as power generation is not guaranteed on a constant basis, and the availability of renewable energy may be lower than expected, leading to a reduction in sales capacity.
- **Risk related to incentives and decarbonisation targets:** European and national energy policy trends are characterised by increasingly ambitious decarbonisation targets. The Group is exposed to the risk that changes in incentive policy and support mechanisms for renewable energy sources may reduce the economic benefits of green energy production. Supportive public policies (such as Green Certificates or incentives for renewable energy production) may be subject to change, including as a result of changes in political priorities or global economic dynamics. In addition, sustainability certification regulations could tighten carbon emission requirements for renewable plants, thus increasing compliance costs.
- **Impact of market conditions and demand for renewable energy:** The renewable energy sector is strongly influenced by the changing demand for "green" energy. The growing demand for clean energy from private consumers, companies and institutions could foster a continued growth in the demand for renewable energy. However, the Group is exposed to market risks related to the supply and competitiveness of other renewable sources, such as hydropower or geothermal energy, which could compete for a growing market

share. Furthermore, the risk of market saturation or the entry of new competitors, especially multinationals with greater resources, could reduce competitiveness and squeeze margins on renewable energy projects. Implications for the Group's activities:

- Financial and operational risks: Any interruptions in power generation or plant breakdowns could result in a decrease in revenue and an increase in operating costs related to maintenance and restoration of production capacity. These factors could adversely affect the Group's profitability.
- Risk of not reaching production targets: Production volatility resulting from weather conditions could jeopardise the achievement of production targets, impacting revenues and long-term contracts with customers.

- **Risks related to seasons and weather conditions**

The Group's activities are strongly influenced by weather conditions and seasonal variables, which determine fluctuations in the demand for natural gas and electricity. Energy demand is typically highest during winter periods, due to the need for heating, and during summer months, when energy demand is fuelled by the use of air conditioning.

However, significant changes in weather and climate conditions, which have become more unpredictable in recent years due to phenomena such as global warming and climate change, may have direct and indirect impacts on the Group's business:

- Energy demand volatility: Milder winters or cooler summers may lead to a decrease in natural gas and electricity consumption compared to seasonal forecasts, resulting in a decline in demand at certain times of the year. Conversely, a particularly harsh winter or an exceptionally hot summer could cause peaks in demand, putting production and distribution capacities under pressure. Such unpredictable seasonal fluctuations may affect the scheduling of activities and the management of energy supply costs, as demand may not align with initial consumption forecasts, with impacts on financial planning and resource optimisation.
- Impact on renewable energy production: Energy production from renewable sources, such as photovoltaic plants and wind farms, is particularly sensitive to weather conditions. Periods of low sunshine or weak winds reduce the efficiency and energy production of plants. The intensification of extreme weather events or periods of scarcity of natural resources (such as sun and wind) could lead to a significant fluctuation in renewable energy production, affecting generation forecasts and, thus, Group revenues.
- Operational sustainability and resource management: Climate change is accelerating the frequency and intensity of extreme weather events, such as floods, heat waves, storms and droughts, which can damage grid infrastructure, distribution systems and energy production facilities. Such extreme events may lead to service disruptions, damage to physical infrastructure and the need for extraordinary measures to restore normal operations. The Group may face unforeseen costs for extraordinary maintenance and restoration of damaged infrastructure. Moreover, periods of drought can lead to negative impacts both on hydropower production and on the reduction of the availability of drinking water resources for distribution. On the other hand, extreme phenomena such as cloudbursts can lead to risks of lightning strikes, interruption of power grid service or, for the water network, overflowing into wastewater systems and turbidity of water sources.
- Adaptation to new environmental regulations: As global and national climate change policies evolve, more and more regulations and legislation are forcing companies to reduce their carbon footprint and adapt to new environmental sustainability criteria. Unpredictable weather conditions may result in the need to modify plants or adopt new technological solutions to comply with regulations, with additional costs for environmental compliance.
- Risk to financial stability: Seasonality and fluctuating weather conditions not only influence energy demand, but also the management of operating margins. Periods of lower-than-expected demand could lead to overproduction compared to actual consumption capacity, thus increasing storage costs or reducing revenues from energy sales. In addition, uncertainty regarding climate forecasts may lead to difficulties in pricing energy contracts and managing the resources needed to meet demand, which may impact economic margins.

Mitigation and adaptation strategies:

- Advanced weather forecasts: The Group is investing in climate forecasting and real-time monitoring technologies to optimise the management of energy demand and production, with systems that can quickly adapt to sudden changes in weather conditions and improve operational planning.
- Diversification of energy sources: To mitigate the risk of seasonal fluctuations in renewable energy production, the Group continues to diversify its energy sources (combining wind, photovoltaic, hydroelectric,

etc.) and to invest in energy storage solutions (such as storage batteries and smart energy management systems) to balance seasonal fluctuations and optimise energy availability.

- **Dynamic price and resource management:** The Group adopts a strategy of dynamic pricing and continuous monitoring of demand in order to optimise revenues even in times of lower demand, leveraging advanced technologies to store energy or modulate consumption according to weather conditions.
- **Investment in resilient infrastructure:** The Group is implementing resilient infrastructure that is better able to withstand the impacts of climate change, such as upgrading distribution networks to cope with extreme weather events and adopting predictive monitoring technologies to minimise recovery times in the event of faults.

- **Environmental risks**

The Group's activities are subject to strict national and international environmental and public health protection regulations. Environmental, safety and health regulations are constantly evolving, with an increasing focus on sustainability and climate change, both in Italy and at European level. The Group adopts a rigorous policy of compliance with applicable laws and regulations, incorporating into its business processes the best environmental practices and authorisations required for its activities.

However, several risk factors could jeopardise the Group's full ability to comply with continuously updated environmental regulations, with possible impacts on the Group's economic, financial and asset situation. These risks include:

- **Legal and regulatory developments:** The increasing focus of the international community and regulatory authorities on sustainability and the energy transition implies continuous updating of regulations on greenhouse gas emissions, waste management, air pollution and natural resources. The European Union in particular is adopting increasingly restrictive policies through the European Green Deal and the Fit for 55 package, which impose ambitious decarbonisation and CO₂ emission reduction targets. These regulations could generate additional costs for the Group, both in terms of the need to comply with new regulations and the penalties for non-compliance. In addition, the introduction of new environmental taxes or carbon pricing systems could lead to an increase in operating costs related to energy production and distribution activities.
- **Impact of climate change:** Extreme weather events such as floods, droughts, heat waves and storms are increasing in frequency and intensity, with direct effects on the Group's infrastructure and operations. These events can damage distribution networks and compromise the production of energy from renewable sources. In addition, the increasing scarcity of natural resources, such as water and fertile soil, can affect the availability of resources for productive activities, especially in the case of thermal and hydroelectric plants.
- **Legal liability and environmental sanctions:** Despite the Group's commitment to comply with all environmental regulations, there is a risk of legal liability arising from possible environmental incidents, such as industrial accidents, leaks of hazardous substances or water and air pollution. These incidents could lead to administrative or legal sanctions, reputational damage and claims for compensation by third parties or local communities. In addition, evolving environmental regulations could increase the risk of non-compliance, resulting in penalties or repayment of incentives in the event of non-compliance with the commitments made during plant authorisation.
- **Costs of compliance with environmental standards:** The Group may face high costs to adapt to new technologies and sustainable production processes, including investments in purification and emission treatment plants, environmental certifications and the acquisition of new technologies to improve energy efficiency and reduce environmental impact.
- **Risks related to waste management and natural resources:** The Group's activities, particularly in the areas of energy production and environmental services management, may involve the production of waste and the use of natural resources. Failure to manage waste properly or failure to comply with regulations concerning its treatment and disposal may result in liability and penalties. In addition, the supply of natural resources, such as natural gas, could be affected by global environmental policies, which could limit access to certain resources, leading to impacts on operations and costs.
- **Opportunities arising from sustainability:** Though the risks associated with regulatory and climate developments are significant, there are also opportunities for the Group arising from the growing

demand for renewable energy and the drive towards a circular economy. Investing in sustainable technologies, such as energy production from renewable sources,

- efficient management of natural resources and energy recovery from waste could enable the Group to proactively adapt to market changes and gain a competitive edge in a context where sustainability is increasingly valued by consumers and investors.

Mitigation and adaptation strategies:

- Continuous compliance and regulatory monitoring: The Group implements a policy of continuous monitoring of environmental regulations and their impact on its business processes, with the aim of adapting to new legislation in a timely manner.
- Investment in sustainability and green technologies: To reduce the environmental impact of its activities, the Group is implementing a sustainable investment plan, which includes the purchase of renewable energy plants and the adoption of waste treatment and management technologies.
- Strengthening environmental safety practices: The Group is implementing an environmental management system that includes continuous professional development, the adoption of advanced environmental monitoring techniques, and close cooperation with local authorities and regulators to ensure regulatory compliance.

- **Liquidity risk**

Liquidity risk refers to the possibility that Alia and the Group may not be able to fulfil their payment obligations when due. The Group's liquidity could be compromised by factors such as the inability to sell its products and services, unexpected cash outflows, the requirement to pay more guarantees or inability to access the capital markets. Such a situation could result from events beyond the Group's control, such as general turbulence in the reference market, operational problems involving the Group or third parties, or even the perception by market participants of an increased liquidity risk for the Group or other market participants. In the event of a liquidity crisis and loss of confidence by financial institutions, the Group's financing costs could increase and access to certain traditional sources of liquidity could be limited.

- **Risks associated with debt**

Alia and the Group acquire their financial resources mainly through traditional banking channels and conventional financial instruments, such as medium-/long-term loans, mortgages, short-term bank facilities and credit lines, as well as intra-group loans. In addition, cash flows from operations, related to customer and supplier relations, help to support liquidity. The Group's net financial debt is subject to significant seasonal fluctuations, with a direct impact on its management during the year, requiring constant attention to maturities and cash flows.

- Managing seasonality and refinancing risk: The seasonality of the business means that the Group's financial debt, particularly in the short term, can vary significantly during the year, with periods of higher liquidity needs and periods of lower debt. This leads to active management of refinancing risks, which is achieved through continuous monitoring of maturities and coordination of debt with the characteristics of ongoing investments and working capital trends. The Group pays particular attention to the liquidity of assets in which investments have been made, so as to ensure solvency and compliance with financial commitments.
- Reliability and financing conditions: Alia and the Group enjoy a high degree of reliability on the banking system. This reflects a good financial position and effective credit risk management. However, the risk that in the future the Group may obtain financing on different terms than at present, especially in the event of economic turmoil or instability in the relevant market, must be taken into account. Indeed, unforeseeable external events could adversely affect access to financial resources.

- Capital and financial obligations and risks associated with bond loans: Some financing and bond loan agreements entered into by both Estra and the parent company Alia include specific commitments related to compliance with certain asset indicators and financial ratios. These parameters are generally checked every six months, using the consolidated financial statements or annual financial statements of the individual Group companies. Failure to meet these ratios could lead to the suspension of the benefit of the term and force the Group to repay the amounts due early, with a significant impact on available liquidity.
- Default events and operational implications: The Group's ability to meet its obligations depends on its future performance, both operational and financial, which is influenced by various factors, including the effectiveness of its business strategy, general economic conditions, market dynamics and regulatory changes.
- Impacts on operations and dividend distribution: Indebtedness entails an ongoing commitment to allocate part of cash flows to debt servicing, with a direct impact on the resources available for operations and new investments. This could limit the Group's ability to undertake new initiatives or respond to growth opportunities. Moreover, debt management also influences the possibility of distributing dividends, since a significant portion of financial resources must be used to honour existing obligations.

Conclusions: Debt management is a crucial element for the financial sustainability of Alia and the Group. Despite strong credit ratings and a good reputation in the banking system, risks related to seasonal debt fluctuations, compliance with financial parameters and default events need to be closely monitored. Moreover, the need to allocate a significant portion of cash flows to debt servicing may limit the Group's ability to reinvest in its operations and distribute profits to shareholders. Therefore, it is crucial that the Group continue to implement active debt risk management strategies to maintain financial strength and support future growth.

- **Risks associated with interest rates**

Alia and the Group are exposed to fluctuations in interest rates, particularly with regard to financial expenses related to debt, which is mainly contracted at variable rates. To mitigate the risk arising from interest rate fluctuations, the Group adopts a liquidity management strategy involving investments and loans indexed to short-term rates. It should be noted that a large part of revenues, at least those related to regulated businesses, reflects, partially and limited to some revenue components, the interest rate trend, partly reducing the net exposure to the risk of interest rate changes.

The interest rate risk management policy aims to limit interest rate volatility through a combination of medium- and long-term financing, both fixed rate and variable rate. The Group makes limited use of hedging derivatives, such as Interest Rate Swaps (IRS), entered into with financial counterparties of high credit standing, in order to protect the portfolio from interest rate fluctuations.

Considering the active interest rate risk monitoring and management policies, any future rise in interest rates should not have particularly negative effects on the financial position of Alia and the Group.

- **Risks associated with exchange rates**

At present, Alia and the Group are not exposed to significant risks arising from changes in exchange rates that could materially affect their financial and economic situation. The Group does not operate in international contexts involving direct or constant exposure to significant currency fluctuations.

However, it should be noted that, in the context of transactions related to commodity price risk, there may be indirect effects related to changes in exchange rates. Currency fluctuations could indeed affect the procurement costs of some commodities, but this risk is limited compared to other variables affecting the price of the commodities themselves.

In summary, while there are currently no significant direct exchange rate risks, it is important to monitor possible indirect impacts, especially for transactions where currency fluctuations may have an effect on procurement costs or the competitiveness of the resources purchased.

- **Risks associated with commodity prices**

The Group is exposed to market risk arising from fluctuations in energy commodity prices (electricity, natural gas) and related exchange rates. This risk is influenced both by changes in the prices of these commodities and by the indexing formulas used to determine purchases and sales. Fluctuations in energy commodity prices can, in fact, have a direct or indirect impact on the Group's economic performance.

The Group's policy is geared towards mitigating this risk through a series of actions, including aligning the indexing of commodity prices when buying and selling, adopting a strategy of vertical integration along business chains and using financial instruments in the markets to hedge risks.

This strategy aims to reduce exposure to unpredictable price fluctuations while optimising the management of energy commodity costs and revenues.

- **Risks associated with transactions with Group companies**

The Group has established and still maintains commercial relations with investee companies and associates. In particular, the main related-party transactions concern: (i) existing service contracts with Group companies, including companies that are not controlled, and with the shareholders Alia Servizi Ambientali and Coingas; (ii) lease contracts for the company premises in Prato, Arezzo and Siena, from the shareholders Alia Servizi Ambientali, Coingas and Intesa respectively; (iii) financing contracts with Estra S.p.A. and Revet S.p.A. and Coingas. Though the Group believes that the terms and conditions applied in transactions with related parties are in line with normal market conditions, it is not possible to guarantee that, if the same transactions had been entered into with third parties, the same terms and conditions would have been applied.

Further information is contained in Note 15.6 "Transactions with related parties".

- **Risks arising from current judicial proceedings**

Alia and the Group are involved in a number of civil and administrative (mainly related to ARERA – formerly AEEGSI – deeds or to public service concessions), tax and labour law proceedings (both as plaintiff and as defendant), relating to ordinary operations in the natural gas distribution sector and the sale of natural gas and electricity, and in the environment sector. These proceedings have no significant impact on the value of Alia and/or the Group. If there are any current obligations arising from past events, which may be of a legal or contractual nature or arise from conduct entailing liability, Alia and the Group have, over the years, made adequate provisions in special provisions for risks and charges, which are included among the liabilities in the balance sheet.

- **Operational risk**

Operational risk is the risk of losses arising from errors, infringements, interruptions, damage caused by internal processes, employees, systems or external events. Though Alia and the Group companies have implemented specific operating procedures and instructions to reduce and mitigate these risks, they remain exposed to various types of operational risks. These include:

- Risk of fraud, both by employees and external parties.
- Risk of unauthorised operations carried out by employees or collaborators.
- Risk of operational errors, such as those arising from faults in computer systems, malfunctioning of telecommunications systems or inefficient internal processes.

Operational risk management: to reduce operational risk, Alia has adopted a number of risk management systems designed to ensure that the risks associated with its activities are effectively controlled. These systems are built to respond to scenarios of human error, technological malfunctioning or internal violations. However, any glitch or defect in these systems could adversely affect the Group's financial position and operating results, which could also impact overall economic performance.

Impacts in times of crisis: particular attention should be paid to the fact that, in times of economic and financial crisis, the management of operational risks becomes even more critical. Any shortcomings in processes or control systems could lead to:

- Financial losses.
- Increased costs of financing.
- Reductions in the value of assets held.
- Deterioration in the liquidity and capital strength of the Group.

Compliance and crime prevention: in addition, Alia has adopted an Organisation, Management and Control Model in compliance with Italian Legislative Decree 231/2001, which introduced administrative liability for

certain offences committed in its interest by persons in senior management positions or by persons managed by them.

The 231 Model is an integral part of Alia's overall policy to promote fairness and transparency in corporate activities, both internally and in relations with third parties. To support this policy, Alia also adopted a Code of Ethics and established a Supervisory Body with autonomous powers of initiative and control.

Function of the Supervisory Body: the Supervisory Body is in charge of supervising the application and effectiveness of the 231 Model, ensuring that it is adapted and continuously updated according to regulatory changes and organisational developments. Monitoring by the Supervisory Body helps prevent operational risks related to fraudulent behaviour or regulatory violations, helping to ensure that Alia and the Group remain protected from exposure to legal and reputational risks.

Conclusions: While the Alia Group has implemented a robust operational risk management structure, it remains vulnerable to unforeseen risks arising from operational errors, fraud or system malfunctions. The adoption of the 231 Model and ongoing supervision by the Supervisory Body are key measures to reduce exposure to such risks and promote a safe, compliant and transparent working environment. Despite these preventive measures, the Group remains aware that, especially in turbulent economic times, operational risks could have significant repercussions on the financial stability and reliability of the organisation.

- **Risks associated with losses on receivables**

The credit risk of Alia and the Group is mainly attributable to the total trade receivables deriving from gas and electricity sales and TARIC, which are not particularly concentrated as they are spread across a vast number of counterparties (e.g., retail, business and public entities). In conducting its business activities the Group is exposed to the risk that, as a result of the financial position of the obligated party, the receivables may not be paid when due. Consequently the risks are attributable to the increase in the seniority of receivables, insolvency risk and the risk of an increase in receivables subject to bankruptcy proceedings with subsequent impairment that could result in the cancellation, wholly or in part, from the financial statements.

The occurrence of these events is more likely during times of economic recessions or if prices should increase significantly for the commodities sold, which could impact on the ability of Group customers to pay timeously.

The Group adopts a policy of centralised credit management aimed at governing the assessment of customers' creditworthiness and other financial assets of the same, the monitoring of expected recovery flows, the issue of payment reminders, the granting, if considered necessary or opportune, of extended credit conditions, the request for bank or insurance sureties, the transfer of receivables of discontinued customers to external credit recovery companies and the management of legal disputes involving receivables related to the services provided. The payment terms generally applied to customers are governed by legislation and the standards of the free market; in the event of non-payment, default interest is applied in the amount indicated in the supply contracts and established by the current legislation. Provisions for the impairment of receivables reflect the best estimate of credit risk.

The default of one or more customers or counterparties significant for the Group or any increase in the default rate of customers or counterparties in general could have negative effects on the Group's business and prospects and on its economic, capital and financial situation.

- **Risks associated with acquisitions carried out by the Group**

Though the Group plans to conduct due diligence activities prior to the finalisation of transactions involving the acquisition of companies or business units, it cannot be ruled out that in future there may emerge liabilities not covered by the contractual guarantees and/or that the transferors will not be able to comply with any requests for compensation.

- **Risks related to joint ventures and partnerships**

In recent years, the Group has established various partnerships and may undertake additional joint ventures or collaborations with the same or other counterparties in future. The benefits or returns expected from such joint ventures and partnerships could be difficult to realise or lower than the Group's current estimates. Furthermore, these investments are intrinsically risky, because the Group may not be able to exercise full authority in managing the joint venture or partnership and on the company decisions taken. Joint ventures and partnerships may also face difficulties in integrating human resources, technologies and products, increasing operational risks.

- **Risks associated with impairment related to goodwill and to intangible assets with a finite useful life**

As a result of the business combinations carried out over time, and in accordance with IFRS, the Group recognised goodwill related to the acquired companies in its assets, representing the difference between the acquisition cost and the value of the assets and liabilities acquired. In addition, intangible assets with a finite useful life, such as customer portfolios in the gas and electricity sector, arising from the same business combination transactions, were recognised.

However, if the macroeconomic and financial environment should evolve differently from initial estimates, or if the Group should experience a deterioration in its ability to generate cash flows and economic results compared to forecasts, it may be necessary to revise the book value of intangible assets recorded in the consolidated financial statements.

In particular, impairment tests are based on estimates and assumptions about the Group's future performance. If actual conditions differed significantly from expectations, it would be necessary to record write-downs in the profit and loss account, which would have a negative impact on the Group's economic and financial situation as well as its future prospects.

In summary, the risk of impairment of intangible assets with a finite useful life and goodwill is linked to the Group's ability to meet its cash flow generation and economic performance forecasts, with a potentially significant impact on its financial position

Further information is available in Note no. 14.1.1 "Impairment tests".

- **Risks associated with the failed or delayed implementation of the industrial strategy**

The Group has defined a strategy for growth and development. However, if the Group were to fail to implement this strategy effectively, or if the basic assumptions on which the strategy is based turned out to be wrong, difficulties could arise in achieving the goals of increasing revenues and improving profitability.

In this case, the Group could face a number of negative impacts on its business, including:

- Difficulties in business growth and expansion.
- Reduction of future development prospects and attractiveness for investment.
- Negative effects on the overall economic and financial situation.

In summary, the timely and correct implementation of the business strategy is crucial to ensure the sustainable growth of the Group. Any delays or errors in basic assumptions could compromise its ability to generate value, which would directly affect its performance and long-term financial strength.

- **Information Technology risks**

Alia and Group activities are supported by complex IT systems that manage the main corporate operational, administrative and commercial processes. However, the inadequacy or failure of these systems to keep up to date with the changing needs of the business, as well as their possible unavailability, represent potential risks. Furthermore, inadequate management of information integrity, confidentiality and security aspects could expose the Group to significant vulnerabilities.

These risks could have an adverse effect on the Group's operations, future prospects and financial position, jeopardising the continuity and effectiveness of its business processes.

- **Cyber Security risks**

In the context of constant technological evolution, IT security is becoming increasingly important, making it necessary to protect computer systems from potential attacks that could lead to the theft, loss or compromise of sensitive data and information. Such events could have serious consequences for the Group's business operations and reputation.

To deal with these risks, Alia has implemented a dedicated cyber security structure within its organisation, with a specific control that constantly monitors IT systems. The Group regularly carries out testing activities to identify vulnerabilities in its systems and improve defences against potential threats.

In addition, Estra, EstraCom and Centria have obtained UNI CEI ISO/IEC 27001 certification, which certifies the adoption of an information security management system compliant with international standards, further reinforcing the Group's commitment to data protection and cyber security risk management.

• **Risks associated with insurance cover**

The Group companies carry out activities that could expose them to the risk of damages, which is sometimes difficult to predict or quantify. Though the administrative bodies consider the insurance policies taken out to be adequate for the specific operational needs, there is the possibility that events not covered by these policies will occur, or that the damage caused by unforeseen events will exceed the amount of the coverage. In such cases, Group companies could be forced to incur significant financial expenses, which could have a negative impact on the Group's economic, capital and financial situation.

• **Risks related to climate change**

Climate change, manifested through rising global average temperatures and the intensification of extreme weather events, poses an increasing risk to multiple sectors. The main causes are CO₂ emissions from human activities, which contribute to rising temperatures and phenomena such as increased precipitation, rising sea levels, desertification, and extreme weather. These effects pose significant risks to the Group, both operationally and economically.

The main risk areas for the Group are as follows:

- Increased operational costs, such as insurance costs, which may increase due to the increased frequency of extreme weather events.
- Reduction in gas demand for domestic heating, in line with the forecasts of the 2019 NIECP (National Integrated Energy and Climate Plan), which could lead to a reduction in margins in the gas sector.
- Process of electrification of consumption and use of renewable resources: the shift towards more sustainable (renewable) energy sources and the 2050 carbon neutrality target (defined in the 2019 NIECP) could reduce the demand for fossil fuels, including gas and other traditional energy sources.
- Increased extreme weather events: the increased frequency and intensity of natural events (such as storms, floods, heat waves) could compromise the availability and reliability of infrastructure in some areas where the Group operates, leading to service disruptions and possible damage to infrastructure.

Mitigation and adaptation actions

To manage climate change risks, the Group has taken targeted actions, including business diversification, with a focus on the environmental services sector. Between 2020 and 2022, € 20.2 million was invested to acquire companies in the waste cycle, thereby consolidating the Group's position in an area less dependent on fossil fuels.

Meanwhile, cross-selling strategies were implemented to reduce dependence on the gas market and expand the commercial portfolio in the electricity sector, contributing to greater commercial resilience.

In the Group's Business Plan, climate change has been identified as a long-term strategic issue. Various activities, including the development of renewable energy and the acceleration of sustainable mobility, have been targeted to address the challenges of climate change and contribute to a more sustainable energy transition.

Conclusions: Climate change is an increasing risk that may affect various aspects of the Group's operations and growth strategies. However, with an integrated approach that includes diversification, innovation in renewables and the promotion of sustainable business models, the Group is preparing to meet these challenges.

3.15 Significant events after the reporting date

In addition to what has already been reported in the section of the notes to the financial statements concerning equity investments in associates in reference to the exercise of the option right by Italgas S.p.A. on 14 January 2025 for the purchase of the equity investment corresponding to 20.61% of Toscana Energia S.p.A., the following significant events occurred after the end of the financial year:

Financing transaction and bond issue

On 11 February 2025, the parent company Alia Servizi Ambientali S.p.A. signed, in its own interest and in the interest of Estra:

1. A loan agreement for a medium/long-term multi-line loan for a total maximum amount of € 765 million, signed with a pool of major lenders, specifically Banca Nazionale del Lavoro S.p.A, Intesa Sanpaolo S.p.A., UniCredit S.p.A., Banca Monte dei Paschi di Siena S.p.A., Cassa depositi e prestiti S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch and Crédit Agricole Italia S.p.A. (the "Lender Institutions") and divided into the following credit lines:
 - a. a loan of € 225 million, maturing on 11 August 2027, mainly aimed at early repayment of part of the financial debt of Alia and Estra;
 - b. a loan of € 440 million, 50% counter-guaranteed by SACE, with an availability period up to 11 August 2026, to be repaid in accordance with a repayment schedule by 11 February 2030, aimed at supporting Alia's capex plan, relating to the environment branch, and that of Estra;
 - c. a revolving cash credit line with a maximum term of 2.5 years, of € 100 million, to be utilised also in several instalments, to support the general cash requirements of Alia and Estra.
2. An agreement with the US investor Pricoa, of the PGIM Group, relating to the issue by Alia of a new bond for an amount of approximately € 200 million, with a 10-year term, aimed at repaying part of Alia's and Estra's financial debt and supporting the general cash requirements of Alia and the Estra Group. The issue is part of an uncommitted programme, in the total amount of \$ 250 million, for the issue of bonds to be subscribed by PGIM Group companies.

The revenues of the two financing lines were used to repay part of the existing financial debt in advance, support the investment plan and meet general cash requirements.

The existing financial debt repaid under the above transactions arises from:

- the loan agreement signed by Estra, Estra Energie and Prometeo with the pool of banks consisting of Banca Nazionale del Lavoro, Intesa Sanpaolo and Credit Agricole Italia for an initial € 125,000 thousand and residual debt at 31 December 2024 of € 32,143 thousand;
- the loan agreement signed between Estra and Estra Energie with Banca MPS for an initial € 80,000 thousand and residual debt at 31 December 2024 of € 40,000 thousand;
- the USPP bond issued by Estra on 14 September 2022 for an initial and residual amount of € 70,000 thousand at 31/12/2024, guaranteed by Centria and Estra Clima and listed on the Vienna Stock Exchange;
- the Italian bond loan for an initial and residual amount of € 90,000 thousand at 31/12/2024, listed on Euronext Dublin, issued on 23 February 2022 by the Parent Company;
- the loan agreement signed on 22 April 2022 between Alia and a pool of primary banks for an initial amount of € 135,000 thousand and residual debt as of 31 December 2024 of € 129,600 thousand.

Both the bank Loan and the USPP are guaranteed by Estra up to the maximum amount of the financial resources received by the latter through shareholder loans.

In line with the market for this type of instrument, the contractual terms and conditions signed include provisions entitling the counterparties, be they banks or bondholders, to demand immediate repayment of the loaned sums from the borrower upon the occurrence of certain events.

In particular, the bank loan agreement and the bond regulations establish that the Group must comply with certain capital-financial ratios for the entire duration of the credit lines. Failure to comply with these parameters could result in the execution of the acceleration clause and an earlier repayment obligation arising for the debtor.

The financial parameters established are generally measured with respect to Alia Group consolidated figures, and can be summarised as follows:

- the ratio between net financial debt and EBITDA (lower than 4.0x);
- the ratio of financial expenses to EBITDA (greater than 5.0x).

The innovative contractual structure of the loan rewards the Group's sound financial structure and environmental and social (ESG) virtuousness through the introduction of a mechanism (ratchet) that links the

interest rate (spread) to the creditworthiness (rating) and, following the activation of a sustainability-linked option, to the achievement of ESG objectives. In particular, the ratio of net financial debt to EBITDA, depending on the scenarios stipulated in the contract, can also be measured on the basis of economic/financial data relating to the individual businesses of the Alia Group.

The assumption of the loan, as well as the issuance of the USPP, is instrumental in improving the debt composition of the entire Group and represents the implementation of the Group's financial strategy in order to optimise the current financing lines, to raise resources for the investment plan, to intervene on the short-term net financial position, and to make liquidity management more efficient, also with reference to intra-group credit lines.

Determination of residual value (provisional) of Publiacqua S.p.A.

Consistent with the provision of art. 40 of the Concession Agreement, on 31 March 2025, the subsidiary Publiacqua S.p.A. notified the TWA of its proposed (provisional) Residual Value at 31 December 2025, which represents the price to be paid by the incoming operator to the outgoing operator, calculated in accordance with art. 31 of ARERA Resolution 639/2023.

The residual value, determined with appropriate specialised support, amounted to € 456,764 thousand.

Florence, 12 June 2025

For the Board of Directors

The Chairperson
Lorenzo Perra

Chief Executive Officer
Alberto Irace

4. CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

4.1 Consolidated Income Statement

INCOME STATEMENT		2024		2023	
		amount	Referred to related parties	amount	Referred to related parties
	NOTES				
Revenue	12.1	1,740,547,537	229,321,469	947,483,936	210,885,115
Revenues from construction Concession rights	12.2	222,820,136		114,706,795	
Other Operating Revenues	12.3	56,380,324	1,389,616	31,800,238	945,175
Other Income	12.4	16,770,577	171,790	14,386,238	3,664
Consumption of Raw Materials and Consumables	12.5	636,812,344	214,590	313,922,462	77,221
Costs for Services	12.6	595,490,367	39,499,036	385,084,247	5,042,120
Personnel Costs	12.7	210,340,429	254,512	152,992,151	106,129
Other Operating Expenses	12.8	40,891,407	4,214,515	14,923,911	939,074
Construction Costs Concession Rights		209,927,878		106,701,998	
Share of income (expenses) from non-financial equity investments	12.9	-456,216		10,828,320	
Gross operating margin (EBITDA)		342,599,934	186,700,222	145,580,758	205,669,410
Amortisation, Depreciation, Provisions and Write-downs	12.10	219,290,185		75,458,625	
Net write-downs (write-backs) of trade and other receivables	12.11	21,397,651		11,116,434	
Operating Profit		101,912,097	186,700,222	59,005,699	205,669,410
Write-downs and (reinstatements) of financial assets	12.12	286,354		-329,630	
Income (expenses) from commodity risk management		-270,975			
Share of Income (Expenses) from equity investments	12.13	19,242,523		17,745,135	
Financial income	12.14	15,636,865	215,730	10,319,548	150,634
Financial expenses	12.15	57,460,325	176,474	35,580,594	
Financial Management	-	23,138,265	39,256	(7,186,282)	150,634
Profit before income tax		78,773,832	186,739,477	51,819,417	205,820,045
Taxes	12.16	19,552,300		6,638,168	
Comprehensive profit (loss) for the year		59,221,532	186,739,477	45,181,249	205,820,045
Profit (loss) for the year, non-controlling interests		24,932,666		8,916,310	
Profit (loss) for the year, Group		34,288,866		36,264,939	

The comparative figures for the year 2023 have been restated to take into account, as required by IFRS 3, the effects arising from the completion of the purchase price allocation to the definitive fair value of the assets and liabilities acquired for Estra S.p.A. and its subsidiaries and AER S.p.A. at the acquisition date.. For more information, please refer to the section 'Business Combinations and Disposals'.

4.2 Consolidated Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	2024	2023
Net income at year end		59,221,532	45,181,249
<i>of which</i>			
<i>Net profit attributable to non-controlling interests</i>		<i>24,932,666</i>	<i>9,454,758</i>
<i>Group net result</i>		<i>34,288,866</i>	<i>35,726,491</i>
Components which can be reclassified to the Income Statement			
Gains (losses) from valuation of hedging instruments (cash flow hedges)	<i>13.1</i>	(6,211,996)	0
Tax effect of other reclassifiable components of comprehensive income		1,490,879	0
Components that cannot be reclassified to the income statement			
Actuarial gains (losses) on employee benefit provisions	<i>13.2</i>	409,566	(399,872)
Tax effect relating to other non-reclassifiable items of comprehensive income		(98,296)	95,969
Total other comprehensive income components net of taxes		(4,409,847)	(303,903)
<i>of which:</i>			
<i>related to non-controlling interests</i>		<i>(2,742,804)</i>	<i>(55,559)</i>
<i>related to the Group</i>		<i>(1,667,042)</i>	<i>(248,344)</i>
Comprehensive net profit (loss) for the year		54,811,685	44,877,346
<i>of which:</i>			
<i>Net comprehensive result pertaining to non-controlling interests</i>		<i>22,189,862</i>	<i>9,399,199</i>
<i>Net comprehensive result Group</i>		<i>32,621,824</i>	<i>35,478,147</i>

The comparative figures for the year 2023 have been restated to take into account, as required by IFRS 3, the effects arising from the completion of the purchase price allocation to the definitive fair value of the assets and liabilities acquired for Estra S.p.A. and its subsidiaries and AER S.p.A. at the acquisition date. For more information, please refer to the section 'Business Combinations and Disposals'.

4.3 Consolidated Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - ASSETS		2024		2023	
		amount	Referred to related parties	amount	Referred to related parties
	NOTES				
Property Plant and Machinery	14.1	259,899,179		194,994,594	
Real Estate Investments	14.2	8,769,637		7,216,542	
Concession rights	14.3	1,315,464,183		815,214,663	
Rights of Use	14.4	32,818,979		27,298,256	
Other Intangible Fixed Assets	14.5	244,694,213		212,588,676	
Goodwill	14.6	53,559,207		53,559,207	
Investments in associates and joint ventures	14.7	367,105,494		552,761,109	
Other equity investments	14.7	9,071,455		10,504,881	
Non-current financial assets	14.8	20,131,551	4,883,699	22,514,809	4,938,691
Deferred Tax Assets	14.9	80,022,522		64,981,202	
Non-current derivative financial instrument assets	14.10	57,409		414,470	
Non-current trade receivables	14.11	254,861		552,091	63,209
Non-current assets from contracts with customers	14.12	125,974,656		25,783,779	
Other Non-Current Assets	14.13	2,421,129		4,851,363	4,229,758
Total Non-Current Assets		2,520,244,472	4,883,699	1,993,235,643	9,231,658
Inventories	14.14	47,611,482		20,722,231	
Trade receivables	14.15	565,433,771	87,145,228	541,004,645	75,253,411
Current assets from contracts with customers		26,288,548		19,495,210	
Current Financial Assets	14.16	2,915,761		5,696,822	1,649
Current tax assets	14.17	14,114,295		10,370,563	
Other current assets	14.18	161,365,474	6,183,635	158,389,322	
Current derivative financial instrument assets	14.19	1,446,260		1,976,488	
Cash and cash equivalents	14.20	186,783,725		198,203,480	
Total Current Assets		1,005,959,316	98,212,562	955,858,762	75,255,060
TOTAL ASSETS		3,526,203,788	103,096,262	2,949,094,404	84,486,717

STATEMENT OF FINANCIAL POSITION - LIABILITIES		2024		2023	
		amount	Referred to related parties	amount	Referred to related parties
	NOTES				
Share capital	14.21	362,655,325		360,556,971	
Reserves	14.22	627,108,942		482,533,958	
IFRS First-time Adoption Reserve	14.22	7,896,006		7,896,006	
Group profit (loss)	14.22	34,288,866		36,264,939	
Total Group Shareholders' Equity		1,031,949,139		887,251,873	-
Capital and reserves, non-controlling interests	14.22	481,454,857		340,717,646	
Profit (loss), non-controlling interests	14.22	24,932,666		8,916,310	
Total Shareholders' Equity, non-controlling interests	14.22	506,387,523		349,633,956	-
Total equity		1,538,336,661		1,236,885,829	-
Provisions for risks and charges	14.23	84,880,615		69,001,247	
Severance pay and other benefits	14.24	22,741,501		20,135,298	
Non-current financial liabilities	14.25	493,199,937		597,616,118	
Financial liabilities for non-current rights of use	14.25	26,573,025		22,001,082	
Deferred tax liabilities	14.9	58,003,801		51,165,109	
Other Non-Current Liabilities	14.26	128,863,048	14,850	12,549,802	
Non-Current Trade Payables	14.27	4,233,333		4,233,333	
Non-current contractual liabilities	14.28	27,175,444		26,743,159	
Total Non-Current Liabilities		845,670,706	14,850	803,445,148	-
Current financial liabilities	14.25	497,261,755		245,195,314	
Current financial liabilities for rights of use	14.25	6,630,626		5,818,767	
Trade payables	14.29	473,776,934	19,415,495	416,795,092	3,236,708
Current tax liabilities	14.30	12,967,386		18,517,858	
Other current liabilities	14.31	142,093,277	18,727,637	220,190,359	3,644,000
Current contractual liabilities	14.28	1,018,869		1,219,604	
Current derivative financial instrument liabilities	14.19	8,447,574		1,026,434	
Total Current Liabilities		1,142,196,420	38,143,132	908,763,426	6,880,708
TOTAL LIABILITIES		1,987,867,126	38,157,981	1,712,208,574	6,880,708
TOTAL EQUITY AND LIABILITIES		3,526,203,787	38,157,981	2,949,094,403	6,880,708

The balance sheet totals at 31 December 2023 have been restated to take into account, as required by IFRS 3, the effects arising from the completion of the purchase price allocation to the definitive fair value of the assets and liabilities acquired for Estra S.p.A. and its subsidiaries and AER S.p.A. at the acquisition date.. For more information, please refer to the section 'Business Combinations and Disposals'.

In addition, in order to offer greater comparability of the information reported in the financial statements as of 31 December 2024, € 37,152 previously shown under "*Provisions for Risks and Charges*" and € -23,024,302 previously shown under "*Deferred Tax Assets*" have been reclassified to "*Deferred Tax Liabilities*".

4.4 Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT	NOTES	31/12/2024	31/12/2023
CASH FLOW STATEMENT			
OPENING NET CASH AND CASH EQUIVALENTS		198,203,480	26,108,803
Result for the year (A)		59,221,532	45,181,249
Depreciation of tangible assets	12.10	22,729,286	10,177,362
Amortisation of intangible assets	12.10	192,660,443	61,172,514
Capital losses/(gains) on property, plant and equipment	12.8	1,709,043	129,536
Capital losses/(gains) on intangible assets	12.8	6,856,230	3,176,776
Write-down of property, plant and equipment	12.10	2,174,070	2,814,993
Write-down of intangible fixed assets	12.10	794,024	4,278,094
Allocations to provision for bad debts	12.11	21,308,024	11,116,434
Allocations to provision for risks	14.23	11,322,342	11,838,968
Non-cash adjustments related to changes in equity investments (including effect of equity measurement)	12.13	(18,499,953)	(28,973,127)
Economic effect of deferred tax assets/liabilities	12.16	(8,344,459)	(8,932,685)
Allocations to provision for current taxes	12.16	27,896,759	15,379,728
Financial (income)/expenses	12.14/12.15	41,823,460	25,261,046
Allocations to provision for severance pay		2,018,873	-
Other adjustments for non-monetary items		2,762,190	1,202,953
Non-monetary adjustments (B)		307,210,331	108,642,592
Cash flow from Current Operations (C)=(A)+(B)		366,431,862	153,823,841
(Increase)/Decrease Inventories	14.14	(17,983,924)	1,427,491
(Increase)/Decrease Trade receivables, including non-current	14.15-14.11	37,211,519	(202,096,926)
(Increase)/Decrease Assets from contracts with customers		(6,793,338)	(9,292,258)
(Increase)/Decrease Financial assets	14.16	2,781,061	-
Increase/(Decrease) Current tax liabilities (net of assets)	14.17/14.30	(8,462,671)	(2,476,752)
(Increase)/Decrease Other current assets	14.18	28,303,134	26,155,970
Increase/(Decrease) Trade payables	14.29	(53,106,595)	96,658,300
Increase/(Decrease) Other liabilities and current contractual liabilities	14.31/14.28	(11,254,116)	(29,319,344)
Other changes		(1,434,245)	6,374,516
Change in Net Working Capital (D)		(30,739,175)	(112,569,004)
Increase/(Decrease) Non-current assets	14.13	6,765,408	11,083,632
Increase/(Decrease) Non-current assets from contracts with customers	14.12	(3,231,215)	-
(Increase)/Decrease Non-current liabilities	14.26/14.27/14.28	15,056,466	2,331,975
Interest received/(paid)	12.14/12.15	(41,777,175)	(24,228,152)
Change in deferred tax assets/liabilities	14.9/14.9	0	(2,740,808)
Use of risk Provisions	14.23	(8,912,402)	(10,042,677)
Utilisation of employee severance indemnity	14.24	(2,863,671)	-
Current taxes paid	12.16	(30,957,360)	(9,276,960)
Other operating changes (E)		(65,919,948)	(32,872,990)

CONSOLIDATED CASH FLOW STATEMENT	NOTES	31/12/2024	31/12/2023
Operating cash flow (G)=(C)+(D)+(E)		269,772,740	8,381,847
(Invest.) Tangible assets	14.1/14.2	(33,260,780)	(14,974,946)
Disinv. Tangible assets	14.1/14.2	-	-
(Invest.) Intangible assets	14.3/14.4/14.5/14.6	(289,157,306)	(134,540,387)
Disinv. Intangible assets	14.3/14.4/14.5/14.6	-	-
(Invest.) Financial fixed assets	14.7/14.7	(10,002,575)	(17,500,000)
Disinv. Financial fixed assets	14.7/14.7	693,388	1,080,791
Acquisitions of additional interests in companies already controlled		(444,028)	(1,131,042)
(Invest.)/Disinvest. Non-current financial assets	14.8	2,383,258	-
- dividends received		13,446,718	18,497,185
Cash acquired as a result of changes in the scope of consolidation		85,066,145	352,097,739
Cash flow from investment (H)		(231,275,181)	203,529,341
Available cash flow (I)=(G)+(H)		38,497,559	211,911,188
<i>Financial Assets - loans from third parties</i>			
Medium- and long-term financing	14.25	82,219,508	130,800,000
Repayment of medium- and long-term loans	14.25	(293,668,177)	(156,597,251)
Increase (decrease) other financial payables	14.25	161,167,869	13,833,716
<i>Financial assets - Own assets</i>			
Increases in shareholders' equity		363,485	1,153,358
Repayments of shareholders' equity		-	(3,709,333)
Dividends paid		-	(25,297,000)
Cash flow from financing activities (J)		(49,917,315)	(39,816,510)
Net change in cash and cash equivalents (L)=(I)+(J)		(11,419,755)	172,094,678
FINAL NET CASH AND CASH EQUIVALENTS		186,783,725	198,203,481

The comparative figures for the year 2023 have been restated to take into account, as required by IFRS 3, the effects arising from the completion of the purchase price allocation to the definitive fair value of the assets and liabilities acquired for Estra S.p.A. and its subsidiaries and AER S.p.A. at the acquisition date.. For more information, please refer to the section 'Business Combinations and Disposals'.

Some presentation reclassifications have also been made for better comparability of data with financial year 2024.

4.5 Statement of Changes in Consolidated Shareholders' Equity

	Share capital	Share Premium Reserve	Legal Reserve	Actuarial Loss Reserve (OCI)	Cash Flow Hedge Reserve (OCI)	IFRS FTA Reserve	Extraordinary Reserve and Other Retained Earnings	Profit (Loss) for the Year	Total Group Shareholders' Equity	Total Shareholders' Equity, non-controlling interests	Total equity
Balance at 01/01/2023	153,413,910	130,265,723	2,271,901	370,059	-	7,896,006	53,990,063	21,191,534	369,399,196	17,714,819	387,114,015
Changes with shareholders:											
Allocation of the previous year's result	-	-	1,032,477	-		-	541,997	-1,574,474	-	-	-
Dividends	-	-	-	-		-	-	-19,617,060	-19,617,060	-12,340	-19,629,400
Distribution of reserves	-	-	-	-		-	-8,382,940	-	-8,382,940	-	-8,382,940
Acquisition of non-controlling interests in companies already controlled	-	-	-	-		-	-242,440	-	-242,440	-888,602	-1,131,042
Merger by incorporation of Consiag, Acqua Toscana and Publiservizi	205,905,519	430,068,757	-	-		-	126,980,700	-	508,993,576	-	508,993,576
Acquisition of control of AER	1,237,542	2,223,527	-	-		-	-	-	3,461,069	424,038	3,885,106
Purchase of treasury shares	-	-	-	-		-	-2,709,333	-	-2,709,333	-	-2,709,333
Other changes	-	-	-	-		-	333,212	-	333,212	-330,519	2,693
Acquisition of control of ESTRA	-	-	-	-		-	-	-	-	323,865,808	323,865,808
Comprehensive profit (loss) for the year	-	-	-	-248,344	-	-	-	36,264,939	36,016,595	8,860,752	44,877,346
<i>Profit (loss) for the year</i>	-	-	-	-		-	-	36,264,939	36,264,939	8,916,310	45,181,249
<i>Actuarial Gains (Losses) Employee Benefit Provisions</i>	-	-	-	-248,344		-	-	-	-248,344	-55,559	-303,903
Balance at 31/12/2023	360,556,971	562,558,007	3,304,378	121,715	-	7,896,006	-83,450,141	36,264,939	887,251,873	349,633,956	1,236,885,829
Balance at 01 January 2024	360,556,971	562,558,007	3,304,378	121,715	-	7,896,006	-83,450,141	36,264,939	887,251,873	349,633,956	1,236,885,829
Changes with shareholders:											
Allocation of the previous year's result	-	-	1,414,957	-	-	-	14,494,982	-15,909,939	-	-	-
Dividends	-	-	-	-	-	-	-	-20,355,000	-20,355,000	-11,977,904	-32,332,904
Contribution of majority shares in GIDA	2,098,354	4,213,819	-	-	-	-	-	-	6,312,173	6,064,637	12,376,810
Acquisition of control of VALDISIEVE	-	-	-	-	-	-	-	-	-	9,076	9,076
Acquisition of control of PUBLIACQUA	-	-	-	-	-	-	-	-	-	146,788,075	146,788,075
Share capital increase Programma Ambiente Apuane	-	-	-	-	-	-	-	-	-	291,099	291,099
Acquisition of non-controlling interests in companies already controlled	-	-	-	-	-	-	12,622	-	12,622	-6,558,718	-6,546,096
Other changes	-	0	-0	0	-	-	126,105,646	-	126,105,646	-52,561	126,053,086
Comprehensive profit (loss) for the year	-	-	-	197,964	-1,865,006	-	-	34,288,866	32,621,824	22,189,862	54,811,685
<i>Profit (loss) for the year</i>	-	-	-	-	-	-	-	34,288,866	34,288,866	24,932,666	59,221,532
<i>Actuarial Gains (Losses) Employee Benefit Provisions</i>	-	-	-	197,964	-	-	-	-	197,964	113,306	311,270
<i>Other components (Cash flow hedge reserve)</i>	-	-	-	-	-1,865,006	-	-	-	-1,865,006	-2,856,111	-4,721,117
Balance at 31/12/2024	362,655,325	566,771,826	4,719,335	319,679	-1,865,006	7,896,006	57,163,109	34,288,866	1,031,949,138	506,387,522	1,538,336,661

The comparative figures for the year 2023 have been restated to take into account, as required by IFRS 3, the effects arising from the completion of the purchase price allocation to the definitive fair value of the assets and liabilities acquired for Estra S.p.A. and its subsidiaries and AER S.p.A. at the acquisition date. For more information, please refer to the section 'Business Combinations and Disposals'.

5. CORPORATE INFORMATION

5.1 Group Information

The Alia Servizi Ambientali Group (hereinafter also 'Group' or 'Alia Group') is a group of companies operating in Italy mainly in the environmental (waste management and treatment), energy (distribution and sale of electricity, gas and renewable energy) and water (management of the integrated water service) sectors.

The Parent Company Alia Servizi Ambientali S.p.A. (hereinafter also referred to as 'Alia' or the 'Parent Company') operates in the field of waste management, environmental services and other urban hygiene services and is the operator entrusted with the integrated municipal waste management service for the Central Tuscany area, on the basis of the Service Contract (the "**Contract**") signed with the ATO Central Tuscany on 31.08.2017, following the conclusion of a specific public tender procedure.

