



CONSOLIDATED NON-FINANCIAL STATEMENT 2018

pursuant to Articles 3 and 4 of Legislative Decree no. 254 of 2016

E.S.TR.A. S.p.A.

Registered office in Via Ugo Panziera, Prato (PO)

Share capital € 228,334,000.00 fully paid

Tax code and entry number in the Register of Companies of Prato 02149060978,

REA no. 0505831

CONSOLIDATED NON-FINANCIAL STATEMENT 2018

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CORPORATE BODIES

Board of Directors

Chairman Francesco Macrì

CEO Alessandro Piazzì

General Manager Paolo Abati

Director Roberta De Francesco

Director Chiara Sciascia

Board of Statutory Auditors

Athos Vestrini (Chairman)

Saverio Carlesi

Patrizia Berchiatti

Independent Auditors

EY S.p.A.

CONTENTS

Letter to Stakeholders	page 94
1. Introduction	page 98
2. Estra and sustainability	page 103
2.1 Our stakeholders	page 104
2.1.1 Stakeholder map	page 104
2.1.2 Stakeholder relations	page 104
2.2 Materiality analysis	page 107
3. Ethics and corporate governance	page 109
3.1 Risk management	page 110
3.1.1 Non-financial risks	page 111
3.2 Management model	page 112
3.2.1 Whistleblowing	page 113
3.2.2 Activities of the Supervisory Body	page 114
4. Anti-corruption policies	page 115
5. The development, well-being and protection of human capital	page 120
5.1 Employment	page 120
5.2 Occupational health and safety	page 122
5.3 Equal opportunities	page 124
5.4 Employee well-being	page 125
5.5 Attracting and retaining resources	page 127
5.6 Employee training and development	page 129
5.7 Internal communications	page 131
6. Estra and its customers	page 133
6.1 Quality of services and customer-oriented approach	page 133
6.2 System safety	page 134
6.3 Privacy	page 137

7. The Group's suppliers	page 138
7.1 Sustainable supply chain management	page 139
8. Estra and the region	page 143
8.1 Engagement and development of local communities	page 143
8.2 Environmental education	page 147
8.3 Innovation, research, development and partnerships with Universities and bodies	page 149
9. Environmental protection	page 152
9.1 Environmental mitigation	page 153
9.1.1 Energy consumption	page 153
9.1.1.1 Methane consumption	page 154
9.1.1.2 Electricity consumption	page 154
9.1.1.3 Vehicle consumption	page 155
9.1.2. Environmental mitigation actions	page 155
9.1.2.1 Energy efficiency	page 156
9.1.2.2 Electric mobility	page 157
9.1.3 Waste	page 157
9.2 The fight against climate change	page 158
9.2.1 Energy generation plants	page 158
9.2.2 Self-consumption of electricity from renewable sources	page 159
9.2.3 Atmospheric emissions	page 160
9.2.4 Avoided atmospheric emissions	page 161
Note on methodology	page 162
GRI Content Index	page 165

LETTER TO STAKEHOLDER

This Non-Financial Statement reports on the material topics associated with Italian Legislative Decree no. 254/16. However, the document goes beyond mere legislative compliance, illustrating and providing information about the most important stakeholders of the Estra Group. Principally, these include our employees, customers, the environment, suppliers and the community.

The development of human capital

The Estra Group believes that people are an essential element to the creation of value and supports the development of professional skills and expertise as a fundamental prerequisite to shared growth. We are proud to have earned the accolade of “Best job” in the “Raw Materials and Energy” sector in 2018 following the survey conducted by the Istituto Tedesco Qualità e Finanza [German Quality and Finance Institute]. In the “Best Job Italia” category, training, salary, professional progression, welfare and the working environment are considered and of the 2,500 businesses analysed, only 10% received the “Best Job” award.

With regard to employment, both through new recruitment and the arrival of personnel from newly acquired companies, the number of the Group’s employees rose by just under a hundred, taking us to over 700 employed workers. Of these, 94% are employed on full-time contracts which ensure that all workers - but particularly young employees - benefit from job security.

We afford particular attention to occupational health and safety, so much so that in 2018 we organised the first occupational health and safety tournament to train employees at Centria, the Group’s leading gas distribution business.

Employee training also covered many other topics and 585 employees (82.7% of the total workforce) took part in training activities, with a total of 29,996 hours of training delivered.

Estra and its customers

We would like to emphasise two key aspects of our approach to customer relations: a correct and transparent sales process, and the provision of a secure methane gas distribution service. These two very different elements guarantee, in different ways, a high quality customer relationship.

The companies of the Estra Group have long followed a structured investment process, implementing a series of investments aimed at providing all customers with the most comprehensive guarantees within the contractual relationship.

It is essential to create genuine value in relations with citizens and to re-establish a new sense of trust in the provision of energy services. This requires the development of a new commercial model centred on proximity of service and the relationship with the regions in which we operate, based on a vision of an efficient business working in close proximity to citizens, able to compete on the market yet remaining firmly rooted in its area

of expertise. Market expansion and service quality are two concepts that necessarily go hand in hand.

The security of our distribution systems is of primary importance to the Estra Group. Centria conducts systematic inspections of its networks on a continuous basis to a level that far exceeds the national average set by other distributors.

In 2018 total metres inspected, including high, medium and low pressure systems, amounted to 100%.

These levels of quality safeguard the region, ensuring high safety standards that could not be achieved without substantial investments into networks, training, connections, the replacement of old meters with digital meters, and the introduction of innovative technology.

The environment

The Estra Group is actively committed to protecting the natural environment and ensuring the sustainable development of the regions in which it operates. This is proven by the use of renewable energy, the energy efficiency solutions adopted by the Group at its sites, the services offered to businesses and citizens and the recovery of generated waste. In 2018, over 90% of generated waste was sent for recovery, despite the increase in total quantity due to the consolidation of new companies into the Group.

The Group contributes to the fight against climate change through the production of renewable energy, which in 2018 exceeded 30 million kWh of electricity and 20 million kWh of thermal energy.

However, the data recorded for avoided emissions perhaps represents the most tangible evidence of the Group's commitment to environmental protection. In 2018 avoided CO₂ emissions totalled 806.43 tonnes.

Economic activities

We are particularly proud of the economic contribution we make to our suppliers. Total supplies were valued at over 249 million Euros, demonstrating the Group's ability to make a significant economic contribution and represent an important source of employment. Total supplies increased, partly as a result of acquisitions that determined a growth in the dimensions of the Estra Group.

While we are a national multi-utility company, we are committed to maintaining a strong connection with the regions in which we operate, so we are pleased to report that our suppliers are concentrated in Central Italy and, in particular, in Tuscany and the Marche region.

We are also proud of the SA8000 certification awarded to our subsidiary company Centria, which has adopted a risk assessment system to assess the level of corporate risk of its suppliers. The decision was made to certify Centria as its methane gas distribution activities represent a greater corporate risk in the supplier selection process compared to other activities performed by the Estra Group.

The development of local communities

Of the many community projects and initiatives promoted by Estra, we would like to highlight three which are particularly representative of the Group's sensitivity and commitment.

As part of the European Erasmus+ Programme we are working to establish the new professional figure of the "Sustainability Report and Integrated Report Project Manager", which will enable the skills, expertise and abilities acquired by the project's participants to be recognised in all European countries. Estra's promotional role in the project and the experience acquired through the preparation of the sustainability reports are further evidence of the Group's primary focus on the importance of sustainable development and correct disclosure of sustainability practices. This project will enable the consolidation of specific business sustainability skills and will pave the way for new professional and employment opportunities.

Now in its eighth year, the Energicamente educational programme aimed at schools of all levels and categories was implemented in 16 regions in the 2017/2018 academic year, involving 50,000 students, 1,000 teachers and 130,000 relatives. Through interactive lessons, quizzes and online games, students were invited to discover how to use energy more efficiently in everyday life, to use smart technologies to make cities more liveable, and to design a more sustainable future, exploring alternative transportation methods and renewable energy sources.

In 2018 Estra promoted the e-qube Startup&idea Challenge programme. Aimed at start-ups, the initiative aims to promote the development of the best projects for products or services characterised by highly innovative content.

The design and promotion of the e-qube Startup&idea Challenge initiative by Estra once again confirms the Group's committed focus to the values of innovation and entrepreneurial development in the context of the smart cities of the future.