The management of the service entrusted to ALIA, which began on 01.01.2018, covers the territory of the following 58 municipalities and relates to the following activities:

- basic services, i.e. collection, transport, sweeping, support for home composting; user relationship management and communication; analysis, communication and reporting; sales of waste and/or secondary raw materials and/or by-products, resulting from collection, treatment, recovery and/or disposal operations; management of existing plants included in the tender area for the treatment, recovery and/or disposal of waste transferred to the service concessionaire; transport of waste between plants; management of existing and new collection centres; management of new plants and management of sites/dumps after closure;
- on-demand ancillary services, i.e. services complementary to waste management activities that the municipal authorities reserve the right to activate in the desired quantity, in accordance with the conditions contained in the Contract;
- realisation of works, i.e. works instrumental to the management of the Integrated Waste Management Service, which, in line with the Area Plan, are identified as No. 33 Collection Centres.

The duration of the Concession is 20 years, meaning it ends on 31.08.2037.

As part of the "Multiutility" project, the Alia Group aims to create an integrated player in the environment, energy and water cycle sectors and a single hub for the management of these services in the Tuscany Region. In fact, Alia heads a Group of about 25 subsidiary or associated companies operating in the waste management and treatment sector as well as in other business sectors, including mainly:

- the integrated management of energy resources, which includes but is not limited to the distribution and sale of natural gas, the sale of electricity, the installation and operation of building heating systems with the possible supply of heat and/or fuel, and the production of energy from renewable sources;
- the integrated management of water resources, which includes but is not limited to the catchment, lifting, transport, treatment, distribution and sale of water for any use and in any form, the collection, treatment and disposal of wastewater and/or rainwater, the construction and management of wastewater treatment and purification plants, and the design, construction and management of artificial reservoirs and dams.

The 'Multiutility' project saw significant progress during the year in terms of expanding the company and its scope of business.

In particular, the scope of the consolidated companies, after the entry of Estra S.p.A. and its direct subsidiaries from 1 July 2023 operating mainly in the energy sector, was further enlarged in FY 2024 following the acquisition of control of Publiacqua, the company entrusted, from 1 January 2002, with the management of the integrated water service by the Ambito Territoriale Ottimale no.3 Medio Valdarno, a territory, the backbone of Tuscany, which encompasses 4 provinces: Florence, Prato, Pistoia and Arezzo.

During FY 2024, the scope of consolidation was further expanded with the entry of GIDA S.p.A., which mainly operates in the services of purification, collection, transport and disposal of urban and industrial wastewater as well as the disposal, recovery, valorisation and reuse of sludge and other waste from water treatment plants and production processes.

For more information, the activities of the Company and its subsidiaries are described in Note 8 'Business Segments'. Information on the Group's structure is presented in Note 10 'Group Information', while information on the Group's relations with other related parties is presented in Note 15.6 'Related Party Transactions'.

The consolidated financial statements for financial year ending 31 December 2024 were proposed for approval at the Company's Board of Directors meeting on 26.05.2025 and will be made available to shareholders by the legal deadline.

Please note that as of 2017, with the completion of the bond issue listed on the financial markets, the Parent Company is qualified as an EIP (Public Interest Entity pursuant to Article 16 of Legislative Decree No. 39/2010, as amended) and is subject to compliance with the regulatory framework of reference for the new subjective legal profile acquired

6. ACCOUNTING AND DRAFTING STANDARDS

6.1 Basis of preparation

The Group Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Commission, integrating the relative interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), previously known as the Standing Interpretations Committee (Sic), as well as the measures implemented by Italian Legislative Decree no. 38/2005.

The general principle in the preparation of these Consolidated Financial Statements is based on cost, except for assets and liabilities linked to trading and derivative instruments, measured at fair value.

The preparation of the Consolidated Financial Statements required management to use estimates; the main areas characterised by more significant estimates and assumptions, together with those impacting significantly on the situations presented, are detailed in the paragraph "Significant accounting estimates".

The Directors also assessed the applicability of the going concern assumption in the preparation of the financial statements, concluding that this assumption is appropriate, having found that the Parent Company Alia and the Group are able to meet their obligations in the short term and will continue to operate as a going concern in the foreseeable future.

The consolidated financial statements are presented in Euro units unless otherwise indicated.

6.2 Financial statements schedules

The consolidated financial statements consist of the following schedules:

- Consolidated Income Statement
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated cash flow statement
- Statement of Changes in Consolidated Shareholders' Equity

Individual income statement items are classified according to their nature. We believe that this method, which is also followed by our main competitors and is in line with international practice, provides the best representation of the company's results.

The statement of comprehensive income (hereinafter also referred to as 'OCI') is presented, as permitted by IAS 1 revised, in a separate document from the income statement, distinguishing between items which can and cannot be reclassified to the income statement. The other components of the comprehensive income statement are also stated separately in the statement of changes to shareholders' equity.

The statement of financial position shows the distinction between current and non-current assets and liabilities, as detailed below.

The cash flow statement is prepared using the indirect method, as permitted by IAS 7, and is presented grouped by cash flow category. Cash and cash equivalents included in the Cash Flow Statement include the balance sheet figures of such items at the reporting date. Income and costs related to interest, dividends received and income tax are included in the cash flows generated by operations.

The statement of changes to Shareholders' Equity is presented as required by international accounting standards, with separate evidence of the operating result and all revenue, income, expense and expenditure not recorded in the income statement or comprehensive income statement, but recognised directly in Shareholders' Equity on the basis of specific IAS/IFRS accounting standards.

Alia Servizi Ambientali SpA prepares and submits the 'Consolidated non-financial statement', in the form of a 'separate report', as provided for in Article 5 'Placement of the statement and disclosure regime' of Legislative Decree. 254/2016. This statement is published in the same manner and on the same schedule as the Annual Report and is available on the Parent Company's website.

6.3 Consolidation criteria

The consolidated financial statements as at 31 December 2024 include the financial statements of the parent company Alia and those of the companies in which it directly or indirectly holds a controlling interest.

Control is achieved when the Group is exposed or is entitled to variable returns, deriving from its relationship with the investee entity, and at the same time, has the ability to impact these returns by exercising its authority over said entity.

Specifically, the Group controls a subsidiary if and only if, the Group has:

- power over the investment entity (or holds valid rights that confer the effective ability to manage the significant activities of the investment entity);
- exposure or rights to variable returns deriving from the relationship with the investment entity;
- the ability to exercise its power over the investment entity so as to impact on the extent of its returns.

Generally, there is the assumption that a majority of voting rights confers control. In support of this assumption and when the Group holds less than a majority of voting rights (or similar rights), the Group considers all the relevant facts and circumstances to ascertain whether it controls the investment entity, including:

- Statutory provisions;
- Contract agreements with others holding voting rights;
- Rights deriving from contract agreements;
- Group voting rights and potential voting rights.

The Group reconsiders whether it has control or not when facts and circumstances indicate that changes have intervened in one or more of the three aspects significant for the purposes of defining control. The consolidation of a subsidiary begins when the Group obtains control and ceases once the Group loses this control. Assets, liabilities, revenue and costs for the subsidiary acquired or discontinued over the period are included in the consolidated financial statements from the date on which the Group obtains control, until the date when the Group no longer exercises control over the company.

The carrying amount of investments in subsidiaries is eliminated against the related shareholders' equity, against the assumption of the assets and liabilities of the investees, in line with the global consolidation method. The cost of the acquisition is determined by the sum of the fair values, on the date control was obtained, of the assets received, the liabilities incurred or assumed, and the financial instruments issued by the Group in exchange for control of the acquired company.

All assets and liabilities, shareholders' equity, revenue, costs and infragroup financial flows relating to transactions between group entities are completely eliminated during the consolidation phase.

Profit (loss) for the period and each of the other comprehensive income statement items are attributed to the Parent Company shareholders and non-controlling interests, even if this implies that the non-controlling interests have a negative balance. Where necessary, the appropriate adjustments are made to the financial statements of subsidiaries, to ensure they conform with the Group's accounting policies.

Changes to equity investments in a subsidiary that do not result in a loss of control are recognised under shareholders' equity.

If the Group should lose control of a subsidiary, the relevant assets (including goodwill), liabilities, non-controlling interests and other shareholders' equity items must be eliminated, whereas any profit or loss is recorded in the income statement. The equity investment still held is then recognised at fair value. Similarly, in the event of acquiring control, any equity investment already held will be revalued at the corresponding fair value, with any profit or loss recognised in the income statement.

6.4 Summary of main accounting criteria

1) Current/non-current classification

Assets and liabilities in the Group's financial statements are classified on a current/non-current basis.

An asset is current when:

- one can suppose that it will be realised, or is held for sale or consumption through the normal operating cycle;
- it is held mainly for the purpose of trading;
- one can suppose that it will be realised within twelve months from the close of the financial period; or
- it comprises cash or cash equivalents, unless it is forbidden for these to be exchanged or utilised to extinguish a liability for at least twelve months from the close of the financial period.

A liability is current when:

- it is expected to be extinguished in the normal operating cycle;
- it is held mainly for the purpose of trading;
- it must be extinguished within twelve months from the close of the financial period; or
- the entity does not have an unconditional right to defer the settlement of the liability for at least twelve months from the close of the period.

Deferred and prepaid tax assets and liabilities are classified under non-current assets and liabilities.

2) Fair value measurement

The Group measures financial instruments such as derivatives and commodity trading futures contracts at fair value at each reporting date. A summary is provided below of the notes relating to the fair value of financial instruments, and the notes referring to fair value:

- Measurement methods, discretionary assessments and significant accounting estimates: Note 7 Significant Accounting Estimates;
- Quantitative information on the fair value measurement hierarchy: Note 15 - Other Information
- Financial Instruments (including those measured at amortised cost): Note 15 - Other Information

Fair value is the price that would be received to sell an asset, or would be paid to transfer a liability, in a regular transaction between market participants at the measurement date. The fair value measurement supposes that the sales transaction for the asset or transfer of the liability takes place:

- in the principal market for the asset or liability;
- or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is valued by adopting the assumptions that market participants would use in determining the price for the asset or liability, presuming that they are acting to satisfy their own economic interests in the best way possible.

A fair value measurement of a non-financial asset considers the ability of a market participant to generate economic benefits, making maximum and best use of the asset or selling it to another market participant that would make the maximum and best use thereof.

The Group uses valuation techniques that have been adapted to its circumstances, and where there is sufficient data available to measure the fair value, by maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

All assets and liabilities measured at fair value or recognised in the financial statements are classified according to the fair value hierarchy, as follows:

- Level 1 - quoted prices (without adjustment) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – valuation techniques where input data is unobservable for the asset or liability.

The fair value measurement is classified entirely at the same fair value hierarchy level where the input at the lowest hierarchy level used for the valuation, is classified.

For assets and liabilities recognised at fair value on a recurring basis in the financial statements, the Group determines whether transfers have occurred between the hierarchy levels, by reviewing the classification (based on the lowest level input, which is significant for the fair value measurement in its entirety) at each reporting date.

The Group determines the criteria and procedures for the measurement of recurring fair value such as derivatives and commodity trading futures contracts, and for non-recurring measurements, such as assets held for sale.

For the purposes of fair value disclosures, the Group determines the asset and liability classes based on the nature, characteristics and risks of the asset or liability and the fair value hierarchy level referred to above.

3) Business combinations and goodwill

Business combinations are stated using the acquisition method. The acquisition cost is determined as the sum of the transferred fee measured at fair value at the acquisition date, and the amount for the non-controlling interest in the acquired entity. For every business combination, the Group defines whether to measure the non-controlling interest in the acquired entity at fair value, or in proportion to the portion of non-controlling interest in the net assets identified in the acquired entity. Acquisition costs are recognised in the period and classified under administrative expenses.

When the Group acquires a business, it classifies or designates the financial assets acquired or the liabilities undertaken in accordance with contract conditions, economic and other pertinent conditions at the acquisition date. This includes checking to see whether an incorporated derivative should be separated from the primary contract.

If the business combination is implemented over different stages, the equity investment held previously is measured at fair value at the acquisition date and any resulting profit or loss is recorded in the income statement.

Costs related to the business combination transaction are recognised in the income statement.

Any potential fee to be recognised, is recorded by the purchaser at fair value at the acquisition date. The change in fair value of the potential fee classified as an asset or liability, as a financial instrument falling in the scope of IFRS 9 Financial Instruments: recognition and measurement, must be recognised in the income statement.

In the case of business acquisitions, the acquired and identifiable assets, liabilities and contingent liabilities are recognised at their current (fair) value at the date of acquisition. The positive difference between the fair value of the fee plus any non-controlling interest in the acquiree (in the case of step acquisition, the fair value at the acquisition date of any interest in the acquiree previously held by the acquirer is also added) and the fair value of the assets acquired and liabilities assumed is classified as goodwill and is recognised as an intangible asset. Any negative difference ('negative goodwill') is instead recognised in the income statement at the time of acquisition. non-controlling interests are recognised in proportion to the net assets identifiable at the time of acquisition.

Goodwill is not amortised but is tested for impairment annually, or more frequently if specific events or changed circumstances indicate the possibility of impairment, in accordance with IAS 36 - Impairment of Assets. After the initial statement, goodwill is measured at cost, net of accumulated impairment losses. Any impairment recognised on goodwill cannot be reversed in subsequent years.

If the goodwill is allocated to a cash-generating unit and the entity disposes of part of this unit's assets, the goodwill associated with the discontinued assets is included in the asset's carrying value when determining the gain or loss from the disposal. Goodwill associated with discontinued assets is determined on the basis of the values relative to the discontinued assets and the portion retained by the cash-generating unit.

4) Equity investments in associates and joint ventures

An associate is a company in which the Group exercises significant influence. Significant influence is intended as the power to participate in determining the company's financial and management policies, without having control or joint control.

A joint venture is an arrangement of joint control, whereby the parties holding joint control hold rights over the net assets in the arrangement. Joint control is intended as the sharing of an arrangement's control on the basis of a contract, which exists solely when decisions on the significant assets require unanimous consent by all parties sharing control.

The Group's equity investments in associates and joint ventures are measured using the equity method. Based on the equity method, an investment in an associate or joint venture is initially recognised at cost. The investment's carrying value increases or decreases to record the portion of the participant's share of the gains and losses realised after the acquisition date. Goodwill pertinent to the associate or joint venture is included in the equity investment's carrying value and is not subject to separate impairment testing.

The year's statement of profit and loss reflects the portion of results from associates and joint ventures attributable to the Group. Any change in other items of the comprehensive income statement relating to that associate is recognised in the Group's comprehensive income statement. In addition, should an associate or joint venture record a change that is charged directly to shareholders' equity, the Group recognises its portion, where applicable, in the statement of changes to shareholders' equity. Unrealised profits and losses deriving from transactions between the Group and associates or joint ventures are eliminated in proportion to the shareholding in the associates or joint ventures.

The portion of the result from associates and joint ventures attributable to the Group represents the result net of taxes and the portion due to the associates' or joint ventures' other shareholders and is recognised in the Income statement before or after the operating result is recognised in relation to the correlation that exists between the associate's assets and those of the entity preparing the financial statements.

Given the non-financial nature of the investment and the management and operational role played by the Group in its jointly controlled companies, the portion of the investees' results attributable to the Group is measured using the equity method, and recorded in the income statement before the operating result.

The financial statements for associates and joint ventures are prepared at the same reporting date as the Group. Where necessary, the Group may adjust these to bring them in line with Group accounting policies.

Subsequently to applying the equity method, the Group assesses whether to recognise an impairment in its equity investment in the associates or joint ventures. At each reporting date, the Group assesses whether there are any objective signs that equity investments in associates or joint ventures have undergone impairment. In this case, the Group calculates the loss as the difference between the recoverable value of the associate or joint venture and the recognised value of the latter in its own financial statements, recognising this difference in the Income Statement under "attributable share of profit/(loss) of associates and joint ventures".

On losing the significant influence over an associate or joint control over a joint venture, the Group assesses and records the remaining equity investment at fair value. The difference between the carrying value for the equity investment at the date of losing significant influence or joint control, and the fair value of the residual equity investment and fees received, is recognised in the income statement.

5) Revenue from disposal of goods and services

The Group operates in the waste collection and management sectors through the parent company and through the consolidated company Estra in the sectors of gas and electricity sales, gas distribution and other minor businesses.

The Group considers whether there are other promises contained in the contract, which represent performance obligations, and to which a portion of the transaction fee needs to be allocated (for example, guarantees, customer loyalty plans). In determining the price for a sales transaction, the Group considers the effects resulting from a variable fee, significant financing components, non-monetary fees, and fees payable to the customer (if applicable).

If the promised fee in the contract includes a variable amount, the Group estimates the amount for the fee, to which it will be entitled in exchange for the transfer of the goods to the customer.

The variable fee is estimated at the time of signing the contract, and its recognition is not possible until it becomes highly probable that when the uncertainty associated with the variable fee is subsequently resolved, there will not be a significant reduction recognised in the cumulative revenue amount already recognised.

Revenues from integrated waste management

These are revenues from activities carried out on the basis of the Service Contract ("SC") signed by Alia Servizi Ambientali on 31 August 2017. The SC is associated with the execution, within the ATO Central Tuscany ("ATO") territory, of waste collection, transport, sweeping, plant management, post-closure landfill management, construction of collection centres and related ancillary activities.

Revenues from the provision of the services described above are recognised when they are rendered, with reference to the state of progress, considering that the Group provides services to users over a certain period of time.

Revenues from management of electricity and gas sales and gas distribution

Revenue from sales are recognised when the company has transferred control of the asset to the buyer, generally on the date the goods are delivered.

Revenue from the sale of electricity and gas is recognised and accounted for at the time of providing the supply, recorded according to a predetermined calendar for consumption readings, and at the end of the period, includes the estimate for the supply of gas and electricity provided to final customers and not yet invoiced at 31 December. Revenue for the sale of electricity and gas is recognised and stated at the time of supply and includes the allocation for supplies rendered but not yet invoiced.

Revenue from distribution is recognised on the basis of the tariffs approved by the Italian Regulatory Authority for Electricity, Gas and Water [ARERA], and are subject to equalisation at the end of the period to reflect the remuneration approved by the Authority against the investments made, according to the accrual principle. Revenue referring to the provision of services is recognised on the basis of the service rendered in accordance with the relative contracts.

Revenue from trading

Revenue from trading in natural gas is recognised as follows:

- Revenue from trading transactions that meet the so-called "own use exemption" is recognised at the time of provision, and stated separately from the relative costs to purchase the gas;
- Revenue deriving from trading transactions that do not meet the so-called "own use exemption", but which envisage the physical delivery of the gas sold. In these circumstances, the Group only obtains control of the gas temporarily and instrumentally on the signing of the contracts. The transactions are put in place with various counterparties, in respect of whom there is a distinct credit risk. Moreover, the fee paid to the Group in these contracts is determined in order to maximise the margin from the transaction as a whole. These revenues are accounted for net of the related purchase costs in the income statement item "Raw materials, ancillary materials and goods" with a separate disclosure in the explanatory notes.

The sales and purchase obligations at the reporting date, in respect of which the delivery of the physical gas has not yet occurred, are measured at fair value through profit & loss (FVTPL) in accordance with IFRS 9, and recorded in the income statement under "Raw materials, ancillary materials and goods" with a separate disclosure in the explanatory notes. See also note n) on derivative instruments in this regard.

Revenues from integrated water service management

Revenues from the integrated water service are determined on the basis of the Water Tariff Method (MTI-4), valid for determining the tariffs for the years 2024-2029, approved by resolution no. 693/2023/R/ldr (MTI-5) of 28 December 2023 and updated by TWA resolution no. 3/2024 on 30 May 2024 on the subject of "PUBLIACQUA S.p.a. management - two-year update (2024-2025) of the tariff arrangement. On the basis of the legal interpretation of the FoNI (New Investment Fund) tariff component, the relative amount due to the water companies is recognised among the revenues for the year where expressly recognised by the relative

authorities that establish the use of this tariff component. Revenues for the year also include the adjustment for the so-called pass-through items (i.e. electricity, wholesale water), for which the aforementioned resolution provides specific details, as well as any adjustment for costs pertaining to the Integrated Water System incurred due to exceptional events (i.e. water and environmental emergencies) if the preliminary investigation for their recognition has a positive outcome. For the portion funded by the FoNI component, the Group deemed it appropriate to allocate the amount corresponding to the value of FoNI allocated to investments to the unrestricted Shareholders' Equity reserves.

Revenues for construction services in favour of the Granting Body

Revenues for construction services relate to the measurement of construction services rendered by the Group in favour of the Granting Body to carry out investments in connection with Concession Rights and are recognised on a fair value basis. The fair value of the fee for construction and expansion services for assets under concession rendered by the Group is determined on the basis of the fair value of the fee for construction and expansion services rendered by third parties, internal and external design costs, and internal costs incurred for the planning coordination of work activities performed by a specific internal structure. With reference to revenues for construction services related to the integrated water service, the fair value of the fee includes capitalisation of the margin from investment activities.

These revenues are recognised when they are rendered, with reference to the state of progress, given that the grantor entity simultaneously receives and utilises the benefits of the entity's performance as it performs it.

In this regard, it should be noted that the Group recognises as trade receivables its unconditional right to receive payment for work performed (invoices issued and to be issued), while "assets from contracts with customers" refer to the amount owed by customers for services performed, net of any advance payments and advances received.

Other revenue

Revenues from other services rendered by the Group are recognised when they are rendered, with reference to progress status.

Revenues from the sale of goods are recognised when control of the relevant asset is transferred to the purchaser, i.e. when the customer acquires the full capacity to decide on the use of the asset as well as to derive substantially all the benefits from it.

6) Contractual assets

Contract assets represent the entity's right to obtain the fee agreed on against the transfer of control of the goods or services to the customer.

If the Group fulfils its obligation by transferring the goods or services to the customer prior to the latter paying the fee or prior to payment being due, the entity must record an asset deriving from a contract, excluding the amounts presented as credits.

7) Trade receivables

For the Group, a receivable represents the unconditional right to receive the fee (i.e. all that is needed is for the time to lapse so that payment of the fee may be received). Reference is made to the paragraph on standards in section "Financial instruments - initial recognition and subsequent measurement".

8) Costs

Costs are charged to the income statement when their existence has become certain, their amount can be objectively determined, and when the substance of the transaction can be shown to have been incurred by the company on an accrual basis.

9) Contractual liabilities

Contract-based liabilities represent an obligation to transfer goods or services to the customer, where the Group has already received the fee (or where a portion of the fee is outstanding). If the customer pays the fee before the Group has transferred control of the goods or services, the liability arising from the contract is

recognised when payment is made or (if earlier), when is it due. Liabilities deriving from contracts are recognised as revenue when the Group satisfies the performance obligations in the relevant contract.

10) Costs of obtaining a contract

The Group pays commissions to acquire contracts via indirect sales channels. IFRS 15 requires that certain criteria must be met to record the incremental costs to obtain a contract and the costs incurred to execute the contract with the customer, under assets. Any capitalised costs to obtain contracts must be amortised on a straight line basis, based on the transfer of the goods or services by the entity to the customer. Incremental costs to obtain a contract and the costs to fulfil a contract are recorded as assets pursuant to IFRS 15, and the closing asset balance, amortisation amounts and any losses for impairment during the period are stated separately. Nonetheless, IFRS 15 does not make any stipulation regarding the classification of these assets and the relevant amortisation. Without a standard that deals specifically with the classification and presentation of costs to obtain contracts, the Group has adopted the general IAS 8 standard to select the appropriate accounting treatment. According to this standard, incremental costs to obtain a contract and the costs incurred to fulfil a contract, must be considered separately for recognition in the financial statements. The Group has chosen a distinctive class of intangible assets in the statements of consolidated financial position, and the relevant amortisation in the same item relating to intangible assets amortisation in the scope of applying IAS 38 - Intangible assets.

11) Dividends

Dividends are recognised when the Group is entitled to receive payment, which generally corresponds with the time the Shareholders' Meeting approves the distribution.

12) Public grants

Public grants are recognised at fair value when there is reasonable certainty that the grants will effectively be received, and that all the relevant conditions have been met. Grants relating to cost components are recognised as revenue on a straight line basis over the financial periods, so that they are commensurate to the cost they intend offsetting. The grant related to an asset is recognised as revenue, and stated in equal portions across the reference asset's expected useful life.

When the Group receives a non-monetary grant, the asset and relative contribution are recorded at nominal value, and stated in the income statement in equal portions across the reference asset's useful life.

Operating grants (granted for the purpose of providing immediate financial assistance to an enterprise or too offset expenses and losses incurred in a previous year) are recognised in full in the income statement when the conditions for recognition are met.

13) Financial income

Financial income is recognised on an accrual basis. This includes interest income on invested funds, foreign exchange gains and income from financial instruments, when not offset as part of hedging transactions. Interest income is charged to the income statement as it accrues, taking into account the effective yield.

14) Financial expenses

Financial expenses directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time before it is available for use are capitalised on the cost of the asset itself and amortised over the useful life of the class of assets to which they relate. All financial expenses are recognised among the costs relating to the period in which they were incurred. Financial expenses comprise interest and the other costs that an entity may support to obtain the funding.

Financial expenses are recognised on an accrual basis and include interest expenses on financial liabilities calculated using the effective interest method and foreign exchange losses. Financial expenses also include the financial component of the annual provision for reinstatements.

15) Income taxes

a) Current taxes

Current tax assets and liabilities are measured at the amount that is expected to be recovered or paid to the tax authorities. The rates and tax regulations used to calculate the amount are those issued, or effectively in force at the reporting date.

Current taxes referring to items recognised directly under shareholders' equity are also recognised at equity and not in the income statement. Management periodically reviews the position taken on the tax returns, and

in cases where tax regulations are subject to interpretation, and where appropriate, makes the necessary provisions.

b) Deferred taxes

Deferred taxes are calculated by applying the liability method to the temporary differences at the reporting date between the tax asset and liability figures and the corresponding carrying value.

Deferred tax liabilities are recognised for all temporary taxable differences, except for:

- deferred tax liabilities deriving from the initial recognition of goodwill or an asset or liability in a transaction not representing a business combination, which at the time of the transaction, does not affect the accounting or tax balance;
- the reversal of taxable temporary differences related to equity investments in subsidiaries, associates and joint ventures, may be controlled, and it is probable that the reversal will not occur in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried tax losses and credit can be utilised, unless:

- the deferred tax liabilities related to the temporary deductible differences derives from the initial recognition of goodwill or an asset or liability in a transaction not representing a business combination, which at the time of the transaction, does not influence the balance sheet or tax balance;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes referring to items recognised off the income statement are also recognised in the income statement, and therefore in shareholders' equity or the comprehensive income statement, according to the item they refer to.

Deferred tax assets and liabilities are offset where there is a legal basis, which allows for the offsetting of current tax assets and liabilities, and the deferred taxes refer to the same tax payer and same tax authorities.

Tax benefits gained as a result of a business combination, but which do not meet the criteria for separate recognition at the acquisition date, are subsequently recognised at the time when new information is obtained regarding the changes in facts and circumstances. The adjustment is recognised by reducing goodwill (up to the goodwill's value), in the event it was recorded during the measurement stage, or in the income statement, if recognised afterwards.

c) Uncertainty on treatments for income tax purposes

In the definition of uncertainty it is considered whether a given tax treatment will be acceptable to the Tax Authority. If it is considered probable that the tax authority will accept the tax treatment (the term probable is understood as "more probable than not"), the Group recognises and measures its current or deferred tax assets and liabilities applying the rules of IAS 12.

Conversely, if there is uncertainty on treatments for income tax purposes, the Group reflects the effect of this uncertainty making use of the method that best provides for resolution of the uncertain tax treatment. The Group decides whether to take into consideration each uncertain tax treatment separately or jointly with one or more uncertain tax treatments, choosing the approach that best provides for the solution of the uncertainty. In assessing whether and in what way the uncertainty affects the tax treatment, the Group assumes that the Tax Authority will or will not accept an uncertain tax treatment presuming that the same, in the audit stage, will check the amounts that it has the right to examine and that it will be completely cognisant of all the related information. When it concludes that it is not probable that the tax authority will accept an uncertain tax treatment, the Group reflects the effect of this uncertainty in determining the current and deferred taxes, using the method of the expected value or the most probable amount, according to which method better provides for the solution of the uncertainty.

The Group makes significant use of professional judgement in identifying the solution of the uncertainties on treatments for income tax purposes and re-examines the judgements and estimates made in the presence of a change in the facts and circumstances that modify its forecasts on the acceptability of a certain tax treatment or the estimates made on the effects of the uncertainty, or both.

As the uncertain tax positions refer to the definition of income taxes, the Group presents uncertain tax assets/liabilities as current or deferred taxes.

16) Indirect taxes

Costs, revenue, assets and liabilities are recognised net of indirect taxes, such as value-added tax, except for:

- tax applied to the purchase of goods and services is not deductible; in this case this is recognised as part of the asset's purchase cost or part of the cost recorded in the income statement;
- trade receivables and payables include the applicable indirect tax.

The net amount of indirect tax that needs to be recovered or paid to the tax authorities is included among receivables or payables.

17) Property Plant and Machinery

Property, plant and equipment are entered at purchase or production cost inclusive of ancillary expenses, or at the amount based on an expert's appraisal of the company's assets in the case of business acquisitions, and is shown net of depreciation and any impairment. Production costs includes the direct and indirect costs for the portion reasonably attributable to the asset (for example: personnel costs, transport, customs duties, expenses to prepare installation premises, testing costs, notary and land register costs).

This cost also includes the costs to replace machinery and installations at the time they are incurred, provided they comply with recognition criteria. Where the periodic replacement of significant parts of plants and machinery is necessary, the Group depreciates these separately based on their specific useful life. Likewise, with major overhauls, the costs are included in the plant or machinery's carrying amount, as in the case of replacement, where the recognition criteria are met. All costs for repairs and maintenance are recognised in the income statement when they are incurred. The effective cost of dismantling and removing an asset at the end of its use is included in the asset's cost, should the recognition criteria be met for a provision.

The carrying amount of intangible assets is subject to a test to assess whether there has been any impairment, in particular when events or changes indicate that the carrying amount cannot be recovered (for further details, reference is made to the note "Impairment of non-current assets").

Amortisation begins when the asset is available for use. Assets under construction include the costs relating to the tangible asset that is not yet available for use. Tangible assets are depreciated on a straight-line basis annually, using economic and technical rates deemed representative of the assets' residual useful lives.

Landfills are depreciated on the basis of the fill percentage, determined as the ratio of occupied volume at the end of the period to the total authorised volume.

In the presence of specific indicators that suggest the existence of an impairment loss, property, plant and equipment are subjected to an impairment test, in line with the criteria described in the section 'Impairment'.

The carrying value of buildings, plants and machinery and any other significant component initially recorded, are eliminated at the time of disposal (i.e. the date when the purchaser obtains control thereof) or when no future economic benefit is expected from their use or disposal. The gain/loss emerging at the time of the asset's accounting elimination (calculated as the difference between the asset's carrying value and net fee) is recorded in the income statement.

The residual values, useful lives and depreciation methods for buildings, plants and machinery are reviewed at each reporting date, and corrected prospectively where appropriate.

Based verifying the consistency of the remaining useful lives of the assets from an accounting point of view and the actual physical, technical and technological life of the individual assets, also taking into account the study carried out by ARERA (Energy, Networks and Environment Regulatory Authority) against which the useful lives of various types of assets were presented, the depreciation rates applicable to the following categories of assets were defined for the Parent Company only.

An outline of the rates used for the different types of tangible goods (minimum and maximum) in relation to the waste management and collection sector is shown below:

Category	Depreciation coefficient
Civil And Industrial Buildings	2.50% - 3%
Lightweight Constructions	10% - 14.29%
Landfill - operating machines and mechanical shovels	6.67%
Landfill - other systems	6.67%
Sorting and Composting Plant - pre-treatment	8.33%
Sorting and Composting Plant - composting and anaerobic digestion	5.00%
Sorting And Composting Plant - biogas and leachate collection and treatment	4.00%
Sorting And Composting Plant - other systems	6.67%
Other installations	10% - 15.50%
Photovoltaic Plant	10.00%
Equip. Miscellaneous And Workshop Tools	14.29% - 25%
Other Miscellaneous and Small Equipment	10% - 14.29% - 25%
Vehicles	12.50% - 20%
Vehicles	20.00% - 25%
Various Equipment, Door-to-Door Collection	20% - 12.50
Dumpsters	12.50%
Bellshaped Collection Bins	12.50%
Baskets	20.00%
Fully Depreciable Assets	100.00%

Relating to gas distribution:

Category	Depreciation coefficient
Land	not subject to depreciation
Industrial buildings	2%
Urban networks and connections	2%
Connections	2.50%
Stations	10%
Tanks and storage facilities	10%
Facilities for remote operations	10%
Metering equipment	10%

Relating to other specific Group business sectors:

Category	Depreciation coefficient
Heat - District heating network	3.30%
Heat - Thermoelectric Plants	4%
Heat - Heat management facilities under concession	14.29%-11.11% (contract duration)
Telephony - Conduits	2.50%
Telephony - Optical and copper cables	5%
Telephony – SDH node, networking, access and video surveillance equipment	12.50%
Telephony – Hardware and mobile phones	20%
Renewable energy - photovoltaic plants	5%
Waste selection - Plant	4%

Relating to the water sector:

Category	Depreciation coefficient
Buildings	2.5% - 3%
Other installations	5% - 15%
Other drinking water treatments (including disinfection devices, sieving, filtration, softening)	8.33%
Hydroelectric power station	7.00%
Aqueduct pipelines	2.50%
Sewer pipelines	2.00%
Purification plants - up to preliminary, integrative, primary treatment - septic tanks and Imhoff pits	5.00%
Purification plants - treatment up to secondary level	5.00%
Purification plants - treatment up to tertiary and advanced tertiary	5.00%
Sludge drying and sludge valorisation plants (including mono-incineration, pyrolysis, gasification)	5.00%
Drinking water plants	5.00%
Aqueduct lifting and pumping systems	12.50%
Purification lifting and pumping plants	12.50%
Sewage lifting and pumping systems	12.50%
Fixed waterworks	2.50%
Tanks	2.50%
Siphons and flood drains and other fixed hydraulic sewer works	2.50%
Natural purification techniques (including phytodepuration and lagooning)	2.50%
Lining tanks and first rainwater basins	2.50%
Miscellaneous and small equipment	10.00%
Remote control and transmission	12.50%

With regard to the remaining asset categories, the depreciation rates applied are the following:

Category	Depreciation coefficient
Lightweight constructions	10%
Electronic machines	20%
Furniture Ordinary Office Machines	12% - 14.29%
Equipment	10%
Industrial vehicles	20%
Other vehicles	25%

Category	Depreciation coefficient
Intangible assets	14.29%
Studies, research, patents, rights of use	20.00%

18) Real estate investments

An investment property is held for the purpose of receiving rent or for capital appreciation or both. Therefore, an investment in real estate generates cash flows largely independent of the other assets held by the Group.

Investment properties are initially valued at cost. The transaction costs are included in the initial valuation.

The cost of an acquired investment property includes the purchase price and any expenses directly attributable to it. Directly attributable expenses include, for example, professional fees for the provision of legal services, property transfer taxes and other transaction costs.

After recognition the Group evaluates investment properties:

(a) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations if they meet the criteria to be classified as held for sale (or are included in a disposal group classified as held for sale);

- (b) in accordance with IFRS 16 if they are held by the lessee as an asset consisting of the right to use and are not held for sale in accordance with IFRS 5; and
- (c) in accordance with the cost model provisions of IAS 16 in all other cases.

The Group makes changes that classify a property as an investment property or to remove it from this classification when and only when there is a change in use.

19) Intangible assets

Intangible assets acquired separately are initially recorded at cost, whereas those acquired via business combinations are recognised at fair value on the acquisition date. After initial recognition, intangible assets are recorded net of the accumulated amortisation and any impairments. Internally produced intangible assets, excluding development costs, are not capitalised and are recorded in the income statement in the period they were incurred.

Purchased or internally generated intangible assets are recognised as assets when it is probable that the use of the assets will generate future economic benefits and when the cost of the asset can be measured reliably.

Intangible assets concern assets without identifiable physical substance, controlled by the enterprise and capable of producing future economic benefits.

The definition of an intangible asset requires an intangible asset to be identifiable to distinguish it from goodwill. An asset is identifiable if it either: (i) is separable, i.e. is capable of being separated or (ii) divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations."

An entity controls an asset if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

The useful life of intangible assets is measured as limited or indefinite.

Intangible assets with a finite useful life are recognised in the statement of financial position after deducting any accumulated amortisation and accumulated impairment losses thereon. The amortisation period and the amortisation method for an intangible asset with a finite useful life shall be reviewed at least at each financial year-end. Changes in the expected useful life or in the manner in which the future economic benefits associated with the intangible asset are earned by the entity are recognised by changing the period or method of amortisation and treated as changes in accounting estimates. The amortisation of intangible assets with a finite useful life is recognised in the income statement in the cost category consistent with the function of the intangible asset.

The amortisation period and method for an intangible asset with a limited life are reviewed at least at the end of each period. Changes in the expected useful life or ways in which future economic benefits associated with the asset will be realised, are recognised by changes to the amortisation period or method, as the case may be, and are considered as accounting estimate changes.

Intangible assets with an indefinite life are not amortised, but are subject to annual impairment testing, both at individual level and at the cash-generating unit level. The assessment of the indefinite life is reviewed annually to determine whether this allocation is sustainable, otherwise the change from the indefinite useful life to limited useful life is applied on a prospective basis.

Gains or losses deriving from the elimination of an intangible asset are measured by the difference between the net revenue from the disposal (at the date when the purchaser gains control) and the carrying amount of the intangible asset, and are recognised in the Income Statement in the period in which the elimination takes place.

Development costs are capitalised only if all the following conditions are met: the costs can be reliably determined and the technical feasibility of the product, volumes and expected prices indicate that the costs incurred in the development phase will generate future economic benefits. Capitalised development costs

include only those expenses incurred that can be directly attributed to the development process. Capitalised development costs are amortised on a systematic basis, starting from the beginning of production over the estimated life of the product. All other development costs are recognised in the income statement when incurred.

In the presence of specific indicators of impairment, intangible assets are subjected to an impairment test in accordance with the criteria described in the Impairment section. These impairment losses may be reversed if the reasons that led to recognition no longer apply.

The gain or loss arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in income statement when the asset is derecognized.

Goodwill and other intangible assets, if any, with an indefinite useful life are not subject to amortisation; the recoverability of their carrying amount is verified at least annually and, in any case, when events occur that imply a reduction in value, with the exception of goodwill, which is subjected to an impairment test at least annually.

20) Concession rights

Concession rights represent the Concessionaire's right to use the asset (known as the intangible asset method) under concession in consideration of the costs incurred for the design and construction of the asset with the obligation to return it at the end of the concession. Concession rights are recognised in the balance sheet based on the fair value (estimated on the basis of the cost incurred) of the intangible assets related to construction and expansion activities on assets covered by IFRIC 12.

If the fair value of the services received cannot be reliably determined, the revenue is calculated on the basis of the fair value of the services provided (fair value of the construction services performed).

During the construction phase, the Group records a contract asset when the right to a fee in kind is not subject to performance risks.

Restoration or replacement activities are not capitalised and are included in the estimate of the provisions for restoration and replacement. The reader is referred to that described below with reference to provisions for risks.

The provision for depreciation/amortisation and the provision for restoration or replacement costs, taken together, ensure adequate coverage of the following charges:

- transfer to the replacement operator, at the carrying amount, of the freely transferable assets with a useful life exceeding the duration of the concession, upon expiry of the concession;
- restoration and replacement of components subject to wear and tear with respect to assets under concession;

If events occur that give rise to the presumption of a reduction in the value of such intangible assets, the difference between the carrying amount and the relevant 'recovery value' is charged to the income statement.

Concession rights are amortised, limited to those assets for which a 'take-over value' will be recognised at the end of the concession, on the basis of the useful life of the underlying assets, in accordance with the criteria set forth in the table under 'Property, Plant and Equipment'. Assets, on the other hand, which will not contribute to the determination of the takeover value, are depreciated over the shorter of the duration of the concession and the useful life of the individual assets.

Starting from financial year 2023, due to the expansion of the scope of consolidation scope to include companies operating in the gas and energy sector, and in 2024, due to the entry of Publiacqua S.p.A. into the scope of consolidation, the Group separately recognised concession rights pertaining to the management of waste collection, from those pertaining to the gas distribution sector and those pertaining to the water sector.

21) Losses in value for non-current assets

At each reporting date, the Group assesses whether losses in value indicators exist in relation to non-current assets. In this case, or in the cases where an annual impairment test is required, the Group estimates the

recoverable value. The recoverable value is the higher between the asset or cash-generating unit's fair value, net of sales costs, and its value in use. The recoverable value is determined per individual asset, except when this asset generates cash that is not largely independent from what is generated from other assets or groups of assets. If the carrying value an asset is higher than its recoverable value, the asset has lost value and is consequently written down to its recoverable value.

In determining the value of use, the Group discounts estimated future financial flows to current value using a discount rate that reflects the market valuation for the current value of money and specific asset risks. Recent transactions on the market are considered when determining the fair value net of sales costs. If it is not possible to identify these transactions, an appropriate valuation model is used.

The Group bases its impairment test on detailed budgets and provisional calculations, prepared separately for each of the Group's cash-generating units allocated individual assets. A long-term growth rate is calculated in these budgets and provisional calculations to project future cash flows beyond the last year included in the plan.

Value impairments of assets in use are posted to the income statement in the cost categories consistent with the function of the asset which has shown the value impairment.

For assets other than goodwill, at each reporting date, the Group assesses any indications of a loss (or reduction) in value previously recorded, and where these indicators exist, estimates the asset's or CGU's recoverable value. The value of an asset that was previously written down can only be restored if there were changes in the assumptions on which the recoverable value calculation was based, subsequent to the recording of the last impairment. The recovery in value cannot exceed the carrying value that would have been determined, net of amortisations, had no impairment been recognised in previous periods.

Goodwill is subject to impairment testing at least once a year (at 31 December), and with greater frequency, when circumstances indicate that the entry value could be subject to a loss in value.

The impairment is determined by valuing the recoverable value for the cash-generating unit (or group of cash-generating units) that the goodwill refers to. An impairment loss is recognised when the recoverable value for a cash-generating unit is lower than the cash-generating unit's carrying value that the goodwill was allocated to. The loss in value for goodwill cannot be recovered in future periods.

22) Leases

At the time of signing a contract, the Group assesses whether or not it contains a lease. In other words, whether the contract confers the right of use of an identified asset over a period of time, in exchange for a fee. The Group only operates as a lessee, adopting a single model to recognise and measure all leases, excluding short-term leases and the leases for low-value assets. The Group recognises liabilities relating to lease payments and assets for the right of use, which represents the right to utilise the asset underlying the contract. Therefore, it recognises for all leases for which it is the lessee, with the exception of short-term leases (i.e. leases with a term of 12 months or less and which do not contain a purchase option) and leases with low-value assets (i.e. with a unit value of less than € 5 thousand), a right of use, i.e. the right to use the underlying asset, from the lease commencement date, which corresponds to the date on which the underlying asset is available for use.

Lease payments on short-term and low-value contracts are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

Right-of-use assets

The Group recognises right-of-use assets from the date the lease starts (i.e. the date when the underlying asset is available for use).

Rights of use are measured at cost, net of accumulated depreciation and impairment losses, and adjusted following each remeasurement of lease liabilities. The value assigned to rights of use corresponds to the amount of lease liabilities recognised, plus initial direct costs incurred, lease payments settled at or before the lease inception date, and restoration costs, net of any lease incentives received. The discounted value of the liability determined in this way increases the right of use for the underlying asset, with a dedicated provision as a balancing entry. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, rights of use are amortised on a straight-line basis over the estimated useful life or the lease term, whichever is shorter.

The lease term is calculated by considering the non-cancellable period of the lease, together with any period covered by options to extend the lease, if the option(s) is reasonably certain to be exercised, or any period

covered by an option to terminate the lease if it is reasonably certain not to be exercised. The Group assesses whether or not it is reasonably certain to exercise the extension or termination options, taking into account all relevant factors that create an economic incentive for such decisions.

Right-of-use assets are subject to impairment. Reference is made to the section "Impairment of non-financial assets".

Lease related liabilities

The financial liability for leases is recognised at the inception date of the arrangement at a total value equal to the present value of the lease payments to be made over the lease term, discounted using incremental borrowing rates (IBR), when the interest rate implicit in the lease is not readily determinable.

The payments include the fixed payments (including basic fixed payments), net of any lease incentives to be received, the variable lease payments that are dependent on an index or rate, and the amounts to be paid by way of a guarantee or residual value. Lease payments also include the exercise price of the purchase option, if the lessee is reasonably certain that this option will be exercised by the Group, and the payment of any penalties to terminate the lease, if the lease term takes into account the Group exercising the option to terminate the lease.

Variable lease payments that are not dependant on an index or rate are recognised as costs over the period (unless there were incurred to produce inventories) when the event or the condition generating the payment occurred.

IFRS 16 requires management to make estimates and assumptions that may affect the measurement of rights of use and financial lease liabilities, including the determination of: contracts within the scope of application of the new rules for measuring assets/liabilities using the financial method; terms of the contract; and the interest rate used to discount future lease payments.

23) Financial instruments - Recognition and measurement

A financial instrument is any contract that gives rise to a financial asset for an entity and a to financial liability or an equity instrument for another entity.

24) Financial assets

Initial recognition and measurement

At the time of initial recognition, financial assets are classified based on the subsequent measurement method, i.e. at amortised cost, fair value recognised in profit and loss OCI and at fair value recognised in the income statement.

The classification of financial assets at the time of initial recognition depends on the characteristics of the contract cash flows for the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or where the Group has applied a practical expedient, the Group initially measures a financial asset at its fair value plus the transaction costs in the case of a financial asset not at fair value recognised in the income statement. Trade receivables that do not include a significant financing component or where the Group has applied a practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or at fair value through OCI, it must generate cash flows that depend solely on the principal and interest on the principal amount to be repaid (i.e. solely payments of principal and interest or SPPI). This assessment is referred to as a SPPI test and is conducted at instrument level. Financial assets with cash flows that do not meet the requisites indicated above (e.g. SPPI) are classified and measured at fair value through profit or loss.

The Group's business model for managing financial assets refers to the way in which it manages its financial assets to generate cash flows. The business model determines whether the cash flows will derive from the collection of contract-based financial flows, from the sale of financial assets or both.

Financial assets classified and measured at amortised cost are held in the context of a business model whose objective is the possession of financial assets for the purpose of collecting contractual cash flows, while financial assets classified and measured at fair value through OCI are held in the context of a business model whose objective is achieved both through collecting contractual cash flows and through sale of the financial assets.

The purchase or sale of a financial asset that requires delivery within a time period generally set according to regulations or market practice (i.e. regular way trade) is recognised at the trade date, i.e. the date on which the Group has undertaken to buy or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value recorded in the comprehensive income statement with reclassification of accumulated profit and loss (debt instruments);
- Financial assets at fair value recorded in the comprehensive income statement without the reversal of profit and loss accumulated at the time of elimination (capital representative instruments);
- Financial assets at fair value recognised in the income statement.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest criterion and are subject to impairment. Profit and loss are recorded in the Income Statement when the asset is eliminated, amended or revalued.

The Group's financial assets at amortised cost include trade receivables, a loan to an associate, a loan to a director included in other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

For assets from debt instruments measured at fair value through OCI, the interest income, the changes owing to exchange differences and write-downs, together with write-backs, are recognised in the income statement and are calculated in the same way as financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. At the moment of elimination, the cumulative fair value change recognised in OCI is reclassified in the income statement.

The Group's assets from debt instruments measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

Investments in equity instruments

At the moment of initial recognition, the Group may irrevocably choose to classify its investments in shares as equity instruments recognised at fair value through OCI when they meet the definition of equity instruments under the terms of IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument.

Gains and losses made on these financial assets are never booked to the Income Statement. Dividends are recognised as other revenue in the income statement when the right to payment has been resolved, except when the Group benefits from this income as a recovery of part of the cost of the financial asset, in which case these gains are recognised in OCI. Equity instruments recognised at fair value through OCI are not subject to impairment tests.

Financial assets at fair value recognised in the income statement

Financial instruments at fair value with changes recorded in the income statement are recognised in the statement of financial position at fair value and the net changes in fair value recorded in the profit and loss statement for the period.

This category includes derivative instruments and listed equity investments that the Group has not chosen irrevocably to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit/(loss) for the year when the right to payment has been established.

Embedded derivatives contained in a non-derivative hybrid contract, in a financial liability or a non-financial principal contract, are separated from the principal contract and recognised as separate derivatives, if: their economic characteristics and the associated risks are strictly related to those of the principal contract; a separate instrument with the same conditions of the embedded derivative would satisfy the definition of a derivative; and the hybrid contract is not measured at fair value in the income statement. Embedded derivatives are measured at fair value, with changes in fair value recorded in the income statement. A redetermination occurs only when a change in the contract conditions significantly changes the cash flows otherwise expected or when a financial asset is reclassified to a different category from fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised firstly (i.e. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed the contractual obligation to pay them entirely and without delay and (a) has substantially transferred all the risks and benefits of ownership of the financial asset; or (b) has not transferred nor substantially kept all the risks and benefits of the asset, but has transferred control thereof.

If the Group has transferred the rights to receive cash flows from an asset or has signed an agreement on the basis of which it maintains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), it assesses whether and to what extent it has kept the risks and benefits related to possession. If it has not either transferred or substantially kept all the risks and benefits of the asset or has not lost control thereof, the asset continues to be recognised in the Group's financial statements to the extent of its residual involvement in the said asset. In this case, the Group also recognises an associated liability. The asset transferred and the associated liability are measured so as to reflect the rights and obligations that remain pertinent to the Group.

When the residual involvement of the entity is a guarantee on the asset transferred, the involvement is measured on the basis of the lower between the amount of the asset and the maximum amount of the price received that the entity may have to repay.

Impairment

The Group records a write-down for expected loss (expected credit loss or ECL) for all financial assets represented by debt instruments not held at fair value recorded in the income statement. ECLs are based on the difference between the contract financial flows payable according to the contract and all the financial flows that the Group expects to receive, discounted to an approximation of the original effective interest rate. Expected cash flows include financial flows deriving from the execution of collateral or other credit guarantees that form an integral part of the contract conditions.

Expected losses are recognised over two stages. With regard to credit exposures where there has been no significant increase in credit risk from the initial recognition, losses on credit are recorded as they derive from the estimate of default events that are possible within the next 12-month period (12-month ECL). With regard to credit exposures where there has been a significant increase in credit risk from the initial recognition, the expected losses referring to residual period of exposure are fully recorded, regardless of the time when the default event is expected to occur ("Lifetime ECL").

For trade receivables and contract based assets, the Group applies a simplified approach to the calculation of expected losses. The Group does not therefore monitor changes in credit risk, but fully records the expected loss at each reporting date. The Group has prepared a matrix system based on historic information, which is revised in view of forecast elements with reference to specific types of debtors and their economic context, and is used as a tool to determine expected losses.

For assets represented by debt instruments measured at fair value through OCI, the Group applies the simplified approach permitted for assets with low credit risk. At each reporting date, the Group assesses whether it believes that the debt instrument has a low credit risk using all the available information that can be obtained without excessive costs or efforts. In carrying out this assessment, the Group monitors the creditworthiness of the debt instrument. In addition, the Group assumes that there has been a significant increase in credit risk when contractual payment are past due for more than 60 days.

A financial asset is eliminated when there is no reasonable expectation of recovering the contract-based financial flows.

25) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments including: currency forward contracts, interest rate swaps and forward contracts for the purchase of commodities to hedge, respectively, its exchange rate risks, interest rate risks and commodity price risks. These derivative financial instruments are initially recognised at fair value at the date in which the derivative contract is signed and, subsequently, they are measured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For hedge accounting purposes, hedges are of three types:

- fair value hedges in the case of hedging of the exposure against changes in the fair value of the asset or liability recognised or irrevocable commitment not recognised;
- cash flow hedges in the case of hedging of the exposure against changes in the cash flows attributable to a particular risk associated with all the assets or liabilities recognised or with a highly probable planned operation or the foreign currency risk on irrevocable commitment not recognised;
- hedging of a net investment in a foreign operation.

At the beginning of a hedging operation, the Group designates and formally documents the hedging relationship, to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.

The hedging relationship meets the criteria of admissibility for hedge accounting if it meets all the following hedging effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over the changes in value resulting from the said economic relationship;
- the hedging ratio of the economic relationship is the same as that resulting from the quantity of the hedged item that the Group effectively hedges and from the quantity of the hedging instrument that the Group uses effectively to hedge this quantity of hedged item.

The operations that meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in fair value of hedging derivatives is recognised in the statement of profit/(loss) for the year among other costs. The change in fair value of the hedged item attributable to the risk hedged is recognised as part of the carrying amount of the hedged item and is also recognised in the statement of profit/(loss) for the year among other costs.

As regards fair value hedges referred to items accounted for according to the criterion of amortised cost, each adjustment of the carrying amount is amortised in the statement of profit/(loss) for the year along the residual period of the hedging using the effective interest rate (EIR) method. The amortisation thus determined can begin as soon as there is an adjustment but cannot extend beyond the date in which the hedged item ceases to be adjusted as a result of the changes in fair value attributable to the risk hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit/(loss) for the year.

When an unrecognised irrevocable commitment is designated as a hedged item, the subsequent cumulative changes in its fair value attributable to the risk hedged are accounted for as assets or liabilities and the corresponding gains or losses recognised in the statement of profit/(loss) for the year.

Cash flow hedges

The portion of gain or loss on the hedged instrument, related to the part of effective hedging, is recognised in the statement of other comprehensive income in the "cash flow hedge" reserve, while the ineffective part is recognised directly in the statement of profit/(loss) for the year. The cash flow hedge reserve is adjusted to the lower between the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

The Group uses forward currency contracts to hedge its exposure to exchange rate risk related both to planned transactions and to commitments already established; in the same way, it uses forward commodity contracts to hedge against the volatility of commodity prices. The ineffective part of forward currency contracts is recognised in other costs and the ineffective part of forward commodity contracts is recognised among other operating costs or income.

The Group designates only the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognised in OCI in a separate item.

The amounts accumulated among other comprehensive income are accounted for, according to the nature of the underlying hedged transaction. If the hedged operation subsequently entails the recognition of a non-financial component, the amount accumulated in shareholders' equity is removed from the separate component of shareholders' equity and included in the cost value or other carrying amount of the hedged asset or liability. This is not considered a reclassification of the items recognised in OCI for the period. This is valid also in the case of a hedged planned operation of a non-financial asset or a non-financial liability that

subsequently becomes an irrevocable commitment to which the accounting of fair value hedging operations applies.

For any other cash flow hedging, the amount accumulated in OCI is reclassified to the income statement as an adjustment from reclassification in the same period or in the periods during which the hedged cash flows impact the income statement.

If the cash flow hedge accounting is interrupted, the amount accumulated in OCI must remain such if it is expected that the hedged future cash flows will occur. Otherwise, the amount must immediately be reclassified in profit/(loss) for the year as a reclassification adjustment. After the suspension, once the hedged cash flow occurs, any remaining amount accumulated in OCI must be accounted for according to the nature of the underlying transaction as described above.

At each reporting date, hedging financial instruments are subjected to an efficiency test to check if the cover has the requirements to qualify as effective hedging and to be recognised according to hedge accounting standards.

The derivative financial instruments used are measured at fair value in relation to the market forward curve at the reporting date, when the underlying of the derivative is traded on markets that present official and liquid forward price listings. In the case that the market does not present forward listings, provisional price curves are used, based on evaluation techniques.

The Group holds financial derivative instruments in the following categories:

- Non-current financial derivative hedging instruments, referring mainly to Interest Rate Swap (IRS) contracts to hedge the risk of unfavourable interest rates on loans or long-term leasing plans. The effective portion of changes in the fair value of derivatives is directly recognised in shareholders' equity under a specific equity provision called the "Cash flow hedge reserve", whereas the ineffective portion is recorded in the income statement. Amounts that are directly recognised in shareholders' equity are reflected in the comprehensive income statement.
- Commodity Swaps entered into for the purpose of hedging price indices for volumes sold, in order to limit price risk deriving from specific gas purchase transactions at a fixed price and resale at a variable price (or vice versa) at different times. Derivative changes in fair value that meet the IFRS 9 requirements to qualify as hedging instruments are recognised in a specific shareholders' equity reserve, called the "Cash flow hedge reserve". Changes to the fair value that do not meet the conditions, including formal ones, required by IFRS 9 to qualify as hedging instruments are recognised in the Income Statement.
- Commodity forward contracts to buy or sell that provide for the physical delivery of gas in subsequent periods. Their measurement depends on the classification of the instrument in one of the following categories:
 - Forward contracts used in gas trading, falling within the scope of application of IFRS 9 as "contracts entered into for trading, speculative and hedging purposes". These financial instruments are measured at fair value at the reporting date with recording of the effects in the income statement under "Expenses/(income) from commodity risk management";
 - Forward contracts used in the marketing of gas, not falling within the scope of application of IFRS 9, because they have been entered into to optimise the Group's own procurement and sales portfolio ("own use"). These financial instruments are recognised at the time of the physical delivery of the underlying commodity.

Further information is contained in the paragraph of the notes to the statements "Objectives and criteria for financial risk management - Risks associated with commodity prices".

26) Inventories

Inventories mainly include:

- spare parts, as well as goods and finished products (granules made from recycled plastic) functional for the waste collection and treatment business;
- natural gas used for supply activities with end customers

Inventories were recorded at the lower of the acquisition cost or production cost, including any ancillary costs, and the estimated realizable value based on market prices. The cost configuration adopted is that of the

weighted average cost. Any obsolete or slow-moving inventories were written down on the basis of their possible use or implementation.

Gas storage inventories held for trading were measured at fair value, in relation to the official listings on the reference market at the valuation date.

27) Environmental securities: White certificates

The Group only holds Energy Efficiency Certificates (EECs) for own-use, i.e. in relation to its own requirements (Industrial Portfolio), whereas it holds no units/certificates for trading purposes (Trading Portfolio).

EECs held for own-use ("Industrial Portfolio") acquired to meet requirements, (determined in relation to the obligations accrued at year end), are recognised under current assets at fair value based on their expected realisable value.

Furthermore, a "Risk Provision" is allocated, for EECs that have not yet been acquired (to meet the year obligation) for the difference between the contribution value and market value of the EECs. The provision is recorded under "Other operating costs".

Accounting treatment according to the IFRS is the "Net liabilities approach", based on which the EEC purchase costs are recognised under "Other operating costs" at the time of purchase, whereas the contribution (ARERA/GSE) relating to cancelled EECs is recorded under "Other revenue and income" at the time of effective collection. The EECs in the portfolio at the reporting date are valued based on the contribution value recognised by ARERA/GSE for the current year, and are recognised under "Other revenue and income" and "Receivables from CCSE" [Electricity Equalisation Fund].

28) Cash and cash equivalents and short-term deposits

Cash and cash equivalents include cash in hand and short-term deposits falling due within three months, which are not subject to significant risks of changes in value.

For the purposes of representation in the consolidated cash flow statement, cash and cash equivalents are represented by cash as defined above, net of bank overdrafts, as these are considered an integral part of the Group's liquidity management.

29) Non-current assets held for sale, disposal groups and discontinued operations

Non-current assets held for sale, disposal groups and discontinued operations, where the carrying amount will be recovered principally through a sale transaction instead of through continuing use are measured at the lower of the carrying amount and fair value less costs to sell. More specifically, a disposal group is a group of assets and directly associated liabilities, which are to be disposed of in a single transaction. Discontinued operations on the other hand, comprise a significant component of a group, such as for example, a major line of business or geographical area of operations, or a subsidiary acquired exclusively with a view to resale. In accordance with IFRS standards, data relating to non-current assets held for sale, disposal groups and discontinued operations are presented in two specific items of the financial statements: assets held for sale and liabilities directly associated to assets held for sale.

Non-current assets held for sale are not subject to amortisation and are measured at the lower of the carrying amount and relative fair value, less the sale costs; any difference between the carrying value and fair value reduced by the sales expenses is charged to the income statement as a write-down.

With sole reference to discontinued operations, the net economic results obtained pending the disposal process, the capital gains/losses deriving from the disposal itself and the corresponding comparative data for the period/previous period are presented under a specific item in the income statement: profit (loss) from discontinued assets/ held for sale.

30) Distribution of dividends and distribution of assets other than cash and cash equivalents

The Company records a liability against the distribution of cash or other assets other than cash and cash equivalents when the distribution is appropriately authorised, and is no longer at the Company's discretion. Based on Italian Company law, distribution is authorised when it is approved by shareholders. The corresponding amount is recognised in shareholders' equity.

The distribution of assets other than cash and cash equivalents, which do not refer to the distribution of a non-monetary asset controlled by the latter prior and after distribution, are measured at the fair value of the assets to distribute; the recalculation of fair value is recorded directly under shareholders' equity.

At the time of the dividend payment, any difference between the carrying value of the distributed assets and the carrying value of the payable dividend is recognised in the income statement.

31) Financial liabilities

Initial recognition assessment

Financial liabilities are classified, at the moment of initial recognition, among financial liabilities at fair value through profit or loss, among loans and financing, or among derivatives designated as hedging instruments. All financial liabilities are recognised initially at fair value to which are added, in the case of loans, financing and payables, the transaction costs directly attributable to them.

The Group's financial liabilities include trade payables and other payables, loans and financing, including current account overdrafts and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (financing and loans)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include liabilities held for trading and financial liabilities initially recognised at fair value through profit or loss.

Liabilities held for trading are all those assumed with the intention of extinguishing them or transferring them in the short term. This category includes in addition derivative financial instruments subscribed by the Group that are not designated as hedging instruments in a hedging relationship defined by IFRS 9. Embedded derivatives, separated from the main contract, are classified as financial instruments held for trading, unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit/(loss) for the year.

Financial liabilities are designated at fair value through profit or loss from the date of first recognition, only if the criteria of IFRS 9 are met.

Financial liabilities at amortised cost (financing and loans)

This is the category most significant for the Group. After initial recognition, loans are measured with the amortised cost criterion using the effective interest rate method. The gains and losses are accounted for in the income statement when the liability is extinguished, as well as through the amortisation process.

The amortised cost is calculated recognising the premium on acquisition and the fees and costs that are an integral part of the effective interest rate. The amortisation at the effective interest rate is included among financial expenses in the statement of profit/(loss).

This category generally includes interest-bearing loans and receivables.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled. When an existing financial liability is replaced by another from the same provider, with substantially different conditions, or the conditions of an existing liability are substantially amended, this exchange or amendment is treated as an accounting derecognition of the original liability, accompanied by the recognition of a new liability, with any differences in the carrying amounts recorded in the statement of profit/(loss) for the year.

Offsetting of financial instruments

A financial asset and a financial liability can be offset and the net balance presented in the statement of financial position, if there is a current legal right to offset the amounts recognised in the accounts and there is the intention to extinguish the net residue, or to realise the asset and at the same time extinguish the liability.

32) Provisions for risks and charges

Provisions for risks and charges relate to costs and charges of a definite nature and of certain or probable existence, the amount or date of occurrence of which cannot be determined at the reporting date. Provisions are recognised when there is a present obligation (legal or implicit) that arises from a past event, an outflow of resources to settle the obligation is probable, and a reliable estimate can be made of the amount of the obligation.

Provisions are recognised at the value representing the best estimate of the amount the company would pay to settle the obligation, or to transfer it to a third party as of the reporting date. If the effect of discounting the value of money is significant, provisions are determined by discounting expected future cash flows at a pre-tax discount rate that reflects the current market valuation of the time value of money. When discounting is performed, the increase in the provision due to the passage of time is recognised as a financial expense.

If the liability relates to property, plant and equipment, the initial provision is recognised as a balancing entry to the fixed assets to which it relates; the charge is recognised in the income statement through the depreciation process for the tangible fixed asset to which it relates.

Provision for restoration and replacement

Under to IFRIC 12, the concessionaire is not eligible to recognise the infrastructure as property, plant and equipment in its financial statements, and the accounting treatment of projects carried out on the infrastructure differs according to their nature. In particular, they can be divided into two categories: projects related to the normal maintenance of the infrastructure, replacement interventions and future planned maintenance of the infrastructure.

The former refer to ordinary maintenance on infrastructure that is recognised in the income statement when incurred, also in line with IFRIC 12. The latter, considering that IFRIC 12 does not envisage the recognition of the physical infrastructure asset, but of a right, must be recognised on the basis of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, which requires, on the one hand, the recognition of a provision in the income statement divided between the operating component (including any effects of changes in the discount rate) and the financial component, and on the other hand, the recognition of a provision for charges in the balance sheet.

The "Provision for restoration or replacement", in line with the obligations set forth in the concession agreement, therefore includes the best estimate of the current value of the charges accrued as of the reporting date of the financial statements for the maintenance operations planned in coming years and aimed at ensuring the required functionality, operability and safety of the body of assets under concession, based on the information available as of the date the financial statements were prepared.

Post-mortem provisions

These represent the amount allocated to meet the costs that will be incurred to manage the closure and post-closure period of the landfills currently under management. Future disbursements have been discounted in accordance with IAS 37. Increases in the provision include the financial component inferred from the discounting process and allocations made due to changes in assumptions on future outlays following the revision of estimates on both landfills currently in use and those already exhausted. Utilisations represent actual outlays during the year. Allocations are also made taking into account the provisions of the regulations in force (Legislative Decree 36/2003).

33) Post-employment benefits

Employee severance indemnity (TFR) and pension provisions are determined by applying an actuarial method. The components of defined benefit costs are recognised as follows:

- service costs are recognised in the income statement under personnel costs;
- net financial costs on the defined benefit liability or asset are recognised in the income statement as financial income/(expense), and are determined by multiplying the value of the net liability/(asset) by the rate used to discount the obligations, taking into account contribution and benefit payments made during the period;
- remeasurement components of the net liability, which include actuarial gains and losses, return on assets (excluding interest income recognised in the income statement) and any change in the asset limit, are recognised immediately in Other Comprehensive Income. These components cannot be reclassified to the income statement in a subsequent period

Based on Finance Law no. 296 of 27 December 2006, for the purposes of IAS 19, only liabilities relating to the severance indemnities accrued that have remained with the company were valued, because the accruing portions are paid to a separate entity (Complementary pension or National Pension Fund INPS). Consequent to these payments, the company will have no further obligations related to work provided in future by the employee.

Benefits guaranteed to employees and awarded concurrently or subsequent to their termination of employment, based on definite benefit plans (discounts on electricity, healthcare, other benefits) or long-term benefits (loyalty bonus) are recognised in the period when the right accrues.

Liabilities related to definite benefit programmes, net of any assets servicing the plan, are determined by independent actuaries based on actuarial assumptions, and are recorded in relation to the work needed to obtain the benefits.

34) Contracts for the purchase or sale of a non-financial item that can be settled net through cash or another financial instrument

At the time of initial recognition, the Group classifies the instrument, or its components, as a financial liability, financial asset or equity instrument in accordance with the substance of the contractual arrangements.

6.5 Changes to accounting standards and disclosure

The Group has applied certain standards or amendments for the first time, which took effect as from 1 January 2024. The Group has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Standards amendments that are in force as from 1 January 2024

- On 23 January 2020, the IASB published an amendment entitled '**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**' and on 31 October 2022 published an amendment entitled '**Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants**'. These changes are intended to clarify how to classify payables and other short or long-term liabilities. In addition, the amendments also improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).
- On 22 September 2022, the IASB issued the document '**Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)**' with amendments that clarify how a seller of an asset, who is subsequently a lessee of the same asset, should measure sale and leaseback transactions under IFRS 15. The Board has determined that the selling lessee shall value the leaseback liabilities in such a way that no gain or loss associated with the right to continue to use the asset is recognised.
- On 25 May 2023, the IASB published "**Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)**", an amendment to be applied in the presence of agreements that provide for loans to suppliers, for the purpose of requesting from the financing party further qualitative and quantitative information to be provided in relation to existing obligations. These disclosures concern the characteristics of the arrangements, the carrying amounts, the impacts on the entity's cash flows, etc. Furthermore, the IASB has decided that, in most cases, aggregate information on an entity's supplier financing arrangements
- meet the information needs of users of financial statements.

Since the application of the new amendments, there have been no significant impacts on the values and disclosures in the financial statements.

Standards or amendments issued and not yet in force at the reporting date of 31 December 2024

As of the date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and standards described below.

- On 30 May 2024, the IASB published '**Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7**'. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary with the achievement of ESG objectives (i.e. green bonds). In particular, the amendments aim to:
 - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;

- establish that the settlement date for liabilities utilising electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash
 - and liquidity on the settlement date under certain specific conditions.
- With these amendments, the IASB also introduced additional disclosure requirements with regard to investments in equity instruments recognised at FVOCI. The amendments will apply to financial statements for financial years beginning on or after 1 January 2026.
- On 9 April 2024, the IASB published the new standard **IFRS 18 'Presentation and Disclosure in Financial Statements'**, which will replace IAS 1 'Presentation of Financial Statements', the aim of which is to improve the way companies disclose in their financial statements. The main new features of the new standard are the introduction of defined categories and subtotals in the income statement, the introduction of requirements to improve aggregation and disaggregation, the introduction of management-defined performance indicator (MPM) disclosures in the notes to the financial statements, and improvements to the cash flow statement by amending IAS 7. The standard will take effect for financial years beginning on or after 1 January 2027, and early application is permitted.
 - On 18 July 2024, the IASB published the '**Annual Improvements to IFRS Accounting Standards- Volume 11**' containing amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The IASB's annual improvements are limited to changes that clarify the wording of an IFRS standard or correct unintended consequences with respect to divergences between the requirements of the various standards. The changes contained in the aforementioned Annual Improvements refer to:
 - **IFRS 1 First-time Adoption of International Financial Reporting Standards** in relation to whether a first-time adopter should recognise hedging instruments following the transition to IFRS;
 - **IFRS 7 Financial Instruments** on additional disclosures with reference to the following points: - Gain or loss on derecognition - Additional disclosure of differences between the fair value and transaction price of an asset - Additional disclosures on credit risk;
 - **IFRS 9 Financial Instruments** in connection with: - Derecognition of Lease Liabilities - Transaction Price;
 - **IFRS 10 Consolidated Financial Statements** - Determination of a 'de facto agent', a party acting on behalf of another investor, for purposes of control of an investee;
 - **IAS 7 Statement of Cash Flows** - Cost Method.

The Group will adopt these new standards, amendments and interpretations, by the established application date, and will assess their potential impact when they are endorsed by the European Union.

6.6 Restatement of comparative data as at 31.12.2023

The comparative figures for the year 2023 have been restated to take into account, as required by IFRS 3, the effects arising from the completion of the purchase price allocation to the definitive fair value of the assets and liabilities acquired for Estra S.p.A. and its subsidiaries and AER S.p.A. at the acquisition date. The changes that occurred are illustrated in the section 'Business Combinations and Disposals'.

It should also be noted that, in order to increase the comparability of the information reported in the financial statements as at 31 December 2024, the presentation of certain figures for the previous year has been changed. In particular, reclassification was made to:

- "*Provisions for Risks and Charges*" for € 37,152 previously under "*Trade Receivables*";
- "*Deferred Tax Assets*" € -23,024,302 previously under "*Deferred Tax Liabilities*";

7. SIGNIFICANT ACCOUNTING ESTIMATES

In terms of IFRS-EU, the preparation of the Group's financial statements requires directors to make discretionary assessments, estimates and assumptions that influence the figures for income, costs, assets and liabilities and the relevant disclosures, including potential liabilities. Management's estimates and opinions are based on prior experience and on all other aspects deemed reasonable in that case; they are

adopted when the carrying value for assets and liabilities is not easy to discern from other sources. The final results may therefore differ from those estimates. Estimates and assumptions are revised periodically, and the effects of any changes are reflected in the income statement, where the revision refers only to that financial period. Where these changes involve both current and future financial periods, the change is recognised in the period when the revision was made and in the relevant future periods.

To provide a better understanding of the financial statements, below are the main items affected by the use of accounting estimates and that include a significant component of opinions by management, highlighting the main assumptions used in the assessment process, in accordance with the aforementioned international accounting standards. The critical nature of these assessments lies in fact with the recourse made to assumptions and/or professional opinions relating to issues that are by nature uncertain.

Changes to the conditions underlying the assumptions and opinions adopted could impact significantly on subsequent results.

Additional information relating to the Group's exposure to risks and uncertainties is provided in the following paragraphs:

- Capital management;
- Objectives and criteria for financial risk management;
- Disclosure on sensitivity analysis.

Significant accounting estimates

The application of generally accepted accounting standards for the preparation of the financial statements, requires that Management makes accounting estimates based on complex and/or subjective judgement, past experience and assumptions deemed reasonable and realistic on the basis of information known at the time of the estimate. The use of these estimates influence the value of assets and liabilities and the information related to potential assets and liabilities at the financial statements date, as well as the income and expense amounts in the reference period. Final results could differ from the estimates made, due to the uncertainties characterising the assumptions and conditions generating the estimates. The main accounting estimates which are considered critical included in the process to prepare the financial statements are shown below, in that they are highly dependent on subjective opinions, assumptions and estimates on issues that by their nature are uncertain. Any changes to the conditions on which the opinions, assumptions and estimates adopted are based, could impact significantly on subsequent results.

(i) Variable fees from customers

If the promised fee in a contract includes a variable amount, the Group estimates the amount of the fee to which it will be entitled in exchange for the transfer of the promised goods or services to the customer.

To best estimate the amount of this variable fee, the Group uses, depending on the circumstances:

- the expected value, i.e. the sum of the probability-weighted amounts in a range of possible fee amounts;
- the most probable amount in a range of possible fee amounts (i.e., the most probable outcome of the contract).

The estimated variable fee is recognised only to the extent that it is highly probable that when the uncertainty associated with the variable fee is subsequently resolved, there will be no significant downward adjustment to the amount of cumulative revenue recognised.

(ii) Recoverable amount of non-current assets

An impairment is recorded in the value of a non-current asset when events or changes in circumstances lead to the assumption that the carrying amount is not recoverable. The events that could determine a loss in an asset's value are changes to business plans, regulatory changes, a high turnover of customers, changes in market prices, reduced usage of plants. The decision whether to proceed with an impairment and quantification thereof depends on Management's assessments made on complex and highly uncertain aspects, which include future pricing trends, the impact of inflation, the customer drop-out or defection rate (churn rate).

The impairment occurs when the asset or cash generating unit's carrying value exceeds its recoverable value, which is the higher between its fair value less sales costs and its use value. Fair value less sales costs is the amount obtained from the sale of an asset or cash generating unit in a free transaction between cognisant and

available parties, less the disposal costs. In determining this fair value, Management may also use technical reports prepared by third parties, especially with regard to the industrial value of assets under concession.

The calculation for the use value is based on the discounted cash flow model. The cash flows deriving from the forecast plans that are based on accurate estimates and do not include restructuring activities to which the Group has not yet committed or significant future investments that will increase the value of the assets making up the cash generating unit subject to the assessment. The recoverable value depends significantly on the discount rate used in the discounted cash flow model, as well as the expected cash flows in the future and growth rate used for the extrapolation. The key assumptions used to determine the recoverable value for the different cash generating units, including a sensitivity analysis test, are detailed in the following notes: Impairment test pursuant to IAS 36 on the goodwill value, Impairment test pursuant to IAS 36 on the value of property, plant and equipment and Impairment test pursuant to IAS 36 on the value of property, plant and equipment, in paragraph 14.

Possible changes in the underlying assumptions on which these calculations are based could produce different recoverable values. The analysis of each of the groups of non-financial assets is unique and requires the company management to use estimates and hypotheses considered prudent and reasonable in relation to the specific circumstances. In line with its business model, the Group also assessed whether the topics linked to climate change have impacted on the reasonable and sustainable hypotheses used to estimate the projections of the financial flows.

(iii) Business combinations

The recognition of business combination operations implies allocating the difference between the purchase cost and net carrying value to the assets and liabilities of the acquired business. For most assets and liabilities, the allocation of the difference is done by recording assets and liabilities at their fair value. If it is positive, the non-attributable portion is recognised in goodwill and if negative in the income statement. The allocation of the price paid on a provisional basis is subject to review/updating within the 12 months after the acquisition, with due regard for any new information on the facts and circumstances that existed at the acquisition date. In the allocation process, the Group bases itself on available information, and on external assessments for the more significant business combinations; the allocation process also requires an overall assessment to be made by Management, which is also made in relation to available information.

(iv) Amortisation/ depreciation

Amortisations/depreciations are calculated on the basis of the asset's estimated useful life, the residual concession term, the drop-out or defection rate (churn rate). Useful life is determined by Directors, with the help of technical experts at the time of recording the asset in the financial statements; the assessment regarding the useful life term is based on historic experience, market conditions, forecasts on future events that could impact on the useful life, including changes in technology. The Group periodically reviews changes in technology and the sector, the customer churn rate, the expenses for dismantling/closing, and the recovery value to update the residual useful life. This periodic update could involve a change to the amortisation/depreciation period, and therefore also the depreciation rate for future periods.

With regard to the term for concessions relating to the distribution of natural gas, Italian Legislative Decree no. 164/00 (Letta Decree) stipulated that all concessions must be put out to tender within the expiry of the so-called "transitory period", and that the new concession term could not exceed twelve years. On the outgoing operator's expiry of the concessions, a set indemnity is paid based on industrial estimate criteria, against the transfer of the distribution networks. In so far as the estimates conducted by directors are concerned when determining the depreciation/amortisation criteria, the assets' net carrying value on expiry of the concession should not be higher than the residual industrial value (RIV).

(v) Defined benefit plans

The cost of defined benefit pension plans after employment and the current value of the defined benefit obligation are determined by using actuarial assessments. The actuarial assessment involves calculations using various assumptions that can differ from effective future developments. These assumptions include determining the discount rate, future salary increases, the mortality rates, and future pension increases. Due to the complexity of this assessment and its long-term nature, these estimates are especially sensitive to changes in the assumptions. All assumptions are reviewed on an annual basis.

The discount rate represents the parameter subject to the greatest variations. In determining the appropriate discount rate, directors use the corporate bond interest rate as a reference, in currencies consistent with the currencies for the defined benefit obligations, that are assigned a minimum AA rating by internationally recognised rating agencies and with average expiries corresponding to the expected term of the defined benefit obligation. Obligations are subject to an additional qualitative analysis and those that present a credit

spread that is deemed excessive are eliminated from the obligations population on which the discount rate was calculated, because they do not represent a high-quality category of obligations.

The mortality rate is based on tables available for the specific mortality of each country. These mortality tables tend to vary only at intervals in relation to demographic changes. Future salary increases and pension increases are based on the expected inflation rate for each country. Additional information is provided in Note Employee severance indemnity.

(vi) Fair value of financial instruments

When the fair value of an asset or liability in the statements of financial position cannot be measured on the basis of listing on an active market, the fair value is determined by using different valuation techniques, including the discounted cash flow model. The inputs used in this model are taken from observable markets, where possible, but should this not be possible, a certain level of estimation is required to define fair values. Estimates include considerations on variables such as liquidity risk and credit risk, if deemed relevant. Changes in the assumptions in these aspects could have an impact on the fair value of the financial instruments recorded.

In addition, the Group has granted third parties the option to repurchase assets in exchange for either cash or shares in Alia, to be exercised within a pre-determined time horizon.

the fair value of these options is the result of a valuation based on the variables underlying the determination of the fair value of the options in question and, in particular, on the future exercise scenario deemed most probable by management, consistent with updated planning assumptions, adopting the adjustments provided for in the terms and conditions contracted between the parties and discounting, when applicable, the corresponding future cash flows at an appropriate discount rate.

(vii) Provisions for risks and write-downs

Determining whether a current obligation (legal or implied) does or does not exist is in some circumstances not easy to determine. The Directors assess these phenomena on a case-by-case basis, together with an estimate of the amount of economic resources required to fulfil the obligation. The estimation of provisions is the result of a complex process involving subjective judgements by Group management. The Group is also subject to legal and tax cases involving complex and difficult legal issues, which are subject to varying degrees of uncertainty, including the facts and circumstances surrounding each case, the jurisdiction and different applicable laws. Given the uncertainties surrounding these issues, it is difficult to predict with any certainty the outlay that may result from such litigation, and it is therefore possible that the value of provisions for legal proceedings and litigation may change as a result of future developments in ongoing proceedings. The Group monitors the status of pending cases and consults with its legal and tax advisors. When the Directors consider that the occurrence of a liability is only possible, the risks are disclosed in the appropriate information section on commitments and risks, without giving rise to any provision.

With regard to the waste collection and management sector, the provision for landfill liabilities represents the amount set aside to meet the costs that will have to be incurred to manage the closure and post-closure period of the landfills currently in use. The estimate takes into account the best forecast at year-end of future disbursements, as identified for each landfill following a specific appraisal prepared annually by external experts, and is affected by the trend of rates used for discounting in compliance with IAS 37.

The provision for writedowns reflects management's estimate of the expected losses associated with the loan portfolio. The Group applies the simplified approach provided for by IFRS 9 and records expected losses on all trade receivables based on the residual maturity, defining the allocation based on historical experience of credit losses, adjusted to take into account specific forecast factors related to creditors and the economic environment (the Expected Credit Loss - ECL concept).

The recoverability of receivables recorded for the sale of electricity and gas, together with the need to record any write-downs in these, are the result of an assessment process by Company Management, involving complex and/or subjective opinions. The calculation is based on analyses by customer cluster, supplemented by specific analytical assessments, using a matrix for measuring the expected losses (provision matrix). The impairment percentages are determined on the basis of historical analyses conducted referring to losses on amounts payable by customers, in relation to the age of the receivable, the creditworthiness of the counterparty where available, average collection times and the status of the receivable (active, discontinued) and the historic trend of the uniform individual class taking into consideration and current information that could affect the expectations and estimates of loss on receivables. Receivable positions of the most significant amounts are analysed and, if appropriate, specifically written down.

With reference to receivables for TARIC revenues, in the absence of historical company data, the estimate of the recoverability of the carrying amount of receivables was the result of an evaluation exercise by Management based on statistical data made available from third party sources. As 2023 is the first year of integrated management of municipal waste with the TARIC fee in some of the municipalities served, the write-down percentages were determined based on historical analyses of the insolvency rate recorded in the years 2019 and 2020 on a significant sample of TARIC customers nationwide, distinguishing between domestic and business customers, and applied to receivables for invoices issued and to be issued at the end of the year.

(viii) Revenue recognition for electricity and gas sales

Revenue from the sale of electricity and gas to business, retail and domestic customers is recognised and stated at the time of providing the supply, recorded according to a predetermined calendar for consumption readings, and include the estimate for the supply of gas and electricity provided to end customers and not yet invoiced at 31 December. This estimate is obtained as the difference between consumption (effective or estimated based on the customers' historic consumption and other factors that could influence consumption, such as weather conditions) already invoiced by the end of the financial period and the total quantity released into the distribution network, determined by taking as a reference the volumes allocated by the national distributor and the internal customer consumption forecasts; the estimate is recorded in specific provisions for invoices to be issued. The volumes distributed and allocated are communicated by distributors and transporters, both nationally and locally, and are subject to potential revisions in subsequent years as provided for in the relevant regulations. The amount of gas and electricity volumes released into the network and not yet invoiced, obtained in this way, is measured according to the type of customer, based on the proportion of the respective volumes already invoiced during the period and on the related average tariff in force during the period.

The provision for revenue from invoices to be issued for the sale of gas and electricity to final customers is therefore the outcome of a complex estimate based both on distributed and allocated volumes, subject to adjustments, as well as internal consumption forecasts, and is influenced by the professional judgement of Company Management. Please see note 10.2.2 Trade receivables for further information.

(ix) Estimates on Lease agreements as lessee

Starting from 1 January 2019, following application of IFRS16, the following significant accounting estimates were made, as a Group in its capacity as lessee:

- Lease term: the identification of the term of the rental contract is a very significant issue which entails the use of assumptions in particular for the assessment of the effects of renewal options at the end of the non-cancellable period. For the definition of the term of the lease the Group, in fact, considered the presence of renewal and cancellation options held respectively by the lessee, the lessor or both. In the presence of renewal options exercisable by both contractual parties it considered the existence or non-existence of significant economic disincentives in rejecting the renewal request as required by paragraph B34 of IFRS 16. In the presence of options exercisable by only one of the two parties it considered paragraph B35 of IFRS 16.

With reference to the company offices, the application of the above, taking into account the specific facts and circumstances and the estimate on the exercise of the option being reasonably certain, entailed that a term up to the third renewal provided for in the contract was considered. This was based on the fact of not being able to consider reasonably certain the renewal beyond the third period or, at least, at the same conditions.

- After the starting date of the contract, the Group reviews the term of the same if there occurs a significant event or a significant change in the circumstances which, depending on the Group's intentions, has an effect on the lessee's reasonable certainty of exercising an option not previously included in its determination of the term of the lease or of not exercising an option previously included in its determination of the term of the lease. In June 2019, the IFRS Interpretation Committee began to discuss the topic of the lease term (project: Lease Term and Useful Life of Leasehold Improvements). In November 2019, a decision was published which clarifies how the concepts of non-cancellable period, lease term (considered for the purposes of recognition of the liability) and enforceable period (useful for identifying the moment in which the contract no longer generates enforceable rights and obligations) should be read and correlated together for the purposes of applying IFRS 16. The decision clarified that

for the purposes of identifying the enforceable period a lessee must consider the contractual moment in which both parties involved can exercise their right to terminate the contract without incurring more than an insignificant penalty. The concept of penalty must not have a merely contractual meaning but should be seen considering all the economic aspects of the contract. Once the enforceable period has been identified, the lessor assesses in the presence of renewal or cancellability options for what period it is reasonably certain to control the right of use of the asset and therefore determines the lease term. At the date of preparation of these consolidated financial statements, the Group considered these discussions and conclusions and will continue to monitor the evolution over time.

- Definition of the discount rate: as in most rental contracts entered into by the Group, there is no implicit interest rate, the Group calculated an Incremental Borrowing Rate (IBR) that is the interest rate that the Company will have to pay to obtain a loan, with a similar term and guarantees, necessary to obtain an asset of a value similar to the asset consisting of the right of use in a similar economic context.

The discount rate used to measure the value of the liabilities related to leasing contracts was calculated taking into consideration the country risk, the currency, the lease term, and the Group's credit risk.

(x) Current taxes and future recovery of deferred tax assets

Deferred tax assets are recognised on the basis of expected taxable income in future years, inferred from multi-year business plans. Measurement of expected income for deferred tax accounting purposes depends on factors that may change over time and affect the valuation of deferred tax assets.

8. BUSINESS SEGMENTS

For management purposes, the Group is organised into business areas on the basis of the products and services provided, which qualify as business segments in accordance with IFRS 8.

The structure of the business areas has changed compared to the previous year as a result of the changes in the governance of the activities carried out by the Group and the reporting used by management for analysis and planning of the businesses managed, following the entrance of Estra (and its subsidiaries) and Publiacqua into the scope of the Alia Group. In particular:

- the activities related to energy, renewable and digital services, previously allocated to the 'Other Activities' business area, were merged into the 'Energy Market' area;
- the 'Environment' sector now includes sorting, treatment and storage activities carried out by Estra, previously allocated to 'Other activities';
- water and sewer service management activities are reported as a separate business segment due to the significance of the economic and equity values expressed as a result of the line-by-line consolidation of Publiacqua. In the 2023 financial statements, the Group's share of the company's result was represented in 'other sectors'.

As a result of these changes, the values for financial year 2023 were restated for homogeneous comparison of business segment results. •

The business segments are outlined below:

i) Environment

The activities of the SBU include the collection, treatment and management of waste in the territorial areas of the municipalities regulated by the service contract underlying the ATO Central Tuscany, as well as the provision of services on the free market. The business segment also includes the Group's share of jointly controlled companies operating in the waste management and treatment sector, which are accounted for using the equity method.

ii) Energy Market

The activities of this area are represented by:

sales of natural gas and electricity on the wholesale and retail markets. Sales area support is provided by the gas and electricity procurement, dispatching, storage and logistics activities. The segment also includes trading activities, carried out both with the aim of improving purchasing and procurement conditions through the optimisation of the Group's assets (natural gas storage and transport capacity and flexibility of the long-term supply contract) ('Industrial Portfolio'), as well as for the purpose, within predefined risk limits, of seizing additional short-term profit opportunities;

the technical and operational management of telecommunications networks and their marketing (this also includes activities related to video surveillance services, data transmission, telephony and internet access);

the provision and exploitation of plants producing energy from renewable sources with particular reference to solar, wind and biomass sources;

the management of third party property heating facilities (heat management services) and facility management activities.

Activities other than sales of natural gas on the wholesale and retail markets have different economic characteristics, organisation and performance criteria, but do not exceed the quantitative thresholds that make separate reporting necessary.

iii) **Distribution of natural gas**

The business area's activities include the technical and operational management of natural gas distribution networks. The segment also includes the distribution and sales of liquid propane gas.

iv) **Water**

This business area provides water and sewer management.

In the reporting regarding business segment analysis, the revenues and costs of 'Corporate' activities for the sub-holding Estra S.p.A. were reallocated to the business lines based on the percentages of absorption for the service activities provided.

The Group operates entirely in Italy.

Directors separately assess the results achieved by business segments so as to make decisions regarding the allocation of resources and monitor performance. Sector performance is measured on the basis of results, which are assessed consistently with the result in the consolidated financial statements.

The Group's financial management (including costs and expenses on funding) and income taxes are managed at Group level, and are not allocated to operating sectors.

The transfer price between business segments is negotiated internally on the same basis as transactions with third parties.

Directors separately monitor only the activities of the operating sector, whereas liabilities are monitored at Group level.

A comparative analysis of the economic data per business segment is provided below for the 2024 and 2023 financial periods:

Economic values per segment

Business segments	Environment		Water		Energy market		Distribution		Adjustments and eliminations		Total	
	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
(amounts in thousands of euro)	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total Revenue	645,043	550,597	244,995	0	1,076,686	514,927	190,657	78,364	120,862	-35,511	2,036,519	1,108,377
External costs	-412,082	-367,117	128,006	0	-945,284	-442,832	117,824	-45,899	120,075	35,215	1,483,122	820,633
Personnel costs	-153,201	-131,328	-17,159	0	-19,952	-10,405	-20,800	-11,555	772	296	-210,340	152,992
Income from non-financial equity investments	-3,709	10,828	3,252	0	0	0	0	0	0	0	-456	10,828
Gross operating margin (EBITDA)	76,051	62,981	103,082	0	111,449	61,690	52,033	20,910	-16	0	342,600	145,581

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Depreciation, amortisation, provisions and write-downs	-50,558	-35,971	-93,573	0	-46,509	-23,253	-28,651	-16,235	0	0	-219,291	-75,459
Write-down of receivables	-7,029	-5,240	-2,216	0	-11,996	-5,759	-156	-117	0	0	-21,397	-11,116
Operating profit (loss) (EBIT)	18,465	21,769	7,294	0	52,944	32,678	23,226	4,559	-16	0	101,912	59,006

Asset values per segment

Business segments	Environment		Water		Energy market		Distribution		Corporate		Adjustments and eliminations		Total	
Sector activities (amounts in thousands of euro)	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non-current assets	736,892	819,873	655,967	48,698	345,555	287,111	801,983	768,157	22,513	27,023	-42,664	42,375	2,520,244	1,993,237
Current assets	345,293	287,217	151,833	0	442,410	483,846	84,177	77,464	111,262	185,327	-129,015	-77,995	1,005,960	955,860
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	1,082,185	1,107,090	807,800	0	787,965	770,957	886,160	845,621	133,775	212,350	-171,679	-35,619	3,526,204	2,949,097

Reconciliation of result

(amounts in thousands of euro)	Year ended 31 December	
	2024	2023
Result for sectors (net of adjustments and eliminations)	101,912	59,006
Write-downs and reversals of financial assets and liabilities	-557	330
Measurement of non-financial equity investments using the equity method	19,243	17,745
Financial income	15,637	10,320
Financial expenses	-57,460	-35,581
Financial management	-23,138	-7,186
Profit before taxes	78,774	51,820
Income taxes for the year	-19,552	-6,638
Net income at year end	59,222	45,181

9. CAPITAL MANAGEMENT

For the purposes of Group capital management, this includes share capital issued, the share premium reserve, all other capital reserves attributable to the Parent Company's shareholders and the third party shareholders' equity. The main objective in capital management is to maximise value for shareholders. The Group manages the asset structure based on economic conditions and the requirements of financial covenants.

The Group controls the asset structure using a gearing ratio, referring to the ratio between net financial debt and consolidated shareholders' equity. The Group includes under net financial debt, cash and cash equivalents, receivables and payables to credit institutions, payables to bondholders, leasing companies and shareholder loans, excluding discontinued operations.

(amounts in Euros)	Year ended 31 December	
	2024	2023
Cash and cash equivalents ⁽¹⁾	-186,783,725	-198,203,480
Current financial receivables ⁽²⁾	-2,650,305	-5,696,822
Current financial debt ⁽³⁾	512,339,955	432,910,124
Net current financial debt	322,905,924	229,009,822
Non-current financial debt ⁽⁴⁾	524,006,295	619,617,200

D	Total financial debt	846,912,220	848,627,021
E	Shareholders' equity	1,538,336,661	1,216,724,063
D/E	Leverage	0.55	0.70

(1) Equal to the item Cash and cash equivalents;

(2) Equal to the sum of Current financial derivative assets and Due from banks

(3) Equal to the sum of Current financial liabilities, Current financial liabilities for rights of use, Current derivative financial instrument liabilities

(4) Equal to the sum of Non-current financial liabilities, Non-current financial liabilities for rights of use, Non-current trade payables

In order to achieve this objective, the Group's capital management aims, *inter alia*, to ensure that covenants associated with interest-bearing loans and bond loans are respected, as these define the asset structure requirements. Violations of covenants would entitle banks/lenders to ask for the immediate repayment of loans and funding.

Based on the information in the financial statements at 31 December 2024, there were no violations of covenants associated with funding and loans during the current period.

With reference to capital management, it should be noted that, as part of the integration project with Alia aimed at the creation of the Multitutility, 2024 saw the start of the process of centralised management of the Group's financial planning by the parent company Alia, which allowed for the completion of the important financing transaction described in the section on significant events after the reporting period.

Please see paragraph [Liquidity Risk](#) for additional information.

10. GROUP INFORMATION

10.1 Consolidation scope

The table below shows the consolidation scope at 31 December 2024 compared with the consolidation scope at 31 December 2023:

				31/12/2024				31/12/2023			
Company name	Registered office	Primary activity	Notes	Portion attributable to the Group	Share of direct control	Share of indirect control	Notes	Portion attributable to the Group	Share of direct control	Share of indirect control	Notes
Parent company											
Alia Servizi Ambientali SpA	Florence (FI)	Waste collection and treatment urban hygiene									
Fully consolidated subsidiaries											
Revet S.p.A.	Pontedera (PI)	Collecting sorting and processing VPL.		57.84%	57.84%			57.70%	57.70%		
Programma Ambiente Apuane Spa	Prato (PO)	Municipal waste management,		85.11%	85.11%			80.00%	80.00%		
Bisenzio Ambiente S.R.L.	Campi Bisenzio(FI)	Waste management		54.63%	25.00%	29.63%	(1)	54.63%	25.00%	29.63%	(1)
Ambiente Energia Risorse Spa	RUFINA (FI)	Waste collection and treatment urban hygiene	(a)					90.02%	90.02%		
Ambiente Toscana Opco Spa	Florence (FI)	Non-operational		100.00%	100.00%			100.00%	100.00%		
Publiacqua S.p.A.	Florence (FI)	Water and sewer service management	(b)	57.55%	57.55%						
Valdisieve Scrl	Florence (FI)	Holding	(c)	100.00%	100.00%						
GIDA S.P.A. - Gestione Impianti Depurazione Acque Spa	Prato (PO)	Water service and purification management		100.00%	100.00%						
E.S.T.R.A. S.p.A.	Prato (PO)	Holding		39.50%	39.50%			39.50%	39.50%		
ESTRACOM S.p.A.	Prato (PO)	Telecommunications		31.34%		31.34%	(1)	31.34%		31.34%	(1)
Idrogena S.r.l.	Prato (PO)	Renewable energies		20.15%		20.15%	(1)	20.15%		20.15%	(1)

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				31/12/2024				31/12/2023			
Company name	Registered office	Primary activity	Notes	Portion attributable to the Group	Share of direct control	Share of indirect control	Notes	Portion attributable to the Group	Share of direct control	Share of indirect control	Notes
Tegolaia SPV S.p.A.	Fano (PU)	Renewable energies		39.50%		39.50%	(1)	39.50%		39.50%	(1)
Cavriglia SPV S.p.A.	Prato (PO)	Renewable energies		39.50%		39.50%	(1)	39.50%		39.50%	(1)
Estra Clima S.r.l.	Prato (PO)	Heat management		39.50%		39.50%	(1)	39.50%		39.50%	(1)
Ecocentro Toscana S.r.l.	Lallio (BG)	Waste management		39.50%		39.50%	(1)	39.50%		39.50%	(1)
Ecos S.r.l.	Barberino Tivarnelle (FI)	Waste management		39.50%		39.50%	(1)	39.50%		39.50%	(1)
Ecolat S.r.l.	Grosseto (GR)	Waste management		39.50%		39.50%	(1)	39.50%		39.50%	(1)
E.S.TR.A. Energie S.r.l.	Siena (SI)	Gas sales		39.50%		39.50%	(1)	39.50%		39.50%	(1)
Centria S.r.l.	Arezzo (AR)	Gas distribution		39.40%		39.40%	(1)	39.40%		39.40%	(1)
Gas Marca S.r.l.	Civitanova Marche (MC)	Gas sales		39.50%		39.50%	(2)	39.50%		39.50%	(2)
Piceno Gas S.r.l.	Ascoli Piceno (AP)	Gas sales		39.50%		39.50%	(2)	39.50%		39.50%	(2)
Prometeo S.p.A.	Osimo (AN)	Gas and electricity sales		25.17%		25.17%	(2)	25.17%		25.17%	(2)
Murgia Reti Gas S.r.l.	Arezzo (AR)	Gas distribution		39.40%		39.40%	(3)	39.40%		39.40%	(3)
Gergas S.p.A.	Grosseto (GR)	Gas distribution		33.69%		33.69%	(3)	33.69%		33.69%	(3)
EDMA Reti Gas S.r.l.	Ancona (AN)	Gas distribution		17.73%		17.73%	(3)	17.73%		17.73%	(3)
Equity-consolidated joint ventures											
AL.BE S.r.l.	Peccioli (PI)	Waste recovery and processing. Management of biogas - biomethane and biofuel production plants		50.00%	50.00%			50.00%	50.00%		
REAL S.r.l.	EMPOLI (FI)	Collection, processing, sorting, transformation and storage of waste paper		50.10%	50.10%			50.10%	50.10%		
Waise Waste S.r.l.	Florence (FI)	Design and construction of waste collection containers.		51.00%	51.00%						
Nuova Sirio S.r.l.	Siena (SI)	Renewable energies		19.75%		19.75%	(1)	19.75%		19.75%	(1)
Equity-consolidated associates											
Irmel Srl	Ponte Buggianese (PT)	Management of inert construction waste treatment plants		36.00%	36.00%			36.00%	36.00%		
Sea Risorse Spa	Viareggio (LU)	Urban hygiene waste collection and treatment services Municipalities of Viareggio and Camaiore		24.00%	24.00%			24.00%	24.00%		
Toscana Energia Spa	Florence (FI)	Gas network and distribution management		30.99%	30.99%			30.99%	30.99%		
Publiacqua S.p.A.	Florence (FI)	Water and sewer service management	(b)					57.55%	57.55%		
Acque Spa	Empoli (FI)	Water and sewer service management		19.31%	19.31%			19.31%	19.31%		
Acque2o Spa	Pontedera (PI)	Holdings in companies related to the management of the Integrated Water Service		37.94%	37.94%			37.94%	37.94%		
Valdisieve Scrl	Florence (FI)	Holding	(c)					25.00%	25.00%		
LeSoluzioni Scrl	Empoli (FI)	Contact centre services, printing and mailing of TIA/ TARES notices		33.20%	18.69%	14.51%	(8)				
Vaiano Depur Spa	Prato (PO)	Waste water purification from manufacturing facilities in the Prato area		40.34%	0.34%	40.00%	(7)				
Blugas Infrastrutture S.r.l.	Cremona	Gas storage		12.31%		12.31%	(1)	12.31%		12.31%	(1)
SIG S.p.A.	Ancona (AN)	Gas distribution		15.64%		15.64%	(1)	15.64%		15.64%	(1)
A.E.S. Fano Distribuzione Gas S.r.l.	Fano (PU)	Gas distribution		19.36%		19.36%	(1)	19.36%		19.36%	(1)
Servizi Ecologici Integrati Toscana S.r.l.	Siena (SI)	Waste management		8.15%		8.15%	(4)	8.15%		8.15%	(4)
Vetro Revet Srl	Empoli (FI)	Collection, recovery, processing and marketing of glass		28.34%		28.34%	(5)	28.27%		28.27%	(5)

Alia Servizi Ambientali S.p.A. - Consolidated Financial Statements at 31 December 2024

				31/12/2024				31/12/2023			
Company name	Registered office	Primary activity	Notes	Portion attributable to the Group	Share of direct control	Share of indirect control	Notes	Portion attributable to the Group	Share of direct control	Share of indirect control	Notes
Ingegnerie Toscane S.r.l.	Florence (FI)	Integrated engineering and design services functional to the water service		27.72%		27.72%	(8)				
Ti Forma Srl	Florence (FI)	Training and consultancy		13.59%	0.50%	22.75%	(8)				
Companies held for sale/disposal								11.63%	11.05%		
Sin.It. S.r.l.	Milan (MI)	Gas sales									
Città Metropolitana di Venezia I Smart City S.r.l.	Pinerolo (TO)	Energy services									
Città Metropolitana di Venezia II Smart City S.r.l.	Pinerolo (TO)	Energy services									
Notes											
(a) merger by incorporation in Alia Servizi Ambientali S.p.A.											
(b) change from associate to subsidiary											
(c) change from associate to subsidiary											
(1) through E.S.T.R.A. S.p.A.											
(2) through Estra Energie Srl											
(3) through Centria											
(4) through Ecolat S.r.l.											
(5) through Revet S.p.A.											
(7) through GIDA S.P.A. - Gestione Impianti Depurazione Acque Spa											
(8) through Publiacqua S.p.A.											