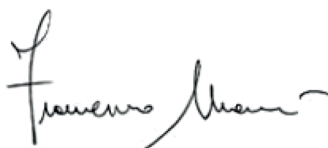
The Chief Executive Officer

Alessandro Piazzì



The Chairman

Francesco Macrì



1. INTRODUCTION

Estra S.p.A. (hereinafter also “Estra”), having issued an unsecured and non-convertible bond loan on the regulated market of the Dublin Stock Exchange on 28 November 2016 and having dimensional characteristics in terms of employees, financial position and net revenue over the thresholds provided for by Article 2, paragraph 1, is subject to the application of Italian Legislative Decree no. 254 of 30 December 2016 “Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU concerning the disclosure of non-financial information and information on diversity by certain large undertakings and groups”, as amended (hereinafter the “Decree”).

This Consolidated Non-Financial Statement (hereinafter the “NFS”) of the Estra Group as at 31 December 2018 has been prepared in compliance with the provisions of Decree no. 254/16 and is a separate document to the Report on Operations, as provided for by the Decree (Article 5, paragraph 3b).

The information contained in the NFS refers to the wholly consolidated companies considered in the Consolidated Financial Statements of the Group as at 31 December 2018. The reported data refer to the calendar year 2018; for comparative purposes, where possible the quantitative data of the three-year period 2016-2018 has been stated.

In the preparation of its NFS Estra has applied the “Sustainability Reporting Standards” of the Global Reporting Initiative (GRI Standards) according to the “In accordance - Core” approach. For each topic reported in this document, the materiality according to the materiality analysis conducted by the Estra Group, the associated risks and the relative management methods, Group policies, results achieved and the associated quantitative indicators have been indicated.

The data have been gathered from the various management departments of Estra, making use of the business management systems, specific software and numerous reports. The company department responsible for the preparation of the NFS and the Sustainability Report has ensured the necessary coordination and prepared this document.

This NFS was approved by the Board of Directors of Estra on 17 April 2019 and has been subject to limited assurance by EY S.p.A. The NFS is published in the “The Group” section of the Company website (www.estra.it). Estra S.p.A., with registered offices in Prato, is the holding of a Group structured according to a model that envisages a Parent Company with coordination and management activities over company departments and companies operating in the following operational sectors:

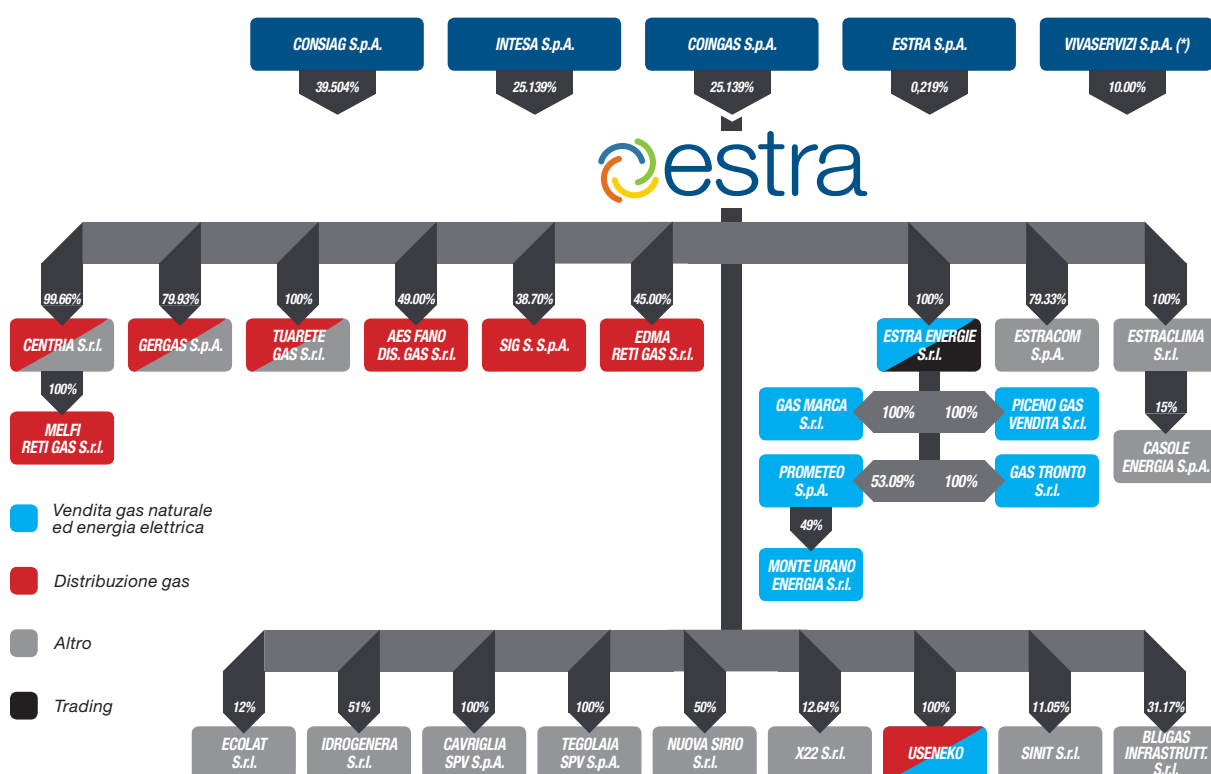
- sales of natural gas and electricity at national level;
- distribution of natural gas predominantly in the regions of central Italy;
- trading of natural gas on Italian and international platforms;
- technical and operational management of the telecommunications grids and sale of telecommunications services, technical and operational management and sale of LPG gas, production of electricity from

renewable sources (particularly photovoltaic sources), management of district heating networks and heat management activities, energy requalification and efficiency;

- environmental services.

Estra S.p.A. carries out the following activities on behalf of the Group Companies: strategic planning and organisation, financial planning and budgeting, marketing objectives and policies, disclosure and corporate reports, HR management policies, strategies and practices, production scheduling, business management planning and control.

The structure of the Estra Group as at 31.12.2018 is shown below, indicating the relevant holdings.



The Group carries out its activities predominantly in Central and Southern Italy. The geographic distribution of gas and electricity customers is as follows:

- from 0 to 5,000 customers in Basilicata, Emilia Romagna, Friuli Venezia Giulia, Liguria, Lombardy, Piedmont, Puglia, Trentino Alto Adige, Valle d'Aosta;
- from 5001 to 15,000 customers in Calabria, Lazio, Sardinia, Sicily, Umbria, Veneto;
- from 15,001 to 50,000 customers in Abruzzo, Campania, Molise;
- from 50,001 to 400,000 customers in Marche and Tuscany.

Compared to 2017 the number of end customers for gas rose by 4.1% in 2018 while the number of end customers for electricity rose by 22%.

Number PDR gas	2016	2017	2018
End market - Free	259,138	273,860	328,074
End market - Regulated	357,303	344,322	315,387
Total	616,441	618,182	643,461

Number POD ee	2016	2017	2018
End market - Free	121,306	86,762	110,598
End market - Regulated	20,748	20,418	20,146
Total	142,054	107,180	130,744

As regards consumption, from 2017 to 2018 gas increased by 2.5% while electricity reduced by 1.1%.

Gas volume (Mln m³)	2016	2017	2018
End market - Free	952	1,011	1,201
End market - Regulated	247	293	282
Total	1,200	1,304	1,483

Electricity volumes (Gwh)	2016	2017	2018
End market - Free	660	604	604
End market - Regulated	48	52	45
Total	708	656	649

Similarly to sales activities, the methane gas distribution service is concentrated in Central and Southern Italy. In fact, the Group manages the gas network and plants in the following provinces: Arezzo, Ancona, Bari, Campobasso, Florence, Foggia, Grosseto, Isernia, L'Aquila, Lucca, Perugia, Pistoia, Prato, Rieti, Siena and Teramo.

The main operational data of the Estra Group relative to natural gas distribution in 2016-2018 three-year period are given below.

Operational data	2016	2017	2018
Gas allocated to the grid (Mln m ³)	554	578	654
Active PDR (000)	396	400	447
Km of grid	5,397	5,418	6,378

Compared to 2017, in 2018 there was an increase across all indicators due to the acquisition of Melfi Reti Gas (+13.1% gas allocated to the grid, +11.8% number of PDR, +17.7% km of grid).

The amount of LPG distributed by Centria and Gergas remained largely unchanged.

LPG distributed (Mln m ³)	2016	2017	2018
	0.933	0.931	0.932

Considering financial and economic data, it is noted that subsequent to the application of IFRS 9 and IFRS 15 the decision was made to reclassify the following profit/loss items relating to the year 2017, to enable a suitable level of comparability of economic performance in the 2017-2018 two-year period.