The following changes occurred during the period in the consolidation scope:

Fully consolidated subsidiaries

- Entry of Publiacqua S.p.A., already jointly controlled and measured using the equity method in the previous financial statements, into the scope of companies consolidated on a line by line basis, with an ownership percentage of 57.55%, as described in the section 'Acquisition of Control of Publiacqua S.p.A.';
- Entry of GIDA S.p.A., already 8% owned as at 31.12.2023, into the scope of companies consolidated on a line by line basis, with an ownership percentage of 99.99%, as described in the paragraph "Acquisition of control of GIDA S.p.A.";
- Entry of Valdisieve Srl, measured using the equity method in the previous financial statements, into the scope of companies measured on a line by line basis, with the percentage of ownership increasing from 35% as of 31.12.2023 to 100% as of 31.12.2024, as described in the section 'Acquisition of Control of Valdisieve Srl'. As a result of this acquisition, the controlling interest of AER S.p.A., subsequently merged by incorporation into the Parent Company, increased from 90.02% at 31.12.2023 to 100% at 31.12.2024;
- A further increase in the controlling interest of Programma Ambiente Apuane S.p.A. from 80% as of 31.12.2023 to 85.11% as of 31.12.2024, following the exit from the shareholding structure of the partner RECOVER S.R.L. which was undergoing bankruptcy proceedings at the time the share capital was replenished;
- Increase in the controlling interest in Revet S.p.A. from 57.70% as of 31.12.23 to 57.84% as of 31.12.2024 following the Parent Company's purchase of shares equal to 0.142% of the share capital from the selling shareholder ASI U S.p.A. in liquidation.

Associated and jointly controlled companies measured with the equity method

- Ingegnerie Toscane S.r.l., Le Soluzioni Srl, and Ti Forma S.r.l., associated companies of Publiacqua S.p.A., were added to the scope of the companies, measured using the equity method following the latter's line-by-line consolidation;
- Entry of Vaiano Depur S.p.A. into the scope of companies measured with the equity method, following the line-by-line consolidation of GIDA S.p.A.;
- Waise Waste S.r.l., a newly-formed company in which Alia holds a 51% stake, jointly controlled with its shareholder Nord Engineering S.p.A., entered the scope of companies measured with the equity method.

11. BUSINESS COMBINATIONS AND DISPOSALS, ACQUISITIONS AND TRANSFERS OF NON-CONTROLLING INTERESTS

11.1 Acquisition of control of Publiacqua S.p.A.

The Parent Company's stake in Publiacqua corresponds to 57.55% of the share capital, having increased by 53.60% in FY 2023 following the merger by incorporation of Acqua Toscana S.p.A. and Publiservizi S.p.A. on 26 January 2023.

The subsidiary, which was qualified as jointly controlled in the consolidated financial statements of the previous year, was fully consolidated as of 1 June 2024 following the acquisition of corporate control. This assessment by the Board of Directors was supported by an independent legal opinion.

The current Board of Directors of Publiacqua was appointed in July 2023.

In December 2023, one of the three directors appointed by ABF pursuant to the By-laws, Paolo Tolmino Saccani, terminated his employment with Acea S.p.A. and was hired by Alia and subsequently appointed Chief Executive Officer. This resulted in the Board of Directors of Publiacqua being represented by: i) five directors appointed directly by Alia; ii) three directors appointed by ABF, including the Chief Executive Officer, now employed by Alia.

In May 2024, the Court of Florence issued an order on the appeal filed by ABF concerning the appointment of the Chief Executive Officer, contesting alleged violations of the by-laws. The Court concluded that it was unfounded because there was no violation of the By-laws. It is believed that, with the issuance of the court order, a previously existing condition of uncertainty regarding the current composition of the board has been eliminated.

It should also be noted that Alia, holding approximately 57.55% of Publiacqua, is also the legal entity with the largest exposure and rights to variable returns from the latter.

Publiacqua operates in the integrated water service sector for the capture, treatment, conveyance and distribution of drinking water. In particular, the company is the concessionaire of the integrated water service in the Territorial Conference No. 3 of Tuscany by virtue of a concession agreement whose expiry date, following the resolution made by the TWA Assembly, 8/2024, is 31 December 2025. It manages a complex and highly developed system of plants which includes the large facilities of the Tuscan capital (the Anconella and Mantignano drinking water treatment plants), which treat both groundwater and surface water. Throughout the managed territory, in addition to the distribution of drinking water, the company oversees the collection of wastewater and its purification.

The investee company was measured using the equity method until 31/05/2024, resulting in a revaluation of € 2,067,221 for the share of results for the first five months of the year. In these consolidated financial statements, the income statement therefore only includes the results of the subsidiary for the last seven months of the financial year.

The fair value of identifiable assets and liabilities at the acquisition date was as follows:

PUBLIACQUA - Statement of Financial Position	Fair value
Property, plant and equipment	31,607,103
Concession rights	424,551,791
Rights of Use	1,521,284
Intangible assets	24,624,861
Equity investments	4843 251
Non-current assets from contracts with customers	96,959,661
Deferred tax assets	12,142,990

NON-CURRENT ASSETS	596,250,942
Inventories	6 634 122
Trade receivables	68 445 805
Other current assets	21,140,115
Cash and cash equivalents	83,560,418
CURRENT ASSETS	179,780,460
TOTAL ASSETS	776,031,401
Provisions for risks and charges	12,155,567
Employee severance indemnity	4 366,686
Non-current portion of medium/long-term loans	60 383 278
Deferred tax liabilities	11,536,395
Other non-current liabilities	92,154,812
NON-CURRENT LIABILITIES	180,596,738
Trade payables	101,589,102
Current tax liabilities	2,461,013
Other current liabilities	24,380,878
Other current financial liabilities	121,215,595
CURRENT LIABILITIES	249,646,588
TOTAL NET IDENTIFIABLE ASSETS	345,788,075
non-controlling interests in net identifiable assets	146,788,075
ACQUISITION FEE	199,000,000

The acquisition price corresponds to the fair value of the 57.55% stake in Publiacqua's share capital recognised at the time of the acquisition, based on a special appraisal.

The analysis carried out for the purpose of allocating the acquisition fee, in particular identified a higher value than that of the water service concession assets recognised in accordance with IFRIC 12 of € 39,564 thousand, gross of deferred taxes of € 11,521 thousand. The measurement of the fair value of assets under concession was based on the discounting of expected cash flows.

The accounting for the operation in these consolidated financial statements was determined provisionally, owing to the temporary nature of the values assignable to the assets and liabilities of the company acquired and will be made definitive and possibly adjusted within the term of twelve months from the acquisition date, as provided for in IFRS 3 B67.

Since the date of acquisition, Publiacqua has contributed € 155,926 thousand to the Group's 2024 revenues (gross of intercompany transactions), € 103,082 thousand to EBITDA, € 16,228 thousand to EBIT, and € 10,289 thousand to net profit.

If the combination had taken effect at the beginning of the year, the income statement in the consolidated financial statements as of 31 December 2024 would have shown higher revenues of € 109,869 thousand (gross of intercompany transactions), higher EBITDA of € 67,303 thousand, higher EBIT of € 4,330 thousand, and higher net profit of € 232 thousand.

11.2 Acquisition of control of GIDA S.p.A.

The acquisition by the Parent Company, which already held an 8% stake in the share capital as at 31.12.2023, took place through:

- a contribution to an Alia share capital increase, subscribed on 04.06.2024, of the participation held in GIDA S.p.A. by the Municipality of Prato corresponding to 46.92% of the share capital. The contribution took place at a value of € 6,312 thousand, resulting in an increase in Alia's share capital of € 2,098 thousand, plus a share premium of € 4,214 thousand;

- purchase by Alia, completed on 25.06.2024, of the shares held by Confindustria Toscana Nord Lucca Pistoia Prato corresponding to 45.08% of the share capital.

As a result of the above, as of 31.12.2024 Alia is the owner of all the shares, with the exception of no. 1 share out of a total of 4,620,000 shares, which remained in the ownership of Confindustria Toscana Nord Lucca Pistoia Prato.

The company's corporate purpose is the management of purification services, the collection, transport, disposal of urban and industrial wastewater and its eventual reuse, as well as the disposal, recovery, valorisation and reuse of sludge and other waste from water treatment plants and production processes. The activities are carried out at five plants (Baciacavallo, Calice, Vaiano, Cantagallo and Vernio).

During financial year 2024, following a request by the company, the Tuscan Water Authority ("TWA"), with Resolution No. 8 of 10 May 2024, resolved to include the wastewater purification service, performed by GIDA S.p.A., within the scope of the Integrated Water Service (IWSS) for the territory of Territorial Conference No. 3 Medio Valdarno, with handover to the IWSS Manager from 1 January 2025. In compliance with this TWA resolution, the company approved the "Convention for the transitional regulation of the reunification of the plants of GIDA S.p.A. with the Integrated Water Service" which ends GIDA's role as common carrier and transfers the management activities (with the sole exclusion of refining wastewater purified at Baciacavallo functional to its reuse) to the IWS. In fact, the aforesaid Agreement regulates the activities – under a transitional regime and until the completion of the legal and contractual transactions aimed at the effective and definitive transfer to Publiacqua S.p.A. of the GIDA S.p.A. plants and the instrumental business unit – so as to ensure the continuity of the management and operation of the purification plants.

In March 2025, the TWA granted the company's request, following a joint review with Publiacqua S.p.A., to review the division of assets and consequent management operations in order to ensure maximum plant and environmental efficiency. Specifically, in line with the Group's business plan, which gives Publiacqua S.p.A. the primary role in public service and GIDA S.p.A. a central role in market services, in particular in the treatment of special liquid waste, as of 2026 a reorganisation has been agreed which provides for the transfer to Publiacqua of the environmental authorisations relating to all the plants, of all the legal titles necessary for the management of the sites, of the refining activities for sewage destined for industrial reuse and fire-fighting and the maintenance by GIDA of ownership of the assets relating to the land and LTPs for the treatment of leachate and sewage at Calice. In the fully operational configuration, therefore, Publiacqua will operationally run all the company's plants, including the Calice LTPs owned by GIDA, which will maintain the direct marketing of LTP services towards industrial customers.

With Decree no. 59 of 13 May 2025, the TWA proceeded to determine the definitive residual value ("VR") as at 31 December 2024 for the purposes of Publiacqua S.p.A. taking over the management of the purification plants operated by GIDA S.p.A. from 1 January 2025, in accordance with ARERA criteria.

The investee has been fully consolidated from 01.07.2024 following the acquisition of corporate control in June 2024, after the Municipality of Prato transferred its 54.92% stake of the share capital. The income statement of these consolidated financial statements therefore includes the results of the subsidiary for the second half of the year only.

The fair value of identifiable assets and liabilities at the acquisition date was as follows:

GIDA - Statement of Financial Position	Fair value
Property, plant and equipment	30,840,603
Intangible assets	64,912
Rights of Use	277,385
Equity investments	398,433
Other non-current financial assets	17,717
Other non-current assets	4 317,457
Deferred tax assets	132,491
NON-CURRENT ASSETS	36,048,998
Inventories	2,271,205
Trade receivables	14,205,633
Current tax assets	353,165

Other current assets	2,749,242
Cash and cash equivalents	1,003,303
CURRENT ASSETS	20,582,548
TOTAL ASSETS	56,631,546
Provisions for risks and charges	462,580
Employee severance indemnity	262,370
Non-current portion of medium/long-term loans	11,022,001
Deferred tax liabilities	2,253,013
Other non-current liabilities	9,534,253
NON-CURRENT LIABILITIES	23,534,216
Current portion of medium/long-term loans	8,811,488
Trade payables	8,489,835
Current tax liabilities	121,219
Other current liabilities	2,221,734
CURRENT LIABILITIES	19,644,276
TOTAL NET IDENTIFIABLE ASSETS	13,453,054
non-controlling interests in net identifiable assets	6,064,637
ACQUISITION FEE	7,388,417

The acquisition fee includes the value of the 46.92% equity contribution by the Municipality of Prato and the registration value of the 8% stake in the share capital already held by Alia.

On the date of acquisition, the carrying amount of the assets intended to enter the I.I.S. as of 01.01.2025 was adjusted to the provisional value of the VR, the fee at which the transfer to Publiacqua will take place.

The analysis performed for the purpose of allocating the purchase price of the company showed a higher fair value for the LTP in Calice than the net carrying amount of € 6,798 thousand, gross of deferred tax liabilities of € 1,980 thousand. The fair value was measured using the discounted cash flow (DCF) method as provided for in the latest plan approved by management, taking into account appropriate execution risk factors and the achievement of planned targets.

The accounting for the operation in these consolidated financial statements was determined provisionally, owing to the temporary nature of the values assignable to the assets and liabilities of the company acquired and will be made definitive and possibly adjusted within the term of twelve months from the acquisition date, as provided for in IFRS 3 B67.

Since the date of acquisition, GIDA has contributed € 12,272 thousand to the Group's 2024 revenues (gross of intercompany transactions), € 1,221 thousand to EBITDA, € -771 thousand to EBIT, and € -1,323 thousand to net profit.

If the combination had taken effect at the beginning of the year, the income statement in the consolidated financial statements as of 31 December 2024 would have presented higher revenues in the amount of € 25,553 thousand (gross of intercompany transactions), higher EBITDA in the amount of € 3,676 thousand, lower EBIT in the amount of € -3,477 thousand, and lower net income in the amount of € -4,808 thousand.

11.3 Acquisition of control of Valdisieve Scrl

On 26.06.2024, the deed of transfer for the shares held by several shareholders in Valdisieve Scrl to the Parent Company, equal to 74% of the share capital, was signed for a fee of € 830 thousand.

As a result of the above transaction, the Parent Company's stake in Valdisieve increased from 25% to 99%. The remaining 1% of the share capital was acquired on 13.12.2024 for the fee of € 11 thousand.

Valdisieve is a limited liability consortium company whose corporate purpose is the management of shareholdings and owns a 9.98% shareholding in AER S.p.A., which operates in the waste cycle services sector for municipalities in the Florentine Valdarno area, including Dicomano, Londa, Pelago, Pontassieve, Reggello, Rufina and San Godenzo.

The fair value of identifiable assets and liabilities at the acquisition date was as follows:

VALDISIEVE - Statement of Financial Position	Fair value 30/06/2024
Equity investments	383,709
Deferred tax assets	1,003
NON-CURRENT ASSETS	334,712
Other current assets	31,469
Cash and cash equivalents	502,425
CURRENT ASSETS	533,893
TOTAL ASSETS	918,605
Trade payables	9,500
Other current liabilities	1,484
CURRENT LIABILITIES	10,984
TOTAL NET IDENTIFIABLE ASSETS	907,622
non-controlling interests in net identifiable assets	9,076
Capital losses	- 197,058
ACQUISITION FEE	1,095,604

The analysis carried out to allocate the purchase price, also taking into account the interests previously acquired by Alia, resulted in a fair value of the investment held by AER S.p.A. of € 384 thousand and a loss recognised in the income statement of € 197 thousand.

The contribution to the Group's revenue, EBITDA, operating profit and net profit in 2024 was not significant. Similarly, there would have been no significant impact on the Group's results if the combination had been effective from the beginning of the year.

11.4 Business combinations provisionally accounted for in financial year 2023

In 2023, the Group acquired control of Estra S.p.A., as of 01.07.2024, and AER S.p.A., as of 31.12.2024. For these acquisitions, the final fair value of the identifiable assets acquired and liabilities assumed was determined in 2024, reflecting the improved knowledge gained in the meantime.

Therefore, in the consolidated financial statements as at 31 December 2023, these were provisionally recognised, as allowed by IFRS 3.

In accordance with the provisions of the standard, the fair value update took place with effect from the date of acquisition and, therefore, all changes were made with reference to the financial situation of the acquired companies as of that date. The balances in the consolidated financial statements as at 31 December 2023 have been restated to reflect the new values.

Estra S.p.A.

The company has been consolidated on a line by line basis starting in the second half of 2023 and was measured using the equity method until 30/06/2023, resulting in a revaluation of € 2,991,678 (€ 3,342,282 under provisional PPA) for the share of the results of the first half of 2023.

The following table shows the value of the identifiable assets acquired and liabilities assumed provisionally accounted for at the date of acquisition and the amounts restated at that date:

Estra - Statement of consolidated financial position	Provisional fair value	Adj. Fair value	Final Fair Value
Property, plant and equipment	115,788		115,788
Intangible assets	216,990		216,990
Assets under concession	419,227	48,973	468,200
Equity investments	22,901		22,901
Other non-current financial assets	10,874		10,874
Other non-current assets	10,952		10,952
Deferred tax assets	71,211	-23,630	47,581
NON-CURRENT ASSETS	867,943	148,864	893,286
Inventories	17,228		17,228
Trade receivables	213,224		213,224
Current tax assets	1,158		1,158
Other current assets	170,776		170,776
Other current financial assets	7,412		7,412
Cash and cash equivalents	305,147		305,147
CURRENT ASSETS	714,944	0	714,944
TOTAL ASSETS	1,582,887	148,864	1,608,230
Provisions for risks and charges	10,490		10,490
Employee severance indemnity	7,761		7,761
Non-current portion of medium/long-term loans	545,489		545,489
Deferred tax liabilities	62,895	-9,369	53,525
Other non-current liabilities	1,873		1,873
Contractual liabilities	26,313		26,313
NON-CURRENT LIABILITIES	654,821	26,326	645,451
Current portion of medium/long-term loans	141,322		141,322
Short-term borrowings	4,307		4,307
Trade payables	200,412		200,412
Contractual liabilities	866		866
Current tax liabilities	4,014		4,014
Other current liabilities	98,145		98,145
Other current financial liabilities	2,944		2,944
CURRENT LIABILITIES	452,010	0	452,010
TOTAL NET IDENTIFIABLE ASSETS	476,057	122,538	510,769
<i>Estra's non-controlling interests in net identifiable assets</i>	43,173		43,173
<i>non-controlling interests of Alia in net identifiable assets</i>	261,877		282,877
<i>non-controlling interests in net identifiable assets</i>	305,051		326,050
<i>Goodwill</i>	67,373		53,309
ACQUISITION FEE	238,379		238,028

The acquisition fee corresponds to the fair value of the 39.50% interest in Estra's share capital recognised at the time of Consiag's merger into Alia, based on a special appraisal and adjusted, in application of the equity method, for dividends received and the share of the result up to the date of acquisition of control.

From the analysis performed for the purpose of allocating the acquisition fee, the following were identified:

- an intangible asset related to customer lists of € 91,346 thousand gross of deferred tax liabilities of € 26,326 thousand. The fair value measurement of the customer lists was based on the discounting of the incremental expected cash flows of the activities (Multi-period excess earning method - MEEM), taking into consideration the historical customer churn rate. The customer list is amortised over a 13-year amortisation period, corresponding to its expected useful life, based on the historical customer losses recorded (so-called "Churn Rate");
- a higher value compared to the carrying amount of the assets under concession for the gas distribution service accounted for in accordance with IFRIC 12 of € 81,148 thousand (€ 32,175 thousand under provisional PPA), gross of a tax effect of € 23,630 thousand (€ 9,369 thousand under provisional PPA). The measurement of the fair value of the assets under concession was based on discounting the expected cash

flows on the basis of the forecasts for the 'Regulated Market' SBU in the latest business plan approved at the date of acquisition.

Goodwill for € 53,309 thousand (€ 67,374 thousand under provisional PPA), represented by the surplus on the consideration paid in relation to the net identifiable assets acquired and the liabilities undertaken by the Group, refers to the higher business value given by the Estra Group's territorial positioning, its ability to acquire new customers and develop new business and the possibility of creating synergies, which not being separate, do not meet the requirements to be recorded as intangible assets in terms of IAS 38.

Goodwill has been allocated mainly to the gas and electricity sales CGU, as highlighted in the notes on Goodwill and is not expected to be deductible for tax purposes.

The definitive remeasurement of the fair value of assets and liabilities resulted in higher depreciation and amortisation in the 2023 Consolidated Income Statement of € 1,256 thousand and lower income taxes of € 366 thousand.

AER Ambiente Energia Risorse SpA

The company has been consolidated on a line by line basis since from 31.12.2023 without, therefore, including the income statement of the investee company in the consolidated financial statements for the year 2023. The following table shows the value of the identifiable assets acquired and liabilities assumed provisionally accounted for at the date of acquisition and the amounts restated at that date:

AER - Statement of Financial Position	Provisional fair value	Adj. Fair value	Final Fair Value
Assets under concession	2,658,591	-267,838	2,390,752
Rights of Use		130,535	130,535
Equity investments	312,274	-	312,274
Other non-current financial assets	12,940	-	12,940
Non-current assets from contracts with customers		332,836	332,836
Deferred tax assets	80,204	835	81,039
NON-CURRENT ASSETS	3,064,009	196,368	3,260,377
Inventories	13,566	-	13,566
Trade receivables	2,774,845	-	2,774,845
Current assets from contracts with customers	-	374,463	374,463
Current tax assets	185,283	-	185,283
Other current assets	1,094,211	-	1,094,211
Cash and cash equivalents	1,839,605	-	1,839,605
CURRENT ASSETS	5,907,510	374,463	6,281,973
TOTAL ASSETS	8,971,518	570,831	9,542,349
Provisions for risks and charges	638,241	-	638,241
Employee severance indemnity	950,047	-	950,047
Financial liabilities for non-current rights of use	465,118	-	465,118
Deferred tax liabilities	69,519	166,686	236,205
Other non-current liabilities	87,156	-	87,156
NON-CURRENT LIABILITIES	2,210,082	166,686	2,376,768
Current financial liabilities for rights of use	69,702	-	69,702
Trade payables	2,153,201	-	2,153,201
Other current liabilities	693,761	-	693,761
CURRENT LIABILITIES	2,916,664	-	2,916,664
TOTAL NET IDENTIFIABLE ASSETS	3,844,773	404,145	4,248,918
non-controlling interests in net identifiable assets	383,704		424,038
Capital Gains (Extraordinary Income)			363,811
ACQUISITION FEE	3,461,069		3,461,069

The analysis carried out for the purpose of allocating the company's purchase price revealed, in particular, the following differences between the fair value of the identifiable assets acquired and liabilities assumed and their net carrying amount at the acquisition date, which were not identified in the provisional PPA:

- Assets from contracts with current and non-current customers in the amount of € 374 thousand and € 333 thousand, respectively, gross of deferred tax liabilities in the amount of € 236 thousand, relating to revenues equal to amortisation incurred in the years 2022 and 2023 but not yet recognised in the tariff due to the so-called 'time lag t-2'. In fact, it should be noted that the determination of the charge for year 'n' is based on the costs (relevant for regulatory purposes) incurred in year 'n-2', thus leading to a time lag of two years between the recognition of the charges and their recognition in the MTR tariff.

The remeasurement of the fair value of the assets and liabilities on a definitive basis resulted in an excess of the latter over the acquisition fee of € 364 thousand, which did not arise in the provisional PPA, recognised in the income statement in the year 2023.

With the exception of the above, the remeasurement had no impact on the consolidated income statement for the year 2023.

11.5 Acquisitions of additional interests in companies already controlled

During financial year 2024 we report:

- the increase in the Group's controlling interest in Revet S.p.A. from 57.80% as of 31.12.2023 to 57.84% as of 31.12.2024, following the Parent Company's purchase of an additional 0.14% stake;
- The increase of the Group's controlling stake in Programma Ambiente Apuane Spa from 80% as of 31.12.2023 to 85.11% as of 31.12.2024, following the exit from the shareholding structure of the partner RECOVER S.R.L. in bankruptcy at the time the share capital was replenished, and the acquisition of new shares equal to 5.11% by the Parent Company;
- the increase in the Group's controlling percentage in GIDA S.p.A. from 54.92% at the date of acquisition of control to 99.99% as at 31.12.2024 following the purchase of an additional 45.08% stake by the Parent Company;
- the increase in the Group's controlling percentage in Vadisieve Scrl from 99% at the date of acquisition of control to 100% at 31.12.2024 following the purchase of an additional 1% stake by the Parent Company.

A summary is provided below of the considerations paid, the carrying amount of the net assets acquired and the effects recognised in shareholders' equity:

Company	% Acquired	Carrying value of interest acquired	Consideration paid	Retained/earnings (losses)
Revet S.p.A.	0.14%	62,992	29,194	33,798
Programma Ambiente Apuane SpA	5.11%	-2,025	33,720	-35,745
GIDA S.p.A.	45.08%	6,064,637	6,091,004	-26,367
Vadisieve Scrl	1.00%	9,076	11,064	-1,988
AER	9.98%	424,038	381,114	42,924

11.6 Subsidiaries with significant non-controlling interests

Details are provided below of the subsidiaries with significant non-controlling interests.

The economic-financial data is based on balances prior to intercompany eliminations.

Portion of shareholding interest held by non-controlling shareholders:

Name (Subsidiaries consolidated line by line)	Registered Office	Currency	Primary activity	% of non- controlling interests 2024	% of non- controlling interests 2023
Estra S.p.A. (Group)	Prato (PO)	Euro	Gas and electricity sales, gas distribution	60.496%	60.496%
Publiacqua S.p.A.	Florence (FI)	Euro	Water and sewer service management	42.450%	42.450%

With reference to Estra S.p.A., it should be noted that although third parties hold 60.496% of the share capital, Alia controls the investee by virtue of provisions in the By-Laws and shareholders' agreements. Specifically, through a shareholders' agreement drawn up on 15 June 2023 between Alia and Coingas S.p.A., the holder of a share, equal to 25.14% of the share capital of Estra, the two shareholders, holders of 64.64% in total of the capital, governed, through a coordinated exercise of the voting right, the composition of the Board of Directors and the roles attributed to the parties respectively and other provisions related, in the broad sense, to the governance of Estra, for which Alia is assigned the responsibility of corporate management and the possibility to exercise substantial decision-making powers over the financial, managerial and strategic policies of the subsidiary.

The contents of the agreement, jointly with the by-laws, determine that:

- Estra is subject to the dominant influence of Alia and therefore in control pursuant to Art. 2359, no. 2) of the Italian Civil Code;
- Alia exercises activities of direction and coordination over Estra.

As the requirements of IFRS 10 were deemed to be met in view of the valid rights that give Alia the ability to direct Estra's relevant activities and significantly affect its performance, the company has consequently been consolidated on a line by line basis from the second half of 2023.

Estra S.p.A. (Consolidated Financial Statements)

STATEMENT OF FINANCIAL POSITION <i>(values in thousands of Euro)</i>	31/12/2024	31/12/2023
Property Plant and Machinery	108,555	113,402
Concession rights	420,848	393,093
Rights of Use	17,202	20,968
Other Intangible Fixed Assets	120,179	123,839
Goodwill	35,496	35,496
Investments in associates and joint ventures	22,559	20,765
Other equity investments	149	169
Non-current financial assets	12,391	9,874
Deferred Tax Assets	72,422	73,705
Non-current derivative financial instrument assets	57	414
Other Non-Current Assets	-	2,464
Total Non-Current Assets	809,858	794,189
Inventories	38,318	16,632
Trade receivables	327,747	395,602
Current Financial Assets	1,191	1,231
Current tax assets	11,192	8,093
Other current assets	120,680	132,836
Current derivative financial instrument assets	1,446	1,976
Cash and cash equivalents	92,810	157,915
Total Current Assets	593,384	714,285
TOTAL ASSETS	1,403,242	1,508,474
Share capital	228,334	228,334
Reserves	-6,663	-6,663
Total Group Shareholders' Equity	413,418	393,926
Capital and reserves, non-controlling interests	42,065	43,161
Profit (loss), non-controlling interests	1,840	628
Total Shareholders' Equity, non-controlling interests	43,905	43,789
Total equity	457,323	437,715
Provisions for risks and charges	16,498	16,032
Severance pay and other benefits	7,855	7,801
Non-current financial liabilities	248,613	386,815
Financial liabilities for non-current rights of use	16,622	20,417
Deferred tax liabilities	23,763	25,656
Other Non-Current Liabilities	19,790	19,360
Non-current contractual liabilities	27,175	26,743
Total Non-Current Liabilities	360,317	502,824
Current financial liabilities	272,749	195,364
Current financial liabilities for rights of use	5,010	4,814
Trade payables	220,881	278,318
Current tax liabilities	10,508	17,369
Other current liabilities	66,989	69,823
Current contractual liabilities	1,019	1,220
Current derivative financial instrument liabilities	8,448	1,026
Total Current Liabilities	585,603	567,934

STATEMENT OF FINANCIAL POSITION <i>(values in thousands of Euro)</i>	31/12/2024	31/12/2023
TOTAL LIABILITIES	945,920	1,070,759
TOTAL EQUITY AND LIABILITIES	1,403,242	1,508,474

INCOME STATEMENT <i>(amounts in thousands of Euro)</i>	31/12/2024	31/12/2023
Revenue	1,112,457	531,104
Revenues from construction Concession rights	52,049	17,210
Other Operating Revenues	40,055	21,396
Other Income	2,553	1,006
Consumption of Raw Materials and Consumables	617,449	290,705
Costs for Services	347,623	158,311
Personnel Costs	44,160	23,770
Other Operating Expenses	32,012	11,623
Gross operating margin (EBITDA)	165,869	86,307
Amortisation, Depreciation, Provisions and Write-downs	68,658	37,033
Net write-downs (write-backs) of trade and other receivables	11,836	5,944
Operating Profit	85,376	43,330
Share of profits (losses) of joint ventures and associates	- 25	- 1,968
Financial income	10,887	6,441
Financial expenses	32,597	22,150
Financial Management	- 19,890	- 17,677
Profit before income tax	65,486	25,653
Taxes	22,293	9,408
Comprehensive profit (loss) for the year	43,193	16,245
Profit (loss) for the year, non-controlling interests	1,840	628
Profit (loss) for the year, Group	41,352	15,617

Publiacqua S.p.A.

STATEMENT OF FINANCIAL POSITION	31/12/2024
Property Plant and Machinery	36,663,551
Concession rights	384,655,242
Rights of Use	1,506,247
Other Intangible Fixed Assets	25,975,818
Investments in associates and joint ventures	609,357
Other equity investments	124,455
Deferred Tax Assets	12,481,444
Non-current assets from contracts with customers	93,954,979
Total Non-Current Assets	555,971,094
Inventories	2,152,880
Trade receivables	75,828,739
Other current assets	16,787,607
Cash and cash equivalents	57,063,394
Total Current Assets	151,832,619
TOTAL ASSETS	707,803,713
Share capital	150,280,057
Reserves	166,740,317
IFRS First-time Adoption Reserve	-3,324,856
Profit (loss)	5,657,130
Total equity	319,352,648
Provisions for risks and charges	14,368,431
Severance pay and other benefits	4,114,225
Non-current financial liabilities	29,412,143
Financial liabilities for non-current rights of use	1,010,045
Deferred tax liabilities	15,365
Other Non-Current Liabilities	113,916,501
Total Non-Current Liabilities	162,836,711
Current financial liabilities	92,134,000
Current financial liabilities for rights of use	507,694
Trade payables	109,204,541
Current tax liabilities	1,042,847
Other current liabilities	22,725,273
Total Current Liabilities	225,614,355
TOTAL LIABILITIES	388,451,065
TOTAL EQUITY AND LIABILITIES	707,803,713

INCOME STATEMENT	01/06/2024 - 31/12/2024
Revenue	155,926,178
Revenues from construction Concession rights	72,165,081
Other Operating Revenues	8,344,403
Other Income	8,559,199
Consumption of Raw Materials and Consumables	4,969,051
Costs for Services	45,521,778
Personnel Costs	17,159,061
Other Operating Expenses	5,349,865
Construction Costs Concession Rights	72,165,081
Gross operating margin (EBITDA)	99,830,026
Amortisation, Depreciation, Provisions and Write-downs	84,638,987
Net write-downs (write-backs) of trade and other receivables	2,215,777
Operating Profit	12,975,263
Share of profits (losses) of joint ventures and associates	-337,042
Financial income	1,434,434
Financial expenses	4,850,442
Financial Management	-3,753,050
Profit before income tax	9,222,212
Taxes	3,565,082
Comprehensive profit (loss) for the year	5,657,130

12 EXPLANATORY NOTES TO ITEMS IN THE INCOME STATEMENT

12.1 Revenue

Overall, Alia Group revenues from sales and services realised in 2024 amounted to € 1,741 milion (€ 947,484 thousand as at 31 December 2023), registering an increase of € 793,064 thousand mainly due to the change in the scope of consolidation, with the inclusion of Publiacqua S.p.A. in the income statement for the last seven months of financial year 2024, which was not fully consolidated in financial year 2023, and Estra S.p.A. for the entirety of financial year 2024 (and its subsidiaries), consolidated on a line-by-line basis only in the second half of the year 2023.

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Revenues from integrated waste management activities - TARI	321,222,469	277,715,733	43,506,736
Revenues from integrated waste management activities - TARIC	76,130,963	59,223,090	16,907,873
Revenues from waste sorting and transport	19,703,007	7,302,774	12,400,233
Revenues from other activities	55,218,396	82,110,923	-26,443,527
Revenues from finished product sales	5,517,141	8,416,033	-2,898,892
Revenue from sales of methane gas	683,350,683	263,783,566	419,567,117
Revenue from methane gas distribution	44,659,728	32,101,673	12,558,055
Equalisation methane gas distribution	-3,101,316	1,838,494	-4,939,810
Electricity sales revenue	349,589,364	167,298,329	182,291,035
LPG natural gas sales and distribution revenue	2,726,525	1,229,648	1,496,877
Revenue from buildings' energy efficiency	449,000	42,309,563	-42,309,563
Revenues from telecommunications activities	6,856,789	2,935,397	3,921,392
Revenues from post-meter services and ancillary gas and electricity services	-	1,218,713	-1,218,713
Integrated water service revenues	154,814,753	-	154,814,753
Revenues from sewerage and industrial purification	7,982,772	-	7,982,772
Water Service Revenues extra-tariff	210,068	-	210,068
Revenues for ancillary services Gas distribution	2,195,369	-	2,195,369
Revenues from the sale of electricity from renewable sources	13,021,825	-	13,021,825
TOTAL	1,740,547,537	947,483,936	793,063,602

The main revenue items are discussed below:

Revenues from integrated waste management activities (TARI and TARIC)

Revenues solely for the sole parent company Alia Servizi Ambientali SpA, deriving from waste collection, treatment and disposal services amount to € 459,719 thousand, of which € 321,222 thousand from municipalities which are direct and indirect shareholders of the company and € 76,131 thousand from individual users of the municipalities for which the TARIC (Tariff Corrispettiva) is in force.

Revenues from integrated waste management are realised by the Parent Company and relate to activities carried out on the basis of the provisions of the SC and represented by the collection, transport, sweeping of waste, plant management, post-closure landfill management, construction of collection centres and related ancillary activities. Revenues were realised for € 321,222 thousand from municipalities that are direct and indirect shareholders of the company and for € 76,131 thousand from individual users in the municipalities for which the TARIC (Tariff Corrispettiva) is in force.

In light of the amendment to the SC adopted with an additional deed on 7 October 2021, it was established, inter alia, that the fee due to Alia for providing the services carried out by the same is defined in accordance with the relevant regulatory provisions issued by ARERA ("Waste Tariff Method", hereinafter also "MTR"), thus introducing the link between the contractual price and the price deriving from regulatory mechanisms, with specific reference to Resolutions no. 443/2019 of 31 October 2019 (containing the "Definition of the criteria for the recognition of the efficient operating and investment costs of the integrated waste service, for the period 2018-2021", hereinafter also "Resolution 443") and no. 363/2021 of 3 August 2021 ("Approval of the waste tariff method MTR-2 for the second regulatory period 2022-2025, hereinafter also "Resolution 363").

In summary, the MTR provides that the tariff, as part of the approval process of the concession's Economic and Financial Plan ('PEF'), is calculated considering the following components:

- Variable costs for the collection, transport and treatment of waste (taking into account any revenue components);
- Costs for the use of capital, which include depreciation of the Manager's fixed assets (determined according to the Regulatory Useful Life).

In this context, it should be noted that the approval of the PEF 2022-2025 by the ATO Assembly with Resolution no. 07/2022 of 23 May 2022, for the first time introduced a forecast of interventions/investments for a four-year time horizon (as opposed to the previous annual time horizon).

When preparing the 2022 financial statements, Alia's management assessed, with the support of external legal counsel and the relevant trade association, that the aforementioned updates in the regulatory provisions and in the tariff determination mechanism allow for the recognition of revenues equal to the depreciation incurred but not yet recognised in the tariff due to the so-called "time lag t-2". In fact, it should be noted that the determination of the charge for year 'n' is based on the costs (relevant for regulatory purposes) incurred in year 'n-2', thus leading to a time lag of two years between the recognition of the charges and their recognition in the MTR tariff.

The analyses carried out have shown that Alia holds a contractual right to this fee component (Amm. tariff component) because it has an enhanced legitimate interest in having the amount recognised regardless of future performance.

The changed circumstances have made it possible, as from the 2022 financial statements, to overcome the uncertainty that in past years had made it impossible to recognise the fee pertaining to the aforementioned component. The elimination of this uncertainty has therefore made it possible to formulate estimates that, unlike in the past, are considered reliable and therefore suitable to support the recognition in the accounts of the depreciation charge calculated on the authorised investments, made and entered into operation.

Applying, by analogy (see IAS 8, paragraphs 10 and 11), IFRS 15 to the case at hand, it was deemed that the fee due to Alia for the services rendered fell within the definition of a variable fee and that, for the reasons set forth above, it was highly probable that no circumstances would arise in the future that would call into question its existence or amount.

The item 'Revenues from integrated waste management' thus includes the following components:

Description	2024	2023	Changes
Revenues from ATO Resolution No. 7 of 23/05/2022 (excluding AMM tariff component)	363,976,044	311,494,015	52,482,029
Amm. tariff component 2023	-	26,457,204	-26,457,204
Amm. tariff component 2024	33,385,163	-	33,385,163
TOTAL	397,361,207	337,951,219	59,409,988

The tariff component Amm 2024, within the statement of financial position, is included in the item "Assets from contracts with customers - non-current" in the amount of € 33,385 thousand, which will be included in the MTR 2026 tariff, while the item "Assets from contracts with customers - current" includes the tariff component Amm 2023 in the amount of € 25,451 thousand, included in the MTR 2025 tariff.

With reference to revenues from street sweeping waste collection activities determined in the concession contract or on the basis of other contracts, where almost all transactions take place on the basis of contracts with a single obligation to do, fulfilled 'over time'.

Revenues from waste sorting and transport

This item includes income from waste management, treatment and disposal activities for free market services performed by the companies Ecos S.r.l., Bisenzio Ambiente S.r.l., Ecocentro S.r.l. and Ecolat S.r.l., subsidiaries of Estra S.p.A.

Revenues from other activities

This item mainly includes:

- income earned from consortia (COREPLA, COREVE, WEEE CONSORTIUMS, etc.) and other entities in respect of contributions for the sale of materials (paper, steel, iron, electronic equipment, glass, plastics, etc.) from separate waste collection;
- Revenues from heat management and maintenance;
- revenue from electricity produced with photovoltaic plants.

Revenues from the sale of finished products

'Revenue from the sale of finished products' includes revenue from the sale of granule by the subsidiary Revet.

Almost all sales-related transactions are fulfilled 'point in time'.

Revenues from the sale of natural gas and Electricity sales revenue

The items refer to fees for the sale of electricity and gas to business, retail and domestic customers, recognised and accounted for at the time of supply. Revenues include the provision for the estimated electricity and gas supplies delivered to end customers and not yet invoiced as at 31 December. This estimate is obtained as the difference between consumption (effective or estimated based on the customers' historic consumption and other factors that could influence consumption, such as weather conditions) already invoiced by the end of the financial period and the total quantity released into the distribution network, determined by taking as a reference the volumes allocated by the national distributor and the internal customer consumption forecasts.

The item also includes revenues from trading activities on digital platforms carried out, as part of the natural gas marketing activity, in order to improve purchasing and procurement conditions through the optimisation of the Group's assets (natural gas storage and transportation capacity).

Revenues from methane distribution and Equalisation methane gas distribution

The items refer to natural gas transportation activities, as well as commercial services.

Revenues from gas transportation are recognised on an accrual basis on the basis of the tariffs and related constraints provided for by law and by ARERA, in force during the reference period. Since the entry into force of Resolution ARG/gas No. 159/08, an equalisation mechanism has been in place that allows the revenues accruing to distribution companies to be counted as remuneration for invested capital and operating costs attributable to the gas distribution and metering service, regardless of the volumes distributed. With Resolution 570/2019/R/gas adopted at the end of 2019, the parameters governing the calculation of the VRT for the years 2020 to 2025 (Fifth Regulatory Period) were defined. These revenue values are reflected in the

invoicing of gas transmission for sales companies and, as a complement to the value of VRT, in the equalisation component relative to the Cassa per i Servizi Energetici e Ambientali.
Revenues for services are recognised with reference to the stage of completion of activities.

Revenues from integrated water service

This item refers to activities pertaining to the integrated water cycle as originally envisaged by Law 36/94 (known as the Galli Law), as incorporated in Legislative Decree No. 152 of 3 April 2006 (known as the Environmental Decree) carried out by Publiacqua S.p.A., both on its own account and on behalf of third parties, and any other complementary, subsidiary and/or related activities.

12.2 Revenues from construction Concession rights

Revenues for the construction of concession rights represent the fee due for the activity performed in favour of the grantor and are measured at fair value, determined on the basis of the total costs incurred.
The balancing entry for this revenue is represented by royalties from intangible assets.

The item, totalling € 222,820,136, includes € 98,722,060 for integrated waste management activities, € 52,048,846 for natural gas distribution activities, and € 72,165,081 for integrated water service management activities.

12.3 Other operating revenues

Other operating revenues of the Alia Group amounted to € 56,380,324 (€ 31,800,238 as of 31 December 2023) and are detailed in the table below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Revenue for indemnities	411,799	1,253,989	-842,190
Company canteen revenue	416,764	354,007	62,757
Revenues from penalties	3,751,855	2,184,712	1,567,143
Recoveries and refunds	4,398,062	528,916	3,869,145
Incentive tariff	533,224	116,583	416,641
Other revenue	16,084,141	17,759,874	-1,675,733
Reversals	180,729	985	179,744
Reimbursement of disposal costs	5,440,560	3,343,046	2,097,514
Energy efficiency certificates	23,993,578	6,258,125	17,735,453
Reimbursement of hidden loss insurance costs	1,169,611	-	1,169,611
TOTAL	56,380,324	31,800,238	24,580,086

Without prejudice to the information below on extraordinary items, the item "Other revenue" refers mainly to ancillary revenue related to gas distribution as indemnities to the sales company, revenue for document checks, refund of default expenses, work debited to third parties, ancillary services invoiced with the transmission and security incentives.

The item 'Other revenues' includes the following extraordinary items.

In financial year 2024:

- Revenues in the year 2024 relative to the recovery of safety incentives on natural gas distribution activities of previous years, for € 303 thousand.
- Revenues of € 3,100 thousand in financial year 2024 and € 10,273 thousand in financial year 2023, related to the expected contribution from the Region of Tuscany for costs incurred in connection with the exceptional flood event that occurred on 2 November 2023 in the provinces of Florence, Livorno, Pisa, Pistoia and Prato, for the works carried out by Alia as the implementing party identified by the Commissioner Delegate for the management of waste, both urban and special, generated in the areas affected by the flooding of rivers and streams.

At the closing date of the financial year, a precise appraisal of the interventions carried out as implementing party was carried out, based on which it was held entitled to the recognition of an equal contribution, in accordance with the indications contained in Ordinance 1037/23 following recognition of the damage.

The company, supported by its lawyers, has therefore entered these amounts under Other Operating Revenues, evaluating their liquidation as highly probable and any downward adjustment as not significant;

- The item Sundry revenues includes the AGCM reimbursement of about € 2 million received from the parent company Publiacqua, please see section 15.4 - Main current litigation - 'Litigation with the Antitrust Authority.

In financial year 2023:

- Revenue, for € 451 thousand in 2023, relating to fees on the residual amount for foregone amortisations on initial installation electronic meters disposed of early paid to Group companies operating in the distribution of natural gas as a recovery on previous years' tariffs, pursuant to ARERA Resolution 737/2022/R/gas of 29 December 2022.

The item "Energy Efficiency Certificates" (EECs) contains the value of the said certificates relative to the year 2024 as a tariff contribution pursuant to ARERA provisions.

With Resolution No. 283/2024/R/EFR of 10 July 2024 ARERA published the value of the tariff contribution, equal to € 248.99/TEE for the mandatory year 2023, and also established that the additional unitary fee referred to in Article 4, paragraph 2, of Annex A to Resolution No. 270/2020/R/efr, is not payable. Therefore, the contribution for the certificates purchased between 1 January and 31 May 2024 (closing date of obligation year 2023) was € 248.99/TEE (on no. 2,745 TEE), to which was added the contribution recognised for the redemption of virtual TEE from previous years (€ 260.10/TEE for no. 24,429 TEE and € 258.99/TEE for no. 35,465 TEE). For certificates purchased after 1 June 2024, however, an estimate was made of the contribution: € 246.36/EEC, considering the trend of market prices.

Compared to 2023, there was a significant increase in TEE revenues, due to the higher number of TEEs purchased (about twice as many: 85 thousand TEE in 2024 against 43 thousand in 2023).

12.4 Other income

Other income amounted to € 16,770,577 (€ 14,386,238 as of 31 December 2023) and is detailed in the table below.

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Contributions to plants	9,133,495	365,485	8,768,009
Contributions to operating expenses	4,295,396	2,354,449	1,940,948
Capital grants	364,964	499,658	-134,693
Capital gains	733,161	334,182	398,979
Research and Development Contribution	6,838	6,820	19
Capitalisation of internal personnel costs	1,013,329	391,007	622,321
Other income	1,223,394	10,434,638	-9,211,245
TOTAL	16,770,577	14,386,238	2,384,339

The increase in the items relating to contributions and capitalisation of internal costs is mainly related to the change in the Group's scope compared to the previous year.

The significant decrease in the item "Other income" is related to the presence, in the 2023 comparison data, of revenues of an extraordinary nature for indemnities (€ 9,719 thousand) received following the positive resolution of some disputes that saw Estra Energie S.r.l. as an active party in the request for economic damages from certain suppliers.

12.5 Consumption of raw materials and consumables

The consumption of raw materials and consumables as at 31 December 2024 is detailed below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Fuels and lubricants	10,836,595	11,034,403	-197,808
Gas balancing	15,929,219	4,932,144	10,997,075
Biomass	610,009	451,154	158,855
Meters	14,072,640	1,639,934	12,432,706
Spare parts	4,667,499	3,007,708	1,659,791
Sacks	2,206,543	1,878,395	328,148
Other purchases	7,131,773	12,872,603	-5,740,831
Electricity for industrial use	152,955,628	84,258,238	68,697,389
Natural gas, methane and LPG	388,387,884	161,824,378	226,563,506
Gas transport	59,036,859	29,587,175	29,449,684
Changes in inventories	-21,393,106	1,257,610	-22,650,716
Income (expenses) from commodity risk management	263,336	1,178,719	-915,383
Water for resale	217,891	-	217,891
Hydraulic material	926,697	-	926,697
Water Pipes	962,879	-	962,879
TOTAL	636,812,344	313,922,462	322,889,882

The increase in purchases of raw materials and consumables is mainly related to the change in the Group's scope of consolidation compared to the previous year.

The most significant component of the item is represented by gas purchase, transportation and storage costs for € 466,897 thousand and electricity purchase costs for € 152,956 thousand for resale to end customers.

The change in closing inventories is mainly due to the higher volumes of gas in storage at year-end compared to the end of the previous year.

The item "Income/expenses from commodity risk management" refers, as well as to the result of the natural gas trading activity, also to the change in fair value of financial derivatives (commodity swaps) used for the purpose of optimising the industrial portfolio and not accounted for as cash flow hedges. With reference to the latter please see what is explained in the paragraph IFRS 9 Financial Instruments – Implementation of Hedge Accounting above.

12.6 Costs for services

Below is a breakdown of costs for services as at 31 December 2024 and 31 December 2023:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Waste collection	63,881,751	59,356,274	4,525,477
Waster transport, treatment and disposal	98,752,097	90,227,950	8,524,146
Cleaning and sweeping	6,788,968	6,643,235	145,733
Management and cleaning of green areas	9,270,740	8,484,978	785,762
Environmental hardship allowance	1,442,448	1,078,626	363,822
Maintenance	31,283,887	34,252,778	-2,968,891

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Energy, water, gas and telephone utilities	26,619,241	10,181,160	16,438,081
Rentals and leases payable	12,170,008	8,098,190	4,071,819
Canteen and meal vouchers	4,012,583	2,196,160	1,816,423
Insurance	10,645,230	6,204,771	4,440,459
TIA collection services	1,828,354	1,505,247	323,107
Legal and notary fees	3,298,475	2,800,257	498,219
Third-party services	44,375,781	29,303,245	15,072,536
Refund to suppliers of regional waste disposal tax	1,602,901	2,457,709	-854,808
Others	29,044,966	26,916,077	2,128,889
Third-party processing	2,651,363	5,363,720	-2,712,357
Multi-material plant management	2,164,826	2,355,778	-190,952
User gas distribution costs	73,479,472	21,240,868	52,238,604
Electricity transport and dispatching costs	142,906,723	59,604,089	83,302,634
Gas concession fees	14,218,322	6,813,136	7,405,187
Transport expenses	115,166	-	115,166
Purification plant management	616,667	-	616,667
Tanker water management service	71,495	-	71,495
Industrial cleaning, purging and sewage transport	1,345,239	-	1,345,239
Billing and collection services	1,074,068	-	1,074,068
Meter reading costs	1,695,652	-	1,695,652
Call centre and switchboard services	8,433,065	-	8,433,065
Crossing and similar fees	1,700,881	-	1,700,881
TOTAL	595,490,367	385,084,247	210,406,120

The increase in purchases of raw materials and consumables is mainly related to the change in the Group's scope of consolidation compared to the previous year.

12.7 Personnel costs

Below is a breakdown of personnel costs as at 31 December 2024 and 31 December 2023:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Wages and salaries	131,938,577	97,158,714	34,779,863
Temporary workers	9,414,892	8,414,928	999,964
Social security contributions	50,401,429	33,785,513	16,615,916
Employee severance indemnity	9,170,361	6,021,766	3,148,595
Other personnel costs	9,415,169	7,611,230	1,803,939
Personnel Costs	210,340,429	152,992,151	57,348,277

12.8 Other operating expenses

Other operating expenses as at 31 December 2024 and 31 December 2023 are detailed below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Regional disposal tax	438,974	722	438,252
Contingent liabilities	2,597,199	900,740	1,696,458
Miscellaneous taxes and duties	5,308,491	2,720,724	2,587,768
Capital losses	5,627,364	2,805,792	2,821,572
Other operating expenses	24,292,589	8,495,933	15,796,656
Drain cleaning	1,793,346	-	1,793,346
Operating expenses, regulatory bodies	833,444	-	833,444
TOTAL	40,891,407	14,923,911	25,967,497

The item "Other operating expenses" mainly relates to costs incurred to obtain energy saving certificates to meet the 2024 obligation.

The item capital losses mainly includes losses on disposal or alienation.

In particular:

- During the 2024 financial year, the revamping project for the San Donnino plant started, which also involved the decommissioning of part of the incinerator, resulting in capital losses for a total of € 1,578 thousand, as well as a write-down of fixed assets in progress of € 357 thousand
- replacement of traditional meters in accordance with the obligations imposed by ARERA, amounting to € 126 thousand. This activity will continue to be recognised in the transport tariffs, in the QA component in the VRT to compensate distribution companies for certain calibres;
- replacement of malfunctioning electronic meters. amounting to € 1,133 thousand, net of the utilisation of the provision for risks allocated as of 31 December 2023. It should be noted that, with Resolution 737/2022/R/gas of 29 December 2022, ARERA recognised a payment for distribution companies relative to IRMA (residual value of initially installed smart meters decommissioned early). The effect, to restore the capital losses realised in the current year, for € 1,022,000, was recognised in "other revenue". The remainder of the capital losses originated from the elimination of intangible assets under construction for costs incurred in previous years preparatory to the company's participation in tenders for the distribution of natural gas, expected in subsequent years. As a result of the notorious delay in the publication of calls for tenders, management has assessed that it has lost all future usefulness as a result of the significant changes in the context in the meantime, including regulatory changes and technological developments.

12.9 Share of income (expenses) from non-financial equity investments

This item, amounting to € -456,216 (€ 10,828,320 as of 31 December 2023), includes income (expenses) from revaluations (write-downs) in application of the equity method for investments in jointly controlled companies in which the Group plays a significant operating and management role. Please refer to the comments on the corresponding asset item of the balance sheet.

The change with respect to 2023 is mainly attributable to the write-down of the jointly controlled associate Al.Be Srl recognised in 2024 for a total of € 6,016 thousand and the change in the scope of consolidation that saw Publiacqua change from associate to subsidiary on 1.6.24.

12.10 Amortisation, Depreciation, Provisions and Write-downs

The table below shows amortisation, depreciation and other provisioning carried out during the year:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Amortisation of Intangible Fixed Assets	45,477,460	17,374,319	28,103,141
Depreciation of Property, Plant and Equipment	22,711,443	10,159,725	12,551,717
Amortisation of concession rights	140,266,944	39,298,870	100,968,073
Amortisation of rights of use	6,916,130	4,010,783	2,905,347
Provisions for Risks	3,028,882	-286,616	3,315,498
Post-closure landfill provisions	-1,844,489	-2,538,626	694,137
Depreciation of investment properties	17,844	17,637	206
Other Provisions	2,715,972	7,422,531	-4,706,559
TOTAL	219,290,185	75,458,625	143,831,561

Please refer to the schedules of property, plant and equipment, intangible assets and assets under concession for details on amortisation, depreciation and impairment of non-current assets.

For details on the items relating to provisions, please refer to the comments on Provisions in the liabilities section of the Balance Sheet.

12.11 Write-downs of trade and other receivables

This item breaks down as follows:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Provision for bad debts	21,397,651	11,116,434	10,281,217
TOTAL	21,397,651	11,116,434	10,281,217

12.12 Write-downs and Reversals of Financial Assets and Liabilities

This item amounting to € 286,354 (€ -329,630 as of 31 December 2023) relates to the effects of the revaluation of the previous interests held in GIDA SpA and Valdisieve Scrl at the time control was acquired, as well as the capital loss which emerged at the time of the PPA for Valdisieve Scrl, as described in the specific paragraph on corporate acquisitions.

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Revaluations of equity investments	-3,571	-396,575	393,004
Write-downs of equity investments	289,925	1,117	288,808
Write-downs of financial fixed assets other than equity investments	-	65,827	-65,827
TOTAL	286,354	-329,630	615,985

12.13 Share of Income (Expenses) from equity investments

The balance as of 31 December 2024 amounted to € 19,243 thousand (€ 17,745 thousand as of 31 December 2023) and included income (expenses) from revaluations (write-downs) in application of the equity method for investments in associates. Please refer to the comments on the corresponding asset item in the balance sheet.

As described in the comments on the relative items under equity investments, the amount as of 31 December 2024 mainly includes the revaluation of the equity investment held in Toscana Energia (€ 11,919 thousand) and the revaluation of the equity investment held in Acque SpA (€ 3,765 thousand).

12.14 Financial income

Financial income

Details of financial income are shown in the table below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Other interest income on receivables	4,280,793	3,335,276	945,517
Interest income from subsidiaries	142,234	-	142,234
Income other than the above	11,202,443	6,898,182	4,304,261
Interest income from associated companies	11,396	86,090	-74,694
TOTAL	15,636,865	10,319,548	5,317,317

Income other than above mainly refers to the effects of the financial discounting of tax credits acquired following the application of the discount on invoices for energy efficiency measures carried out by the subsidiary Estra clima S.r.l. for € 4,577 thousand (€ 2,327 thousand as of 31.12.2023), to interest receivable for late payments charged to customers in the energy sector for € 2,698 thousand (€ 1,229 thousand as of 31.12.2023) and to interest receivable accrued on bank and postal accounts for € 3,343 thousand (€ 5,338 thousand as of 31.12.2023).

12.15 Financial expenses

A breakdown of financial expenses is shown in the table below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Interest on mortgages	21,085,489	13,366,518	7,718,971
Interest payable on bonds	11,463,594	8,350,867	3,112,728
Interest payable on arrears	44,296	226,158	-181,861
Interest expenses on bank accounts	1,539,651	204,978	1,334,673
Financial charges on discounting of post-closure landfill provisions	851,282	460,066	391,216
Interest payable TFR	669,961	547,571	122,390
Other interest payable	2,701,648	4,880,689	-2,179,041
Interest on Financing	18,272,383	5,529,940	12,742,443
Charges other than the above	832,020	2,013,807	-1,181,787
TOTAL	57,460,325	35,580,594	12.15.731

The item other interest payable includes, in particular, financial expense from the assignment of tax credits arising on works subsidised by superbonus in the amount of € 2,678, thousand.

The item charges other than the above mainly includes an allocation to the provision for risks of € 710 thousand for interest expenses that the Group may have to pay for the late payment of disputed debt items, in the event of a negative outcome;

12.16 Taxes

In the financial periods ended 31 December 2024 and 31 December 2023, income taxes for the year amounted to € 19,552,000 and € 6,638,000 respectively:

	31/12/2024	31/12/2023	Changes
Current taxes	27,945,736	15,692,264	12,253,472
Taxation of previous years	-48,977	-121,411	72,435
Current taxes	27,896,759	15,570,853	12,325,906
Deferred tax assets	-1,808,355	-3,528,085	1,719,730
Deferred taxes	-6,536,104	-5,404,599	-1,131,505
Taxes for the year	19,552,300	6,638,168	12,914,132

With reference to current taxes, it should be noted that there is a tax regime in place between Estra S.p.A. and some of its direct subsidiaries (Estra Clima S.r.l., Centria S.r.l., Estra Energie S.r.l., Gergas S.p.A., Estracom S.p.A., Ecos S.r.l. and Bisenzio Ambiente S.r.l.). The tax regime is known as National Tax Consolidation and is governed by Articles 117 to 129 of Presidential Decree No. 917/1986. This optional regime envisages that the holding company is responsible for calculating a single taxable income for the entire Group, corresponding to the algebraic sum of net incomes of the companies covered, and consequently a single income tax payable for the Group companies.

In each fiscal year companies recording a loss have the right to receive as loss compensation an amount equal to the IRES tax rate applicable in that fiscal year, multiplied by the loss in question. Companies recording a surplus of interest expense or excess ROL have the right, if the surplus is used, to receive compensation equal to an agreed percentage of the lower taxes calculated on the surplus used.

13 EXPLANATORY NOTES TO ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

13.1 Change in cash flow hedge reserve

In the year ended 31 December 2024, the change in the cash flow hedge reserve was a negative € 6,212 thousand. The item represents the component of comprehensive income incorporating the change to the "Cash flow hedge reserve" recorded for the effective portion of derivatives on the commodity and hedging IRS derivatives.

13.2 Actuarial gains/(losses)

In the year ended 31 December 2024, actuarial profits amounted to € 410,000, compared to the actuarial losses of € 400,000 recognised for the financial year ended 31 December 2023. The item represents the component of comprehensive income incorporating the change to the "Actuarial Loss Reserve (OCI)", recorded for the actuarial gains and losses arising from changes to the actuarial assumptions used in the employee severance indemnity valuation as per IAS 19.

14 EXPLANATORY NOTES TO THE BALANCE SHEET ITEMS

14.1 Property Plant and Machinery

	Land and buildings	Plants and machinery	Industrial and commercial equipment	Other assets	Fixed assets under construction	Total property, plant and equipment
Values as at 31/12/2023						
Gross value	119,117,171	245,465,028	5,549,597	32,993,538	9,238,394	412,363,728
Provision for depreciation/amortisation	-45,781,182	-143,816,981	-1,588,783	-26,182,187		-217,369,133
Net balance	73,335,989	101,648,047	3,960,814	6,811,351	9,238,394	194,994,594
Net changes for the year						
Gross value reclassification	-137,390	4,843,848	265,879	1,185,317	-4,987,374	1,170,280
Change in scope of consolidation - Gross value	23,871,051	124,060,563	2,005,659	29,841,170	1,753,792	181,532,234
Changes from purchases	819,786	6,028,189	936,610	4,325,383	19,566,873	31,676,842
Write-downs	-	-46,166	-	-	-2,127,905	-2,174,070
Decreases	-535	-5,001,130	-1,482,486	-1,478,543	-160,180	-8,122,874
Depreciation/Amortisation	-2,471,607	-16,450,362	-720,747	-3,068,726	-	-22,711,442
Reclassification of Provision for Depreciation/Amortisation	24,159	-100,263	-	-939,266	-	-1,015,371
Disposal of provision for depreciation/amortisation	193	4,113,183	924,472	1,388,983	-	6,426,831
Change in scope of consolidation - Provision for depreciation/amortisation	-9,449,745	-82,235,762	-1,266,181	-26,132,840	-	-119,084,528
Other changes	279,135	-1,552,575	-169,166	-1,405,848	55,136	-2,793,318
Values as at 31/12/2024						
Gross value	133,797,575	391,749,369	12,335,681	63,588,523	23,338,737	624,809,886
Provision for depreciation/amortisation	-47,526,541	-256,441,797	-7,880,829	-53,061,540		-364,910,707
Net balance	86,271,034	135,307,572	4,454,853	10,526,983	23,338,737	259,899,179

Property, plant and equipment, excluding additions resulting from changes in the scope of consolidation, consist mainly of the following owned assets:

- plants and machinery relating to the implementation of telematic and telecommunications structures arising from activities undertaken by Estracom S.p.A. for € 28,014,000;
- photovoltaic plants for € 27,364 thousand;
- a municipal waste selection plant, with annexed premises, acquired during financial year 2019 with the consolidation of Ecolat S.r.l. for € 6,482,000;
- a chemical, physical and biological treatment plant for liquid hazardous and non-hazardous special waste, acquired in 2022 with the consolidation of Bisenzio Ambiente S.r.l. for € 12,171,000;
- a recovery and treatment plant for non-hazardous waste mainly from road sweeping acquired in 2022 with the consolidation of Ecocentro Toscana S.r.l. for € 4,821,000;
- a building located in the municipality of Prato (Via Panziera), owned by the Parent Company and leased to the subsidiary Estra Spa, for a net value of € 9,065 thousand, in addition to the land on which the building stands at a value of € 2,684 thousand;
- a building located in the municipality of Prato (Via Grignano), at a value of € 5,721 thousand, plus land on which the building stands for a net value of € 1,575 thousand;
- a landfill called ex Cava Fornace located in Montignoso (MS) owned by the parent company Alia Servizi Ambientali S.p.A., for a net value as of 31 December 2024 of € 8,308 thousand and leased by the subsidiary Programma Ambiente Apuane S.p.A.

The main changes relate to:

- Increases from changes in the consolidation area for a net value of € 62,448 thousand, related to the line-by-line consolidation of Publiacqua S.p.A. (€ 31,607 thousand) and GIDA S.p.A. (€ 30,841 thousand) whose assets are entirely out of concession until 31.12.24;
- Capital expenditure for the year of € 31,677 thousand, mainly attributable to (i) the category "Land and buildings", for about € 820 thousand, (ii) the category "Plant and machinery", for a total of € 6,028 thousand,

mainly referring to plants for the storage and treatment of glass, plastic materials and other waste pertaining to environmental companies for about € 1,696 thousand, to plants and machinery pertaining to the construction of digital and telecommunications structures and cogeneration plants, district heating and photovoltaic networks for about € 1,753 thousand, to plants associated with the water sector, specifically for drinking water and purification for around € 2,579 thousand, (iii) to the category "Industrial and commercial equipment" for € 937 thousand, to the category "Other assets", for a total of € 4,325 thousand relating mainly to the development of the logistics sector, with further strengthening of the vehicle fleet and other specific hydraulic works pertaining to the water sector; as well as in general for purchases of hardware and office machines; (iv) to the category "Fixed assets in progress and advances", for a total of € 28,829 thousand related mainly to the construction of infrastructure cabling in the industrial areas in FTTH; and for the construction of new plants and networks in the water sector.

- Depreciation for the period of € 22,711 thousand.

Write-downs of fixed assets in progress were made against the risk of non-recoverability of costs incurred for the design of an investment in the environmental sector involving Waste to Chemical transformation plants.

14.1.1 Impairment tests pursuant to IAS 36 on the value of property, plant and equipment

Financial year 2024

Following analysis of current internal and external conditions, the Directors identified indicators of impairment in the consolidated financial statements as of 31 December 2024 in reference to a hazardous and non-hazardous liquid waste treatment plant owned by the subsidiary Bisenzio Ambiente S.r.l., which was already subjected to an impairment test as of 31 December 2023 which did not identify any impairment.

The plant, recognised at a net carrying amount as of 31 December 2024 of € 12,171 thousand (€ 16,677 thousand as of 31 December 2023), gross of deferred tax liabilities of € 1,760 thousand (€ 2,011 thousand as of 31 December 2023), was subject to an impairment test following operating results that were lower than budget forecasts as a result of lower business volumes than assumed. This facility falls in the "Environment" business segment.

The impairment test compared the carrying amount recognised and the estimated recoverable value for the asset, calculated on the basis of its value in use.

For the value in use, the current value of estimated future cash flows was considered, which supposes that they will derive from the asset's continued use. The value in use was determined using the Discounted Cash Flow method, which estimates future cash flows and their discounting based on an appropriate discount rate. The cash flows arose from explicit projections until 2029 and the Terminal Value extrapolated using a growth rate of 0.

The cash flow provisions represent the best estimates that the Estra management could make based on the main assumptions underlying the plant's operations (volumes of waste treated and related mix, maintenance costs and investments in the plant, sales tariffs), as per the latest business plan approved. The approved plan assumes the achievement of an extension of the current expiry of the integrated environmental authorisation (2034).

The discount rate used to reflect the current market valuations with reference to the present value of money and specific risks associated with the asset, was estimated consistently with the considered cash flows, using the weighted average cost of capital (WACC) after tax of 7.3% (7.91% in 2023). On completion of these analyses, the directors did not record impairment in the current year, against a carrying amount, after depreciation for the period, higher than its value in use, despite the underlying assumptions of the operations of the plant suffering intrinsic uncertainties in the start-up and commercial development of a recently constructed plant, reflected in reduced operating cash flows in the first years of the plan.

The calculation of the value in use is especially sensitive to the following assumptions:

- gross margin;
- discount rate.

The gross margin was based on the previous year's figures, assuming gradual increases in volumes treated with a significant increase in the plant's production capacity within the limits of the authorisation granted; an

improvement in the mix of waste treated in favour of more profitable types, marginal efficiency improvements in the disposal costs with the increase of volumes treated. Management expects the market share of the plant to grow over the plan's time frame, thanks also to the commercial investments envisaged for maintenance and the acquisition of new customers.

Management recognises that it is possible that new players will enter the market and/or increased competition in the sector could impact significantly on the growth rate and that the increase in disposal costs or the failure to achieve the efficiency targets could lead to a reduction in the margins against those envisaged in the Plan. The sensitivity analysis was developed by focusing on plant margins, assuming a 5% decrease, with a consequent reduction in cash flows over the course of the plan and in following years, and on a WACC increase of 0.5%. Holding the other assumptions unchanged, the values obtained would lead to an impairment loss of between € 850 thousand and € 1,100 thousand.

14.2 Real estate investments

This item changed as follows during the year:

	Land and Buildings	Fixed assets under construction and advances	Total Real Estate Investments
Values as at 31/12/2023			
Gross value	11,869,180	354,608	12,223,788
Provision for depreciation/amortisation	-5,007,246		-5,007,246
Net balance	6,861,934	354,608	7,216,542
Net changes for the year			
Gross value reclassification	13,000	-13,000	-
Changes from purchases	-	1,583,939	1,583,939
Decreases	-13,000	-	-13,000
Depreciation/Amortisation	-17,844	-	-17,844
Values as at 31/12/2024			
Gross value	11,869,180		11,869,180
Provision for depreciation/amortisation	-5,025,090		-5,025,090
Net balance	6,844,090	1,925,547	8,769,637

The item mainly relates to the investment property acquired in 2023 through the merger by incorporation of Consiag and, in particular, the property located in the municipality of Prato (former Banci complex), at the value of € 6,500,000 and a building located in Via Savonarola, in the municipality of Sesto Fiorentino.

14.3 Concession rights

This item changed as follows during the year:

	Concession rights - Gas	Concession Rights - Water	Concession Rights - Waste	TOTAL CONCESSION RIGHTS
Values as at 31/12/2023				
Gross value	729,467,161	-	636,932,924	1,366,400,085
Provision for depreciation/amortisation	-257,306,751	-	-293,878,670	-551,185,422
Net balance	472,160,410	-	343,054,253	815,214,663
Net changes for the year				
Gross value reclassification	5,415		225,950	231,365
Change in scope of consolidation - Gross value	-	1,400,505,690	-	1,400,505,690
Changes from purchases	50,384,573	72,811,034	98,722,060	221,917,666
Write-downs	-424,951	-	-369,073	-794,024
Decreases	-4,972,143	-	-16,607,963	-21,580,107
Depreciation/Amortisation	-24,472,394	-81,505,385	-34,289,074	-140,266,854
Reclassification of Provision for Depreciation/Amortisation	-5,415	-	-24,159	-29,573
Disposal of provision for depreciation/amortisation	3,078,443	-	14,140,043	17,218,486

	Concessio n rights - Gas	Concessio n Rights - Water	Concessio n Rights - Waste	TOTAL CONCESSION RIGHTS
Change in scope of consolidation - Provision for depreciation/amortisation	-	-975,953,899	-	-975,953,899
Other changes	-	-687,871	-311,271	-999,141
Values as at 31/12/2024				
Gross value	774,413,400	1,472,511,593	718,592,626	2,965,517,619
Provision for depreciation/amortisation	-278,659,462	1,057,342,024	-314,051,949	-1,650,053,436
Net balance	495,753,938	415,169,568	404,540,677	1,315,464,183

Concession rights Environment

The concession rights consist of rights associated with integrated municipal waste management in the municipalities of ATO Central Tuscany, which began on 1 January 2018. For changes in this item, see the section below entitled "Other Intangible Fixed Assets".

On 31 August 2017, the "Service Contract for the integrated management of municipal waste pursuant to Article 26, paragraph 6, L.R. no. 61/2017 and Article 203, Legislative Decree no. 152/2006", hereinafter also referred to as the "Contract" or "SC", was signed between Alia Servizi Ambientali SpA (also referred to as the Concessionaire and/or Manager) and ATO Central Tuscany. The contract was signed following a public tender procedure for the concession of the integrated municipal waste management service in the municipalities of ATO Central Tuscany.

At the end of 2017, the transitional period came to an end and, as of 1 January 2018, the concession which exclusively awarded integrated management of municipal waste began, comprising the following activities:

- provision of basic services;
- provision of ancillary services;
- implementation of the works under the contract.

As of 1 January 2018, the service began to be provided for 30 municipalities in the Province of Florence, 12 in the Province of Pistoia and 7 in the Province of Prato; as of 1 March 2018, the service has also been provided for a further 2 municipalities in the Province of Florence and a further 8 municipalities in the Province of Pistoia, for a total of 59 municipalities served. As a result of the merger of the municipalities of Tavarnelle Val di Pesa and Barberino Val d'Elsa, the number of municipalities managed is currently 58.

Revenues from concession fees were valued in 2022 pursuant to ARERA Resolution No. 363/2021/R/RIF of 3 August 2021 'Approval of the waste tariff method (mtr-2) for the second regulatory period 2022-2025', and approved by ATO Central Tuscany with Resolution No. 7 of 23 May 2022. In this resolution, in fact, ATO Central Tuscany resolved to adopt the PEFs prepared for the years 2022-2025, for each municipality under Alia management, in accordance with Appendix A of Resolution 363.

In particular, the approval of the PEF 2022-2025 by the ATO Assembly with Resolution no. 07/2022 of 23 May 2022 for the first time introduced a forecast of interventions/investments for a four-year time horizon (as opposed to the previous annual time horizon).

Subsequently, in Resolution No. 1/2023 of 20.03.2023 ATO Central Tuscany approved the submission of an application for an infra-period review of the tariff arrangement for the established supra-municipal tariff area No. 1 and the municipality of Lastra a Signa for the years 2023-2025.

Pursuant to ARERA Resolution No. 385/2023/R/rif of 3 August 2023, on the standard service contract scheme for the regulation of relations between awarding entities and municipal waste service managers, the existing service contracts must be made compliant with the standard scheme in accordance with the procedures and timeframes set forth in the same resolution.

ATO Resolution No. 12 of 8/11/2024 implemented the amendments to the service contract introduced by ARERA Resolution No. 385/2023/R/rif and established in Article 4 that the service entrusted to the Manager consists of the integrated municipal waste management service pursuant to Article 1 of the MTR-2, i.e. the set of the following activities: collection and transport; treatment and disposal; treatment and recovery; street sweeping and washing, tariff management and relations with users.

The service is provided in the territories of the Local Authorities, with reference to the activities required by each Local Authority. In addition, the operator is also entrusted with certain "activities outside the integrated municipal waste cycle" relating to the following services: cleaning and washing of public surfaces of particular value, washing and disinfection of drinking fountains and basins, cleaning of public urinals, and pest control and rodent control for which remuneration is based on the relevant unit price set by the tender.

With the introduction of the model contract as set forth in ARERA Resolution 385/2023/R/rif, the classification of activities provided for in the original concession contract is therefore reabsorbed in favour of a more general breakdown whereby activities falling within the regulated perimeter of the integrated municipal waste cycle and other activities outside the aforementioned perimeter are provided for.

According to the provisions of Article 5 of the Service Agreement (as integrated on 6 October 2021 following the approval by the Board of Directors of Alia Servizi Ambientali SpA, with resolution No. 11 of 13 July 2021 and by the Assembly of ATO Central Tuscany, with resolution No. 7 of 14 June 2021), the purpose of the Concession is the exclusive assignment of the integrated management of municipal waste pursuant to Article 183, par. 1, letters n), ll) and oo) of Legislative Decree 152/2006 (as amended). In particular, the Manager shall perform the following activities:

- a) provision of basic services, as identified in Annex I;
- b) provision of on-demand ancillary services included in the regulatory perimeter defined by the National Authority, identified in Annex I;
- c) provision of on-demand ancillary services, excluded from the regulatory perimeter defined by the National Authority and identified in Annex I;
- d) execution of the works, as identified in Annex III.

The table with the details of the basic services is shown below:

BASIC SERVICES	
1	Collection, transport, sweeping, support for home composting
2	User relationship management and communication
3	Analysis, communication and reporting
4	Marketing of waste and/or secondary raw materials and/or by-products, resulting from collection, treatment, recovery and/or disposal operations
5	Operation of the existing facilities included in the tender area for the treatment, recovery and/or disposal of the waste that will be transferred to the Service Contractor
6	Transport of waste between plants
7	Management of existing and new collection centres
8	Management of any new plants
9	Post-closure site/landfill management

The table below gives details of the ancillary services.

ANCILLARY SERVICES	
1	washing streets and public areas or areas for public use in general
2	Weeding for waste collection
2BIS	Weeding for waste collection without collection of cut material
3	Waste collection and cleaning from public and similar events
4	Cleaning banks of rivers, streams and lakes
5	Cleaning residues from accidents and similar emergency services
6	Collection of syringes abandoned on public land or on private land for public use
7	Cleaning bird and dog droppings
8	Collecting animal carcasses
9	Removal of abandoned vehicles on public land
10	Cleaning and washing public surfaces of special value
11	Washing and disinfection of fountains and basins
12	Public toilet cleaning
13	Collection of asbestos from small domestic works
14	Collection of special waste in public areas
15	Pest control and rodent control
16	Collection of used vegetable oils at food service establishments and/or with containers in the territory, if this is compatible with the regulations in force and above
17	Collection of cemetery waste from exhumation and similar activities
18	Assessment, collection and litigation service for the user

As a result of the application of the MTR and the definition of the regulatory perimeter defined by ARERA with del. no. 443/19, ancillary services are reabsorbed within the Concession Fee determined through the MTR. Excluded from this perimeter are ancillary Services Nos. 10, 11, 12 and 15 for which, in continuity with 2018, 2019 and 2020, remuneration based on the unit price established in the tender offer is foreseen.

The subject matter of the Concession also includes the performance of works included in the assignment listed in Annex III to the Service Contract. The relevant design is governed by Article 10 of the Contract. The executive projects of the works will be approved in advance by ATO and in the event of justified cost deviations, rebalancing may take place.

Pursuant to ARERA Resolution No. 385/2023/R/rif of 3 August 2023, on the standard service contract scheme for the regulation of relations between awarding entities and municipal waste service managers, the existing service contracts must be made compliant with the standard scheme in accordance with the procedures and timeframes set forth in the same resolution.

Breakdown of the concession fee

At the start of the Concession, all the plants, real estate and other assets that had been used by the previous operators up to that date, as well as those owned by the local authorities on loan, were transferred to the operator Alia.

The above fixed assets are not encumbered by mortgages or liens in favour of financial institutions, with the exception of the composting plant located in Faltona, in the municipality of Borgo San Lorenzo, which is encumbered by a first-degree mortgage worth € 13.5 million in favour of Mps Capital Services SpA (now MPS S.p.A.) to guarantee the loan granted by the Bank for € 6,750,000 necessary to finance the entire investment. At the time of writing, the mortgage has been repaid and the mortgage cancellation procedure is being finalised.

A major investment, approximately € 7,000,000, involved the renovation of the waste collection container fleet. In 2024, the introduction of the new digital container 'Genius 5.0' continued, the result of joint development between Alia and Nord Engineering and capable of producing a large amount of data useful for the introduction of the use-based tariff. The installation of containers in the municipalities of Florence and Montecatini has been completed.

The renewal of Alia's vehicle fleet saw investments of € 10,000,000 divided between heavy and light vehicles and related equipment.

The company completed the construction of the new anaerobic digestion section at the Casa Sartori site for a total amount, partly related to buildings and partly related to equipment, of about € 69,500,000.

Also noteworthy is the completion of the 'Pian di Meleto' Collection Centres in the municipality of Greve in Chianti and 'Via Paronese 91' in the municipality of Prato for total works of around € 2,600,000.

The year 2024 saw the continuation of the Case Passerini plant renovation works with an amount of approximately € 10,500,000.

During the year, work continued on the two projects that were awarded the National Recovery and Resilience Plan (NRP) grant in 2023. In detail, this involves a plant for the collection of textile waste (Textile Hub) located in the municipality of Prato, with an investment of € 6,900,000, and a plant for the collection of electronic waste (WEEE) located in the municipality of Florence in the area of the former San Donnino incinerator, for an investment of € 500,000.

Concession rights Gas distribution

Gas concession rights relate to networks, plants, connections and other assets pertinent to natural gas distribution recognised according to the "intangible assets method" provided for in IFRIC 12 for existing concession relationships with the granting entities.

The increases for the year mainly refer to investments in connections, urban networks and facilities for work carried out by the Group in 2024.

The natural gas distribution service is assigned on the basis of open public tenders, which do not refer to individual Municipalities, but rather to Minimum Geographic Areas (Ambiti Territoriali Minimi - ATEMs). Municipalities, cannot therefore independently assign the service on the basis of individual tenders.

However, before the adoption of Italian Legislative Decree no. 164/2000 (the so-called Letta Decree), the gas distribution service was assigned directly by individual Municipalities. Furthermore, after the adoption of Legislative Decree 164/2000 and up until the issuing of the relevant implementation decrees, the natural gas distribution service was assigned on the basis of open public tenders by individual Municipalities. Therefore, as of today's date, the Group still has some concessions assigned directly or by public tender by individual Municipalities.

In the event of the concessions' expiring, the term of the concession is deemed extended up until a new tender is announced. During this extension period, the relationship between the granting party and concession holder continues, and consequently, the latter is still obliged to manage the service, limited to the ordinary administration, up until the new assignment takes effect. Furthermore, the outgoing operators fulfils all the obligations arising from the concession, including the payment of the concession fee payable to the granting entity.

In the event that the Group does not succeed in being awarded new tenders to supply services that are continuing on an extension basis, at the time of taking over, the new operator shall pay the Group as the outgoing operator, for the transfer of the distribution networks from the outgoing operator to the new concession holder. This sum (VIR) is determined on the basis of the provisions of the concession contract. Without any specific provision (or without certain elements), the contract provisions are supplemented by the guidelines under Ministerial Decree 226/11.

The carrying amount of the CGU's gas distribution assets is higher than the fair value as value in use, determined on the basis of the cash flows of the individual CGUs identified resulting from the 2025-2029 plan approved by the company's management, using the Discounted Cash Flow (DCF) Method. The terminal value was estimated by applying a multiplier (10.8x) to the EBITDA of the last explicit forecast year of the plan. Cash flows were discounted at a rate representing the weighted average cost of capital employed (WACC), equal to 4.8%. The carrying amount was also compared to the fair value net of sales costs on the basis of the Industrial Value of Plants, which was higher.

A specific analysis was conducted on the recoverability of the class of electronic meters utilised for the natural gas distribution and metering service. In particular, the analysis looked at the electronic meters that, at the closing date of the financial year, were malfunctioning or deemed at greater risk of defects (anomalies in the transmission of the remote reading, in the quality of the remote reading transmitted, shutdown of the display). The analysis considered:

- the net book value of the meters;
- the year of manufacture;
- the year of installation;
- the possibility to carry out effective maintenance (such as change of modem battery, SIM change, reconfiguration of the meter communication parameters);
- the year of expected replacement, prior to the end of their useful life;
- the possibility to recognise foregone amortisation in the tariff in case of disposal on the basis of the current Tariff Regulation (Resolution 29 December 2022 737/2022/R/GAS of ARERA and Decision 11 October 2023 1/2023 – DINE).

On completion of this analysis, the net book value of the meters was aligned with their recoverable value through a write-down of € 425,000.

Concession Rights Water

This item, not present in the comparative balances as at 31.12.2023, derives from the line-by-line consolidation of Publiacqua S.p.A. as of 01.06.2024. The concession rights refer to the exclusive assignment to Publiacqua of the integrated water service in the Optimal Territorial Area (ATO) No. 3 of Tuscany, today the Territorial Conference No. 3 (CT3), consisting of all the public services to capture, lift and distribute water for civil use, sewerage and wastewater purification, exercised pursuant to the management agreement, which was signed on 20 December 2001 and entered into force on 1 January 2002, with a duration of twenty years.

In return for the assignment of the service, the Manager pays a concession fee to all the municipalities, which includes the past liabilities borne by the organisations which managed these services previously. At present, following acquisition of the management of the integrated water service in the municipality of Fiesole and the aggregation process involving some municipalities within the management perimeter of Publiacqua, there are 46 municipalities managed, totalling about 1,300,000 inhabitants and about 410,000 active users.

Through the resolution of the Assembly no. 8/2024 of 10/05/2024, the TWA resolved to include the purification service carried out by GIDA S.p.A. in the perimeter of the integrated water service of the territory of the Territorial Conference no. 3 Medio Valdarno as from 01/01/2025, providing for transitional management through a service contract in 2025 until the business unit is acquired.

With the same resolution, the TWA established a technical extension of the Convention for the current assignment of the IWS to the company Publiacqua S.p.A. under the same conditions as the one currently carried out, for the time strictly necessary for the conclusion of the public evidence procedure for the selection of the private partner of the new manager, according to the dictates of Article 17 TUSP and the consequent new assignment of the service itself by 31.12.2025. Considering that as of today's date, TWA has not yet published the call for tenders for the selection of the private partner of the future manager, it is entirely reasonable to assume that the current management provided Publiacqua - relating to a service that by its very nature cannot be interrupted - will continue beyond the expiry date of 31.12.2025.

The company has realised investments from the date of acquisition to 31.12.2024 in the amount of € 72,811 thousand, continuing its actions to cope with the crisis related to the 2023 flood emergency.

14.4 Rights of Use

This item changed as follows during the year:

	Land and Building s	Plants and machiner y	Industrial and commercial equipment	Other assets	TOTAL RIGHT S OF USE
Values as at 31/12/2023					
Gross value	24,745,004	8,995,645	-	10,274,797	44,015,446
Provision for depreciation/amortisation	-9,506,322	-2,267,729	-	-4,943,139	16,717,190
Net balance	15,238,682	6,727,916	-	5,331,659	27,298,256
Net changes for the year					
Gross value reclassification	-	-235,800	-	-1,184,430	-1,420,230
Change in scope of consolidation - Gross value	1,458,142	1,036,966	-	740,207	3,235,315
Changes from purchases	8,815,004	999,035	19,917	1,985,656	11,819,613
Decreases	-829,648	-319,949	-	-996,894	-2,146,492
Depreciation/Amortisation	-3,766,724	-1,202,721	-18,258	-1,928,427	-6,916,129
Reclassification of Provision for Depreciation/Amortisation	-	100,263	-	939,266	1,039,529
Disposal of provision for depreciation/amortisation	320,953	98,306	-	926,503	1,345,762
Change in scope of consolidation - Provision for depreciation/amortisation	-484,666	-759,581	-	-192,399	-1,436,646
Values as at 31/12/2024					
Gross value	34,230,168	10,476,198	20,418	11,090,929	55,817,714
Provision for depreciation/amortisation	-13,478,426	-4,031,762	-18,758	-5,469,789	-22,998,735
Net balance	20,751,742	6,444,436	1,660	5,621,141	32,818,979

Rights of use mainly refer to the acquisition of leased or rented assets accounted for in accordance with IFRS 16 and relate to buildings, waste collection vehicles and equipment, electronic devices and company cars for employees.

The increase in the item buildings relates primarily to the signing of the lease agreement for the new Multiutility Headquarters in the amount of € 8,226 thousand, while due to the change in the consolidation perimeter, through Publiacqua, there are further increases in the amount of € 1,458 thousand.

The increase in Plant and Machinery in 2024 is attributable to the environment sector for € 366 thousand and to the gas sector for € 633. Under Other Assets, the increases in 2024 are respectively attributable for € 1,325 thousand to the environmental sector, for € 446 thousand to the gas sector, and for € 213 thousand to the water sector.

14.5 Other Intangible Fixed Assets

This item changed as follows during the year:

	Industrial Patent Rights	Develop ment costs	Concessio ns, trademark s and similar rights	Other	Customer listings	Fixed assets under constructi on	TOTAL OTHER INTANGIBLE FIXED ASSETS
Values as at 31/12/2023							
Gross value	9,495,155	1,610,978	2,892,886	25,487,398	232,986,463	2,281,219	274,754,099
Provision for depreciation/amortisation	-88,988	-1,301,788	-1,940,545	2,602,099	-61,436,201		-62,165,423
Net balance	9,406,167	309,189	952,341	28,089,498	171,550,262	2,281,219	212,588,676
Net changes for the year							
Gross value reclassification	74,515	25,498	58,160	-	-	-100,013	58,160
Change in scope of consolidation - Gross value	71,527,074	254,954	7,849,762	81,290,443	-	-1,859,080	159,063,153
Changes from purchases	9,129,776	44,541	191,757	23,710,098	-	22,343,944	55,420,116
Write-downs	-	-	-6,749	-4,588	-	-	-11,337
Decreases	-3,650	-	-	-21	-	-1,690,209	-1,693,880
Depreciation/Amortisation	-9,253,800	-64,052	-1,120,241	-20,444,734	-14,594,633	-	-45,477,460
Change in scope of consolidation - Provision for depreciation/amortisation	-61,297,098	-254,954	-3,973,416	-68,847,912	-	-	-134,373,380
Other changes	9,626	-	-5,854	-1,151,078	-	256,134	-891,172
Values as at 31/12/2024							
Gross value	145,054,095	1,935,970	11,447,321	196,673,582	231,725,737	21,231,996	608,068,701
Provision for depreciation/amortisation	-125,461,485	-1,620,795	-7,494,812	-154,027,288	-74,770,109		-363,374,488
Net balance	19,592,610	315,175	3,952,509	42,646,294	156,955,629	21,231,996	244,694,213

The main changes relate to:

- Increases from changes in the consolidation area for a net amount of € 24,690 thousand, related to the line-by-line consolidation of Publiacqua S.p.A. and GIDA S.p.A;
- Capital expenditures of € 55,420 thousand, mainly attributable to the item:

- (i) Industrial patent rights pertaining to the gas sector for € 4,470 thousand mainly relative to costs sustained for the development of the current ERP (Enterprise Resources Planning) based on SAP and NET@SUITE, the platform that came into operation starting from the second half of 2022 and currently in use for the main Group companies. The remaining portion of Industrial Patent Rights, amounting to about € 4,660 thousand, relates to the water sector, in connection with the purchase of software application licences;
 - (ii) Other intangible fixed assets pertaining to the gas sector for € 23,431 thousand mainly relating to customer acquisition costs incurred by the Group's gas and electricity sales companies;
 - (iii) Intangible assets in progress related to the environmental sector in the amount of € 16,868 thousand, mainly for investments required to implement information systems for the Multiutility. On the other hand, intangible assets under construction for € 1,945 thousand pertain to the gas sector, mainly relating to costs incurred for the development of management software as part of the project to unify the application map of the Group's gas distribution companies. The development project is still in progress and will be completed during 2025. On the other hand, intangible assets under construction in the water sector in 2024 increased by € 3,531 thousand.
- Amortisation for the period of € 45,525 thousand.

Customer listings mainly refer to determining the purchase price allocation (PPA) of the customer portfolios of the companies operating in the Gas and electricity sales CGU acquired in the business combinations conducted by Estra starting from 2015. The item is amortised over the amortisation period corresponding to the expected useful life for the customer lists, which is reassessed at the end of each financial period in relation to the historic and forecast losses of customers (so-called "Churn Rate"). In the financial periods ended 31 December 2024 and 31 December 2023, the customer listings were amortised over a 20-year time frame.

The item Other intangible assets refers mainly to the costs to acquire customers (contract costs) incurred by the Group's commercial companies, amortised over 5-years at a decreasing rate. Amortisations for this item were also restated at least at the end of each period in relation to the Churn Rate.

The Group checks annually whether there are any impairment indicators; specifically, for the customer listings and contract costs, this refers to checking the annual churn rate recorded for each gas and electricity sales company. The churn rate, also referred to as the drop-out or defection rate, is an indicator used to measure the loss of customers over a specific time period, and represents the percentage of customers that left the service (switch out) compared to the total number of customers using the service.

Based on the above, there were no impairments found at the end of 2024 with regard to intangible assets with a defined useful life.

14.6 Goodwill

In applying the provisions of IAS 36 "Impairment of Assets", goodwill recognised in the financial statements based on business combination operations is allocated to individual CGUs or groups of CGUs, in that they are expected to benefit from the combination. A CGU represents the smallest group of assets that generates cash flows that are largely independent.

In the process to identify the CGUs, management has taken into account the specific nature of the asset and business it belongs to (territorial area, business area, reference regulations, etc.), checking that the cash flows deriving from a group of assets is strictly independent and autonomous from those deriving from other assets (or groups of assets).

The assets included in each CGU are also identified on the basis of the procedures management uses to manage and monitor them in the scope of the business model adopted. More specifically, the following CGUs were identified:

- * Natural gas and electricity sales CGU
- * Centria gas distribution CGU
- * Gergas gas distribution CGU
- * Murgia gas distribution CGU
- * Edma Reti Gas gas distribution CGU

In addition, several CGUs were identified that overlapped with individual companies within the IFRS 8 segments 'Environment' and 'Energy Market' in business activities other than natural gas and electricity sales, as specified in the Note on 'Business Segments'.

This item did not see any changes with respect to the year ended 31 December 2023, as shown below:

Carrying value of goodwill allocated to each cash generating unit

Environment		Gas and electricity sales		Natural gas distribution (Gergas)		Environment (Ecos)		Environment (Ecolat)		Total	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
250	250	45,880	45,880	1,369	1,369	4,240	4,240	1,820	1,820	53,559	53,559

The group monitors the recoverability of the assets on the basis of approved plans that take into consideration the synergies and strategies at the CGU level.

Gas and electricity sales

The recoverable value for the Gas and electricity sales cash generating unit was determined on the basis of the value in use calculation, where cash flow projections were used for the CGU, based on the most recent business plans available at the measurement date and approved by Company Management.

The Group performed the impairment test on 31 December 2024 and 2023. The impairment test as at 31 December 2024 was prepared based on the latest approved business plan covering the period 2025-2029 (2024-2028 as at 31 December 2023). The discount rate applied to cash flow projections, net of tax, is 7.10% (7.39% as at 31 December 2023). Cash flows were extrapolated using a growth rate of 0. On completion of these analyses, the directors did not detect any impairment to be attributed to the net assets of the Gas and electricity sales unit, including goodwill of € 28,067,000.

Key assumptions used in calculating the value in use and sensitivity to changes in assumptions

The value in use for the Gas and electricity sales CGU was especially sensitive to the following factors:

- gross margin;
- market share during the forecast period;
- discount rates.

Gross margin - The gross margin is based on the values achieved in the previous year assuming marginal increases related to efficiency gains and cross-selling activities (CAGR of 5.53%). The increase in the costs of raw materials beforehand or not achieving the efficiency targets could result in a decreased margin compared to what is envisaged in the plan. The margins could also be impacted by failure to achieve the envisaged customer base following the increase in the churn rate.

Market share assumptions - Management expects the market share in Gas and electricity sales to grow over the Plan's time frame, thanks also to the commercial investments envisaged for maintenance and the acquisition of new customers. Management recognises that it is possible that new players will enter the market and/or increased competition in the sector could impact significantly on the growth rate.

Discount rates - Discount rates reflect the specific market risk assessment for each cash flow generating unit, taking into consideration the value of money over time and the specific risks of the underlying activities, which were not already included in the cash flow estimates themselves. The calculation of the discount rate is based on the Group's specific circumstances and its business segments, resulted from weighted average capital cost (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected yield rate on investments. The cost of debt is based on the onerous funding that the Group has undertaken. The specific sector risk is incorporated, by applying specific beta factors. The beta factors are

checked annually, based on available market information. The discount rates are adjusted to take into account quantities and specific time frames of future tax flows, so as to reflect an after-tax discount rate.

The sensitivity analysis that was developed focused on the margins of the CGU, assuming a 5% decrease, resulting in a reduction in cash flows developed in the next and subsequent years, and an increase of 0.5% WACC.

The amounts obtained on this basis were also higher to those for the CGU, and therefore the analysis further confirmed the Gas and electricity sales CGU recorded value.

Natural gas distribution - Gergas

Goodwill results from the acquisition of Gergas, a company operating in gas distribution in Grosseto and Campagnatico.

Goodwill is negligible when compared with the comprehensive carrying value for the assets allocated to the Gergas Regulated Market unit. The Directors subjected goodwill to an impairment test by comparing the carrying value of the CGU's gas distribution assets with the fair value as value in use, determined on the basis of the cash flows deriving from the 2025-2029 plan approved by the company's management, using the Discounted Cash Flow (DCF) Method. The terminal value was estimated by applying a multiplier (10.8x) to the EBITDA of the last explicit forecast year of the plan. Cash flows were discounted at a rate representing the weighted average cost of capital employed (WACC), equal to 4.8%. It should be noted, however, that there are uncertainties regarding the timing of the call for tenders for the renewal of gas distribution concessions/assignments. The value in use determined in the manner described above was higher than the carrying amount of the assets, therefore, no impairment losses arose.

The carrying amount was also compared, being higher, to the fair value net of costs of sale based on the estimated Industrial Value of Plants (IRR), which is the reference value for the purposes of determining the right to indemnification/reimbursement related to the networks if, following the tenders that will be called for the assignment of concessions, the Group loses ownership of its concessions.

The recoverable value determined is higher than the asset's carrying value, by also applying reasonable sensitivity factors bringing down the Industrial Value. To complete the analysis, Directors did not record an impairment for carrying value recorded for the net assets in the Gergas Regulated Market unit, including goodwill for € 1,369,000.

Environment - Ecolat

Goodwill originates from the acquisition of Ecolat S.r.l., the company operating primarily in the mechanical selection of mixed-material packaging coming from the separate collections of the Optimal Areas Tuscany South, Centre and Coast and the recognition, on a residual basis in relation to the fair value of the identifiable assets, of the company's ability to produce future income from the business related to the selection plant and those not related such as intermediation, treatment of packaging and other waste from private entities.

The CGU recoverable value was determined on the basis of the value in use calculation, using cash flow projections of the relevant business sectors, based on the most recent business plan available at the measurement date (2025-2029) and approved by Company Management. The approved plan assumes the achievement of a decade-long extension of the current expiry of the environmental authorisation (2031). The discount rate applied to the cash flow projections, net of tax is 7.34 %.

On completion of these analyses, the Directors did not find any impairment that would need to be attributed to goodwill.