Reclassified Balance Sheet (amounts in thousands of Euro)	Year ended 31 December 2017 Reclassified	Year ended 31 December 2018
Shareholders' Equity	331,920	325,253
Net financial position	216,923	263,084
Fixed assets	515,387	577,657

The change in the Group's equity at 31 December 2018 compared to 31 December 2017 is due to the profit for the period. The net debt increased, representing 44.7% of the capital raised compared to 39.5% in 2017. Fixed assets increased compared to 2017 due to an increase in real estate assets, fixed assets and intangible assets.

The table below shows the breakdown of the main revenue flows relating to the sale of Group services as at 31 December 2018 compared to the year ended 31 December 2017.

(amounts in thousands of Euro)	2017	2018
Revenues from methane gas distribution	20,215	28,557
Revenues from sales and distribution of LPG	3,363	3,416
Revenues from sales of methane gas	537,852	629,212
Revenues from sales of electricity	106,355	110,058
Revenues from telecommunications services	4,514	4,643
Revenues from other Group activities (including district heating, energy efficiency, sale of generated electricity and thermal energy)	8,259	15,654

All values for 2018 have increased compared to 2017. The item “Revenues from other Group activities” refers to the Parent Company’s revenues for service contracts in place with Shareholders, associates and jointly controlled companies, revenues from heat and maintenance management typical of the subsidiary Estra Clima and revenues from energy generation from renewable sources. The variation is mainly due to the increase in the Group’s activities and the consolidation for the entire year of Cavriglia and Tegolaia, operating in the production of energy from photovoltaic plants, which were only consolidated for one quarter in the previous year.

2. ESTRA AND SUSTAINABILITY

A few years after its foundation, Estra began to confront the topic of environmental, social and economic sustainability as part of its deeply rooted conviction that sustainable development offers a guarantee of high-quality services and long-term profitability.

The Values and Mission of the Estra Group reflect the Group's overall vision of its reference sector.

GROUP VALUES

Respect for the environment

We are committed to protecting the environment and believe it to be of true economic and social value. We pay close attention to our energy sources and protect natural resources with a view to ensuring a sustainable future.

Customer-focused approach

Offering our customers the best possible service is our one and only approach to business. We have an active presence of branches and stores across Italy to bring us even closer to our customers and offer personalised offers and expert advice.

Innovation

We are a dynamic company able to respond to the challenges of a constantly evolving market, providing our customers with access to a dedicated online area, a mobile app, e-commerce, competitive tariffs and the most innovative solutions for smart living.

Business development

We invest in evolved projects and new technologies to enable us to be at the forefront of the market and create value in all of the businesses in which we operate. We are continuing to grow thanks to the daily commitment of our employees and thanks to acquisitions, mergers and alliances.

Transparency

We have always been committed to ensuring responsibility, correctness, transparency and respect, adopting protective measures at all stages of the supply chain, from contracts to management, out of our recognition that our customers represent our most important asset.

Regional presence

We have always looked to the future yet even though we have developed and grown, we have never lost sight of our beginnings. Our roots form the basis of our success, and consequently we protect them with great diligence and responsibility.

THE MISSION

Estra strives to be a national multi-utility that engages clients, shareholders and employees on a path to growth, innovation and development, aiming to create value for the company and guarantee high standards of quality and safety.

We achieve this with the utmost respect for the regions in which we work and the customers who rely on us every day.

2.1 Our stakeholders

2.1.1 Stakeholder map

In 2018 a system of priority of Estra's stakeholders was established, considering the Stakeholder Map created in 2016. This analysis involved Estra's Senior Management. At the end of the analysis, the following list of Estra Stakeholders was compiled:

- Human resources
- Customers and users
- Shareholders and members, including indirect member municipalities
- Suppliers, including strategic advisors
- Lenders, including banks and investors
- Environment
- Bodies and Institutions, including the Public Administration, Universities and Trade Unions
- Community and region

This process enabled the Group to identify Stakeholders with similar interests, avoiding inefficient groupings.

2.1.2 Stakeholder relations

Estra dedicates numerous feedback, engagement and communications initiatives to its various stakeholders. These initiatives aim to optimise human resources, maintain constant dialogue with communities and the region and care for customers, as well as paying due attention to shareholders and suppliers.

The principle stakeholder engagement initiatives of the Estra Group carried out in 2018 are shown below.

Stakeholder	Initiatives in 2018	Frequency/ Events 2018
Shareholders and members	Newsletter	monthly
	Shareholders' meeting and meeting with indirect members	19
Customers and users	Newsletter to subscribers to the customer area	monthly
	Broadcast of Estra TV visible to the public on office screens	monthly
	Convention with industrial clients and gas and lighting wholesalers	Annual
	Meetings with Tuscan consumers' associations for voluntary self-regulation protocols for unsolicited contracts	2
Lenders	Convention with the leading lenders of Estra S.p.A.	annual
Personnel	Meeting with the company sales force	annual
	Meeting with gas distribution personnel	2
	Meeting with all employees about the 2018 balance sheet, held in Prato, Siena and Arezzo	3
	News bulletins on the intranet	198
Suppliers	Convention with the leading suppliers of Estra Energie	annual
Community and region	Estra Day organised in schools in the regions of Abruzzo, Molise, Calabria, Campania, Sicily, Umbria, Tuscany and Marche	8
	Posts published on the Facebook page	350
	Information published on the company website	132
	Press releases	120
	Press conferences	35

Bodies and Institutions	Meetings with industry associations in Tuscany and Marche to present the "Call for Energy Saving" energy efficiency initiative	5
	Municipality of Ancona and regional bodies - opening of new stores	14.2.2018
	Municipality of Bibbiera (AR) and regional bodies - opening of electricity charging points	20.2.2018
	Partnership agreement with Confedilizia Arezzo	11.4.2018
	Municipality of Castel San Niccolò and regional bodies - Opening of Casa Chiara hydroelectric plant	1.6.2018
	Fondazione Ospedale Salesi di Ancona - Delivery of treatment robot	11.7.2018
	"I servizi pubblici italiani, guardiamoli in prospettiva. Multiutility toscana, amministrazioni a confronto" conference	11.7.2018
	Partnership agreement with Confeserenti Arezzo	18.7.2018
	Municipality of San Severino Marche and regional bodies - Opening of new store	3.9.2018
	"La comunicazione sportiva al tempo dei social" convention	16.10.2018
	Municipality of Lucignano (AR) and regional bodies - launch of traffic control and access points	23.11.2018
	Municipality of Calenzano (FI) and regional bodies - Meeting on methanisation of Legri)	26.11.2018

Relations with consumers' associations have contributed to the finalisation of a sales process, whose redevelopment had already begun independently, involving the implementation of a series of measures to protect existing and potential customers at the conclusion of electricity and gas supply contracts.

In particular, these measures guarantee compliance with the basic principles listed below.

- free expression of content by customers;
- clarity and transparency of information during the sales process;
- respect for a code of conduct characterised by transparency, correctness and good faith by all personnel.

The Voluntary Self-Regulation Protocol for unsolicited contracts approved by Estra Energie in 2018 obtained the appreciation of the Consumers' Associations with whom, at the end of 2018, a procedure was launched to ensure their membership to the Protocol.

2.2 Materiality analysis

The materiality analysis represents an invaluable opportunity for Stakeholder feedback. The analysis forms the basis for sustainability reporting both in terms of the NFS and with regards to the preparation of the Sustainability Report. In fact, the analysis identifies the topics relevant internally to the Group and externally to stakeholders to be prioritised in all aspects of sustainability reporting.

The materiality analysis is performed by the Estra Group on a regular basis (most recently in early 2016) as any sudden changes to the current economic and social climate require constant updates and alignments in order to remain consistent with stakeholder expectations of the company. The process, launched in October 2018, above all involved the definition of a new Stakeholder Map, based on the previous map and supported by specific research activities and an internal analysis that involved Senior Management and the sustainability team.

Once the Stakeholder Map was defined, the new material topics for the Estra Group were identified. Before the identification, as for Stakeholders research was carried out aimed at contextualising Estra in the multi-utility scenario, assessing the material topics taken into consideration by national competitors. Benchmarking was then carried out which formed an initial starting point for the identification of Group's material topics. Following the research, a two-stage internal assessment was carried out, first involving the team responsible for sustainability and then Senior Management. In particular, the sustainability team presented an initial list of topics to Senior Management from which, after extensive debate, the list of material topics was drawn and presented to external Stakeholders (Customers and Users, Shareholders and Members, Bodies and Institutions, Lenders, Environment), the Estra Board of Directors and a group of employees (executives, managers and staff involved in the preparation of the Sustainability Report) in November 2018 for review.

The survey of internal and external stakeholder was carried out through the distribution of a form with the list of topics and a brief description of each one. For each topic, stakeholders were required to give a score from 0 (not important) to 4 (very important).