The calculation of the value in use is particularly sensitive to the following factors:

- volumes of waste treated and the relative margins;
- discount rates.

The Group conducted a sensitivity analysis of the above-mentioned key assumptions used to determine the recoverable amount (changes of +/- 0.5% in WACC and 5% reduction in future cash flows in the event of lower business volumes or reduced margins), the results of which show, in the presence of these changes in the key

assumptions, an excess of the carrying amount over the recoverable amount in a range between € 0.5 million and € 1 million.

Environment - Ecos

The goodwill refers to the acquisition of Ecos S.r.l., the company owning a waste storage site, operating on the domestic market in the management of special, hazardous and non-hazardous waste, on a residual basis in relation to the fair value of identifiable assets, the company's ability to produce future income from its business and relates mainly to expected growth and cost synergies.

The CGU recoverable value was determined on the basis of the value in use calculation, using cash flow projections from the last available business plan approved by Company Management (2025-2029), which envisage a progressive growth in volumes treated and consequent margins compared to the current year. The approved plan assumes the achievement of a decade-long extension of the current expiry of the environmental authorisation (2031). The discount rate applied to the cash flow projections, net of tax is 7.34 %.

On completion of these analyses, the Directors did not find any impairment that would need to be attributed to goodwill.

The calculation of the value in use is particularly sensitive to the following factors:

- growth rate in the volumes of waste treated and the relative margins;
- discount rates.

Consequently, the Group conducted a sensitivity analysis of the aforementioned relevant assumptions used to determine the recoverable value (variances +/- 0.5% of WACC and 5% reduction of future cash flows on the assumption of lower business volumes or reduced margins), the results of which show, albeit with reasonable variances in the key assumptions, there is not a surplus carrying amount on the recoverable value.

14.7 Equity investments

The value of equity investments totals € 376,177 thousand, of which € 27,882 thousand in jointly controlled companies, € 339,224 thousand in associated companies and non-qualified equity investments amounted to € 9,071 thousand, as shown below.

Equity investments	Balance at 31 December 2023	Reclassifications	Change in the scope of consolidation	Increases/(Decreases)	Revaluation/(write-down)	Dividends approved	Other changes	Balance at 31 December 2024
amounts in EUR								
Real S.r.l.	2,621,522				240,422			2,861,943
Al.Be. S.r.l.	27,929,582			3,000,000	-6,016,181			24,913,401
Publiacqua S.p.a	198,284,505				5,319,543	-4,604,048	-199,000,000	-
Waise Waste Srl				51,000	-			51,000
Nuova Sirio S.r.l.	80,539				-25,000			55,539
Equity investments in companies subject to joint control	228,916,147	-	-	3,051,000	-481,216	-4,604,048	-199,000,000	27,881,883
Irmel S.r.l.	524,486				45,870			570,356
Vetro Revet S.r.l.	1,077,818				-6,882			1,070,936
Valdisieve Scarl	296,419			830,000	-19,751		-1,106,668	-
Sea Risorse S.p.a	514,345				117,326			631,671
Toscana Energia S.p.a	252,044,081				11,919,292	-8,024,338		255,939,034
Acque S.p.a	48,697,621				3,765,090	-772,235		51,690,476
Acque2o S.p.a	6,222			30,349	-6,283			30,288
Le Soluzioni Scarl		87,804	406,268		210,358			704,430
Ingegnerie Toscane S.r.l.			4,273,198		1,379,670			5,652,869
Ti Forma Srl		5,434	39,330		-4,149			40,615
Vaiano Depur Srl		4,000	385,867		-			389,867
Blugas Infrastrutture S.r.l.	4,950,000				274,245			5,224,245
AES Fano	833,735				83,749			917,483
SIG S.r.l	3,161,006				113,762	-26,334		3,248,434
Sei Toscana S.r.l.	11,739,231				1,373,678			13,112,909
Equity investments in associates	323,844,962	97,238	5,104,663	860,349	19,245,974	-8,822,908	-1,106,668	339,223,611
Scapigliato Srl	8,500,269							8,500,269
Le Soluzioni Scarl	87,804	-87,804						-
Gida Spa	1,097,562			12,403,177	-21,318		-13,479,421	-
C.R.C.M. Srl	312,274			-312,274				-

Equity investments amounts in EUR	Balance at 31 December 2023	Reclassifications	Change in the scope of consolidation	Increases/(Decreases)	Revaluation/ (write-down)	Dividends approved	Other changes	Balance at 31 December 2024
AISA S.p.A.	11,020							11,020
Casole Energia S.r.l.	128,621					-19,763		108,858
Aquaser S.r.l.			74,455					74,455
Other companies	367,331	-9,434	446,275	223	-46,429		-381,114	376,852
Equity investments in other companies	10,504,881	-97,238	520,730	12,091,126	-67,747	-19,763	-13,860,535	9,071,455
Total equity investments Associates and Equity investments in other companies	563,265,990	-	5,625,393	16,002,475	18,697,012	-13,446,718	-213,967,203	376,176,949

Changes in the year mainly refer to:

- The increase in the value of the equity investment in Albe S.r.l. following the payment of € 3,000 thousand, finalised, respectively, for € 1,500 thousand on 15.02.2024 and for € 1,500 thousand on 27.03.2024. The value of the investment was adjusted by € 107 thousand as a consequence of the Group's share of the loss for the period, in application of the equity method, and by € 5,909 thousand due to the recognition of an impairment provision as described below;
- Other changes amounting to € 213,967 thousand due to the elimination of equity investments as a result of the line-by-line consolidation of the investees Publiacqua S.p.A, GIDA Spa and Valdisieve Scrl and the additional interest acquired in AER SpA from Valdisieve Scrl;
- The establishment of the investment in Waise Waste S.r.l., as described in Notes section on changes in the scope of consolidation;
- Measurement of the investment in Publiacqua using the equity method until 31.05.2024 and subsequent elimination as a result of the line-by-line consolidation of the investee, as described in section 11.1 "Acquisition of control of Publiacqua S.p.A.";
- The increase in the investment in Valdisieve Scrl and subsequent elimination as a result of the line-by-line consolidation of the investee, as described in section 11.3 "Acquisition of control of Valdisieve Scrl";
- The effects of measuring the investment in Toscana Energia S.p.A. using the equity method. The value of the investment includes implicit goodwill, not subject to amortisation, the recoverability of which was verified using the discount cash flow method, based on the most recently approved plan;
- The increase in the investment in GIDA S.p.A. and subsequent elimination as a result of the line-by-line consolidation of the investee, as described in section 11.2 "Acquisition of control of GIDA S.p.A.";
- The effects of measuring the investment in Sei Toscana S.r.l. using the equity method.

With reference to the equity investment in Toscana Energia S.p.A., it should be noted that, as part of the aggregation process started in 2022 with the contribution by the Municipality of Florence on 30 December 2022, of the equity investment corresponding to 20.61% of the associate's share capital, Alia granted a purchase option to Italgas, which exercised it on 14.01.2025.

The agreement between Alia and Italgas provides that the price to purchase the relative shares shall be equal to their fair market value, with the determination of this value delegated by mutual agreement between the parties to an independent expert. The fair market value on the date the option is executed will be calculated using a valuation methodology in accordance with international best practice for a regulated natural gas distribution business (i.e., the RAB methodology) and subject to adjustment based on the value of the net financial position of Toscana Energia on the date the option is executed.

The parties have preliminarily identified, by mutual agreement, the independent expert for the determination of the exercise price of the option, an activity that is still ongoing at the date of this document.

In the absence of a pre-established exercise price, the fair value of this option is the result of a complex valuation based on the variables underlying the determination of the fair value of the option itself and, in particular, on the future exercise scenario deemed most probable by management, consistent with updated planning assumptions and adjustments to the terms and conditions established by the parties, as well as the discounting of future cash flows at an appropriate discount rate.

The Directors, with the support of external consultants in determining the possible exercise price of the option and its fair value, have concluded that no liability should be recognised in these financial statements.

No indicators of permanent impairment were identified for any equity investments, and consequently no specific impairment tests were conducted. With reference to the investment in Albe S.r.l., a joint venture that manages an anaerobic biodigester for the recovery of the organic portion of municipal solid waste, it was

decided to recognise a provision for writedowns of € 5,910 thousand as of the 2024 reporting date. The provision reflects the risk of partial non-recoverability of value in a scenario based on more conservative assumptions of market competitiveness and price trends than the last plan approved by the investee. The Directors are identifying appropriate measures and initiatives to avoid this risk.

With reference to Blugas Infrastrutture, it should be noted that, in May 2024, the company resolved the pre-litigation situation that had arisen with Aleanna Italia S.r.l. on the alleged invalidity/overpayment of an agreement entitling Blugas Infrastrutture S.r.l. to property rights for 70 Mmc of natural gas to be extracted from the Abbadesse field. The parties entered into a settlement agreement involving the waiver by Blugas Infrastrutture of all future claims on the production of the Longanesi well in exchange for the payment by Aleanna Italia S.r.l. of € 5 million, which was substantially in line with the carrying amount of the right.

The investee also holds a 10% interest in the project for the construction and operation of a storage facility at the San Potito and Cotignola site, in the province of Ravenna, with Edison Stoccaggio as a 90% partner, following a specific concession (the so-called ("San Potito and Cotignola Storage")) awarded by the Italian Ministry for Economic Development with the Italian Ministerial Decree of 24/04/2009. The relation with Edison is governed by a JV agreement, prepared according to industry standards. Blugas is required to make a pro-rata contribution to the operating, maintenance and capex costs, and has the right to be granted pro-rata revenues.

In this regard, it should be noted that, following the discovery of a more complex geological situation than expected, it became necessary for Edison Stoccaggio to significantly revise the project originally authorised, with a consequent reduction in the estimated storage space capacity.

With this changed scenario, AEEGSI (now ARERA) with resolution 66/2016 dated 25 February 2016 redetermined the tariffs using a penalising mechanism that was questionably lawful, to reduce the revenue from the site capex from 100% to 71.6% (calculated according to the investment realised/ space performance achieved ratio), which will be applied each year up until the site regulation is completed, at the same time, requiring a partial adjustment for the lower revenue received, in relation to the space performance that the fully operational concession will guarantee.

The co-holder Edison Stoccaggio strongly objected to the Authority's argument, undertaking the relevant legal action, which resulted in the reasons for the objection being accepted by the Council of State in June 2021. In accordance with the Council of State judgment, ARERA issued Resolution 513/2021, reassessing the calculation methods for the curtailment of revenue factor applied, and reformulated the value, with an increase from 71.6% to 73.6%. The co-holder Edison Stoccaggio has proposed a new appeal against Resolution 513/2021, because it believes that the latter does not adequately execute the Council of State decision. Consistent with this action, subsequent resolutions were also appealed, which determined the annual revenue recognised to the San Potito site by applying the above-mentioned repositioning coefficient (Resolutions 384/22, 379/23 and 335/2024).

During 2024, there were no developments in connection with the litigation. The company believes the arguments underlying the appeal are valid.

In particular, the Estra Board of Directors, having assessed the poor consistency of the investment with the current strategic guidelines, expressed a favourable opinion of the start of discussions and preparatory activities for a possible earlier disposal of the assets or the company's shares, granting a specific mandate, jointly with the other shareholders, to a financial advisor and a legal advisor.

14.8 Non-current financial assets

The following non-current financial assets are reported:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Receivables from associates	4,642,566	4,642,566	-
Receivables from joint ventures	230,000	230,000	-
Other non-current financial receivables	6,438,568	6,785,712	-347,144
Guarantee deposits	4,068,978	1,188,951	2,880,027
Non-current securities	4,751,438	9,667,579	-4,916,141
TOTAL	20,131,551	22,514,809	-2,383,258

The item "Other non-current financial receivables" mainly refers to the amount paid at the time of being awarded the gas distribution contract for the Municipality of Rieti, and which will be repaid, on the basis of the conditions envisaged by the concession contract, once the assignment ends, and all plants, networks and other distribution service installations are delivered to the replacement operator (€ 5,000 thousand).

The item "Non-current securities" refers for € 4,650 thousand to asset management and insurance products arising from the merger by incorporation of Consiag in the previous year, valued at FVTPL.

14.9 Deferred tax assets and liabilities

Deferred tax assets are generated by temporary differences between the profit in the financial statements and taxable income, mainly in connection with the provision for write-downs, provisions for risks and charges, depreciation and amortisation greater than taxable income, previous losses and employee benefit provisions.

Tax losses will be recovered through the taxable profits that the Group will generate during the concession period, as can be inferred, with respect to the Parent Company, from the latest 2025-2029 multi-year plan approved by the Board of Directors.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against the corresponding current tax liabilities.

Deferred tax assets

(amounts in thousands of euro)	Balance at 31/12/2023	Change in the scope of consolidation	Reversals/Uses	Allocations	OCI	Balance at 31/12/2024
Amortisation/ depreciation	13,624	3,185	(414)	2,928		19,324
Risk provisions	3,242	16	(776)	633		3,115
Provision for write-downs	21,932	2,349	(4,985)	3,885		23,182
Contributions received on connections	3,008		(106)	-		2,901
Write-down of fixed assets	3,976		(598)	1,678		5,057
Lease accounting	575	16	(16)	28		604
Reversal intangible assets	204		(2)	-		202
Fair value derivatives	(0)		-	-	1,407	1,407
Other	2,933	3,329	(1,298)	988		5,952
Higher tax value goodwill	3,518		(30)	21		3,509
Higher tax value assets under concession	5,647		(1,638)	1,212		5,221
TFR (employee severance indemnity)	722	(38)	(67)	1	(98)	519
Previous years' losses	3,370	1	(4,036)	1,509		845
Fixed assets	733		(81)			652
Productivity	1,265		(1,248)	1,982		1,998
Landfills	2,696		(758)			1,938
Fideuram Policy Write-downs	11		(11)			(0)
Provision for maintenance risks	226	3,417	619	40		4,303
Write-down of receivables fin.to	38		(2)			36
Provision for TIA credit risks			(45)	1,256		1,211
TARI tax				11		11
Interest from the Selvapiana land reclamation fund				3		3
Total deferred tax assets	67,721	12,276	-15,491	16,176	1,309	81,990

Deferred tax liabilities

(amounts in thousands of euro)	Balance at 31/12/2023	Change in the scope of consolidation	Reversals/Uses	Allocations	OCI	Balance at 31/12/2024
Dividends not collected	9		-	(7)		1
Amortised cost bond loans	(9)		-	9		0
Capital gains on assets under concession	2,150	11,521	(72)	(2,600)		10,999
Capital gains on intangible assets	44,014		(1,692)	(1,872)		40,450
Capital gains on property, plant and equipment	4,189	1,980	(492)	(106)		5,571
Other	715	18	(244)	238		727
Derivatives on commodities fair value	97		-		(84)	13
Fixed assets	1,081	271	(1,081)			271
Case Passerini landfill	1,659			284		1,943
Discounting of Selvapiana provision for risks			(4)			(4)
Total deferred tax liabilities	53,905	13,789	-3,585	-4,054	-84	59,971

It should be noted that in the financial statements schedules, deferred tax assets are shown net of deferred tax liabilities recognised in the parent company's financial statements, which amount to € 1,968 thousand.

14.10 Non-current and current derivative financial instrument assets

This item refers to the positive fair value of the following IRS derivative instruments:

Derivative financial instrument assets	Balance at 31.12.2024		Balance at 31.12.2023	
	Current assets	Non-current assets	Current assets	Non-current assets
Forward commodity contracts	1,446,260	57,409	1,976,488	414,470
	1,446,260	57,409	1,976,488	414,470

Current derivative assets amounted to € 1,445 thousand at 31 December 2024 and refer entirely to commodity futures contracts.

14.11 Non-Current Trade Receivables

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Receivables from customers beyond the financial year	254,861	552,091	-297,230
TOTAL	254,861	552,091	-297,230

This item includes trade receivables due more than 12 months after year-end as a result of payment plans agreed with counterparties.

14.12 Non-current assets from contracts with customers

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Non-current assets from contracts with customers	125,974,656	25,783,779	100,190,877
TOTAL	125,974,656	25,783,779	100,190,877

The item, which amounts to € 125,975 thousand (€ 25,784 thousand at 31 December 2023), includes the amount due by customers in connection with the Amm. tariff component for 2024 (€ 33.38 million) as well as receivables for tariff adjustments on revenues from the management of the integrated water service to be paid to Publiacqua S.p.A. (€ 93.95 million) associated with costs incurred.

14.13 Other Non-Current Assets

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
IRAP (ACE) credit	-	25,009	-25,009
Prepaid expenses	1,707,632	1,840,314	-132,682
Tax receivables beyond the financial year	662,614	461,433	201,181
Others	50,883	2,524,608	-2,473,724
TOTAL	2,421,129	4,851,363	-2,430,234

The item Tax receivables beyond the financial year includes € 601,947 for tax credits recognised by the subsidiary Revet S.p.A. for investments in tangible assets to serve the technological and digital transformation of companies according to the "Industry 4.0" model.

14.14 Inventories

The table below shows the changes in inventories:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Raw and ancillary materials, consumables	47,431,099	20,454,366	26,976,733
Work in progress and semi-finished products	-	7,498	-7,498
Finished products and goods	180,383	260,368	-79,985
TOTAL	47,611,482	20,722,231	26,889,251

Inventories primarily comprise:

- spare parts for the maintenance and operation of gas distribution plants for € 4,064,000 at 31 December 2024 (€ 5,385,000 at 31 December 2023), recorded at cost of acquisition or manufacture, including ancillary costs, which was lower than the market value;
- stored gas intended for supplies to final customers, measured at the lower value between the purchase cost including ancillary charges, and the estimated realisable value from the market trend for € 33,865,000 (€ 10,908,000 at 31 December 2023).
- Spare parts and equipment for the maintenance and operation of waste management plants for € 4,701 thousand (€ 4,091 thousand at 31 December 2023).
- Spare materials and equipment for the maintenance and operation of water plants for € 4,412 thousand

14.15 Trade receivables

The table below provides a breakdown of trade receivables:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Receivables from customers	682,503,067	645,724,449	36,778,619
Provision for write-downs	-117,069,297	-104,719,804	-12,349,493
TOTAL	565,433,771	541,004,645	24,429,126

The balance of trade receivables, of € 682,503 thousand, mainly refers to:

- receivables of the Parent Company for € 182,740 thousand mainly represented by receivables for invoices issued to municipalities for environmental hygiene services and receivables from users for TARIC invoices;
- receivables from customers for the supply of natural gas for € 377,631 thousand. Receivables include the provision for invoices to be issued, pertaining to the current and previous years, for estimated gas and electricity supplied to end customers and not yet invoiced as at 31 December.

Changes in the provision for bad debts are shown below:

Description	31/12/2023	Change in the scope of consolidation	Increases	Uses	31/12/2024
Provision for write-downs	104,719,803	15,416,150	21,308,024	24,374,681	117,069,297

Information on credit seniority is provided in the section 'Credit Risk'.

The provision for bad debts increased during the year mainly as a result of:

- the line-by-line consolidation of Publiacqua (increase of € 14,988 thousand at the date of acquisition of control, utilisations and provisions from 01.6.2024 to 31.12.2024 for € 2,048 thousand and € 2,216 thousand, respectively);
- the provision for receivables for the Tariffa Corrispettiva (TARIC) in the amount of € 5,966 thousand;
- the allocation and utilisation of the provision for write-downs established in consideration of the risk of uncollectability referred to trade receivables for the sale of gas and electricity to end customers for, respectively, € 11,836 thousand and € 21,278 thousand.

14.16 Current financial assets

The item, amounting to € 2,916 thousand (€ 5,697 thousand as of 31 December 2023), recorded a decrease of € 2,781 thousand due to the disposal, which took place in 2024, of the asset management products resulting from the merger by incorporation of Consiag in 2023.

14.17 Current tax assets

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Account for tax withholding incurred	114,384	60,191	54,193
IRES/IRAP credits	13,999,911	10,310,371	3,689,540
TOTAL	14,114,295	10,370,563	3,743,732

The balance as of 31 December 2024, equal to € 14,114 thousand is mainly composed of IRES and IRAP advances for amounts exceeding the debt calculated at year-end.

14.18 Other current assets

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Treasury VAT account	2,400,700	7,550,046	-5,149,346
Other receivables	96,537,512	69,789,527	26,747,985
Accrued income	427,512	21,878	405,634
Prepaid expenses	7,959,029	6,558,212	1,400,816
Account for tax withholding incurred	16,171	1,170,007	-1,153,836
Advance payment of methane tax	1,610,694	2,077,809	-467,115
Tax Credits	62,546	-	62,546
Receivables from the Energy Authority and GSE	36,441,712	34,997,372	1,444,340
UTIF	3,338,050	36,224,471	-32,886,421
Guarantee deposits	1,566,139	-	1,566,139
Receivables for invoices to be issued for contributions - water	11,005,410	-	11,005,410
TOTAL	161,365,474	158,389,322	2,976,152

The item Other Receivables recorded an increase of € 26,747 thousand mainly due to the combined effect of:

- Increase in credits deriving from the assignment of credit under Article 14, paragraphs 2-ter and 2-sexies of Decree Law No. 63/2013, relating to energy efficiency and building renovation works;
- decrease in receivables for settlement. In fact, the comparative balance as of 31.12.23 included significant credit positions for Group companies operating in the sale of natural gas with SNAM and natural gas shipper companies in relation to the mechanism for allocating gas volumes for the RDCs that are not equipped with a meter that allows for remote metering of consumption (so-called "settlement", governed at the regulatory level by ARERA Resolution 148/2019/R/gas - TISG). For these meters, annual consumption, based on the effective figures from the previous year, was much higher than that reflecting current consumption, as a result of lower thermal consumption policies and more savings-oriented user behaviour. This situation led to a much larger purchase of gas than the effective quantities used, with related financial advance payment, which will be regulated during the annual and multi-annual adjustment sessions.

The item also includes:

- Receivables for dividends for the year 2022 and 2023 still to be paid by Toscana Energia S.p.A. (€ 5,390 thousand);
- Receivables from the Region of Tuscany in the amount of € 13,373 thousand for the reimbursement of expenses incurred following the removal and disposal of waste for which Alia was appointed with ordinance No. 101 of 18 November 2023 by the President of the Region of Tuscany following the flood event of 2-3 November 2023 in certain municipalities of the Provinces of Florence, Prato and Pistoia;

The item "Receivables from the Energy Authority and GSE" regards the amounts due in application of the equalisation mechanism to the restriction of total distribution revenue for subsidiaries operating in the sector, and for contributions relative to reaching the energy saving targets.

The significant decrease in UTIF credits is mainly due to the difference between advances paid over the -year, determined on the basis of consumption in 2023, and the tax effectively debited to customers over the period, which is significantly higher compared to the end of the previous financial year.

14.19 Current derivative financial instrument assets

Please refer to Note 14.10

14.20 Cash and cash equivalents

As at 31 December 2024, the balances of the cash and cash equivalents items are shown in the following table:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Bank and postal current accounts	186,445,428	198,169,907	-11,724,479
Cash and valuables	338,298	33,573	304,725
	186,783,725	198,203,480	-11,419,755

The balance represents cash and cash equivalents at the end of the period.

14.21 Share capital

The share capital of Alia Servizi Ambientali SpA amounting to € 362,655,325 is composed of 362,655,325 ordinary shares with a value of € 1, fully subscribed and paid-in, of which 982,107 are treasury shares.

The share capital changed as follows during the year:

On 4 June 2024, the Municipality of Prato subscribed to a share capital increase in the amount of € 2,098,354 plus share premium, excluding option rights pursuant to Art. 2441 par. 4 of the Civil Code, through the contribution of shares amounting to 46.92% of the capital of GIDA S.p.A.

14.22 Shareholders' Equity

In the financial periods ended 31 December 2024 and 31 December 2023, shareholders' equity amounted to € 1,538,000 and € 1,237,000 respectively.

Financial year 2024

The change in the Group's equity at 31 December 2024 compared to 31 December 2023 is mainly due to:

- distribution of dividends to Shareholders (profit for the year 2024 and reserves) by the Parent Company (€ 20,355 thousand);
- Acquisition of non-controlling interests in Revet S.p.A., Programma Ambiente Apuane S.p.A. and Valdisieve Scrl as described in the section "Acquisition of additional interests in companies already controlled" (€ 12 thousand);
- result of the Group's comprehensive income statement (+€ 32,622,000).
- Increase in share capital and share premium reserve following the contribution of the majority stake in GIDA (+€ 6,312 thousand);
- other changes mainly related to the reversal of the reserve set up in 2023 to account for the option granted to the former shareholders of Publiservizi S.p.A. following the merger by incorporation of Publiservizi S.p.A., as a result of which Alia acquired, inter alia, 19.86% of Acque S.p.A. and 10.38% of Toscana Energia S.p.A. The option, which expired during the course of the year, gave the right to purchase these shareholdings at a predetermined price to be settled at their discretion, either i) in cash or ii) with the Alia shares acquired as a result of the Merger.

It should be noted that, in March 2025, following the elimination of distribution restrictions under certain loan agreements, the Parent Company distributed a dividend of € 12,645,000 as resolved by the Shareholders' Meeting of 21 May 2024.

The change in shareholders' equity attributable to non-controlling interests at 31 December 2024 compared to 31 December 2023 is mainly due to:

- decrease in reserves as a result of the acquisition of non-controlling interests in Revet S.p.A., Programma Ambiente Apuane S.p.A., Valdisieve Scrl and GIDA S.p.A. as described in the section "Acquisition of additional interests in companies already controlled" (€ 6,559 thousand);
- recognition of the reserves pertaining to third-party shareholders of Publiacqua as a result of its line-by-line consolidation, as described in the section "Acquisition of control of Publiacqua S.p.A." (€ 146,788 thousand);

- recognition of the reserves pertaining to GIDA's third-party shareholders as a result of its line by line consolidation, as described in the paragraph "Acquisition of control of GIDA S.p.A." (€ 6,065 thousand);
- recognition of reserves pertaining to third-party shareholders of Valdisieve as a result of its line-by-line consolidation, as described in the section 'Acquisition of Control of Valdisieve ScrI' (€ 9 thousand);
- result of the Group's comprehensive income statement related to Non-Controlling Interests (€ 22,190,000).

Financial year 2023

The change in the Group's equity at 31 December 2023 compared to 31 December 2022 is mainly due to:

- distribution of dividends to Shareholders (profit for the year 2023 and reserves) by the Parent Company (- € 28,000 thousand);
- acquisition of non-controlling interests in Revet S.p.A. and Toscana Op.Co S.p.A. (-€ 242 thousand);
- share capital increase and reserves from the merger by incorporation into Alia S.p.A. of Consiag S.p.A., Acque Toscane S.p.A. and Publiservizi S.p.A., net of the reduction of the reserve for the recording of the option granted to the former shareholders of Publiservizi S.p.A., for which reference should be made to the section commenting on other current liabilities (€ 508,994 thousand);
- increase in share capital and reserves following the contribution of 90.02% of the AER S.p.A. investment to Alia by the shareholder municipalities (€ 3,461 thousand);
- Purchase of treasury shares after certain shareholders exercised their rights to withdraw (- € 2,709 thousand)
- result of the Group's comprehensive income statement (+€ 36,356,000).

The change in shareholders' equity attributable to Non-Controlling Interests at 31 December 2023 compared to 31 December 2022 is mainly due to:

- decrease in reserves following the acquisition of non-controlling interests in Revet S.p.A. and Toscana Op.Co S.p.A;
- recognition of the reserves pertaining to Estra's minority shareholders due to its line-by-line consolidation (€ 302,867 thousand);
- recognition of reserves pertaining to minority shareholders of AER as a result of its line-by-line consolidation (€ 384 thousand);
- result of the Group's comprehensive income statement related to Non-Controlling Interests (€ 9,399,000).

Reconciliation of Profit/(Loss) for the Year and Shareholders' Equity of the Parent Company

Below is a reconciliation of the parent company's result for the year and shareholders' equity and the related consolidated figures as at 31 December 2024:

	Shareholders' equity as at 31/12/24	Profit (loss) as at 31/12/24
Balances as per parent company balance sheet	1,016,318,055	26,814,019
Equity/Earnings of Subsidiaries	962,275,399	51,330,966
Elimination of carrying amount of equity investments	(423,026,589)	
Allocation to non-controlling interests	(518,061,985)	(30,732,669)
Other Adjustments	(5,555,742)	(13,123,449)
Balances as per Alia Group Consolidated Financial Statements (Group share)	1,031,949,139	34,288,866
Allocation of non-controlling interests	506,387,523	24,932,666
Balances as per Alia Group Consolidated Financial Statements (Total)	1,538,336,661	59,221,532

non-controlling interests

	Minority shareholders' equity	Net result of non-controlling interests	Net non-controlling interests OCI result	Net result of non-controlling interests TOTAL
PROGRAMMA AMBIENTE APUANE SPA	117,706	-199,827		-199,827
REJET S.P.A.	20,004,767	1,314,249	-17,598.63	1,296,650
ESTRA GROUP	337,796,244	22,159,814	-2,821,972	19,337,841
PUBLIACQUA	148,468,792	1,658,432	25,398	1,683,831
GIDA	12	-1		-1
TOTAL	506,387,523	24,932,666	-2,814,172	22,118,494

14.23 Provisions for risks and charges

In the financial periods ended 31 December 2024 and 31 December 2023, the provisions for risks and charges amounted to € 84,881,000 and € 68,964,000 respectively.

The table below shows the composition of the item and the change that occurred in 2024:

	Provision for Landfill Risks	Other Provisions for Risks	Provision for Extraordinary Maintenance Risks (Ifric 12)	Plant dismantling provision	Total
Value as at 31/12/23	30,951,233	33,286,028	775,735	3,988,251	69,001,247
Provisions	36,485	14,799,907	137,256	631,917	15,605,565
Provision Adjustment	-2,321,543	-	-	-	-2,321,543
Interests	829,359	12,843	-	9,080	851,282
Uses	-410,693	-8,453,476	-48,234	-	-8,912,403
Surplus A Ce	-	-1,961,680	-	-	-1,961,680
Change in the scope of Consolidation	-	12,618,147	-	-	12,618,147
Value as at 31/12/24	29,084,840	50,301,768	864,758	4,629,248	84,880,615

The balance at the end of the year mainly comprises:

- **Post-closure landfill provision** of € 29,085 thousand: this represents the amount set aside to meet the costs that will be incurred to manage the closure and post-closure period of the landfills currently under management. Future disbursements, calculated for each landfill from a specific appraisal, prepared by an independent third party expert, were discounted in accordance with IAS 37. Increases in the provision include the financial component inferred from the discounting process and allocations made due to changes in assumptions on future outlays following the revision of appraisal estimates on both landfills currently in use and those already exhausted. Utilisations represent actual outlays during the year. In addition, the potential impact on post-disposal funds in terms of increase, as a result of a hypothetical decrease of 50 b.p. in discount rates, would be + € 7,950 thousand. On the other hand, the potential impact on the Fund in terms of increase, as a result of a hypothetical 50 b.p. increase in interest rates, would be about +€ 7,144 thousand. Finally, the potential effect on post-disposal funds in terms of an increase as a result of a hypothetical 5% increase in expected future disbursements would be € 1,454 thousand.
- **Provisions for Other Risks** amounting to € 50,302 thousand. This item includes provisions for risks related to pending litigation. This provision also includes litigation and legal defence expenses (€ 4,798 thousand) and is allocated on the basis of the best estimate at year-end of the risk of charges and obligations for outstanding litigation related to Group companies. Given that the time period to resolve the disputes cannot be reasonably predicted, the Group has not discounted the item.

The provision for the year is mainly related to the following risks:

- the risk of interest payable that the Group may have to pay for delayed payment of payable items subject to dispute, in the event of losing the dispute (€ 710 thousand);
- on 12 January 2024, an inspection of Estra Energie began, requested by the Enasarco Foundation, in order to check the completeness of payments to the body in charge of managing indemnities and termination benefits for sales agents. On 20 November 2024, the company received the final inspection report reporting a request for contribution payments, in terms of missing contributions to the agents' supplementary fund for about € 755 thousand, plus penalties of around € 295 thousand. With reference to the supplementary fund, the Foundation requested payments in terms of FIRR of about € 272 thousand, to which late payment interest of about € 40 thousand was added. The total amount of the requested payments therefore came to € 1,362 thousand, and consequently the aforementioned amount was set aside in financial years 2023 and 2024. The aforementioned request was the subject of a legal appeal brought by the company through its appointed external lawyer. The appeal was filed on 17 December 2024. On 17 January 2025, the company, having also obtained an external legal opinion, made payment of the full amount, subject to repayment within the time limit set by Enasarco. This is to avoid the increase of the amount requested in terms of penalties and interest, should the legal appeal see Estra Energie losing even partially.
- At present, as the 90-day deadline for a possible reply by Enasarco to the appeal filed by Estra Energie S.r.l. has elapsed, the company is in the process of preparing a specific legal appeal to be filed with the ordinary courts. Once this appeal has been filed, the company will be able to begin a civil lawsuit in order to be able to argue before the judge the aforementioned sanctions imposed by Fondazione Enasarco;
- risks totalling € 677 thousand, with reference to two different situations for which the company aims to settle the claims. Both out-of-court and in-court proceedings are at an early stage.

Also included in the item Other Provisions for Risks are *i)* risks connected to the performance of the energy efficiency bond market, considering the residual amount of bonds which must be purchased for the year and the most recent available estimate of the contribution that the Authority will recognise *ii)* risks connected to energy production plants using renewable sources, technological equipment for telecommunications and penalties relating to gas distribution activities.

- Provision for restoration and replacement of € 865 thousand. This item is recognised in order to meet future possible extraordinary cyclical maintenance on plants.
- Provision for plant decommissioning: this item is recognised against the estimated cost of dismantling and removal and the cost of environmental restoration at the end of the life of the anaerobic digestion plant site at the Casa Sartori Pole, under construction. The estimate, prepared by an independent third party expert, was discounted in accordance with IAS 16. The provision also relates to the concession relationship between the subsidiaries Caviglia and Tegolaia and the grantor municipality, accounted for in accordance with IAS 17.50 as a sale and leaseback transaction (IAS 17.59).

The change in the scope of consolidation mainly refers to provisions for risks on tariff adjustments, legal disputes, and contractual risks of the subsidiary Publicacqua S.p.A., including the dispute with AGCM, described in the section 'Main Current Litigation'

14.24 Employee severance indemnity and other benefits

The employee severance indemnity [TFR] provided for in Art. 2120 of the Italian Civil Code, from the point of view of recognition in the financial statements, qualifies as a defined benefit pension plans, and as such, is treated according to IAS 19, which requires the measurement of the relevant liability based on actuarial criteria.

The table below shows the changes during 2024 to the obligations for defined benefits and the fair value of the plan's assets:

DESCRIPTION	TFR (Employee severance indemnity)
VALUE AS AT 31/12/2023	20,135,298
Change in the scope of consolidation	4,629,056
Provisions	2,016,111
Uses	-2,863,672
Other Changes	-1,434,245
Actuarial (gains)/losses	-409,565
Interest Cost	665,757
Service Cost	2,763
VALUE AS AT 31/12/2024	22,741,501

In the OCI section, the actuarial component relating to employee severance indemnities and the related deferred tax is shown.

The main assumptions are summarised in the table below:

Summary of the Economic Technical Basis

	Year ended 31 December 2024	Year ended 31 December 2023
Annual discount rate	3.18%-3.38%	3.08%-3.17%
Annual inflation rate	2.00%	2.00%
Annual severance indemnity increase rate	3.00%	3.00%

The discount rate used to determine the current extent of the obligation was taken from the Iboxx Corporate AA Index over 7-10 and 10+ years recorded at the assessment date, in accordance with paragraph 83 of IAS 19. In this respect, the yield was chosen with a term that was comparable to the duration of the workers collective agreement under valuation.

Summary of the Demographic Technical Basis

Death	ISTAT 2022
Disability	National Pension Fund [INPS] table according to age and gender
Pension	100% on reaching mandatory general insurance [AGO] requirements

Annual frequency of Turnover and early retirement

Early retirement frequency	Turnover frequency
1.00% - 1.21%	0.50% - 1.00%

14.25 Non-current financial liabilities and current

The table below provides a breakdown of current and non-current financial liabilities for the years 2024 and 2023. In the years ended 31 December 2024 and 31 December 2023, loans amounted to € 1,023,665 thousand and € 870,631 thousand, respectively.

Description	Balance at 31/12/2024			Balance at 31/12/2023			Changes
	Within 12 months (Current)	Over 12 months (Non-current)	Total	Within 12 months (Current)	Over 12 months (Non-current)	Total	
Bond loans	7,082,967	237,043,416	244,126,383	5,000,100	235,938,429	240,938,529	3,187,854
Payables to credit institutions	486,961,090	255,183,178	742,144,267	236,845,811	360,588,481	597,434,292	144,709,975
Payables to other lenders	3,217,698	973,343	4,191,041	3,349,403	1,089,208	4,438,611	-247,570
Total Financial Liabilities	497,261,755	493,199,937	990,461,692	245,195,314	597,616,118	842,811,432	147,650,260
Financial liabilities for rights of use	6,630,626	26,573,025	33,203,651	5,818,767	22,001,082	27,819,849	5,383,802
Total financial liabilities for rights of use	6,630,626	26,573,025	33,203,651	5,818,767	22,001,082	27,819,849	5,383,802
TOTAL	503,892,380	519,772,962	1,023,665,343	251,014,081	619,617,200	870,631,281	153,034,062

Amounts due to credit institutions within 12 months include:

- the current portion of medium- and long-term loans (€ 240,894 thousand),
- the portions within and beyond 12 months of GIDA SpA's medium/long-term loans classified as short-term in accordance with IAS 1 due to non-compliance with financial parameters at year-end, which gives the credit institutions the right to call in the amounts disbursed in advance (€ 12,388 thousand);
- bank advances also from the assignment "without recourse" of receivables and other short-term bank debts (€ 232,482 thousand).

Changes in financial liabilities for bonds and medium/long-term bank loans are shown below:

Amounts in Euro	31/12/2023	Change in the scope of consolidation	Amounts provided New amounts	Repayments	Application of amortised cost	31/12/2024
Bonds	240,938,529	600,000	-	(100,000)	726,209	242,164,738
Loans	568,111,445	170,398,478	71,026,133	(286,016,630)	1,530,713	525,050,139
Leases	31,332,921	1,858,963	11,193,375	(7,551,547)	(374,421)	36,459,291
Total	840,382,896	172,857,440	82,219,508	(293,668,177)	1,882,501	803,674,168

In particular, we highlight the taking out, on 22 May 2024, by Estra S.p.A. of a loan in the amount of € 25,000 thousand to cover the more general financing needs arising from the management of the group's business activities, maturing on 30 June 2026 and the drawing down of the Capex Line by the Parent during the year in the amount of € 18,611 thousand.

The table below shows the carrying amount at 31 December 2024 and 31 December 2023 for each bond loan issued:

(amounts in thousands of euro)	Year ended 31 December	
	2024	2023
BOND EUPP 2017-2023	5,000	5,000
BOND EUPP 2022-2028	89,832	89,740
BOND EUPP 2022-2027	78,004	77,380
BOND USPP 2022-2029	68,994	68,819
BOND CRP Foundation 2021-2027	500	0
Bonds	242,331	240,939

The bonds outstanding as at 31 December 2024 consisted of:

- An unsecured non-convertible bond issued by the Parent Company on 9 March 2017 with a nominal value of € 50,000,000; its residual value as of 31/12/2024 is € 5,000,100. The original term was seven years with an effective interest rate of 2.7%. As of the year 2021, the repayment of the loan began; as of the date of preparation of this document, the value of the units repaid by the company was € 44,999,900, of which

€ 29,999,900 related to the partial repurchase made on 22 April 2022. On 29/02/2024, following the bondholders' meeting, the maturity date of the loan was extended to 9 September 2025. The interest rate to be paid to the bondholder for the period 09/03/2024 - 09/09/2025 increases from 2.7% to 5.6%. The loan is listed on Euronext Dublin (formerly the Irish Stock Exchange);

- A bond loan issued by the Parent Company on 23 February 2022 for a nominal value of € 90,000,000 (senior unsecured and unrated, non-convertible), with a term of 6 years, and a variable interest rate equal to 6-month Euribor plus a spread of 2.60% ('Bond 2022'). The interest coupon is semi-annual and repayment will be in one lump sum at maturity (23 February 2028). The loan is listed on Euronext Dublin (formerly the Irish Stock Exchange);
- A non-convertible unsecured bond loan for € 80,000,000, issued by Estra S.p.A., represented by bonds listed on the regulated market managed by the Irish Stock Exchange, where the relative prospectus has been filed, issued on 14 April 2022.
The loan is guaranteed by the subsidiary Centria S.r.l., entirely subscribed by institutional investors outside of the United States of America. Bonds, issued at a price of 98.509% of nominal value, are unrated, have a duration of 5 years and a fixed coupon of 3.050%
- A non-convertible unsecured senior bond, issued by Estra S.p.A., placed with American institutional investors (so-called "US Private Placement"), issued on 15 September 2022 for the amount of € 70,000,000. The bonds, issued at par and with a duration of 7 years, admitted to trading on the non-regulated market of the Wiener Börse AG, have a fixed coupon of 4.20% and will be repaid at par in a single tranche at the maturity date.
The issue is part of an uncommitted issue programme of bonds that can be subscribed by the Pricoa Group ("Private Shelf Facility") up to US\$ 125,000,000, with a 3-year duration.
- Ordinary non-convertible bond loan issued and fully subscribed by Cassa di Risparmio di Prato, with a nominal value of € 1,000,000, issued at par, bearing interest at a fixed rate of 4.25% per annum, maturing on 28 February 2027, arising from the consolidation of GIDA S.p.A.

All issues were aimed at the partial repayment of existing debt as well as support for the Group's investment plan, and pursue a strategy of diversification and improvement of the Group's indebtedness, by extending its average duration.

The Group's main financing is represented by:

- A Capex line granted to the Parent Company on 22 April 2022 by a pool of banks in the amount of € 135,000,000 with a two-year availability period. It has a term of 5 years and a variable interest rate equal to the 6-month Euribor plus a spread of 2.40%. Amortisation of the loan started in May 2024 and concerns 20% of the value of the drawn amounts; the remaining 80% will be repaid in one instalment at maturity (22 April 2027). On 29 April 2022, the company performed the first drawdown of the line, for € 46,389,000. As at 31 December 2024, the total amount drawn was € 135,000,000. During 2024, 2 tranches were requested and received totalling € 18,610,777. In October 2024, the first instalment of € 5,400,000 was repaid, in line with the amortisation plan. As at 31 December 2024, the residual value of the loan was € 129,600,000.
The liquidity from the issuing of the bond(s) and from the signing of the Capex line contract is mainly intended to finance the planned investments to transform the services under the 20-year concession.

In line with the market for this type of instrument, the contractual terms and conditions of certain bank loans and bond loans contain provisions entitling the counterparties, whether banks or bondholders, to demand immediate repayment of the loaned sums from the borrower upon the occurrence of certain events. In this regard, please refer to the section in the notes entitled "Default Risk and Covenants".

With reference to medium/long-term financial debt, note that as part of the important financing transaction finalised jointly by Alia and Estra on 11 February 2025 and described in the section on significant events after the reporting period, to which the reader is referred, the Group repaid the following loans in advance:

- the loan agreement signed by Estra, Estra Energie and Prometeo with the pool of banks consisting of Banca Nazionale del Lavoro, Intesa Sanpaolo and Credit Agricole Italia for an initial € 125,000 thousand and residual debt at 31 December 2024 of € 32,143 thousand;

- the loan agreement signed between Estra and Estra Energie with Banca MPS for an initial € 80,000 thousand and residual debt at 31 December 2024 of € 40,000 thousand;
- the USPP bond issued by Estra on 14 September 2022 for an initial and residual amount of € 70,000 thousand at 31/12/2024, guaranteed by Centria and Estra Clima and listed on the Vienna Stock Exchange;
- the Italian bond loan for an initial and residual amount of € 90,000 thousand at 31/12/2024, listed on Euronext Dublin, issued on 23 February 2022 by the Parent Company;
- the loan agreement signed on 22 April 2022 between Alia and a pool of primary banks for an initial amount of € 135,000 thousand and residual debt as of 31 December 2024 of € 129,600 thousand.

14.26 Other non-current liabilities

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Provincial Tax	585,562	508,075	77,488
Other payables	3,812,821	1,020,576	2,792,245
Guarantee deposits	24,877,930	270,610	24,607,321
Deferred income beyond the financial year	99,586,735	10,750,542	88,732,079
TOTAL	128,863,048	12,549,802	116,209,132

Deferred income relates to portions of contributions for plants received and pertaining to future years. The increase over the previous year is mainly due to the change in the scope of consolidation

14.27 Non-current trade payables

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Payables to suppliers beyond the financial year	4,233,333	4,233,333	-
TOTAL	4,233,333	4,233,333	-

14.28 Non-current and current contractual liabilities

At 31 December 2024 non-current and current contractual liabilities amounted to € 27,175 thousand and € 1,019,000 respectively (€ 26,743 thousand and € 1,220 thousand at 31 December 2023) and are mainly connected with contributions received by users for gas connections, booked to the income statement pro-rata temporis along the period of amortisation of the related investments.

14.29 Trade payables

The total and details of trade payables are shown below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Payables to suppliers	450,608,590	414,962,107	35,646,483
Payables to associated companies	13,603,880	1,701,286	11,902,594
Payables to companies controlled by parent companies	33,442	70,686	-37,244
Sundry payables	9,301,654	22,454	9,279,201
Advances	228,572	55	228,517
Payables to parent companies	794	38,504	-37,709
TOTAL	473,776,934	416,795,092	56,981,842

The balance of € 473,777 thousand mainly includes trade payables to third-party suppliers in the amount of € 450,609 thousand.

14.30 Current tax liabilities

Current tax liabilities are detailed in the table below:

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
IRES tax payables	1,382,890	15,616,938	-14,234,048
IRAP tax payables	11,581,945	2,900,908	8,681,037
Other tax liabilities	2,551	12	2,539
TOTAL	12,967,386	18,517,858	-5,550,472

The debt positions shown above refer to the Group's tax liabilities due in the next financial year.

14.31 Other current liabilities

	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Treasury VAT account	3,281,164	8,753,225	-5,472,061
Other payables	56,805,856	156,399,060	-99,593,204
Accrued expenses	1,045,938	754,981	290,958
Deferred income	18,610,160	3,012,608	15,597,552
Deferred VAT, customers	776	776	-
Tax withholding account	183,200	139,916	43,284
Irpef account employees	5,225,476	4,106,604	1,118,872
Payables to social security and insurance institutions Social	10,691,821	8,069,029	2,622,791
TFR substitute tax payables	-27,634	-25,176	-2,457
Eco-tax	-	28,692	-28,692
Payables to the Municipality of Florence	4,588	5,084	-496
Guarantee deposits	30,932,718	33,951,001	-3,018,283
Payables to Energy and Environmental Services Fund [CSEA]	13,283,537	4,994,559	8,288,978
Payables to municipalities for concessions - water	2,055,676	-	2,055,676
TOTAL	142,093,277	220,190,359	-78,097,082

The comparative balance as of 31/12/2023 of the item "Other payables" included the payable recognised in reference to the option granted to the former shareholders of Publiservizi S.p.A. for € 125,981 thousand, following the merger by incorporation of Publiservizi S.p.A., as a result of which Alia acquired, inter alia, 19.86% of Acque S.p.A. and 10.38% of Toscana Energia S.p.A.

The option, exercisable until 30 April 2024, gave the right to purchase these equity investments at a predefined price to be settled at their discretion, alternatively *i)* in cash or *ii)* with the Alia shares acquired as a result of the Merger. Following the non-exercise of the option, the current liability - recorded with a balancing entry in an equity reserve - was reversed in the year 2024.

The item other payables includes € 8,902 thousand in payables to employees for holidays to be taken.

The debt positions shown above refer to tax and social security liabilities paid by the Group in the following year. The payable due to the Municipality of Florence refers to payments for waste tax, received from users as accounting agents and paid back in the following year.

14.32 Current and non-current derivative financial instruments

Derivative instruments included in other current financial liabilities are made up as follows:

Payable derivative financial instruments	Balance at 31.12.2024		Balance at 31.12.2023	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Forward commodity contracts	2,235,578		1,026,434	
Cash Flow Hedge Commodity Swaps	6,211,996			
	8,447,574	-	1,026,434	-

Forward contracts (to buy or sell) envisage the physical delivery of gas during future years, used in the gas trading activity. These financial instruments are measured at fair value at the reporting date with recording of the effects in the income statement under "Raw materials, ancillary materials and goods" with a separate disclosure in the explanatory notes.

Forward contracts used for gas sales and entered into to optimise the company's own procurement and sales portfolio do not fall within the scope of application of IFRS 9 (so-called "own use"). These contracts are recognised at the time of the physical delivery of the underlying commodity.

Commodity Swaps do not envisage the physical exchange of gas, but are entered into to hedge price indices for volumes sold, in order to limit price risk deriving from specific gas purchase transactions at a fixed price and resale at a variable price (or vice versa) at different times. This category includes derivatives entered into in the context of trading activity and derivatives in the context of gas sales that do not meet the conditions required by IFRS 9 (including formal conditions), to qualify as hedges.

15 OTHER INFORMATIONS

Fair value hierarchy

In relation to financial instruments recognised in the statement of financial position at fair value, IFRS 7 requires that these values be classified according to a hierarchy of levels that reflects the significance of the inputs used in determining fair value.

The following levels are distinguished:

- Level 1 - prices recorded in an active market for assets or liabilities subject to measurement;
- Level 2 - inputs other than the listed prices referred to in the previous point, which are observable directly (prices) or indirectly (derived from prices) in the market;
- Level 3 - inputs that are not based on observable market data. The 'Assets measured at fair value' referred to in the table above fall in this level.

Breakdown of financial instruments by measurement category

Below is a reconciliation between the classes of financial assets and liabilities as identified in the statement of financial position and the types of financial assets and liabilities identified on the basis of the requirements of the international accounting standard IFRS 7 adopted in these Financial Statements.

(In € units)	Financial assets/liabilities measured at fair value	Assets measured at amortised cost	Liabilities valued at amortised cost	Total
CURRENT ASSETS				
Trade receivables		565,433,771		565,433,771
Current assets from contracts with customers		26,288,548		26,288,548
Other current assets		161,365,474		161,365,474
Current derivative financial instrument assets	1,446,260			1,446,260
Cash and cash equivalents		186,783,725		186,783,725

<i>(In € units)</i>	Financial assets/liabilities measured at fair value	Assets measured at amortised cost	Liabilities valued at amortised cost	Total
NON-CURRENT ASSETS				
Non-current financial assets		20,131,551		20,131,551
Non-current trade receivables		94,209,840		94,209,840
Non-current assets from contracts with customers		32,019,677		32,019,677
Other equity investments	9,071,455			9,071,455
Non-current derivative financial instrument assets	57,409			57,409
Other Non-Current Assets		2,421,129		2,421,129
CURRENT LIABILITIES				
Current financial liabilities			497,261,755	497,261,755
Current financial liabilities for rights of use			6,630,626	6,630,626
Trade payables			473,776,934	473,776,934
Other current liabilities			142,093,277	142,093,277
Current derivative financial instrument liabilities	8,447,574			8,447,574
Current contractual liabilities			1,018,869	1,018,869
NON-CURRENT LIABILITIES				
Non-current financial liabilities			493,199,937	493,199,937
Financial liabilities for non-current rights of use			26,573,025	26,573,025
Non-current trade payables			4,233,333	4,233,333
Other non-current liabilities			128,863,048	128,863,048
Non-current contractual liabilities			27,175,444	27,175,444

As of 31 December 2024, there were no financial instruments measured at fair value, with the exception of other equity investments and derivative instruments. Trade receivables and payables were measured at the carrying amount, which was deemed to approximate fair value.

For the fair value measurement of derivative instruments, the Group uses internal assessment models, generally used in financial practice, on the basis of prices provided by market participants or prices recorded on active markets by leading infoproducers.

To determine the fair value of derivatives on commodity rates or prices, a pricing model is used based on the market forward curve at the reporting date, when the underlying of the derivative is traded on markets that present official and liquid forward price listings. In the case that the market does not present forward listings, provisional price curves are used, based on internal evaluation techniques.

In so far as non-performance risk is concerned, i.e. the risk that one of the parties may not honour their contractual obligations due to a possible default before the derivative's due date, both in respect of counterparty risk (Credit Value Adjustment: CVA), and own non-performance risk (Debt Risk Adjustment: DVA) any adjustments are not deemed significant, in consideration of the type of derivative instruments in the portfolio (represented exclusively by buy or sell short-term forward commodity contracts and financial derivatives with primary credit institutions) and the ratings of both the counterparties with whom the contracts were entered into and the Group.

The Group is not offsetting financial instruments as per IAS 32 and has no significant offsetting agreements. There were no changes in the valuation methods used compared to previous years, nor transfers from one level to another in the hierarchy of assets or liabilities measured at fair value.

15.1 Earnings per share

As required by IAS 33, information is provided on the data used to calculate the net result and result from operating activities per share and diluted. The basic result per share is calculated by dividing the economic

result for the period, profit or loss, attributable the Parent Company shareholders by the average weighted number of shares in circulation during the reference period. There were no diluted effects of the result per share in two years.

The values used to calculate the result per basic share are shown below.

	31/12/2024	31/12/2023
Net income pertinent to Parent Company shareholders (thousands of Euro)	34,289	36,853
- Operating activities	34,289	36,853
- Assets held for sale		
Average number ordinary shares in circulation in period	361,673,218	359,574,864
Basic earnings per share (Euro)	0.09	0.10

Earnings per share in 2024 came to 0.09.

In this regard we can note that the 982,107 treasury shares held by the Parent Company were excluded from the calculation.

15.2 Guarantees and undertakings

Guarantee Type	Nominal Guarantee Amount (amounts in €/thousand)
Guarantee issued by Intesa San Paolo S.p.A. in favour of the Municipality of Montespertoli for mitigation and restoration works on the Casa Sartori Landfill	150
Letter of patronage issued by Banca di Cambiano in favour of Vetro Revet	3,655
Guarantee issued by Banca di Cambiano in favour of Sistema Ambiente for the awarding of a tender	696
Guarantee issued to Unicredit in favour of Blugas Infrastrutture S.r.l. for funding	250
Guarantee issued to the Tuscany Region in favour of Bisenzio Ambiente S.r.l. in terms of DGRT no. 743 of 6 August 2012	2,357
Sureties issued to the Tax/Customs Authorities for tax refunds	3,522
Sureties to other parties	451
Guarantees issued on behalf of local entities for work or concessions relating to the use of public land	9,508
Guarantee issued to Banca Monte dei Paschi di Siena on a loan with first mortgage on company-owned property	1,000
Guarantee issued to Banca Monte dei Paschi di Siena on a loan with a grade II mortgage on property owned by the company	14,000
- Bank or insurance sureties issued, for the management of the integrated water service - Sureties issued for the management of purification plants, requested by the provinces involved - Sureties issued for interventions in the territory requested by municipalities, provinces, ANAS	45,600

15.3 Objectives and criteria for financial risk management

The Group's main financial liabilities, other than derivatives, include bank loans and funding, bond loans, trade payables, various payables and financial guarantees. The main objective of these liabilities is to fund the Group's operating activities. The Group has trade receivables and other commercial and non-commercial receivables, cash and cash equivalents and short-term deposits, originating directly from operating activities. The Group also enters into derivative contracts.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's Management is assigned the management of these risks. The Group has also initiated the process to define an integrated risk management model, based on internationally recognised standards in the context of Enterprise Risk Management (ERM), developed according to the reference model generally accepted at international level in the area of internal audit, issued by the Committee of Sponsoring Organizations of the Treadway Commission (known as the CoSO Report).

This ERM Model also aims to support Management so that activities involving financial risk are governed by appropriate company policies and adequate procedures, and that financial risks are identified, measured and managed in accordance with the Group's policies and procedures.

15.3.1 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows for a financial instrument will alter due to changes in the market interest rates. The Group's exposure to changes in market interest rates is related firstly to long-term debt with variable interest rates.

The Group manages its interest rate risk based on a balanced portfolio of loans and funding at fixed and variable interest rates by subscribing to interest rate swaps (IRS), where at defined intervals, the Group agrees to swap the difference on the amount between the fixed and variable rate, calculated with reference to an agreed notional capital amount. These swaps are designated to hedge the underlying debt.

As at 31 December 2024, after taking into account the effect of IRS, approximately 24% of the Group's medium- and long-term bonds and bank loans were fixed-rate. In particular, the longest duration loans (bond maturing in 2027 and USSP) are fixed-rate loans

15.3.2 Credit Risk

Credit risk is the risk that a counterparty will not fulfil its obligations associated with a financial instrument or commercial contract, thereby resulting in a financial loss. The Group is exposed to credit risk deriving from its operating activities (particularly, trade receivables deriving from the sale of gas and electricity) and its financial assets, including deposits held at banks and financial institutions.

Trade receivables

The risk for trade receivables is managed on the basis of policies set by the Group and according to the procedures and controls for credit risk management.

Over time the Group has improved its control over credit risk by strengthening its monitoring and reporting procedures, in order to implement countermeasures to be adopted for causes identified as soon as possible. To control credit risk, with regard to the portfolio existing at the reporting date, which is deemed to be the maximum exposure for the Group, methodologies have been defined to monitor and manage receivables as well as defining strategies to limit credit exposure, such as customer credit checks at the time of acquisition through credit rating analysis to limit insolvency risk, the assignment of receivables of terminated customers to external credit collection services and the management of legal action on receivables associated with services provided, recourse to insurance cover and obtaining guarantees from customers.

An analysis is done at each reporting date, as to whether write-downs are required in respect of the more significant customers. Furthermore, for most of the minor credits, grouped into similar categories, an evaluation is also done as to whether to reduce the total value. The calculation is based on historic data. The maximum exposure to credit risk at the reporting date is the carrying amount for each financial asset class shown in the note Trade receivables.

Further information on accounting estimates can be found in the section "Provisions for risks and write-downs".

The table below provides details on gross trade receivables and relevant provision for write-downs at 31 December 2024 and 2023:

	Balance at 31/12/2024		Balance at 31/12/2023	
Receivables from customers	682,503,067	100%	645,724,449	100%
Provision for write-downs	-117,069,297	-17%	-104,719,804	-16%
TOTAL	565,433,771	83%	541,004,645	84%

The following table provides a breakdown of gross trade receivables by seniority bracket as at 31 December 2024

Trade receivables as at 31.12.2024	DUE			NOT YET DUE
	0-30	31-90	Over 90	
682,503,067	31,860,442	21,922,518	85,844,393	542,875,714

Financial instruments and bank deposits

Credit risk related to relationships with banks and financial institutions is closely monitored. The investment of available funds is only undertaken with approved counterparties and within defined limits so as to minimise the concentration of risk, and consequently mitigate any financial loss generated by the counterparty's potential bankruptcy. The Group's maximum exposure to credit risk in respect of the items in the balance sheet at 31 December 2024 are the carrying amounts shown in the Note Financial instruments and measurement at fair value, with the exception of financial guarantees.

15.3.3 Liquidity Risk

The Group's objective is to maintain a balance between continuity in the availability of funds and flexibility in use, by adopting financial instruments such as bank overdrafts, bank loans, bonds, financial leases and rental and purchasing contracts.

The current and forecast financial situation is constantly monitored, as is the availability of adequate credit. The accounts held by the Group with the main Italian and International Banks make it possible to identify the most suitable types of loans and the best market conditions.

The table below shows an analysis of due dates based on the non-discounted refund obligations in terms of contracts as they relate to bond loans, medium/long-term bank loans and existing leases as at 31 December 2024.

(amounts in Euros)	Total cash flow	CF < 1 Y	1 Y < CF < 2 Y	2 Y < CF < 5 Y	CF > 5 Y
Bond loans	245,500,100	5,200,100	200,000	240,100,000	-
Bank loans	542,404,701	227,837,305	113,298,746	151,252,397	16,253
Leases	36,487,649	9,284,562	8,895,022	10,428,519	7,879,546
Total	824,392,450	292,321,967	122,393,769	401,780,916	7,895,799

The Group ended financial year 2024 with a liquidity position of € 187 million, and also had short-term credit lines granted by leading banks in the form of bank advances, advances on trade receivables or supplier maturities.

The Group's liquidity, also to support debt repayment, increased significantly at the beginning of financial year 2025, following the completion of the important joint financing transaction between Alia and Estra, described in the section on significant events after the reporting period, through which the Group also provided for the early repayment of part of the loan outstanding at the end of the financial year, with the consequent extension of the duration of the debt.

In the scenario in which a temporary contraction of liquidity should occur due to the lengthening of the time required to collect fees from customers/users, management will activate the available levers to safeguard the Company's financial structure and the commitments undertaken (including compliance with the financial

parameters envisaged in the financing agreements in place), including rescheduling of non-strategic investments.

15.3.4 Default risk and covenants

The Group has bank loans and bond loans in place, where according to the type of instrument in line with the market, contract conditions entitle counterparties (whether banks or bondholders) to request the immediate repayment of the amounts loaned from the debtor, should specific events arise.

These contract conditions usually envisage in favour of bondholders/credit institutions, that control may not be changed and financial parameters need to be complied with, such as the net financial debt/EBITDA ratio, net financial debt/RAB ratio, net financial debt/shareholders' equity ratio and EBITDA/financial expense.

The composition of net financial debt at 31 December 2024 and 2023 is shown below. This derives from the consolidated financial statements for the years ended on the same dates, in compliance with the Guidelines on disclosure obligations pursuant to Regulation EU 2017/1129 (so-called "Prospectus Regulation"), published on 4 March 2021 by the European Securities and Market Authority (ESMA):

Financial debt		31/12/2024	31/12/2023
	(amounts in Euros)		
A.	Cash and cash equivalents	186,783,725	198,203,480
B.	Cash equivalents		
C.	Other current financial assets	2,650,305	7,316,166
	- <i>current derivative financial instruments</i>	1,446,260	1,976,488
	- <i>Receivables from banks</i>	1,204,045	1,230,715
	- <i>Other current financial assets</i>		4,108,963
D.	Cash and cash equivalents (A) + (B) + (C)	189,434,030	205,519,647
E.	Current financial payables (including debt instruments, but excluding the current portion of non-current financial debt)	253,409,837	49,142,626
	- <i>current financial debt</i>	54,965,481	10,297,426
	- <i>current derivative financial instruments</i>	8,447,574	1,026,434
	- <i>bank debts</i>	178,078,943	27,000,000
	- <i>bonds issued</i>	5,287,213	5,000,000
	- <i>payables to other lenders for financial leases</i>	474,544	456,130
	- <i>payables to other lenders for operating leases</i>	6,156,081	5,362,637
F.	Current portion of non-current financial debt	258,930,118	202,897,788
	- <i>bank debts</i>	258,884,487	202,668,299
	- <i>payables to other lenders</i>	45,632	229,489
G.	Current financial debt (E) + (F)	512,339,955	252,040,414
H.	Net current financial debt (G) - (D)	322,905,924	46,520,767
I.	Non-current financial debt (excluding the current portion and debt instruments)	285,922,771	383,678,771
	- <i>non-current bank debts</i>	255,183,178	360,588,481
	- <i>payables to other lenders for financial leases</i>	3,193,225	3,741,650
	- <i>payables to other lenders for operating leases</i>	23,379,800	18,259,432
	- <i>payables to other lenders</i>	973,343	1,089,208
J.	Debt instruments	237,043,416	235,938,429
	Bonds issued	237,043,416	235,938,429
K.	Trade payables and other non-current debt	4,233,333	4,233,333
L.	Non-current financial debt (I) + (J) + (K)	524,006,295	623,850,533
O.	Total financial debt (H) + (L)	846,912,220	670,371,300

As at 31 December 2024, net financial debt amounted to € 849 million, worsening by € 177 million compared to 31 December 2023, mainly due to the change in the scope of consolidation.

There is also a lower level of liquidity and higher short-term exposure than at the end of the previous year.

It should be noted that the Group has bank loans and bond loans in place, where according to the type of instrument in line with the market, contract conditions entitle counterparties (whether banks or bondholders) to request the immediate repayment of the amounts loaned from the debtor, should specific events arise.

In particular, the settlement of bond loans requires:

- undertakings by the Group, including in particular, a negative pledge, whereby the Group undertakes not to create, or allow the creation, whether partial or total, of any constraints on its present or future assets or revenue;
- non-performance in line with market practice for similar types of transactions. With specific reference to the latter, it should be noted, by way of example, *inter alia*:
 - a) non-performance of the obligations arising from convictions, on condition that predetermined relevance threshold are exceeded;
 - b) disposal and/or company restructuring operations (including, cases of winding-down and liquidation and the termination, be it total or a substantial portion of its business) not falling within the scope of those defined as permitted, as well as the winding down or liquidation of the Group or its subsidiaries defined as being relevant;
 - c) change in the control structure, in respect of which, following the notice for bondholders to exercise the put option, the Group must fully (and not partly) reimburse whatever forms the subject of the put option at the bonds' nominal value, plus the interest accrued from the previous interest payment date.

The bond loan regulations also require the Group to comply with specific asset-financial indices for the entire duration of the loan. Failure to comply with these parameters could result in the execution of the acceleration clause and an earlier repayment obligation arising for the debtor.

The financial parameters relating to these rules are summarised below:

- the ratio of net financial debt to EBITDA (less than or equal to 4.5x of the Alia Group), as revised following a contractual rescheduling signed on 4 August 2023, and of the Estra sub-group.
- the EBITDA/Financial Expense ratio (greater than or equal to 3.5x of the Alia Group), as revised following a contractual rescheduling signed on 4 August 2023;
- the ratio of net financial debt to equity (less than or equal to 1.2x) of the Alia Group and the Estra sub-group;
- the ratio of net financial debt and RAB of the subsidiary Centria S.r.l., consolidated with those of its investees (less than or equal to 1x) of the Estra sub-group.

Furthermore, these bond loans contain cross default clauses for the Group or companies it control in the event of defaults for amounts higher than the thresholds set respectively for each regulation.

Additionally, in line with market practises for similar transactions, bond loans require the Group to observe a series of negative covenants, i.e. limits on the option of carrying out certain transactions, such as termination of a significant part of its business.

Furthermore, the existing bank loans impose, *inter alia*, specific obligations (in certain cases, also referring to companies in the Group), in terms of which the Group undertakes:

- not to use the amounts received on the basis of the loan contracts for other purposes than those agreed on;
- not to substantially change the core business;
- not to carry out extraordinary transactions or the disposal of assets other than those expressly permitted (without prejudice, where applicable, with the prior written consent of the relevant lender bank);
- not create, or allow for the creation of constraints or encumbrances on its assets, other than the constraints and encumbrances expressly permitted (negative guarantee);
- to keep in place all authorisations, permits and administrative licences required or appropriate to allow the Group to conduct its core business;
- not to give rise to changes in the control structure.

In addition, certain loan contracts entered into by the Group also specify that for the entire duration of the loan, the Group must respect predetermined asset-financial indices (similar to those for the Bond Loan Regulations above), with compliance checked on an annual basis (or with reference to the reporting date of each period based on the results of the relative consolidated financial statements or financial statements of

the Group contracting company). Failure to comply with these parameters could result in the execution of the acceleration clause and an earlier repayment obligation arising for the debtor.

The existing loan contracts also specify a series of default events (in certain cases, also referring to companies that are part of the Group), including:

- bankruptcy status or being subject to bankruptcy procedures (or similar procedures);
- cross-default clauses (and in some cases, cross-acceleration) for amounts higher than predetermined materiality thresholds;
- the implementation of extraordinary transactions on its share capital without prior written consent from the related lender bank;
- the occurrence of events that determine a serious stability crisis and/or liquidity in financial markets that make the funding excessively onerous for the relative lender bank; and
- non-compliance with any of the Group's obligations (including, the infringement of any one of the financial parameters set in the relevant loan contract), unless this non-compliance can be remedied, and this is not done within the deadline granted.

In financial year 2024, there were no breaches of covenants related to loans and bonds, with the exception of the non-compliance with certain parameters on bank loans of the subsidiary GIDA S.p.A., which would lead to their early repayment, without implications for the Group's remaining debt.

In accordance with IAS 1, these loans have been reclassified as current financial liabilities. Appropriate waivers were obtained from the lending banks, which gave a positive response with an express and certified waiver of the right to claim the amounts disbursed in advance.

15.3.5 Risks associated with commodity prices

The Group is exposed to commodity price risk, so it has to manage risks associated with the misalignment between the indexing formulae related to the purchase of raw materials (natural gas and electricity) and the indexing formulae related to the sale of the same commodities.

The risk relates to both trading activity in a strict sense (spot transactions aimed at achieving additional short-term profits) and "industrial" activity of delivering gas and electricity to final customers.

With reference to trading, the activity is opportunely segregated but is performed within rigorous risk policies that provide for, among other things, observance of limits in terms of Risk Margin and VAR, set by the company's Board of Directors and monitored constantly.

With reference to "industrial" activity, Group policy is designed to minimise the risk associated with fluctuating prices by aligning the indexing of commodity purchases with commodity sales, the vertical exploitation of the various business chains and recourse to financial markets for hedging purposes. In particular, the Group has structured a series of commodity derivatives aimed at pre-setting the effects on sales margins irrespective of the changes in market conditions. All transactions in derivatives are concluded for the purpose of hedging, even if they do not formally come within the criteria defined by the standard IFRS 9 for hedge accounting.

The Group has adopted a specific policy aimed at defining the guidelines of the Estra Group related to governance, the management strategy and the control of risks associated with activities in commodities performed by the Group Companies and, more particularly, the subject of the policy is price risk.

The objective is to stabilise the cash flows generated by the Group's portfolio of assets and contracts, protecting the Group's gross operating margin from fluctuations due to price risk on the commodities traded and to qualify the Group's financial performance with a view to mitigating the risk, through the definition and continuous monitoring of the risk limits.

The Group's policy is oriented to minimising recourse to the financial markets for hedging through making good use of the netting logics included in the Portfolio of reference. To this end, the Group plans as a priority the physical balancing of volumes of its sales of energy commodities on the markets for the various time deadlines, through the portfolio of existing contracts, both medium-term (with reference to the thermal year of the following period) and spot. Secondly, the Group pursues a strategy of making sources and physical

uses uniform, so that the formulae and indexing with which the costs deriving from energy commodity purchases are associated reflect as far as possible the formulae and indexing of the Group's revenue, making use to this end also of derivative instruments.

For the purposes of managing and controlling Price Risks, the Estra Group makes use of the consolidated parameters in the international best practice. In particular, the Contribution Margin of the industrial portfolio is subject to monitoring; this includes both Profit & Loss (*realised P&L*) accrued at the date and the future Mark to Market (MtM). The realised P&L corresponds to the portion of P&L already accrued in the accounting year of reference, calculated on the basis of the final value of all the market prices that have determined costs and revenue. The Mark to Market (or *unrealised P&L*) corresponds to the portion of future P&L not yet accrued in the accounting year of reference, measured at fair value on the basis of the forward curve for quoted prices and on forecast curves for non-quoted prices.

Exposure to price risk of the contract portfolio is measured, for each index, as a change in Mark to Market, that is of the Contribution Margin, determined by a unit change in the price of the commodity in question and is permitted within the pre-set limits established by the company's Board of Directors.

As of 31 December 2024, the Group had the following commodity risk derivative instruments included among other current financial assets and liabilities:

Current derivative financial instrument assets <i>(amounts in thousands of euro)</i>	financial year ended at	
	31.12.2024	31.12.2023
Forward commodity contracts	1,446	1,976
	1,446	1,976

Current derivative financial instrument liabilities <i>(amounts in thousands of euro)</i>	financial year ended at	
	31.12.2024	31.12.2023
Forward commodity contracts	2,236	1,026
Cash Flow Hedge Commodity Swaps	6,212	
	8,448	1,026

The net balance of the fair values of derivative instruments in being at 31 December 2024 was, therefore negative for € 7,002,000.

Assuming an instantaneous increase of 5% of the entire forward curve of natural gas and electricity prices, the cumulative fair value of the financial instruments on commodities would worsen by € 1,101,000, going from a negative balance of € 7,002,000 to a negative balance of € 8,103,000.

In particular:

- the effect referred to the change in the natural gas price would be a worsening of € 1,021,000 for derivatives that meet the IFRS 9 criteria for hedge accounting and a worsening of € 80,000 for derivatives with change in fair value in the income statement, not meeting the IFRS 9 criteria for hedge accounting;

Vice versa, with an instantaneous reduction of the entire *forward curve* of the commodity prices of 5%, the effects would be of the same amount with the opposite sign.

15.3.6 Exchange rate risk

The Alia Group is not exposed to exchange rate risk given that the Group's operations take place within Italy.

15.3.7 Equity Risk

The company's objectives in capital management are to:

- safeguard business continuity, so that it can continue to provide returns to shareholders and benefits to other stakeholders;
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may, among other things, adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

15.3.8 Operational Risks

This category includes all risks that, in addition to those already highlighted in the preceding paragraphs, may impact the achievement of objectives, relating to the effectiveness and efficiency of business operations, performance levels, profitability and the protection of resources from losses.

The risk management process requires that, for each operational area, the activities performed are analysed and the main risk factors related to the achievement of objectives are identified. Following the identification activity, risks are assessed qualitatively and quantitatively (in terms of intensity and probability of occurrence), thus enabling the identification and selection of the most relevant ones and consequently the definition of mitigation plans.

Please refer to the additional information in the management report.

15.4 Main current litigation

Below is information on the main current litigation and the related provision set aside in the balance sheet:

- **VAT on TIA**

At the end of 2023, the provision was utilised in the amount of € 1,271.77 as per the order of the competent court, whereby Alia was ordered to reimburse a user for the costs of litigation plus the amount due as VAT on TIA. During the year 2024, no payment claims arose in connection with VAT refunds on TIA. However, a prudential provision of € 14,328.80 was confirmed for the residual pending lawsuits with some users for the reimbursement of VAT on the TIA, in light of recent case law.

- **Damages for termination of tender contracts**

In the course of 2020, a contractor introduced litigation challenging the termination of all contracts ordered by Alia against it. The provision for this judgement is € 345,000, equal to the amount claimed by the company as damages. The case is pending a hearing for closing arguments.

- **Recovery case concerning State aid for tax years 1995 to 1998 brought by the Revenue Agency**

The subject of the dispute (acquired from former Publiservizi, hereafter PS) is the recovery of State aid for tax years 1995 to 1998.

At present, the appeal to the Court of Cassation (RG 19113/2020) brought by the Revenue Agency against the judgement of the CTR no. 1715/2019 in favour of the company is pending. The date for the hearing has not yet been set.

During 2024, there were no updates; the case is still pending in the Supreme Court. The date for the hearing has not yet been set. Alia transferred the sum of € 6,434,666.67 from the provision for risk of the former SP, which must therefore remain unchanged. During 2024, there were no updates; the case is still pending in the Supreme Court. The date for the hearing has not yet been set.

- **Lease litigation (former Publiambiente)**

The subject of the dispute was the payment of rents from the contract for office use with reference to the former Publiambiente premises in Pistoia. During the term of the contract, Publiambiente suspended payment of the rent because of the uncertainty of the successor in title (the original lessor or two financial companies

subsequently also involved in the case). The landlord obtained an injunction for the sum of € 50,325 for rent from October 2013 to December 2014, invoiced by the landlord.

The property was released at the end of 2018. Requests for payment were also made for fees after the date the injunction was issued, i.e. after 2014. Since the release was not formalised, there was a risk rent could be claimed even beyond 31/12/2018, until the natural expiry of the lease. In the course of 2021, negotiations were started to settle the dispute out of court, with a possible settlement solution presented to Alia's Board of Directors at its meeting on 23.11.2021.

On 25.10.2022, the Court of Appeal of Rome concluded the appeal proceedings (RG no. 7899/2019) against the extinction order issued by the Court of Rome that defined the judgement RG no. 30815/2018. The Court of Appeal in its judgement No. 7478/2022 dismissed the landlord's appeal and, in terms of costs, reimbursed litigation costs only for Alia, while condemning the appellant to pay the costs in favour of the banks.

On 23.05.2023, the landlord notified Alia and the other parties of an appeal to the Court of Cassation against judgement No. 7478/2022. In the meantime, the position was resolved through a settlement agreement signed on 21.07.2023. Based on this settlement, Alia paid a total of € 130,282.50 in favour of the other parties to the lawsuit (banks and credit institutions).

With regard to the amount due to the lessor company based on the settlement mentioned above (€ 49,957.82), following the tax audits carried out by Alia with a view to payment, the lessor company was found to be in default with respect to ADER; furthermore, on 16.08.2023 Alia received from the sole shareholder of the lessor company a third-party seizure of its alleged receivable. It was only in February 2025 that Alia received notification of the order of the Enforcement Judge that assigned the amount initially due to the lessor company mainly to the Revenue Agency.

In light of the events described, it is possible to reduce the provision in the risk reserve by the amount of € 49,957.82.

- **INPS litigation/INCA services**

Litigation (former Quadrifoglio) with the Istituto Nazionale della Previdenza Sociale (INPS) for contribution irregularities (INCA dispute) and regarding a credit of € 695,000 for Quadrifoglio's (now Alia's) secondary liability (subsidiary liability) in its capacity as contracting authority. The proceedings ended in March 2015 with a final verdict against Quadrifoglio. However, to date, INPS has not yet claimed the sums and, therefore, it is deemed necessary to maintain a provision each year, as a matter of prudence and until the debt has passed the statute of limitations (October 2025). Allocation to the provision for risks of € 695,000.00.

- **INPS litigation for pay differences for temporary workers**

On 16.01.2025, the third iteration of this case was concluded following INPS's appeal against appeal ruling No. 134 of 21.02.2019. The case was settled by order of the Supreme Court, No. 217/2025, published on 11.04.2025.

At the basis of the dispute is report No. 000432607/DDL of 9.2.2015 with which INPS, as a result of the audit carried out regarding the use of benefits linked to Law 223/91 (reduction of social security contributions for 12 months, in the event of the establishment of a fixed-term employment relationship - to which 12 months are added if the relationship is transformed into an permanent contract as also provided for by Art. 8, par. 2 - or 18 months if the employment contract that is entered into from the outset is permanent, pursuant to Article 25, par. 9 in the case of recruitment from unemployment lists) which calculated omitted contributions and additional sums owed by the company as totalling € 120,319.00. Alia had filed a counter-appeal in November 2019. The case was settled by order of the Court of Cassation No. 217/2025, published on 11.04.2025, in which the Court upheld INPS's appeal and rejected Alia's original claims. As a matter of prudence, the provision for risks of € 120,319.00 is confirmed pending communications and/or requests from INPS.

- **Allocation of category and cadastral income, former landfill site in Corliano (Cerreto Guidi)**

In 2020, the Revenue Agency notified Alia of its appeal to the Court of Cassation against the judgement of the Tuscany Regional Tax Commission (CTR Toscana) in the company's favour, concerning the contestation of the category and cadastral income attributed by the tax authority to the former landfill in Corliano, formerly managed by the ex Publiambiente (now, Alia). It was deemed necessary to set aside € 3,960, equal to the amounts that Alia could have been called upon to pay in the event of a successful appeal. In February 2023, the Supreme Court of Cassation set aside the case and referred it back to the second instance Tax Court for further factual reasoning on the specific industrial/non-industrial connotation of the plant and on costs.

The appeal filed with the Supreme Court, which Alia brought in July 2023, concluded with ruling No. 603/2025 issued by the Court of Justice of the Second Instance. The Court upheld Alia's appeal and confirmed once

again that the landfill in Corliano does not carry out industrial activities, confirming the classification (D/7) that had already been ascertained in the first instance judgement. Costs were compensated. However, it is deemed appropriate to maintain the provision for risks until the judgement becomes final.

- **Labour disputes:**

- The provision of € 100,000 for claims by employees of service contractors, set aside on a prudential basis, is also confirmed for 2024, given the solidarity obligation pursuant to Article 1676 of the Italian Civil Code and Article 29 of Legislative Decree no. 276/2003 between principal and contractor. It should be noted that the first instance judgement was concluded with a favourable sentence for ALIA (judgement no. 1065/2023); however, on 07.11.2023 the contractor gave notification of its appeal against the first instance judgement with the Court of Appeal of Florence (RG 2024/2023); the hearing for the remittal of the case is set for 03.03.2026; therefore, as noted, the provision was maintained unchanged.
- Appeal of dismissal by an employee of a subcontractor company of Alia - ENDED FAVOURABLY. Alia was victorious in both the first and second instance. The second instance judgement of November 2024 was notified to the opposing party in order for the short period for challenging it (sixty days) to begin. The statutory time limit having expired, the second instance judgement became final. Therefore, the planned provision of € 21,250.14 may be decreased.

- **Incorrect FIRs (notifications year 2022)**

Prior to the formal conclusion of the preliminary investigations into some of the company's plants which began in 2016 as part of the criminal proceedings which ended, on 07.11.2023, with the dismissal of the proceedings for all the persons involved, on 23 March 2022, no. 27 notes were received, claiming administrative offences carried out by various top management positions, for breach of Article 193, paragraph 1, TUA: transport of non-hazardous waste with waste identification form bearing inaccurate data contested for no. 50 forms; transport of non-hazardous waste without a form; waste loading and unloading register, including hazardous waste, kept incompletely. The associated fines amount to € 3,069,000.00. This amount has been fully recognised in the provision for risks.

In April and June 2022, a further 27 notes were served for similar TUA violations.

As a result, the company received a total of 55 notes, referring to 9 substantive cases, for a cumulative total of fines claimed (calculated in reduced amount) of € 16,003,246.19.

The Company, in the context of joint liability, filed an appeal against each of the 55 notes, contesting them on both substantive and procedural grounds.

Procedural exceptions were raised which, if upheld, could lead either to the dismissal of the fine proceedings or to a significant reduction in the fines applied. In particular, if the exception of legal cumulation were applied, the recalculated total for the fines would be € 268,033.40.

In light of these assessments, it can be considered that the capital risk profile for the Company did not increase with the April and June 2022 notifications, because the value of the requested penalties is offset by the triple circumstance that (i) all the notes have been appealed and - therefore - no final measures have yet been taken; (ii) both procedural and substantive objections have been raised; (iii) any rejection of the administrative objections may in any case be subject to review in the litigation proceedings.

During 2024, there was no update with respect to the request for reconsideration submitted by the company and the recipients of the 55 notes referring to alleged violations ascertained during the preliminary investigation.

Therefore, it was decided to leave the provision unchanged, with its initial allocation of € 3,069,000.00.

- **Incomplete FIRs (notifications year 2019)**

This concerns three notes identifying administrative offences concerning the transport of non-hazardous waste accompanied by forms with incomplete or inaccurate data on the place of production or possession of waste for a total fine of € 26,887. Defence briefs were submitted pending the decision of the administrative authority.

In a communication dated 06.02.2024, the Metropolitan City of Florence archived the three administrative offence reports; therefore, the provision initially set aside was decreased.

- **Waste-to-energy plant (former Q.tHermo): refusal of Single Authorisation**

In 2013, for the construction and operation of the waste-to-energy plant, Q-tHermo applied to the Province of Florence for a single permit, which required the completion of the environmental compatibility ('EIA') procedure and the procedure for the granting of the Integrated Environmental Authorisation ('AU').

Following an appeal against the measures issued in 2014 and 2015, the Regional Administrative Court of Tuscany, in ruling no. 1602/2016, declared the EIA measure legitimate and annulled the AU.

The Regional Administrative Court's decision was appealed by Q-tHermo before the Council of State.

The latter, in Judgment No. 3109/2018, reaffirmed, albeit partially, the unlawfulness of AU's decree.

The Council of State in Judgment No. 2165/2020 upheld Judgment No. 3109/2018 rejecting the appeal for revocation filed by Q-tHermo.

While this appeal for revocation was pending, Q-tHermo asked the Region to restart the AU proceedings solely with reference to the annulled portion. Following the rejection of its application by the Region of Tuscany, Q-tHermo appealed to the Regional Administrative Court with appeal RG no. 607/2019. On 27/09/2019, Q.tHermo submitted additional grounds, which were followed by a brief and a reply, dated 16/11/2019 and 26/11/2019, respectively.

Additional grounds were filed on 30/09/2022 against regional measure No. 7444/2022.

The public hearing, following repeated requests for postponement for the decision on the merits of the appeal and the subsequent supplementary pleas, will be held on 06.11.2024.

▪ **Waste-to-energy plant (formerly Q.tHermo): amendment of Regional Reclamation Plan**

In 2019, Q-Thermo challenged before the Regional Administrative Court the acts of the Region of Tuscany aimed at including alternative solutions to the Case Passerini waste-to-energy plant in its sector planning. Q-tHermo brought the appeal RG No. 1292/2019 against the above measures. A brief was filed in court on 28/09/2022. The decision hearing, following a request for postponement, will be held on 06.11.2024.

The two disputes concerning the Case Passerini waste-to-energy plant project ended with a settlement between the parties, formalised in a memorandum of understanding that provided for the definitive abandonment of the project and the abandonment of the respective appeals. The agreement, signed with the local authorities, establishes that the area will be converted to business and service use, for the future headquarters of the Multiutility, in line with the new guidelines on sustainability and land planning.

• **Entry in the Shareholders' Register**

In 2023, Alia initiated a dispute with Toscana Energia S.p.A., which is ongoing, for the inclusion in the shareholders' register of the 10.38% share resulting from the merger of Publiservizi.

The case is currently pending, with a final hearing set for 30.11.2026.

• **Purchase of shares in Publiacqua**

This is a dispute in which Alia sub-entered following the merger by incorporation of Acqua Toscana S.p.A. and concerning the challenge by Acque Blu Fiorentine S.p.A. of the declaration of acquisition of the shares it held in Publiacqua, equal to 40% of the share capital, exercised by the public shareholders of Publiacqua (including Acqua Toscana). In particular, in a writ of summons served on 23 May 2022, Acque Blu Fiorentine S.p. A. sued the company before the Court of Florence, together with Publiacqua S.p.A. and the other public shareholders of Publiacqua, requesting that the illegitimacy of the request to transfer in favour of Acqua Toscana the shareholding held by ABF in Publiacqua be ascertained and declared, with the Public Shareholders being ordered to pay compensation for the damage caused to ABF, to be quantified in the course of the proceedings.

At the hearing on 20.03.2024, the judge rejected the preliminary requests made by the parties and, having deemed the case ripe for decision, set the hearing for the statement of conclusions for 12.09.2025.

Since this is a dispute of a certain complexity both in fact and in law, it is not possible to make any assessment of the outcome of the case. However, the Judge's rejection of the preliminary requests made by Acque Blu Fiorentine S.p.A. and the reasons underlying the refusal confirm the favourable assessment of Alia's requests, already present in the previous precautionary decisions.

In the context of the proceedings on the merits described above, in the course of 2024 an arbitration proceeding was instituted on Alia's initiative for the appointment of a third arbitrator to determine the price of the disputed shareholding.

The estimate, in particular, will need to establish the value of the equity investment held by Acque Blu Fiorentina S.p.A. in Publiacqua on the date the option was exercised, i.e. 20.12.2021, as provided for in the shareholders' agreement.

The arbitration proceedings are currently ongoing.

- **Purchase of shareholding in Acque S.p.A.**

This is a dispute in which Alia sub-entered following the merger by incorporation of the company Publiservizi and brought by Acque Blu Arno Basso in order to ascertain the illegitimacy of the purchase option provided for in the shareholders' agreements and exercised by Acque's public shareholders (including Publiservizi) for the transfer of the shareholding it held in Acque.

The judge, having deemed the case ripe for decision, set a hearing for the statement of conclusions for 1 July 2024.

In the meantime, at the joint request of the parties to the dispute, a series of adjournments followed due to pending negotiations, aimed at an amicable settlement of the dispute.

As things stand, the next hearing is set for 23.06.2025 for the specification of conclusions.

- **Breach of shareholders' agreement**

This is a dispute, in which Alia sub-entered, following the merger by incorporation of the company Publiservizi and introduced by the latter, together with other local public entities, against Italgas S.p.A., due to the breach of the shareholders' agreements signed between the parties on 28.06.2018 concerning the commitment to purchase a 3% shareholding in Toscana Energia.

On 14.05.2024, ruling no. 1873 was issued, whereby the Court of Florence rejected the claims made by Alia, in its own name and as agent of the Municipalities of Camaiore, Campi Bisenzio, Dicomano, Massarosa, Pietrasanta and Vicchio, as well as the counterclaim filed by Italgas. Alia appealed against this decision, also on behalf of the relative Municipalities, requesting a full overturning of the contested ruling and, as a result, acceptance of the claims made in first instance. The first hearing for the appeal is set for 12.09.2025.

- **Challenge to the appointment of the CEO of Publiacqua S.p.A.**

In 2024, Acque Blu Fiorentina S.p.A. instituted arbitration proceedings to obtain the annulment of the shareholders' resolution of 29.01.2024 that excluded the dismissal for just cause of a member and the CEO of the Publiacqua Board of Directors.

The arbitration claim was originally brought by Acque Blu Fiorentina S.p.A. against Publiacqua alone, and, on 10 March 2024, Alia voluntarily intervened in the arbitration proceedings.

With an arbitration decision issued on 30.10.2024, the claims brought by Acque Blu Fiorentina S.p.A. were rejected and, as a result, the validity of the resolution of the shareholders' meeting of Publiacqua challenged was declared.

By notice of appeal served on 04.02.2025, Acque Blu Fiorentina S.p.A. challenged the arbitration decision. The date of the first hearing, indicated in the summons, is scheduled for 16.06.2025.

It should be noted that no provision for risks was made for the above-mentioned corporate disputes, in consideration of the subject matter of the dispute and the assessments expressed by the respective lawyers as to their outcome.

- **Purchase of shareholding in Acque S.p.A.**

This is a dispute in which Alia succeeded Consiag S.p.A. following its merger by incorporation, against Publiservizi S.p.A. and other parties, in order to have its shareholding in Acque S.p.A., equal to 1.03% of the latter's share capital, recognised.

The first two levels of judgement were unfavourable to Consiag, which appealed to the Court of Cassation against the ruling of the Court of Appeal of Florence.

The parties are formally waiting for the Supreme Court to set the date for the hearing to issue its decision. However, due to the effect of the merger of Publiservizi and Consiag within the same entity (i.e. Alia), there has ceased to be any basis for pursuing the claims that Consiag had raised against Publiservizi.

The provision for risks for the payment of legal expenses made by Consiag in the amount of € 45,000.00 has been maintained.

- **Settlement Agreement**

This is a case in which Alia sub-entered following the merger by incorporation of the company Publiservizi. Publiservizi made a provision of € 40,000.00, imported into the provision for risks of the merging company, to cover a condition, set forth in a settlement agreement between the former Publiservizi and the companies acquiring its shareholding in the company Bulicata S.r.l., which, under certain conditions, and until 30 June 2027, provides for the obligation to repurchase the shareholding for the same value as the provision.

- **Litigation with the Italian Antitrust Authority (AGCM)**

With sanction measure No. 27812 of 12.06.2019, as a result of a proceeding on 6 December 2018, the Italian Antitrust Authority (AGCM) imposed a fine on Publiacqua S.p.A. in the amount of € 2,000 thousand for alleged unfair commercial practices and in breach of the Consumer Code.

The AGCM's findings related, more specifically, to the methods adopted at the time by the company to recover credit from condominium users, which were considered aggressive. In particular, the company was accused of implementing measures to limit and interrupt the supply at the expense of the entire condominium, without first attempting to enforce collection for the individual condominium owner in arrears.

Publiacqua promptly challenged this sanctioning measure in court and before the Lazio Regional Administrative Court. In any case, in view of the penalty imposed by the AGCM and in order to avoid the application of a very onerous indemnity and further interest in the event of delay, Publiacqua, on 11.12.2019, proceeded to pay the entire penalty plus € 6 thousand in interest.

In a ruling published on 30.06.2021, the Regional Administrative Court of Lazio rejected the company's appeal, which the company promptly appealed to the Council of State.

With a judgement published on 28.06.2024, the Council of State upheld Publiacqua's appeal and consequently annulled AGCM's sanctioning measure, given the illegitimacy of the Regulation on AGCM's investigative procedures in the part in which it does not provide for the substantial requirement of a hearing before the Board, at least where the interested party makes an explicit request - as in fact happened on Publiacqua's part. The Council of State also admitted 'in the abstract' the possibility of excusing Publiacqua's conduct. This was, however, to be assessed by the AGCM during the preliminary investigation phase.

By means of a certified email [PEC] sent to the AGCM and the Ministry of Enterprises and Made in Italy (MIMI) on 28.10.2024, Publiacqua applied for the restitution of the sum paid of € 2,006 thousand, in addition to the payment of the legal interest accrued from the date of payment of the penalty to the date of actual restitution.

Following the decision of the Council of State, the AGCM, with a provision issued on 13.12.2024, reopened against Publiacqua the sanctioning procedure initiated on 06.12.2018.

On 05.02.2025, MIMI repaid Publiacqua the sum of € 2,006 thousand and on 18.02.2025 it credited € 181 thousand for legal interest.

In preparing the financial statements for the 2024 financial year, the Directors, supported by an external legal opinion, recognised the amount returned by the AGCM as income, but prudently set aside a provision of € 2,000 thousand to cover the risk of a fine, following the reopening of the proceedings by the AGCM.

It should be noted, however, that the Directors, in order to definitively close the proceeding and avoid the imposition of a new penalty by the AGCM with the inevitable reputational repercussions, as well as to avoid further legal expenses in a new and uncertain dispute with the aforesaid Authority, decided to submit to the AGCM commitments pursuant to Article 27, paragraph 7 of the Consumer Code, Article 8, paragraph 7 of Legislative Decree 145/2007 and Article 10 of the AGCM Regulation. More specifically, these are six commitments that constitute a set of initiatives that are more favourable to condominium users with respect to the provisions of the regulatory framework on the management of arrears (Resolution Arera 311/2019 - known as REMSI), including, in particular, the decrease in the threshold for accepting partial payments useful for suspending flow limitation actions and the possible interruption of the supply, as well as an increase in the minimum duration of instalment plans.

These commitments, which in no way constitute an admission of guilt, as Publiacqua believes its conduct has always been lawful without violating the Consumer Code since the company, even in the absence at the time of an unambiguous, certain and defined regulatory framework, has always fully complied with the sector regulation in force, were officially formalised to the AGCM with a certified email [PEC] dated 27.01.2025, subsequently modified and transmitted with another certified email on 24.03.2025.

As of the date of approval of these financial statements, the AGCM has not yet ruled on the acceptance of Publiacqua's proposed commitments.

- **Dispute referring to the determination of the compensation due to the outgoing operator for the natural gas distribution service Municipality of Prato Toscana Energie**

Following the final award to Toscana Energia of the tender to assign the natural gas distribution service in the Municipality of Prato, Toscana Energia paid Centria an indemnity value relative to the network equal to € 85,538 thousand, plus VAT.

During the 2016 financial year, Estra and Centria filed a lawsuit with the Court of Prato against the Municipality of Prato and Toscana Energia in order to obtain and order for Toscana Energia, or alternatively of the Municipality of Prato, to pay the sum of € 9,613 thousand, supplementing the lower amount provided for in the tender notice and recognised to the outgoing operator Centria for the handover of the networks.

In the context of the lawsuit pending before the Court of Prato, Toscana Energia and the Municipality of Prato filed a series of counterclaims.

With judgement No. 387/2020 published on 14/08/2020, the Ordinary Court of Prato ordered Estra S.p.A. to pay to the Municipality of Prato the sum of € 6,000 thousand, plus interest.

Instead the Court held that the Administrative Judge had jurisdiction in responding to the lawsuit filed in 2016 by Estra and Centria against the Municipality of Prato and Toscana Energia for the payment of € 9,613,000 and the counter demand of Toscana Energia for recognition of the payment of € 1,742,000.

The Parties have respectively filed appeals against the judgement. The two appeals were merged.

In 2015, Estra and Centria had also brought a case before the Regional Administrative Court of Tuscany to declare void and/or annul the determination of the Municipality of Prato which changed the reimbursement value due to Centria S.r.l., as the outgoing operator, to € 80,903 thousand as at 31.12.2014.

The RAC had legally declared the lack of jurisdiction of the administrative judge in the matter in question.

The companies had therefore decided to resume the proceedings before the Court of Prato.

Instead the judge ruled to suspend the trial until the definition of the appeal proceedings of the Court of Prato judgement no. 387/2020 pending, between the same parties, before the Court of Appeal of Florence. Centria and Estra decided to appeal this act before the Court of Cassation.

The Court of Cassation ordered the case to continue before the Court.

The Court of Prato, in an order dated 05.12.2024:

- ordered the acquisition of the expert's report from the previous turboexpander trial;
 - entrusted the same CTU with the task of estimating the value of the removed pipes and connections.
- The expert is currently carrying out their investigation.

With regard to the reservations expressed by Toscana Energia on signing the networks delivery report, some of which appear to already have been accepted by the Municipality of Prato, it was deemed prudent to retain the risk provisions for € 1,752,000 recognised in previous financial years.

- **Disputes with a number of granting Municipalities in the ope legis management stage of the natural gas distribution service**

The subsidiary Centria S.r.l. launched legal disputes with the Municipality of Seravezza and the Arno Valley Municipalities (Montevarchi, Cavriglia and Figline Valdarno) on the definition of the amount of the fees due to these Municipalities for the period, after the contractual expiry, in which Centria continued and is continuing to perform the activity of natural gas distribution in a regime of *prorogatio ope legis*.

In particular, the Company, supported by its lawyers, believes that it has the right to be granted a reduction of the fees established in the concession contracts, which expired during 2016 for Serravezza or during 2014 for the Arno Valley Municipalities.

With regard to the Municipality of Serravezza, whose annual concession fee contractually amounts to approximately € 500 thousand, on 30/09/2019, the Court of Lucca upheld Centria's arguments, finding that the Municipality was and is obliged to renegotiate the fee after the expiry of the concession.

Following this ruling, in May 2020 Centria S.r.l. and the Municipality of Serravezza signed a settlement agreement to quantify the fee due to the Municipality.

Notwithstanding the settlement agreement, which should have resolved this dispute, in December 2021 the Municipality of Serravezza requested, in addition to the amounts already paid, the payment in full of the rents with reference to the period after the expiry date and, specifically, with reference to the years 2018, 2019, 2020 and 2021, serving an injunction order on 26/06/2022, for € 2,324 thousand, with a request for provisional enforceability. Centria filed an appeal to the injunction.

In January 2024, with a judgement, the Judge of Lucca rejected this appeal and ordered Centria to pay the sum associated with the injunction (plus interest), minus € 150 thousand in fees paid for 2022, with full compensation of costs.

Centria appealed the judgement of the Court of Lucca (with a simultaneous petition for the suspension of the enforceability/execution of the appealed judgement) and filed a petition for the redetermination of the administrative fee pursuant to Article 165, paragraph 6 of Legislative Decree No. 50/2016.

On 29 May 2024, the Municipality of Serravezza issued a ruling denying the application for redetermination of the fee, against which Centria promptly appealed to the Regional Administrative Court. The Court held that, for the purposes of the decision, it was necessary to order further fact-finding and, in particular, a technical expert's report. The expert is currently carrying out the research.

On 20 February 2025, an appeal hearing was held, following which the Judge decided to wait for the expert's report from the Regional Administrative Court, to acquire it and to draw the appropriate evaluations at the outcome of the hearing fixed for 18 September 2025.

Taking account of the aforementioned developments, the company has continued to record the cost for the entire fee in the financial statements.