The process concluded with the approval of the results of the Materiality Matrix by the Board of Directors of Estra S.p.A. on 25 February 2019.

The table below shows the relationship between the topics of Decree no. 254/2016 and the material topics discussed in the NFS. As regards the general material topics identified by the materiality analysis, the column "NFS Topics" is blank; this refers to material topics that:

- are economic and business-related (Investments, Infrastructure, Economic development), which are therefore not covered in the NFS.
- company management and external stakeholders consider material as they represent indispensable instruments for the positive performance of the company. These topics are discussed throughout the NFS as they apply to all five areas of the Decree (Dialogue with Local and National Institutions, Relations with

Stakeholders, Corporate Governance, Risk Management and Emergency Management).

Decree 254/2016 Topics	NFS Topics
Fight against active and passive corruption	Anti-corruption
Personnel	<ul style="list-style-type: none"> Attracting and retaining resources Employee welfare and development Equal opportunities Occupational health and safety
Company	<ul style="list-style-type: none"> Customer focus and satisfaction Engagement and development of local communities, environmental education and the circular economy Innovation, research and development Quality of services, reputation and brand Economic sustainability and market competitiveness Data protection Correct marketing and internal communications practices Product liability
Environment	<ul style="list-style-type: none"> Reduction of internal consumption Energy efficiency and production of energy from renewable sources Fight against climate change and reduction of emissions Waste generated
Human rights	<ul style="list-style-type: none"> Human rights Sustainable supply chain management Equal opportunities

3. ETHICS AND CORPORATE GOVERNANCE

The table below shows various important data regarding the Group's governance structure, with particular focus on aspects associated with the roles and members of the corporate management and control bodies, as well as to the gender and age of the members of said bodies.

	2016	2017	2018
Composition			
Number of roles	106	105	130
Number of members	72	66	88
Women	11	10	20
Men	61	56	68
Age			
29 or under			
Women	0	0	0
Men	0	0	0
From 30 to 50 (inclusive)			
Women	11	9	13
Men	23	22	21
Over 50 years			
Women	0	1	7
Men	38	34	47
Average age			
Women	47.5	46.2	47.5
Men	52.9	53.2	54.7
Overall average age	52.1	52.2	53.0

With specific reference to 2018, it should be noted that in terms of the composition of the corporate management and control bodies, 77.27% of members are men. This data confirms the male dominance (68 men out of 88 members) in decision-making and control roles within the Group and marks a certain discontinuity with the figures of the previous two-year period. In this regard, in 2016 and 2017 the percentage of women in the Boards of Directors and Supervisory Bodies remained largely unchanged at 15%; however, in 2018 this increased by 7% to come in at 22.72% in 2018 (20 women compared to the dozen or so in previous years).

3.1 Risk management

In 2018 Estra established the Group Risk Management Department, launching a systematic and structured approach to risk management in order to align its corporate governance structure with national and international best practices. This initiative is being developed against a backdrop of the general business management trend characterised by the evolution of corporate governance structures towards an integrated strategic/managerial risk management model and represents the basis for the gradual introduction of an Enterprise Risk Management (“ERM”) process.

Aware that Risk Management models can help to prevent risk situations, to management the impact of unforeseen circumstances and to identify new opportunities to create value for the business, Estra aims to construct a model based on company targets and processes at strategic and operational level, in order to:

- support “informed” decision-making processes and promote responsibility for risk management at all levels of the company;
- safeguard the company’s reputation;
- adopt to the dynamics of the regulatory framework;
- increase competitiveness.

The Estra Group intends to carry out a project - currently being implemented - aimed at defining a structured corporate process for the identification and management of risks, characterised by:

- **Focus on risks** - focus on the identification and periodic (and/or continuous) updating of the main risks managed and classified into categories and associated risk factors;
- **Integration into company processes** - integration into company processes, organisational structures and systems that support Group objectives in order to ensure constant alignment to strategic, management and operational decisions, usability for management and operational efficiency and sustainability over time;
- **Improvement of performance** - focus on results and the search for new opportunities to improve performance and reduce unforeseen events.

The corporate risks are assessed both quantitatively through economic and financial drivers, and qualitatively considering sustainability, health and safety, the environment, image and reputation. These were classified into categories grouped into two macro-categories: External Risks and Internal Risks (strategic, operational and financial risks).

3.1.1 Non-financial risks

The corporate risks identified naturally include topics relating to sustainability. The non-financial risks mapped according to the aforementioned process are described below.

	Description of Risk	Management Method
Environment	Changes to climatic conditions and/or extreme weather events with negative impacts in terms of reducing gas/energy demand	One of the objectives of the Estra Group is the corporate business diversification strategy in the medium term (e.g. waste sector, waste), aimed at transforming the Group into a leading multi-utility company at national level with a differentiated business model
	Failure to comply with environmental legislation and standards (e.g. minimum vital flows, emissions, waste management and associated records, noise levels, etc.)	Certification system: UNI ISO 14001-2015
Human rights		In the context of the Group's quality certifications, specific supplier certification and procurement management procedures have been adopted
	Presence among the Group's pool of suppliers of counterparties which are qualitatively or quantitatively inadequate or not in line with the Group's ethical principles and code of conduct	Supplies must comply with the ethical principles and code of conduct of the Group, signing a specific clause to declare acceptance of the Code of Ethics and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01
	Failure to respect human rights in relations with personnel and suppliers	Allocation to the SBU "Regulated Market" of the consolidated central procurement department for distribution companies
		The Code of Ethics of the Estra Group upholds the respect for human rights as a fundamental value in dealings with Stakeholders
		Use of certified and regional suppliers in most cases

Personnel	Loss of or difficulty in maintaining key resources, skills and know-how	<p>The Human Resources department is responsible for:</p> <ul style="list-style-type: none"> providing assistance in the application of the strategic guidelines of Group companies providing assistance on employment, position, performance and potential reviews
	Failure to comply with regulations, standards and Occupational Health and Safety law (Italian Legislative Decree no. 81/2008)	<ul style="list-style-type: none"> providing support to company management in the design and creation of organisational models and the preparation of the relative documents associated with the various departments <p>Specific training activities were launched, aimed at all personnel at Estra S.p.A.</p> <p>Certification system: OHSAS 18001, adopted by Group Companies</p>
Corruption	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 of criminal or civil sanctions or otherwise cause harm to the Group's reputation	<p>Adoption and distribution of the Code of Ethics and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01</p> <p>Activities performed by the Supervisory Body</p> <p>In the context of the Group's quality certifications, specific supplier certification and procurement management procedures have been adopted</p>

3.2 Management model

Having considered the guidelines set forth by Italian Legislative Decree no. 231/2001, since its foundation in 2010 the Estra Group has adopted an Organisational, Management and Control Model that constitutes the reference management model aimed at implementing a system of corporate prevention and control able to prevent the commission of the offences provided for by the Decree. More specifically, the Companies of the Estra Group that have adopted the Model are: Estra, Estra Energie, Centria, Gergas, Prometeo, Estra Clima, Estracom and, in 2018, Gas Marca.

The Supervisory Body constantly monitors the implementation of, and compliance with, the model, with independent powers of initiative, intervention and control that extend to all company sectors and departments. During the year the Model has been substantially reviewed in order to respond to the organisational changes that have taken place and to include the following offences:

- Anti-money laundering (Article 648-ter.1 of the Italian Criminal Code), integrated into Article 25-octies of Italian Legislative Decree no. 231/01 by Law no. 186/2014;
- Unlawful intermediation and exploitation of labour (Article 603-bis of the Italian Criminal Code), introduced into Article 25-quinquies of Italian Legislative Decree no. 231/01 by Law no. 99/2016;
- Incitement to corruption between individuals (Article 2635-bis) introduced into Article 25-ter of Italian Legislative Decree no. 231/01;
- Racism and xenophobia, introduced into Article 25-terdecies of Italian Legislative Decree no. 231/01 by Law no. 167/2017 and amended by Italian Legislative Decree no. 21/2018;
- New eco-crimes introduced by Law no. 68/2015;
- Market abuse (Article 25-sexies added by Law no. 62/2005), in relation to bond loan listing;
- Law no. 179 of 30 November 2017 on the subject of "whistleblowing".

3.2.1 Whistleblowing

Whistleblowing is an Anglo-Saxon concept aimed at preventing unlawful behaviour (predominantly corruption) committed within the company. The whistleblower refers to a worker who, in the course of their professional activities, detects a possible case of fraud, danger or another risk that could cause harm to customers, colleagues, shareholders, or the very reputation of the company, and decides to report it.