In relation to the Arno Valley Municipalities, the annual concession fees of which amount contractually to approximately € 2,200,000, a dispute launched by Centria in relation to the said Municipalities is still ongoing, having concluded the arbitration procedure, with partial rulings, issued in September 2019 and January 2020, which did not resolve the dispute and subject to appeals, and with a final ruling issued in May 2022.

In the final decision, the Court upheld the claims of the Municipalities, ordering the payment of € 3,300 thousand. Centria appealed this final decision before the Rome Court of Appeals.

Pending the hearing for appeal, on 27/10/2023, with a single pre-legal collection notice, the said Municipalities ordered Centria S.r.l. to pay the total sum of € 4,161,000.

In its judgement of 3 January 2025, the Court rejected Centria's opposition to the writ of summons as inadmissible and ordered Centria to pay the costs of the proceedings in favour of the defendant, which were paid in the amount of € 27,000.00 in fees, plus general costs, VAT and cpa as required by law.

Having already made the payments referred to in the injunction, the Company decided not to appeal and to institute the administrative procedure to revise the economic conditions, given the need to economically and financially rebalance the relationship (Article 165, Legislative Decree No. 50/2016).

Following the Municipalities' rejection of this request to rebalance the fee through the administrative procedure, the company also decided to file an appeal with the Regional Administrative Court, to challenge the same rejection of the rebalancing request.

Assisted by its lawyers, though the company believes that it has the right to a recalculation of the fees for the years following the contractual expiry, in light of the recent developments described above, it decided, in line with previous years, to continue recording the cost of the fee for the entire amount as envisaged by contract.

On 05/02/2021, the Municipality of Valenzano notified Murgia S.r.l. of its appeal for the commencement of summary investigation proceedings pursuant to Article 702-bis of the Code of Civil Procedure, aimed at obtaining the order for the company to pay post-expiry fees for the period 2019-2020 of approximately € 326 thousand, in addition to approximately € 108 thousand in penalties.

This refers to an expired concession contract arising from a tender conducted pursuant to Art. 14 of Italian Legislative Decree no. 164/2000, which contemplates a fee equalling 53% of the location revenue tariff (at the time, VRD).

In the absence of the Entity's availability to reformulate the fee, the Company paid amounts commensurate to the criteria applicable to new tenders, in accordance with tariff regulations, estimating a breakdown between the Municipality and Operator (remuneration of invested capital for the municipality owned portion).

On 13/04/2023, the Judge noted the need for a technical report (CTU) and, at the same time, invited the parties to attempt an amicable settlement.

In light of the Municipality's refusal of the settlement proposal formulated by the company for disputes involving ownership of the infrastructure, at the hearing on 14/02/2024 the parties jointly requested the technical report (CTU) and established a discussion table with the executive/competent official of the Municipality and with the advisor, to analyse the matter of the allotment of the ownership and the residual value of the investments of Murgia.

The judge ordered a technical report, including in the investigation the ownership structure, which has an impact on the fee, but also on the reimbursement value due to the concessionaire.

The deadline for filing the draft report is 05/03/2025. The final appraisal will be filed by 05/05/2025.

Murgia, although holding that it is entitled to a redetermination of the fee, given the regulatory uncertainty it has continued to recognise the full amount of the contractually stipulated fee and interest in the financial statements.

In connection with the dispute between the Municipality of Mosciano Sant'Angelo and Edma Reti Gas S.r.l. concerning the payment of fees under the compulsory *ope legis* management regime, an arbitration award was issued on 20.09.2019, which upheld Edma's arguments concerning the redetermination of the fee in the transitional phase after the expiry of the concession.

The Municipality of Mosciano Sant'Angelo challenged the arbitration award before the L'Aquila Court of Appeals.

On 15.12.2023 the filing of the judgement of 30.11.2023 was notified, which upheld the Municipality's appeal and rejected Edma's cross-appeal, holding that Edma had to pay the fee under the expired contract and that the revision of the fee could only be obtained moving forward, and through the remedy under Art. 165 of Legislative Decree no. 50/2016, solely in the case of 'demonstrated supervening contractual imbalance'.

The sentence is for a sum equal to the difference between the amount paid and the amount of the contractual fees, plus default interest (pursuant to Legislative Decree No 231/2002) and court costs.

The company presented an appeal to the Court of Cassation, against the decision of the Court of Appeals.

On 22 October 2024, Centria formulated a proposal to establish the fee for the period from 2018 onwards. In December, the attorney for the Municipality of Mosciano informed Centria that the proposal was still being evaluated.

Given the uncertainty concerning the outcome of the objection and, in light of the aforementioned developments, the company continued to recognise the full fee in the Financial Statements.

The Municipality of Ancona, with executive notice sent to Edma Reti Gas on 8 February 2023, also determined, unilaterally and authoritatively, in the absence of reconciliation between the parties, which had been debating the topic of the extent of the fee for some time, especially after ARERA resolution 570/2019/gas, the concession fee for the natural gas distribution service in the municipal territory for the years 2021, 2022, 2023, in the context of the *ope legis* management period of the service following expiry of the concession.

With subsequent notice, Edma then requested the withdrawal of the determinations made by the Authority with the notice dated 8 February, and, constructively, the reopening of discussions, by the end of March 2023, giving advance notice of a judicial process on the contrary, which then became necessary following the silence maintained by the Municipal Administration and sending of the contested notice.

The appeal filed before the Ancona RAC and notified in April 2023 requested the invalidity or voidability of the notices of the Municipality, both the one in February 2023 and previous ones from 2022, in order to ascertain the absence, in relation to the contestant company, of the obligation to pay the Municipality of Ancona the fee for the natural gas distribution service in the amount unilaterally and authoritatively determined by said Municipality in the notice of February 2023 for the years 2021, 2022, and 2023.

An appeal was filed based on additional reasons against further confirmatory notices issued by the Municipality of Ancona. The hearing has not yet been set.

Given the uncertainty concerning the outcome of the objection, the company continued to recognise the full fee in the Financial Statements.

- **Formal tax audit report issued in respect of Coopgas S.r.l. and subsequent notices of assessment**

On 19 December 2017, the Modena Finance Police issued a formal report of findings (PVC) to CoopGas S.r.l., now merged by incorporation into Estra Energie S.r.l., in which it outlined its findings concerning (i) the alleged inaccuracy of the IRES and IRAP declarations for the deduction of costs referring to non-existent transactions amounting to € 195 thousand for financial year 2014 and sponsorship costs deemed non-

deductible donations amounting to € 325 thousand for financial year 2015, and (ii) the non-deductibility of VAT on invoices for non-existent costs for approximately € 43 thousand, with reference to financial year 2014.

The findings relating to financial year 2014 resulted in a notification sent to the judicial authorities with respect to the company's representative at the time the offences occurred.

This PVC is a specific procedural document that does not indicate the fines that may be imposed and, therefore, does not allow for a precise quantification of the risk associated with the dispute. However, on the basis of the findings contained in the PVC, the Group estimated the maximum taxes and administrative penalties that could be applied at the time of ascertainment at approximately € 211 thousand and € 401 thousand, respectively.

Considering that evidence is lacking to file litigation and contest the aforesaid findings, the Group believes that it is plausible it will adhere to the probable notices of assessment which, in line with the ordinary deadlines, must be served, under penalty of forfeiture, by 31 December 2023. Therefore, the Group set aside € 350 thousand in the consolidated financial statements as of 31 December 2017 to cover the probable tax and penalty charge.

In 2019, based on the assessment notices issued for 2014 relating to IRES, IRAP and VAT, a total of € 132,000 was paid in total for taxes, penalties and interest, by accepting the assessment notices.

Given that what was paid to settle the findings relating to 2014 does not diverge substantially from the provisions set aside at 31 December 2017, and considering that no notices have currently been received for 2015, the residual provision for € 213,000 is deemed appropriate.

- **Notice of assessment on deductibility of goodwill**

In June 2018, the Regional Tax Office [DRE] for Marche served Prometeo with an assessment notice for 2014, where the main finding referred to the derecognition for IRES, IRAP and Robin Tax purposes of the amortisation, quantified at € 148,000, applied to goodwill for around € 6,690,000, acquired on the basis of a business unit contribution operation.

Essentially, the tax authorities deem that in a business unit contribution operation the goodwill recognised by the transferee is always irrelevant for tax purposes, even when as in the case in question, the transferor transfers goodwill that is not subject to taxation.

In March 2020, the first-instance hearing was held and the Group received a favourable judgement. On 22 October 2020, the Regional Tax Commission submitted an appeal application in the second instance. In January 2021, Prometeo submitted the relevant rebuttal arguments to the appeal application.

In the scope of the tax mentorship undertaken with the Regional Tax Department in the Marche region, the above finding was also re-proposed for tax years after 2014. Specifically, with regard to the 2015 tax year, the Marche DRE issued additional assessment notices, in which respect Prometeo S.p.A. submitted an appeal on 20 July 2021. The 2015 references also had judgments that become definitive with the Provincial Tax Commission of Ancona, on 23 November 2021, the Commission handed down another judgment in favour of the Group.

On 30 March 2022, the DRE Marche issued another assessment notice referring to the same case as above, for the year 2016. Additionally, in reference to the proceedings of first instance for the year 2016, the tax court of first instance of Ancona handed down a judgement in favour of Prometeo S.p.A. on 7 November 2022.

Lastly, on 31 July 2023, an assessment was also notified by the Marche Regional Tax Office (DRE) for the year 2017 with reference to the same matter of goodwill. The Group appealed. This appeal was heard on 21 February 2024 and this appeal was also upheld in favour of Prometeo.

Also as a result of the mentoring activity, during 2024 the Marche DRE issued a notice of assessment for financial year 2018, which Prometeo S.p.A. appealed. This was discussed by the tax commission in March, with the Group again winning against and again saw the Group winning against the Revenue Agency.

Pending the undertaking of legal action, the Group is continuing with its defence in the various instances still open, as described above

Supported by its consultants, the Group believes the allegation raised on the tax recognition of this goodwill to be unfounded; therefore, no provision has been made against the risks deriving from losing the dispute.

- **Dispute referring to the electricity surcharges pursuant to Italian Decree Law 511/1988**

On 23 October 2019, in its judgement no. 27101, the Court of Cassation stated the legal principles whereby provincial surcharges are not applicable to excise duties on electricity as per Art. 6 of Italian Decree Law

511/88, in the applicable version, *ratione temporis*, subsequent to the amendments introduced by Art. 5, section 1 of Italian Legislative Decree no. 26/2007. The judgement confirmed the non-application of the regulation in question, deeming it contrary to Art. 1, paragraph 2 of Directive 2008/118/EC of 2007, also following the interpretation provided by the EU Court of Justice ratified by specific judgements.

Even though in the scope of other pending proceedings, the Court of Cassation rejected the claims for reimbursement submitted by end consumers in respect of Customs Offices, in this case, finding the lack of passive legitimacy on the part of the end customer, as they are extraneous to the tax relationship established between the financial administration and the vendor company that acts as a withholding agent. In the aforementioned decisions, the Supreme Court nonetheless provided the end customer with the option of “conducting a civil case referring to the recovery of amounts unduly paid, directly in respect of the service provider”.

Based on these pronouncements, electricity vendor companies are receiving a series of reimbursement demands from end customers, referring to amounts unduly paid for the provincial surcharges for the years 2010-2012 as these do not yet fall within the term of prescription provided for a civil action. It should be remembered further that the provincial surcharge for excise duty on electricity was applicable until its cancellation on 31 March 2012, in terms of Italian Decree Law no. 16/2012, and was applied to electricity usage up to 200,000 KWh monthly.

With regard to the demands for reimbursement of undue payments that could result in civil litigation, the supplier is essentially obliged to oppose the reimbursement claims made by end consumers, as it will be impossible to obtain a reversal from the Customs Agencies. Should the supplier acquiesce to the demands of its customers, the reversal operation in respect of the Financial Administration would become impossible, given the provisions under Art. 14, paragraph 4 of the Consolidated Excise Duties Text, which strictly sets the deadline to reimburse what has been paid at two years from the time of payment. Otherwise, the assumption of the civil court ordering the supplier to make the reimbursement, again on the basis of Art. 14, paragraph 4 of the Consolidated Excise Duties Text, requires the taxpayer to request the refund from the Financial Administration within ninety days of the civil court judgement becoming final, imposing the return of the amounts paid.

Even though this mechanism could generate advances paid to the end consumer by the supplier, when ordered to refund the payment, it theoretically excludes the risk of a liability for the vendor company, because the amounts that will be reimbursed by suppliers would be recovered based on subsequent compensation action in respect of the Tax Authority.

The first hearings were held in the Civil Court during 2021, opposing the requests for refunds received from certain customers. Given that the position is wide open to interpretation, and in the absence of consolidated case-law, the Courts involved up to now in the individual matters, are adopting different approaches to the matter at hand. At the date of this document, pending the action relating to the claims for damages that have already become definitive in the first instance, during 2024, the Group repaid 9 customers that had put forward a request before the Court, for a total of approximately € 94,000. For these amounts, during 2024 the Group presented a specific claim for reimbursement to the respective Customs Agencies in the relevant territories.

To date, with regard to the above, given that the applications for refunds to the vendor companies involved in other specific cases, have been accepted by certain territorial Customs Agencies, the Group did not deem it necessary to make a specific allocation to the risk provisions.

• **Occupational accident litigation**

There are two pending lawsuits concerning accidents in the workplace related to the subsidiary Revet, for which insurance policies were in place at the time of the events, with sufficient limits to cover possible civil damages.

15.5 Public funding received

With reference to the new aspects introduced by Law no. 124 of 4 August 2017 “Annual competition law”, under Art. 1 para. 125-129, excluding the amounts received as payment for supplies and services rendered, during 2024, the Group received the following contributions from public Entities. (amounts in Euro).

Beneficiary	Entity	Contribution	Amount
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	6,397
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	7,457
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	5,933
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	15,106

Alia Servizi Ambientali S.p.A. - Consolidated Financial Statements at 31 December 2024

Beneficiary	Entity	Contribution	Amount
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	8,364
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	8,341
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	6,283
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	8,320
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	9,237
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	69,788
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	9,153
Alia S.p.A.	GSE S.P.A.	INCENTIVE TARIFF - FTV AGREEMENTS	10,267
Alia S.p.A.	MUNICIPALITY OF PRATO	REDOL EUROPEAN PROJECT 2ND INSTALMENT	27,979
Alia S.p.A.	GOOGLE CLOUD ITALY SRL	SAP CLOUD ACCELERATION PROGRAMME CONTRIBUTION	604,006
Alia S.p.A.	ATO CENTRAL TUSCANY	CONTRIBUTION TO INCREASE COLLECTION BARBERINO TAVARNELLE- RIGNANO SULL'ARNO	161,747
Alia S.p.A.	ATO CENTRAL TUSCANY	CONTRIBUTION TO INCREASE COLLECTION BARBERINO M.LLO-GREVE IN CHIANTI - PRATO	396,368
Alia S.p.A.	ATO CENTRAL TUSCANY	CONTRIBUTION TO INCREASE COLLECTION CALENZANO-BARBERINO DI MUGELLO-GREVE IN CHIANTI	56,203
Alia S.p.A.	ATO CENTRAL TUSCANY	PAP CONTRIBUTION MUNICIPALITIES FLORENTINE AREA	360,000
Alia S.p.A.	INST.TECNOLOGICO DEL EMBALAJE	MOEBIOS CONTRIBUTION EUROPEAN CALL FOR PROPOSALS	167,615
Alia S.p.A.	SOLSTICE	CONTRIBUTION EUROPEAN CALL	91,179
Revet S.p.A.	Revenue Agency	Diesel transport excise duties (Q1 2024).	41,784
Revet S.p.A.	Revenue Agency	Diesel transport excise duties (Q2 2024).	37,598
Revet S.p.A.	Revenue Agency	Diesel transport excise duties (Q3 2024).	40,211
Revet S.p.A.	Revenue Agency	Diesel transport excise duties (Q4 2024).	41,230
Revet S.p.A.	Revenue Agency	Excise 2021	31,476
Revet S.p.A.	Revenue Agency	Excise 2022	23,602
Revet S.p.A.	Revenue Agency	Excise 2023	26,377
Revet S.p.A.	Fondimpresa	Training 2023	10,298
GIDA S.p.A.	INPS	Exemption from payment of social security contributions for new hirings/conversions on a permanent basis in the two-year period 2021 - 2022 (Art. 1 paragraphs 10 - 15 L. 178/2020)	3,000
Publiacqua S.p.A.	Tuscany Region	WATER EMERGENCY 2022 - INST. FILTR. GAC DRINKING DISTILLATION	5,064
Publiacqua S.p.A.	Tuscany Region	WATER EMERGENCY 2022 - GAC FILTRATION INSTALLATION VALENTINI DRINKING WATER PLANT	3,815
Publiacqua S.p.A.	Tuscany Region	WATER EMERGENCY 2022 - PUMPING REVAMPING OF THE STURA WATER TREATMENT PLANT	39,998
Publiacqua S.p.A.	Tuscany Region	WATER EMERGENCY 2022 - TANKERS	351,998
Publiacqua S.p.A.	Tuscany Region	WATER EMERGENCY 2022 - PUMPING REVAMPING LA MASSA TOWARDS MONTELFI RESERVOIR	29,998
Publiacqua S.p.A.	Tuscany Region	TUSCAN DEVELOPMENT PROJECT HYDROSMART BALANCE	70,759
Publiacqua S.p.A.	Tuscan Water Authority	L. 147/2013 - STRENGTH.ADJUST.I.D.L. CENTRAL PISTOIA	212,566
Publiacqua S.p.A.	Tuscan Water Authority	NRRP 1.1 NEW SLUDGE DRYING PLANT	667,819
Publiacqua S.p.A.	Tuscan Water Authority	NRRP 4.2 REDUCTION OF LOSSES FURTHER ADVANCE 20%	10,000,000
Publiacqua S.p.A.	Tuscan Water Authority	NRRP 4.4 IMPRUNETA WASTEWATER COLLECTION TO IDL IMPRUNETA ADVANCE PAYMENT 30%	777,963
Publiacqua S.p.A.	Tuscan Water Authority	NRRP 4.4 NEW WASTEWATER DISPOSAL SYSTEM ROAD IN CHIANTI ADVANCE PAYMENT 30%	669,048
Publiacqua S.p.A.	Tuscan Water Authority	NRRP 4.4 SAN CASCIAO VAL DI PESA SEWERAGE SYSTEM ADVANCE PAYMENT 30%	2,131,618
Publiacqua S.p.A.	MOTORWAYS	INTERFERENCES THIRD LANE BARBERINO CALENZANO	312,462
Publiacqua S.p.A.	MOTORWAYS	REPLACEMENT OF WATER MAINS OVERPASS SCOPICCI VIA DI PANZANO BARBERINO DI MUGELLO	41,129
Publiacqua S.p.A.	BARBERINO TAVARNELLE	CONSTRUCTION FOUNTAINS PARK MOCALE LOC. TIGNANO	12,276
Publiacqua S.p.A.	MUNICIPALITY OF SESTO FIORENTINO	FOUNTAIN VIALE GRAMSCI	8,629
Publiacqua S.p.A.	MUNICIPALITY OF BARBERINO DI MUGELLO	GALLIANO FOUNTAIN REFURBISHMENT	16,838
Publiacqua S.p.A.	MUNICIPALITY OF DICOMANO	RE-BILLING FOUNTAINS V.FABBRONI	14,736
Publiacqua S.p.A.	MUNICIPALITY OF FIESOLE	CONSTRUCTION FOUNTAINS FSL CAPITOL	19,236
Publiacqua S.p.A.	MUNICIPALITY OF FIESOLE	CONSTRUCTION FOUNTAINS GIRONE	18,728
Publiacqua S.p.A.	MUNICIPALITY OF FIGLINE E INCISA VALDARNO	REC. WATER SUPPLY SYSTEM LOC.LOPPIANO	13,000
Publiacqua S.p.A.	MUNICIPALITY OF FIGLINE E INCISA VALDARNO	WATER MAINS REPLACEMENT LOC.MADONNA DEL CESTO	10,000
Publiacqua S.p.A.	MUNICIPALITY OF FLORENCE	WORKS DIRECTION SEWER REPLACEMENT VIA PANDOLFINI FLORENCE	12,990

Beneficiary	Entity	Contribution	Amount
Publiacqua S.p.A.	MUNICIPALITY OF FLORENCE	FOUNTAINS LEOPOLDO SQUARE	6,924
Publiacqua S.p.A.	MUNICIPALITY OF FLORENCE	WATER/SEWERAGE CONNECTIONS	24,434
Publiacqua S.p.A.	MUNICIPALITY OF FLORENCE	RE-BILLING FOUNTAINS VIALE GRAMSCI	7,753
Publiacqua S.p.A.	MUNICIPALITY OF FLORENCE	WATER MAINS REPLACEMENT VIALE SPARTACO LAVAGNINI	2,125,289
Publiacqua S.p.A.	MUNICIPALITY OF FLORENCE	WATER MAINS REPLACEMENT LUNGARNO ACCIAIUOLI-FI	15,329
Publiacqua S.p.A.	MUNICIPALITY OF PRATO	CONSTRUCTION FOUNTAINS LA QUERCE	25,970
Publiacqua S.p.A.	MUNICIPALITY OF PRATO	BICYCLE PATH VAIANO_PRATO_PROGRAMME AGREEMENT	33,157
Publiacqua S.p.A.	MUNICIPALITY OF PRATO	WATER/SEWERAGE CONNECTIONS	12,167
Publiacqua S.p.A.	MUNICIPALITY OF PRATO	RE-BILLING FOUNTAINS V.BRASIMONE	25,970
Publiacqua S.p.A.	MUNICIPALITY OF PRATO	SAN GIORGIO A COLONICA - VIA OLMO	15,326
Publiacqua S.p.A.	MUNICIPALITY OF QUARRATA	VIA NUOVA EXTENSION LOT I	81,000
Publiacqua S.p.A.	MUNICIPALITY OF SESTO FIORENTINO	FOUNTAINS VIALE GRAMSCI	2,359
Publiacqua S.p.A.	CONDOMINIUM VIA DELLA PIAZZUOLA 49	WATER MAINS EXTENSION VIA PIAZZUOLA	57,870
Publiacqua S.p.A.	COSTRUZIONI FAGGI FEDERICO	SEWERAGE EXTENSION NARIA VIA PERGOLES	1,260
Publiacqua S.p.A.	COSTRUZIONI FAGGI FEDERICO	WATER MAINS EXTENSION VIA PERGOLES	12,000
Publiacqua S.p.A.	MISE	NRRP 517-M2C4-I4 UPGRADING SESTO FIORENTINO AQUEDUCT AND RESOURCE RECOVERY GALLERIA VAGLIA SUD	1,960,830
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q1 2024	962,920
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q1 2024	333,949
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES H2 2024	937,578
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q3 2023	219,780
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q3 2023	3,306,090
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q3 2023	46,217
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q3 2023	8,708
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q3 2023	1,365,045
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q3 2023	695,334
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q4 2023	2,982,043
Publiacqua S.p.A.	HIGH PRICES MITIGATION	HIGH PRICES Q4 2023	3,056,876
Publiacqua S.p.A.	Tuscan Water Authority/Tuscany Region	PIR 3.4 AQUEDUCT (STRUCTURAL)_AIT	1,167,635
Publiacqua S.p.A.	MUNICIPALITY OF PISTOIA	WATER/SEWERAGE CONNECTIONS	19,021
Publiacqua S.p.A.	MUNICIPALITY OF IMPRUNETA	REIMBURSEMENT ART.42BIS MUNICIPALITY IMPRUNETA PURIF.TAVARNUZZE	31,789
Publiacqua S.p.A.	MUNICIPALITY OF MONTEVARCHI	WATER MAINS EXTENSION VIA CAMPAGNA_MUNICIPALITY OF MONTEVARCHI	75,000
Publiacqua S.p.A.	MUNICIPALITY OF BAGNO A RIPOLI	ANTELLA SEWERAGE SYSTEM UPGRADING_60% CONTRIBUTION UNDER AGREEMENT	390,600
Centria S.r.l.	MUNICIPALITY FIGLINE INCISA VALDARNO	Plant contribution (distribution network)	12,548
Centria S.r.l.	ANAS S.P.A.	Plant contributions (distribution network)	93,718
Centria S.r.l.	METROPOLITAN CITY OF FLORENCE	Plant contributions (distribution network)	36,480
Centria S.r.l.	MUNICIPALITY OF MONTESPERTOLI	Plant contributions (water network)	71,983
Centria S.r.l.	MUNICIPALITY OF RIETI	Contribution for LPG price reduction	59,431
			38,006,373

15.6 Transactions with related parties

Alia and the Group companies carry out transactions with related parties based on principles of transparency and correctness. These relationships generally relate to services provided to customers in general and are governed by the contracts and conditions normally applied in such situations.

If they are not services of the current type, the transactions are in any case governed on the basis of the normal conditions applied on the market.

Alia Servizi Ambientali S.p.A. - Consolidated Financial Statements at 31 December 2024

The tables below show the economic and asset transactions during the period ended 31 December 2024 with related parties.

- Economic transactions

<i>amounts in EUR</i>	Revenue	Other operating revenues	Other income	Costs of raw materials and consumables	Costs for services	Personnel costs	Other operating expenses	Financial income	Financial expenses
Municipality of Empoli	34,591				170		32,671		
Municipality of Florence	116,576,306	17,293	4,392		4,498		3,020,830		7,393
Municipality of Pistoia	22,612,090	4,685			1,707,162		295,764		
Municipality of Prato	44,218,994	38,068	146,340		2,845,765		450,967		
Municipality of Scandicci	5,286,141	7,441	21,058		181,554		132,990		
Municipality of Sesto Fiorentino	11,393,540	1,410			465,440		56,272		
Member municipalities	200,121,662	68,897	171,790		5,204,589		3,989,494		7,393
Nuova Sirio S.r.l.	9,101	2,124							
AL.BE SRL		27,398				98,545			
REAL S.r.l.	10,209,650	12,084			2,234,373				
Companies subject to joint control	10,218,751	41,605			2,234,373	98,545			
A.E.S. Fano Distribuzione Gas S.r.l.	126,120	180,655			2,407,651	8,591	-26,756	24,500	
Acque Spa	51,788	22,401		130,795	485,069		1,990		
Blugas Infrastrutture S.r.l.		14,008						179,825	
Ingegnerie toscane s.r.l.	26,425	33,500			8,728,541				169,081
Irmel Srl					253,908				
Le Soluzioni s.c.r.l.	3,574	42,879			6,157,194		229,827		
Sea Risorse Spa	-327,613	19,370							
Servizi Ecologici Integrati Toscana Srl	6,919,257	17,946			458,555	136,058	2,430		
SIG S.p.A.	531,971	154,693			17,200	8,818	194		
Ti Forma s.r.l.		24,000			446,263	2,500			
Toscana Energia Spa	18,441	192		768	11,967,364		12,818	10	
Vaiano Depur SpA							4,517		
Vetro Revet Srl	11,631,091	769,469		83,027	1,138,329			11,396	
Associates	18,981,055	1,279,113		214,590	32,060,075	155,967	225,021	215,730	169,081

Asset transactions

<i>amounts in EUR</i>	Non-current financial assets	Trade receivables	Other current assets	Other non-current liabilities	Trade payables	Other current liabilities
Municipality of Empoli		229,395	225,753			785,634
Municipality of Florence		33,754,960		-13,492	733,055	8,951,570
Municipality of Pistoia	1,133	16,663,197		-418	77,423	1,387,845
Municipality of Prato		15,407,603	43,585	-385	772,163	5,124,122
Municipality of Scandicci		5,272,085		-229	-174,486	1,936,404
Municipality of Sesto Fiorentino		2,707,242		-325	-208,140	1,096,628

<i>amounts in EUR</i>	Non-current financial assets	Trade receivables	Other current assets	Other non- current liabilities	Trade payables	Other current liabilities
Member municipalities	1,133	74,034,482	269,338	-14,850	1,200,015	19,282,203
Nuova Sirio S.r.l.	230,000	25,621				
AL.BE SRL		33,565			59,518	
REAL S.r.l.		3,537,018			788,800	
Companies subject to joint control	230,000	3,596,204	-	-	848,317	
A.E.S. Fano Distribuzione Gas S.r.l.	490,000	254,837	223,764			-551,238
Acque Spa		10,732			999,569	
Blugas Infrastrutture S.r.l.	4,152,566	1,615,929				
Ingegnerie toscane s.r.l.		262,323			8,780,417	
Irmel Srl					254,171	
Le Soluzioni s.c.r.l.		78,803	32		4,202,232	
Sea Risorse Spa		61,892			51,757	
Servizi Ecologici Integrati Toscana Srl	10,000	3,723,204	41,330		269,665	
SIG S.p.A.		48,800	258,991			-3,478
Ti Forma s.r.l.		24,002			109,182	
Toscana Energia Spa		-3,178	5,390,181		2,385,108	150
Vaiano Depur SpA					23,831	
Vetro Revet Srl		3,437,198			291,230	
Associates	4,652,566	9,514,542	5,914,297	-	17,367,162	554,566

15.7 Emoluments to directors, statutory auditors and independent auditors

The table below shows the emoluments to directors, statutory auditors and independent auditors for 2024 and 2023.

Beneficiaries	Year ending 31 December 2024 (amounts in thousands of Euro)			Year ended 31 December 2023 (amounts in thousands of Euro)		
	At the parent company	Of the other companies of the Group	Total	At the parent company	Of the other companies of the group	Total
Directors	554	1,332	1886	356	623	979
Board of Statutory Auditors	195	650	844	66	292	358
Independent Auditors	406	477	883	326	54	380

The table below shows the fees for the year 2024 paid to the independent auditors and entities within its network, including "other services" provided to Alia Servizi Ambientali and its subsidiaries by the independent auditors PricewaterhouseCoopers S.p.A. and the entities belonging to its network. No appointments were made in respect of PricewaterhouseCoopers S.p.A. that are not permitted in terms of application legislation.

Type of service	Recipient	Notes	Fees accruing 2024 (thousands of Euro)
Auditing	Parent company - Alia Servizi Ambientali S.p.A.	A	377
	Subsidiaries	B	477
Certification services	Parent company - Alia Servizi Ambientali S.p.A.	C	27
	Subsidiaries		

Type of service	Recipient	Notes	Fees accruing 2024 (thousands of Euro)
Other services	Parent company - Alia Servizi Ambientali S.p.A.	D	1
	Subsidiaries		
Total			883

- A:** Fees relating to the engagement for the legal audit of the consolidated financial statements, the annual financial statements of Alia Servizi Ambientali S.p.A. and for the performance of periodic audits.
- B:** Fees relating to auditing assignments of the subsidiaries Revet S.p.A., Programma Ambiente Apuane S.p.A., Ambiente Toscana Opco S.p.A. Estra Group, Publiacqua S.p.A., GIDA S.p.A., Valdisieve Scrl and for the performance of the relevant periodic audits.
- C:** Fees for the limited audit of the Sustainability Report (CSRD) of Alia Servizi Ambientali S.p.A.
- D:** Fees related to the audit of the translation of the financial statements.

15.8 Significant events occurring after the reporting date

In addition to what has already been reported in the section of the notes to the financial statements concerning equity investments in associates in reference to the exercise of the option right by Italgas S.p.A. on 14 January 2025 for the purchase of the equity investment corresponding to 20.61% of Toscana Energia S.p.A., the following significant events occurred after the end of the financial year:

Financing Transaction and Bond Issue

On 11 February 2025, the parent company Alia Servizi Ambientali S.p.A. signed, in its own interest and in the interest of Estra:

3. A loan agreement for a medium/long-term multi-line loan for a total maximum amount of € 765 million, signed with a pool of major lenders, specifically Banca Nazionale del Lavoro S.p.A, Intesa Sanpaolo S.p.A., UniCredit S.p.A., Banca Monte dei Paschi di Siena S.p.A., Cassa depositi e prestiti S.p.A., Crédit Agricole Corporate and Investment Bank - Milan Branch and Crédit Agricole Italia S.p.A. (the "Lender Institutions") and divided into the following credit lines:
 - a. a loan of € 225 million, maturing on 11 August 2027, mainly aimed at early repayment of part of the financial debt of Alia and Estra;
 - b. a loan of € 440 million, 50% counter-guaranteed by SACE, with an availability period up to 11 August 2026, to be repaid in accordance with a repayment schedule by 11 February 2030, aimed at supporting Alia's capex plan, relating to the environment branch, and that of Estra;
 - c. a revolving cash credit line with a maximum term of 2.5 years, of € 100 million, to be utilised also in several instalments, to support the general cash requirements of Alia and Estra.
4. An agreement with the US investor Pricoa, of the PGIM Group, relating to the issue by Alia of a new bond for an amount of approximately € 200 million, with a 10-year term, aimed at repaying part of Alia's and Estra's financial debt and supporting the general cash requirements of Alia and the Estra Group. The issue is part of an uncommitted programme, in the total amount of \$ 250 million, for the issue of bonds to be subscribed by PGIM Group companies.

The revenues of the two financing lines were used to repay part of the existing financial debt in advance, support the investment plan and meet general cash requirements.

The existing financial debt repaid under the above transactions arises from:

- the loan agreement signed by Estra, Estra Energie and Prometeo with the pool of banks consisting of Banca Nazionale del Lavoro, Intesa Sanpaolo and Credit Agricole Italia for an initial € 125,000 thousand and residual debt at 31 December 2024 of € 32,143 thousand;
- the loan agreement signed between Estra and Estra Energie with Banca MPS for an initial € 80,000 thousand and residual debt at 31 December 2024 of € 40,000 thousand;
- the USPP bond issued by Estra on 14 September 2022 for an initial and residual amount of € 70,000 thousand at 31/12/2024, guaranteed by Centria and Estra Clima and listed on the Vienna Stock Exchange;

- the Italian bond loan for an initial and residual amount of € 90,000 thousand at 31/12/2024, listed on Euronext Dublin, issued on 23 February 2022 by the Parent Company;
- the loan agreement signed on 22 April 2022 between Alia and a pool of primary banks for an initial amount of € 135,000 thousand and residual debt as of 31 December 2024 of € 129,600 thousand.

Both the bank loan and the USPP are guaranteed by Estra up to the maximum amount of the financial resources received by the latter through shareholder loans.

In line with the market for this type of instrument, the contractual terms and conditions signed include provisions entitling the counterparties, be they banks or bondholders, to demand immediate repayment of the loaned sums from the borrower upon the occurrence of certain events.

In particular, the bank loan agreement and the bond regulations establish that the Group must comply with certain capital-financial ratios for the entire duration of the credit lines. Failure to comply with these parameters could result in the execution of the acceleration clause and an earlier repayment obligation arising for the debtor.

The financial parameters established are generally measured with respect to Alia Group consolidated figures, and can be summarised as follows:

- the ratio between net financial debt and EBITDA (lower than 4.0x);
- the ratio of financial expenses to EBITDA (greater than 5.0x).

The innovative contractual structure of the loan rewards the Group's sound financial structure and environmental and social (ESG) virtuousness through the introduction of a mechanism (ratchet) that links the interest rate (spread) to the creditworthiness (rating) and, following the activation of a sustainability-linked option, to the achievement of ESG objectives. In particular, the ratio of net financial debt to EBITDA, depending on the scenarios stipulated in the contract, can also be measured on the basis of economic/financial data relating to the individual businesses of the Alia Group.

The assumption of the loan, as well as the issuance of the USPP, is instrumental in improving the debt composition of the entire Group and represents the implementation of the Group's financial strategy in order to optimise the current financing lines, to raise resources for the investment plan, to intervene on the short-term net financial position, and to make liquidity management more efficient, also with reference to intra-group credit lines.

Determination of Residual Value (provisional) of Publiacqua S.p.A.

Consistent with the provision of art. 40 of the Concession Agreement, on 31 March 2025, the subsidiary Publiacqua S.p.A. notified the TWA of its proposed (provisional) Residual Value at 31 December 2025, which represents the price to be paid by the incoming operator to the outgoing operator, calculated in accordance with art. 31 of ARERA Resolution 639/2023.

The residual value, determined with appropriate specialised support, amounted to € 456,764 thousand.

Authorisation for publication

This document was approved by the Board of Directors of Alia Servizi Ambientali S.p.A. on 9 June 2025 and filed at the company's registered office on 12 June 2025.

For the Board of Directors

The Chairperson
Lorenzo Perra

Chief Executive Officer
Alberto Irace

16 Certification of the Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and integrations

1. The undersigned Alberto Irace in his capacity as Chief Executive Officer and Demetrio Mauro in his capacity as Financial Reporting Manager of Alia Servizi Ambientali S.p.A. certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998
 - its adequacy in relation to the characteristics of the company (also taking into account any changes during the year) and
 - the effective application of the administrative and accounting procedures for the preparation of the consolidated financial statements for the year ending 31 December 2024.
2. No major issues emerged in this respect.
3. It is also certified that the consolidated financial statements:
 - a) were prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament of 19 July 2002;
 - b) correspond to the entries in the books and records;
 - c) are able to provide a true and fair view of the issuer's financial position, results of operations and cash flows, together with a description of the principal risks and uncertainties to which it is exposed.

Florence, 12 June 2025

Chief Executive Officer

(Signed)

.....

Financial Reporting Manager

(Signed)

.....

17 Certification of the sustainability reporting pursuant to Article 81-ter, par. 1 of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and integrations

1. The undersigned Alberto Irace in his capacity as Chief Executive Officer and Demetrio Mauro in his capacity as Financial Reporting Manager of Alia Servizi Ambientali S.p.A. certify, pursuant to Article 154-bis, paragraph 5-ter of Legislative Decree No. 58 of 24 February 1998, that the sustainability report included in the Management Report was prepared:
- a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree No. 125 of 6 September 2024;
 - b) with the specifications adopted in accordance with Article 8, par. 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Florence, 12 June 2025

Chief Executive Officer

Financial Reporting Manager

(Signed)

(Signed)

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18 Report of the Auditing Firm on the Consolidated Sustainability Report at 31/12/2024



Independent auditor's limited assurance report on the consolidated sustainability report

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of
Alia Servizi Ambientali SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Alia Servizi Ambientali Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Alia Servizi Ambientali Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");
- the information set out in paragraph "Disclosure pursuant to article 8 of Regulation (EU) 2020/852" of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the Auditor's *Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.

We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

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Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The consolidated sustainability report for the year ended 31 December 2024 contains, in the specific section "Disclosure pursuant to article 8 of Regulation (EU) 2020/852", the comparative information referred to in article 8 of the Taxonomy Regulation in relation to the year ended 31 December 2023, which was not subjected to any assurance procedures.

Responsibilities of the directors and the board of statutory auditors of Alia Servizi Ambientali SpA for the consolidated sustainability report

The directors are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the ["IRO-1" note] of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph "Disclosure pursuant to article 8 of Regulation (EU) 2020/852".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.



Inherent limitations in the preparation of the consolidated sustainability report

For the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated Sustainability Report, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant. The disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Alia Servizi Ambientali SpA responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.



We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- We reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- We obtained management's representation letter.

Florence, 12 June 2025

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative. We have not examined the translation of the consolidated sustainability report referred to in this report.

19 Report of the Auditing Firm on the Consolidated Financial Statements at 31/12/2024



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of
Alia Servizi Ambientali SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Alia Servizi Ambientali Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Alia Servizi Ambientali SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters

Auditing procedures performed in response to key audit matters

Goodwill

Explanatory notes to the consolidated financial statements as of 31 December 2024: note 6.4 "Summary of main accounting policies – 3) Business combinations and goodwill", note 14.6 "Goodwill".

Goodwill is accounted for in the consolidated financial statements as of 31 December 2024 for an amount of Euro 53.6 million which represents 1.5% of the Group's assets.

In accordance with "IAS 36 - Impairment of assets", goodwill is tested for impairment at least once a year.

The recoverable amount of an asset is the higher between the fair value, less costs to sell, and the related value in use, determined by discounting back the estimated future cash flows for such asset, including, if material and reasonably determinable, those deriving from the disposal at the end of the useful life, net of costs to sell, if any. When determining the value in use, the expected future cash flows are discounted at a discount rate which reflects the current market valuations of the cost of money, compared to the period of the investment and the asset's specific risks.

Specifically, the configuration of the recoverable amount taken as a reference by the Company is that of the value in use, determined as being equal to the present value of the forecast data of the cash generating units ("CGUs") relating to the five-year period after the reporting date, derived from the 2025-2029 Business Plan approved by the Board of Directors on 26 May 2025, to which a terminal value has been added.

The key assumptions used to determine the value in use are the gross margin, the market share during the forecast period, the discount rate and the

As part of the checks on Goodwill, we obtained an understanding and assessed the procedures adopted by management for the purpose of verifying the compliance with the requirements of "IAS 36 – Impairment of Assets", verifying the reasonableness of the assumptions used by the directors to determine the value in use, including those used to estimate the expected future cash flows over the relevant time horizon and arising from the Business Plan for the 2025-2029 period.

We verified the correct allocation of the carrying amount of the assets and liabilities that can be directly allocated to the cash generating units and checked the mathematical accuracy of the computations prepared by management.

We verified the construction methods of the discount rate and perpetuity growth rate of the cash flows beyond the time horizon of the Business Plan approved by the parent company's directors on 26 May 2025 together with any impairment loss (impairment test).

Additionally, we analysed the alternative scenarios prepared by the directors (sensitivity analysis).

Finally, we performed independent sensitivity analyses with regard to the significant assumptions adopted by the directors when verifying the existence of any impairment loss of goodwill. These activities were performed involving PwC network experts.



perpetuity growth rate of the cash flows beyond the time horizon of the Business Plan. The impairment test did not highlight any reduction in value of goodwill and of the CGUs to which it was allocated.

In this respect, the directors deemed it appropriate to carry out also sensitivity analyses which took into account lower profitability levels and higher WACC than those identified in the Plans approved by the directors of the subsidiaries and parent company. As part of our audit, we paid special attention to the valuation process related to this caption performed by management, in consideration of the significance of this caption and the estimation elements inherent in the directors' evaluation.

Our checks included the analysis of the explanatory notes to the consolidated financial statements in order to assess the accuracy and completeness of the disclosures related thereto.

Recognition of revenues accrued for the sale of gas and electricity not yet billed at 31 December 2024

Explanatory notes to the consolidated financial statements as of 31 December 2024: note 6.4 "Summary of main accounting policies"- Revenue from sale of goods and services"; note 7 "Significant accounting estimates" (viii) Recognition of revenue from the sale of electricity and gas; note 12. 1, "Revenue".

Revenue from sales comprises the estimated revenue accrued in relation to gas and electricity consumed by customers and not yet billed at 31 December 2024, in addition to revenue accrued and already billed to customers on the basis of pre-set meter reading schedules to track actual or estimated consumption during the year. The estimation of revenue accrued and not yet billed is accounted for within receivables from customers as an accrual for invoices to be issued which also include the residual accruals related to previous years. The recognition of revenue accrued but not yet billed implies processes and methods to evaluate and calculate estimates based on sometimes complex assumptions. As a matter of fact, the methods used by the Group to estimate consumptions between the date of each customer's last meter reading and 31

We analysed the procedure and significant controls, including IT controls, implemented by the main Group companies in respect of the recognition of revenue from the sale of gas and electricity and carried out tests of compliance on significant controls, such as checks of actual and estimated consumptions billed to customers.

We also performed a desk review on a sample of data used by management to determine revenue accrued but not yet billed, including checks on the information provided by carriers on the volumes input into the distribution grid, on the data extracted from the IT systems and a review of the calculations. We critically examined the assumptions used by management vis-à-vis the previous year, and compared the previous years' estimates with actual data subsequently obtained, and analysed deviations in order to support the reliability of the current estimation process.



December are based on complex calculation assumptions and algorithms, which involve a combination of data extracted from IT management systems and off-balance sheet data.

Specifically, the estimation of revenues accrued but not yet billed is determined as the difference between consumption already billed to customers within the year-end and the gas and electricity quantities input into the distribution grid, measured according to the data made available at the end of the year by carriers, subject to potential revisions in subsequent periods as provided for in the applicable legislation, as well as according to internal forecasts on customer consumptions.

This difference is measured, depending on the type of customer, on the basis of the incidence of relevant volumes already billed and corresponding average tariff in place in the year.

As part of our audit, we paid special attention to the valuation process related to this caption performed by management, in consideration of the significance of this caption and the estimation elements inherent in the directors' evaluation.

Our checks included the analysis of the explanatory notes to the consolidated financial statements in order to assess the accuracy and completeness of the disclosures related thereto.

Receivables for invoices to be issued from tariff adjustments on revenue from the management of the integrated water service

Explanatory notes to the consolidated financial statements as of 31 December 2024: note 6.4 "Summary of main accounting policies – Revenue from the management of the integrated water service; note 14.12 "Non-current assets from customer contracts".

The Group has recognized in the consolidated financial statements as of 31 December 2024 non-current assets from customer contracts for Euro 126 million, of which Euro 93.9 million related to receivables for tariff adjustments on revenue from the management of the integrated water service. The revenues from the integrated water service are

The audit procedures consisted in obtaining an understanding and evaluating the operation of relevant controls implemented by management within the revenue cycle. Additionally, we performed a reconciliation of the revenue from the integrated water service with the adjusted GRC for settlements related to so-called pass-through items and those related to costs incurred due to the occurrence of exceptional events.

Our checks included analyzing the explanatory notes to the consolidated financial statements in order to assess the



determined based on the estimated consumption for the period and the tariffs and the Guaranteed Revenue Constraint (GRC), as provided for in the tariff plan prepared in accordance with the Water Pricing Method applied for the calculation of the 2024-2029 tariffs and approved by the competent authorities. The Group records among revenues for the year the adjustment related to so-called "pass-through" items, as well as any adjustment related to the costs incurred for the Integrated Water Service due to the occurrence of exceptional events, provided that the recognition process yielded a positive outcome.

accuracy and completeness of the disclosures related thereto.

As part of our audit process, we paid specific attention to the evaluation process of this item carried out by management, considering the relevance of the item in question and the estimation elements inherent in the evaluation carried out by the directors.

Acquisition of control of Publiacqua SpA

Explanatory notes to the consolidated financial statements as of 31 December 2024: note 6.3 "Consolidation principles", note 6.4 "Summary of main accounting policies – 3) Business combinations and goodwill", note 7 "Significant accounting estimates – (iii) Business combinations", note 11.1 "Acquisition of control of Publiacqua SpA".

The process of evaluating and recording the acquisition of control of Publiacqua SpA required management to conduct further in-depth analyses concerning the method of acquiring control following changes in the composition of the Board of Directors during the fiscal year.

The aforementioned process has also required management to use estimates with particular reference to the identification and relative measurement at fair value of the identifiable assets acquired and the identifiable liabilities assumed. As part of our audit process, we have paid special attention to the evaluation and recognition process

We performed a desk review of the transaction documents, held discussions with management and performed an understanding and assessment of the methods adopted by management for the identification and fair value measurement of the identifiable assets acquired and identifiable liabilities assumed.

Furthermore, we analyzed the appropriateness of the accounting recognition of the transaction according to the provisions of the accounting standards "IFRS 10 – Consolidated Financial Statements" and "IFRS 3 – Business Combinations", with particular reference to the method of acquiring control, the determination of the acquisition date, and the amount of the consideration transferred.



of the transaction in question carried out by the management due to the relevance of the transaction and the estimation elements inherent in the evaluation carried out by the directors.

We also verified the accuracy of the fair value of the identifiable assets acquired and identifiable liabilities assumed.

Such activities were performed with the involvement of PwC network experts.

Our checks included the analysis of the explanatory notes to the consolidated financial statements in order to assess the accuracy and completeness of the disclosures related thereto.

Provisions for post-closure landfill management

Explanatory notes to the consolidated financial statements as of 31 December 2024: note 6.4 "Summary of main accounting policies – 32) Provisions for risks and charges", note 7 "Significant accounting estimates – (vii) Provisions for risks and bad debts", note 14.23 "Provisions for risks and charges".

The provisions for post-closure management of company-owned landfills recognised within the liabilities of the statement of financial position of the consolidated financial statements at 31 December 2024 amounted to Euro 29 million, which represented 1.80% of the Group's liabilities.

Such amount was determined by the directors on the basis of the applicable accounting standards, in particular in accordance with "IAS 37 - Provisions, contingent liabilities and contingent assets" and with the current provisions of law (Legislative Decree 36/2003) supported by external independent professionals for estimating the expected cash flows related to such provision.

Given the significance of the amounts under analysis and the use of estimates made by management to verify the compliance with the requirements under "IAS 37 - Provisions, contingent liabilities and

We carried out an understanding and evaluation of the procedure adopted by the Group for the determination of the accruals to the provisions for post-closure landfill management.

We verified that the accrual was made in accordance with the current provisions of law, in particular in compliance with Legislative Decree 36/2003.

Moreover, we obtained and analysed, through discussions with the Group's personnel, the external appraisal reports used by management to determine the above-mentioned provisions and then we verified that the data contained in the reports had been adequately used for the determination of the accruals through the discounting process under "IAS 37 - Provisions, contingent liabilities and contingent assets".

We also verified the reasonableness and adequacy of the discount rate used by the directors to calculate the amount of the provision recognised in the financial statements.



contingent assets", we paid special attention to reviewing the liabilities at issue.

Finally, we verified the mathematical accuracy of the calculation and assessed the accuracy and completeness of the disclosures in the notes to the financial statements.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Alia Servizi Ambientali SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting



from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.



Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 16 February 2017 and 20 December 2017 respectively, the shareholders of Alia Servizi Ambientali SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2017 to 31 December 2025.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Alia Servizi Ambientali SpA are responsible for preparing a management report and a report on the corporate governance and ownership structure of the Alia Servizi Ambientali Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the management report and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the management report, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the management report and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the management report and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of the Alia Servizi Ambientali Group as of 31 December 2024.



Moreover, in our opinion, the management report, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the management report relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Florence, 12 June 2025

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative. We have not examined the translation of the financial statements referred to in this report.