In Italy, the legislator implemented Law no. 179/2017, directly amending Italian Legislative Decree no. 231/2001 with the addition of three new offences to Article 6, according to which the company must adopt one or more channels to enable recipients to report any events of unlawful behaviour pursuant to the said offences, in order to protect the integrity of the institution. The reporting channels must protect the identity of the whistleblower and at least one channel must be able to protect the identity of the whistleblower through the use of IT facilities.

Estra has complied with legislation with the adoption of a digital channel able to ensure confidentiality. The web app adopted by the Group enables users to access the platform exclusively with the use of unique access codes. All reports and data inserted into the software are encrypted and, finally, to view information regarding the whistleblower an additional password must be requested from the Supervisory Body. This system also facilitates anonymous reports.

As the sole recipient of the reports, the Supervisory Body has drafted guidelines stating that the investigation associated with the reports must be such to protect the identity of the whistleblower. Moreover, the

legislation prohibits any acts of retribution towards the whistleblower and envisages the application of disciplinary sanctions towards those who breach the measures in place to protect the whistleblower or those who submit unfounded reports with intent or gross negligence. Furthermore, it prohibits any discriminatory actions, acts of retribution and the reversal of the burden of proof; the employer must demonstrate that the discriminatory or retaliatory measures towards the whistleblower are justified by reasons not relating to the report.

3.2.2 Activities of the Supervisory Body

In 2018 the Supervisory Body held 19 board meetings, during which document checks (data streams coming from the management departments of the company) and audits of areas considered to be most at risk of the commission of “231 Offences” were carried out.

A total of 37 audits were carried out, of which seven related to Health, Safety and the Environment, one to employee training and four to Procurement, Tenders and consultancy analysis. Finally, two audits were carried out by the Internal Audit service: the analysis of the process to calculate commission of Door to Door and Teleselling agencies and the analysis of the procurement process through the so-called rapid procurement procedure.

The outcome of the audits was reported to the Boards of Directors of the Group Companies in order to enable the adoption of the necessary measures to prevent the commission of the relative offences.

4. ANTI-CORRUPTION POLICIES

The anti-corruption policy of the Estra Group is defined by the principles underlying the Code of Ethics adopted by Estra S.p.A. and its subsidiaries. The Code of Ethics prohibits the pursuit of the company's interests by unlawful methods, as well as favouritism, collusion, the payment of tangible and intangible benefits and any other act aimed at influencing or rewarding actions by private or public third parties.

Furthermore, the Estra Group has adopted an Organisational, Management and Control Model aimed at preventing the risks of commission of the offences provided for by Italian Legislative Decree no. 231/2001, which include the offence of corruption between individuals to benefit the company. The Model sets forth protocols and standards of behaviour to which the Company and any party operating on its behalf must comply. The supervision and control of the Model is entrusted to a Supervisory Body granted independent powers of initiative and control, to which periodic reports are submitted. The Supervisory Body makes its assessment on the basis of the checks carried out during the audit, aiming to monitor compliance with the Model. In the interim report of 2018, in terms of anti-corruption the Supervisory Body recommended that the Model be amended to take into account the following offences: incitement to corruption between individuals (Article 2635-bis, introduced into Article 25-ter of Italian Legislative Decree no. 231/01), anti-money laundering (Article 648-ter of the Italian Criminal Code, introduced into Article 25-octies, in effect of Law no. 186/2014) and unlawful intermediation and exploitation of labour (Article 603-bis of the Italian Criminal Code, integrated into Article 25-quinquies of Italian Legislative Decree no. 231/01 by Law no. 99/2016), as well as the whistleblowing guidelines. Furthermore, the Supervisory Body highlighted the need to update the protocols, with particular reference to the management of active tenders, sponsorships and consultancy contracts, to take into account the organisational and management changes made. The alignment of the Model to the new crimes and the use of software for whistleblowing took place in early 2019.

The Management Model and the Code of Ethics are distributed to all employees of the relative Group companies at the time of approval or amendment. All newly hired employees receive a copy of the Management Model and the Code of Ethics and are required to comply with the principles contained therein. All recipients of the Model have access to a channel aimed at collecting anonymous reports relating to alleged breaches through dedicated boxes positioned in company offices. In this regard, in the 2016-2018 three-year period no episodes of corruption were reported or identified and neither the company nor its employees were involved in corruption-related public legal proceedings. Moreover, in the same period, no breaches of the Management Model were reported, including through the anonymous reporting system.

Furthermore, the anti-corruption policies and procedures are notified to all members of the management

and control bodies (Board of Directors and Board of Statutory Auditors) of the companies which have adopted the Management Model and the Code of Ethics.

Although there is no formalised procedure to inform suppliers of anti-corruption policies and procedures, certain suppliers that receive authorised purchase orders and orders under contract from companies that have adopted the Management Model and Code of Ethics are expressly required to acknowledge the same.¹ Failure to comply may result in claims for damages and/or the termination of the contractual relationship. The tables below demonstrate the number of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics of the Group, with reference to purchase orders and orders under contract for the 2017-2018 two-year period. The tables do not include purchases by Gergas which are currently not directly managed by the Procurement and Tender Service of the Parent Company. Gergas purchases are made through orders under contract and authorised purchases. In both cases, all suppliers are required to acknowledge the Management Model and the Code of Ethics. As regards purchase orders, only the supplies requested by the company Prometeo make no mention of the Management Model and the Code of Ethics.

2017			
Total number of suppliers		1.962*	
Purchase orders	Total number of suppliers	Total number of suppliers required to share and accept the principles of the 231/2001 Model and the Code of Ethics	Percentage of suppliers required to share and accept the principles of the 231/2001 Model and the Code of Ethics
	635	635	100%
Orders under contract	Total number of suppliers	Total number of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics	Percentage of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics
	465	191	40.08%

* The following companies are excluded: Prometeo, ETA 3, Gas Tronto and Piceno Gas, as these are not managed by the Procurement and Tender Service of Estra S.p.A.

¹ Exclusively in the case of purchase orders, suppliers are required to acknowledge, share and accept the relative principles.

2018			
Total number of suppliers		2,402*	
Purchase orders	Total number of suppliers	Total number of suppliers required to share and accept the principles of the 231/2001 Model and the Code of Ethics	Percentage of suppliers required to share and accept the principles of the 231/2001 Model and the Code of Ethics
	804	699	86.9%
Orders under contract	Total number of suppliers	Total number of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics	Percentage of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics
	1,130	242	21.4%

*** Suppliers that have had trading agreements exclusively with Gas Marca and Gergas are excluded as these companies are not managed by the Procurement and Tender Service of Estra S.p.A.*

Due to the adoption by the Estra Group of the Code of Ethics and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, all potential suppliers participating in negotiated or public tender procedures with all Group companies are required to issue a statement regarding the salient points of the Model. All such potential suppliers must declare:

- 1) to have acknowledged the Code of Ethics and the Organisational, Management and Control Model of the Company in question on the website, clicking on Company, Code of Ethics, and acknowledging and accepting the principles contained therein, as well as the condition that failure to comply may result in the termination of the contract and claims for compensation by the Company in question, in cases where conduct in breach of the Code of Ethics results in harm, including independently of the termination of the contractual agreement;
- 2) to be aware that the Company in question has adopted an Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and has appointed a Supervisory Body to monitor the adequacy and the effective application of the Model;
- 3) to comply in full with Italian Legislative Decree no. 231/2001;
- 4) to not employ citizens of third countries without the proper residence permits;
- 5) to not carry out, in the course of its activities, any conduct that may fall within the scope of the types of offence referred to in Italian Legislative Decree no. 231/2001 against the Company in question, as well as conduct that, although not intentionally aimed at committing an offence, may potentially constitute a criminal offence referred to in Italian Legislative Decree no. 231/2001;

These declarations are reflected in all contracts deriving from tender procedures and the conduct of all suppliers and Group employees is monitored by the Supervisory Body.

In the course of the 2016-2018 three-year period, no confirmed cases of corruption that resulted in the termination or non-renewal of contracts with suppliers were recorded.

As regards anti-corruption training, 5.5% of employees attended at least one course in 2018. This involved 39 Group employees, of which 16 were men and 23 were women, largely employed in clerical positions. In 2018, anti-corruption training was extended to a greater number of employees and was carried out in more geographical areas in which the Group operates.

Total and percentage of employees who received anti-corruption training, subdivided by category and region

	2016	2017	2018
Number of employees trained on anti-corruption	2	8	39
Clerical workers	1	-	33
Middle managers	1	2	6
Managers	0	6*	-
Percentage of total employees	0.32%	1.24%	5.52%
Geographical distribution:			
Arezzo	-	-	0.00%
Prato	50.00%	75.00%	5.13%
Siena	50.00%	25.00%	7.69%
Ancona	-	-	64.10%
Ascoli Piceno	-	-	5.13%
Campobasso	-	-	5.13%
Chieti	-	-	2.56%
Teramo	-	-	10.26%

** Managers also includes members of the Corporate Management Boards*

In 2018, Estra Clima, the company of the Estra Group responsible for energy services, obtained the legality rating of the AGCM, the Italian Competition and Markets Authority. Introduced in 2012, this rating promotes ethical conduct among businesses, with the assignment of a rating - from one to three stars - regarding the legality of the company requesting the certification. Broadly speaking, the certification is awarded (as a minimum requirement) to businesses whose directors, shareholders and managers are not subject to

precautionary measures, have not received criminal convictions, have not submitted plea bargains for tax crimes, are not involved in Mafia crimes and have not committed administrative offences.

Estra Clima was awarded a two-star rating as, in addition to its compliance with the minimum requirements described above, it also possesses other qualities of the six required for the allocation of the various certification levels, including: the use of payment tracking systems for transactions of limits below those established by law; and the adoption of an internal control system to monitor company activities, in compliance with the provisions regarding administrative liability of companies and bodies (Italian Legislative Decree no. 231/2001).

5. THE DEVELOPMENT, WELL-BEING AND PROTECTION OF HUMAN CAPITAL

The Estra Group considers its employees to be a key resource able to guide, improve and develop company activities. For this reason, significant attention is given to personnel development, an essential element for the pursuit of the Group's growth and regional engagement objectives. In this regard, the Code of Ethics states:

"The Company believes that its employees are an essential element for the creation of value and the improvement of internal processes.

It promotes the development of skills and expertise as a fundamental prerequisite of mutual growth, encouraging initiative, team work and delegation skills."

5.1 Employment

The number of employees of the Estra Group is constantly growing thanks to the acquisitions policy and the recruitment of new resources. In the three-year period in question, the number of Companies belonging to the Group grew particularly in the gas and electricity sales and methane distribution sectors.

The work of certain employees of the Estra Group is shared between Companies falling within the scope of the Consolidated Non-Financial Statement and those not considered in said report. This policy has two aims: firstly, it enables skills to be shared between the various Companies and, therefore, guarantees the widespread use of various skills; and secondly, it helps to standardise operational and management practices within the Group itself. In 2018, 18 employees were seconded to Companies outside the reporting boundary, compared to 21 in 2016 and 17 in 2017.

As regards employment, over the last three years the number of Group employees increased by just under one hundred units, with an increase of 10% on 2018 (4.5% from 2016 to 2017). Specifically, the increase in the workforce from 2017 to 2018 mainly regarded managers, clerical workers and manual workers.

*Total number of employees**

	2016	2017	2018
Total number of employees	616	644	707

** The data shown below have been calculated using the Full Time Equivalent (FTE) method, in line with the 2017 Non-Financial Statement. This calculation method, set forth by the GRI standards, is particularly suited to representing the employment situation of the Estra Group from a quantitative point of view as it indicates the number of resources effectively employed by the Group. The Full Time Equivalent method is used to provide an accurate overview of the employment framework of businesses with employees whose professional commitments are shared between more than one Company*

Breakdown of employees by qualification

	2016	2017	2018
Position	8		
Managers	16	17	21
Middle managers	25	36	35
Clerical workers	451	475	517
Manual workers	119	112	130
Messengers	5	4	4

Breakdown of employees by qualification and gender

	2016		2017		2018	
Qualification by gender	Men	Women	Men	Women	Men	Women
Managers	15	1	16	1	19	2
Middle managers	16	9	26	10	25	10
Clerical workers	230	221	241	234	263	254
Manual workers	119	0	112	0	130	0
Messengers	5	0	4	0	4	0

In terms of contract type, the increase in employees has not altered the composition of the workforce with regard to this indicator. Most workers are employed on permanent contracts (94% in 2018) and full-time contracts (92% in 2018). Part-time contracts are held by approximately 8% of employees, most of which are women (87.9% in 2018).

Breakdown of employees by contract type and gender

	2016	2017	2018
Permanent	576	609	663
Men	365	386	411
Women	211	223	252
Temporary	40*	35**	44***
Men	21	13	30
Women	19	22	14

* * of which 20 are agency staff (10 men and 10 women)

** of which 19 are agency staff (7 men and 12 women)

*** of which 15 are agency staff (9 men and 6 women)

	2016	2017	2018
Full-time	567	593	649
Men	378	395	434
Women	189	198	215
Part-time	49	51	58
Men	7	4	7
Women	42	47	51

5.2 Occupational health and safety

Health, safety and a legally compliant working environment are among the Group's key prerogatives and are pursued constantly and robustly. Indeed, the certifications held by the various Group companies are tangible proof of this commitment. For example, the OHSAS 18001 certification held by the Parent Company, Estra Energie, Estracom, Centria, Estraclima and Gergas represents the voluntary creation and constant maintenance of an adequate occupational health and safety management and control system, as well as compliance with the legislation in force. This system ensures, inter alia, that the Group promotes the adoption of responsible and safe conduct by all those who operate in the organisation of risk prevention and health and safety procedures and who ensure employee participation in the same, as well as those responsible for developing management and reporting procedures, and the management of any cases of non-compliance.

It is no coincidence that in October 2018 we organised the first occupational health and safety tournament to train employees at Centria, the Group's leading gas distribution business. The tournament took place as part of an initiative to constantly improve the work carried out and to ensure greater uniformity of employee conduct in line with company health and safety procedures and the application of Centria's integrated management system. During the first day of the tournament, various tests were carried out which were then assessed by a panel; on day two, the best practice of the activities carried out on the first day were identified. The activities were carried out at the test facilities at the Arezzo site, an area which is also used by other distribution companies for technical training sessions. Centria's health, safety and integrated management system tournament is part of an initiative launched by the company to develop the occupational health and safety framework developed by Associazione Premio Qualità Italia (APQI), refined and certified by Confindustria, INAIL and Accredia through the Technical Scientific Committee of Business Safety, which will lead Centria to apply the European safety model EFQM (European Foundation for Quality Management) as part of its constant drive to improve the safety of employees and the service.

In the 2016-2018 period no serious incidents were recorded, such as:

- fatal work accidents involving personnel enrolled in the employee register, for which corporate responsibility was positively established;
- serious accidents at work that resulted in serious or very serious injury to personnel enrolled in the employee register, for which corporate responsibility was positively established;
- fees relating to occupational illnesses of employees or former employees for which the company was declared ultimately responsible.

Furthermore there were not confirmed cases of professional illness, resulting in an occurrence rate of zero.

Non si sono inoltre verificati casi di malattie classificabili come professionali e, di conseguenza, il loro tasso di occorrenza è pari a zero.

In the three-year period under review, a number of accidents occurred which, according to the severity rate, are defined as non-serious. These mainly regarded falls and mild injuries that took place in offices, accidental falls, falls from low heights, injuries and strains to the head, back, torso, and upper and lower limbs sustained during working activities, and road accidents when travelling in company vehicles.

The number of accidents was consistent in the period in question, increasing from 12 in 2016 and 2017 to 14 in 2018. Given the type of work (most manual work is carried out by male manual workers), accidents in 2018 only involved men. The accident rate remained largely unchanged. Finally, the accident severity rate was between 0.25 and 0.37 in the three years under consideration, highlighting the similar severity levels of the accidents that occurred in the 2016-2018 three-year period.

Total number of accidents (total and by gender)

	2016	2017	2018
Total number of accidents	12	12	14
Men	9	10	14
Women	3	2	0

Accident rate (overall and by gender)

	2016	2017	2018
Accident rate	12.55	11.43	12.57
Men	14.46	14.95	19.80
Women	8.99	5.25	0

Accident severity rate (overall and by gender)

	2016	2017	2018
Accident severity rate	0.33	0.25	0.37
Men	0.45	0.36	0.58
Women	0.09	0.06	0

The absenteeism rate remained largely stable in the three years in question. The rate was around 5% and no significant differences between the rates for men and women were recorded.

Absenteeism rate (overall and by gender)

	2016	2017	2018
Absenteeism rate	5.38	5.26	5.05
Men	5.67	5.22	5.21
Women	4.82	5.33	4.75

5.3 Equal opportunities

Employee selection takes place according to an established procedure: for each vacancy, the essential requirements and methods and time frames for enrolment are defined. The Group ensures equal access to professional opportunities in compliance with all applicable legal provisions and, therefore, rejects any kind of discrimination in full compliance with Italian Legislative Decree no. 198 of 11 April 2006 concerning "Equal opportunities code for men and women, pursuant to Article 6 of Law no. 246 of 28 November 2005" and Italian Legislative Decree no. 196 of 30 June 2003 concerning the "Data protection code".

The majority of employees of the Estra Group are men. This is mainly due to certain activities carried out by Group Companies, such as methane gas distribution, that require the presence of a high number of manual workers, all of which are men, and roles and duties historically characterised by a strong male presence. In the last three years, the ratio of men to women remained constant, with men representing two thirds of the workforce.

As regards age, 60% of employees are between 30 and 50. Again, no significant changes to this percentage were recorded between 2016 and 2018.

Number of employees by gender

	2016	2017	2018
Men	385	399	441
Women	231	245	266

Number of employees by age

	2016	2017	2018
29 or under	43	44	51
Between 30 and 50 (inclusive)	405	402	428
Over 50 years	168	198	228

5.4 Employee well-being

Employee well-being is ensured through solutions, methods and actions able to make employees' lives easier and facilitate better time management of work commitments. The Estra Group has always given particular attention to this matter, as proven by the signing of the Agreement for flexible working hours with the RSU (Rappresentanza Sindacale Unitaria) in 2012 and the establishment of the canteen service at the Prato, Siena and Arezzo sites.

A healthy work-life balance is further promoted by the adoption of flexible working methods and the removal of situations that make balancing work and private life difficult, such as meetings likely to extend beyond working hours or travel for work on bank holidays. As regards the first aspect, a total of 58 employees of the Estra Group have chosen part-time contracts in response to their personal needs.

In terms of reducing additional or onerous hours for employees, the Estra Group has adopted a video-conferencing system at its main offices (Prato, Siena, Arezzo and Ancona) to enable workers to communicate and work without the need to travel. This reduces time lost during transit and reduces the risks associated with travel, as well as saving energy. Furthermore, since 2017 employees have been able to access a video-conferencing system from their work stations that enables them to communicate easily and promptly with colleagues outside their place of work.

Moreover, another aspect at the heart of the Group's focus on staff policies to guarantee and protect employee

well-being is the management and effective use of holiday entitlements. To this end, part of the productivity bonus is subject to the use of annual leave within the specified contractual terms.

In the case of extraordinary operations (reorganisation, closure, acquisitions, sale of all or part of the organisation and mergers), the Estra Group complies with legal provisions, providing a minimum notice period of 25 days.

Naturally, freedom of association is guaranteed. Approximately 34.6% of all employees, or 39.5% of men and 26.7% of women, belong to the union. This percentage has not undergone any significant variations in the last three years.

Number of workers who are trade union members, subdivided by gender

	2016	2017	2018
Total	245	243	245
Men	173	168	174
Women	72	75	71

In 2018 Estra was named “Best job” in the “Raw materials and Energy” sector with a rating of 77.8%. The survey was carried out by the Istituto Tedesco Qualità e Finanza [German Quality and Finance Institute], the parent company of the Hubert Burda Media Group, a leading employer branding group active in German-speaking countries, which considered 2,500 Italian companies with a high number of employees. The classification was obtained by combining and processing the data collected online - approximately 361,000 reviews submitted in a six-month period - and the results of a questionnaire distributed to the businesses. While “Top Career” surveys topics such as training, salary and professional progression, “Best Job Italia” also analyses welfare and the working environment. Of the 2,500 companies surveyed, 10% received the “Best Job” award and 5.3% received the “Top Career” award.

In line with 2017, in 2018 the Estra Group offered its employees the possibility of allocating part of the 2017 performance bonus to company welfare schemes (flexible benefits), from a minimum amount of € 200 up to a maximum of € 800. These amounts are not taxable either for tax purposes or for contribution purposes, for which they are completely exempt within the limits set by the regulations for each case.

To this end, since last year employees have been given personal access credentials to the dedicated AON platform. Employees can choose between the following flexible benefits:

- allocation of percentage to the Pegaso Supplementary Fund;

- reimbursement of medical fees;
- reimbursement of care fees;
- reimbursement of school fees;
- vouchers;
- recreation and sport.

5.5 Attracting and retaining resources

The Estra Group considers that operating in a certain region means more than simply providing a high-quality service: it also means contributing to the development of the local communities with which it interacts, both through the implementation of specific community initiatives and also through policies aimed at enhancing local resources and offering access to personal and professional pathways for growth. One example of this is the fact that 100% of Estra managers originate from Tuscany and the Marche region and who, thanks to the Estra Group, can continue to further the development of their home region.

In 2018 the number of new hires was over twice that of 2017, thanks in part to the acquisition of new companies. Of the 83 new hires, 63.8% are men and 36.2% are women. Furthermore, the data regarding newly hired employees is particularly interesting when examined in terms of age. In this regard we can see a significant increase in new employees aged between 30 and 50 (+33 resources compared to 2017).

The recruitment rate largely reflects the trend observed for recruitment in absolute terms. In 2018 the rate was 0.12, marking a significant increase on the previous year: for each 100 employees present at year-end 2018, 12 were hired during the year.

New hires (subdivided by gender and age) and recruitment rate

	2016	2017	2018
Number of new hires			
Total	44	36	83
Men	24	17	53
Women	20	19	30
New hires by age			
29 or under	21	18	23
Between 30 and 50 (inclusive)	22	13	46
Over 50 years	1	5	14

	2016	2017	2018
Recruitment rate*			
Total	0.07	0.05	0.12
Men	0.06	0.04	0.12
Women	0.09	0.06	0.11
Recruitment rate by age**			
29 or under	0.49	0.41	0.45
Between 30 and 50 (inclusive)	0.50	0.03	0.11
Over 50 years	0.01	0.02	0.06

* Calculated as number of new hires/total employees

** Calculated as number of new hires/total employees by age

he number of contract terminations in 2018 was in line with the data of the previous two-year period. As for the previous years, reasons for contract terminations included retirement, dismissal, expiry of forward and supply contracts, and transfers to other companies.

The results show an increase in the number of men leaving the company, while the data for women remained largely unchanged. Finally, the low number of contract terminations in the under 29 bracket is significant, demonstrating the commitment of the Estra Group to creating a working environment focused on promoting and developing skills among the younger generation.

The turnover rate was completely stable in the three years under consideration, maintaining a constant rate of 0.03: for every 100 employees of the Group, on average, only three left the company.

Contract terminations (subdivided by gender and age) and turnover rate

	2016	2017	2018
Number of contract terminations			
Total	21	18	22
Men	12	11	15
Women	9	7	7
Number of contract terminations by age			
29 or under	8	8	2
Between 30 and 50 (inclusive)	5	6	10
Over 50 years	8	4	10

	2016	2017	2018
Turnover rate*			
Total	0.03	0.03	0.03
Men	0.03	0.03	0.03
Women	0.04	0.03	0.03
Turnover rate by age			
29 or under	0.19	0.18	0.04
Between 30 and 50 (inclusive)	0.01	0.01	0.02
Over 50 years	0.05	0.02	0.04

* Calculated as number of contract terminations/total employees

Career breaks are part of the system to ensure the welfare of the Group's human resources and offer an overview, in terms of number, of the growth of human capital. After a particularly significant year in 2017 in terms of consolidating employees' development paths, in 2018 the situation reflects that seen in 2016.

Analysing the data in terms of gender, certain significant indicators are visible that have not emerged in previous years. Firstly, fewer men took career breaks compared to women (22 to 28); secondly, over 10% of women are interested in career breaks, compared to 5% of men.

Career breaks by gender and % of total employees

	2016	2017	2018
Career Breaks			
Men	25	65	22
% of total employees (men)	6.49%	16.32%	4.99%
Women	18	35	28
% of total employees (women)	7.79%	14.29%	10.53%
Total career breaks	43	100	50
% of total employees	6.98%	15.54%	7.07%

5.6 Employee training and development

The attention that the Group affords to its human resources is widely demonstrated, for example, by the vast range of training programmes in which employees are actively involved. This training system goes far beyond the legal requirements and aims to fulfil both personal training needs and company requirements. In fact, since the foundation of the Estra Group, training and the development of human capital have represented

a fundamental element to the creation and maintenance of value over time. The pronounced focus on staff training enables skills to be developed, thus safeguarding growth and improving company activities.

This is confirmed by the data for the last three years, which show an exponential increase in the total number of training hours and the average number of training hours per employee. In 2018, 585 employees (82.7% of the total) took part in training activities for a total of 29,996 hours (approximately 12,500 hours more than in 2017), covering a series of topics ranging from accounting and administrative matters to occupational safety, risk management and the Organisational, Management and Control Model, as well as highly innovative topics such as Industry 4.0 and the Internet of Things. The significant variation in the number of training hours between 2017 and 2018 is principally due to the launch of new training activities by Centria, focusing in particular on promoting and sharing a culture of safety and strengthening staff skills with regards to certifications.

Of the 585 employees who received training, 393 were men (89.1% of the total number of male employees) and 192 were women (72.2% of total female employees). Each employee benefited from an average of 43 hours of training (up 16% on 2017). As regards differentiation by qualification rather than by gender, managers received an average of 64.3 hours of training per year, middle managers received 93.7 hours per year, clerical workers received 33.0 hours per year and manual workers received 64.5 hours per year. Messengers were not part of the training programmes in 2018.

Finally, as regards the total by gender, male employees received 24,957 hours of training (83.2% of the total) against 5,039 hours for female employees (16.8% of the total).

Total and average hours of training

	2016	2017	2018
Total hours of training	14,347	17,526	29,996
Average hours of training per employee	23.29	27.21	42.43

Average hours of training by qualification and gender

	2016	2017	2018
Managers			
Men	44.87	33.81	64.33
Women	16.00	0.00	62.00
Middle managers			
Men	54.63	82.27	104.70

Women	34.11	47.83	64.90
Clerical workers			
Men	23.98	29.54	48.44
Women	14.87	11.18	16.90
Manual workers			
Men	30.63	40.93	64.50
Women	0.00	0.00	0.00
Messengers			
Men	6.40	12.50	0.00
Women	0.00	0.00	0.00
Total			
Men	27.88	36.17	57.00
Women	15.65	12.63	19.00

5.7 Internal communications

Three years after its foundation, Estra began to tackle the issue of internal communication through a planning approach aimed at equipping the Estra Group with a new “Internal Communications Model”, focused on promoting and supporting:

- integration procedures between Group companies;
- actions to promote cultural evolution and organisational improvements;
- the development of a sense of belonging and company culture;
- the exchange of information, collaboration and operational synergy between employees, departments and companies of the Group;
- the development and optimisation of expertise and skills;
- identification, implementation and governance of internal communications initiatives/actions.

The following actions have led to:

- the formalisation of an internal communications management and governance procedure;
- the design and implementation of the intranet of the Estra Group.

Today the internal communication of the Estra Group mainly revolves around MyEstra, the Intranet portal that provides an essential contribution to maintaining organisational and operational efficiency, particularly in view of the fact that it enables workers to access documents with ease and remain constantly up-to-date with the Group’s news and initiatives.

In 2018 all employees of recently acquired Group companies were given access to the portal. The activities carried out in 2018 to improve the content of MyEstra include:

- integration of MyEstra and the new corporate collaboration system Wildix (menu and webchat) through direct access to the portal;
- addition of an FAQ page where workers can access a series of recurring questions on industry and company topics;
- creation of a glossary where workers can search for terms and acronyms used frequently in various corporate contexts (finance, marketing, business areas, etc.).

6. ESTRA AND ITS CUSTOMERS

6.1 Quality of services and customer-oriented approach

Estra is a publicly owned multi-utility company with roots in Central Italy. Since 2010 it has grown throughout the national area where it now provides gas and lighting to approximately 700,000 families and businesses. The Group is consistently one of the leading industrial companies in the sector of energy sales and distribution, and we are also active in various other infrastructural activities and energy efficiency services.

Correctness and transparency in customer relations have played an important role in helping us to achieve these results. Pursuing maximum customer/user satisfaction is the primary objective of the Estra Group, along with constant improvements to quality and safety standards.

The Estra Group uses clear and simple language in its contracts and communications, and, in interactions with customers, priorities the rapid resolution of any complaints which are handled with maximum professionalism and courtesy. Indeed, with the voluntary self-governance protocol for unsolicited contracts and activations a complex procedure has been finalised and maintained, as well as a series of investments aimed at guaranteeing that all consumers receive the most comprehensive guarantees in all contractual relations with the Group. In fact, the sales process is focused towards a procedure that priorities clarity and transparency, making regular checks to confirm the customer's actual wish to transfer to Estra.

The main protective measures launched include:

- telephone checks on all door-to-door contracts;
- proposition of the specific choice by written confirmation and confirmation by telephone in the event of a telephone contract;
- provision to the customer of the contractual information and records of telephone calls concluding and confirming the contract before the customer is contractually bound;
- two-stage verification to confirm the receipt of contractual documentation and to obtain the consumer's consent amply opportunity offered to the customer to exercise their right to reconsider, enabling the relative communication at various times during the contracting process. The commitment to quality and our customer-focused approach is proven by the reduction in complaints since 2016;
- gas and electricity complaints: 10,529 in 2016, 5,011 in 2017 and 3,957 in 2018.

There have only been two administrative cases for anti-competitive behaviour and monopoly practices, both of which were still open at year-end 2018. One refers to an appeal lodged with the Regional Administrative

Tribunal (TAR) of Lazio against the fine imposed in 2016 by the AGCM to Estra Energie and Estra Elettricità relative to unfair sales practices towards customers. The date of the first hearing of the ruling, which is still pending, has not yet been announced.

In July 2016 the Antitrust Authority launched a case against two companies regarding unfair remote sales practices of natural gas and electricity supply contracts. The aforementioned case closed in December 2016 with a fine of 500,000 Euros.

As noted by the Antitrust Authority, Estra Energie and Estra Elettricità had already launched “internal processes aimed at verifying the contracting procedures in place and, before the conclusion of the case, proposed and implemented significant changes to their contracting procedures to overcome the disputed consumer problems”.

In order to protect its customers, Estra worked actively with all partners to encourage the implementation of correct practices. This monitoring activity led to the application of penalties and, in the most severe cases, withdrawal from the contract.²

The other administrative fine for anti-competitive behaviour and monopoly practices relates to the appeal, currently pending before the State Council, of the Ruling of the Regional Administrative Tribunal of Lazio made following the case brought by Estra (and by Estra Reti Gas) to obtain the annulment of the fine issued in 2012 by the AGCM against said companies for anti-competitive behaviour in relation to data requests relating to the announcement of the public tender by the Municipality of Prato for the gas distribution service. The fine originally attributed, jointly for the two companies, was 276,000.00 Euros. In 2017 the Regional Administrative Tribunal of Lazio, accepting in part the appeals presented by the two companies, reduced the fine issued by the Antitrust Authority in 2012 to two fifths of the original amount, re-issuing the fine at 165,679.20 Euros.

The appeal is currently still pending at the State Council regarding the legal grounds for the ruling issued by the Regional Administrative Tribunal, wherein, however, the existence of unfair conduct and the anti-competitive offence were confirmed. In 2018 no further administrative cases for anti-competitive behaviour and monopoly practices were recorded and the two cases mentioned above were still pending at year-end 2018.

6.2 System safety

The security of the distribution systems under our management is of primary importance to the Estra Group. Unlike in the previous two-year period, the data also includes the distribution company Melfi Reti Gas which was wholly consolidated in 2018, as well as the networks of the Municipalities of Rieti, Mosciano, Magione and Citerna. Maintaining constant and continuous monitoring of the distribution network is not only a legal obligation towards the Italian Regulatory Authority for Electricity Gas and Water (AEEG), but also

² The voluntary self-governance protocol for unsolicited contracts and activations has been amended to reflect the new sales procedures.

represents a duty to the community in order to guarantee the health and safety of its citizens. The efficacy of the monitoring system enables the Group to carry out timely repair work in the case of any gas leaks that may occur along the network, using a remote-control system of transformer rooms aimed at reducing the pressure of methane gas, as well as an alarm system that facilitates prompt and timely intervention. The Estra Group is also committed to providing clear information to residents in the areas under management through leaflets and messages posted on its company vehicles that offer simple tips for prevent combustible gas explosions in domestic residences.

The table below demonstrates the widespread monitoring of the network, with one figure in particular standing out: the total number of metres of the high, medium and low pressure network inspected, which amounted to 100%.

Gas distribution network inspections

	2016	2017	2018
Total metres of high and low pressure network	2,256,113	2,278,857.14	2,952,853
Metres of high and low pressure network inspected	2,256,098	2,276,460.55	2,951,446
Total metres of low pressure network	3,039,785	3,046,430.42	3,469,302
Metres of low pressure network inspected	2,974,954	3,043,554.69	3,467,424
Number of repairs	49	57	19

Metering devices inspected

	2016	2017	2018
Number of high and medium pressure PDR	71	165	538
Number of low pressure PDR	5,830	3,382	3,786

The number of metering devices inspected increased in 2018; in fact, compared to 2017, considering high, medium and low pressure PDR, 777 more inspections were carried out on metering devices.

Overhead connection inspections

	2016	2017	2018
Metres of high and low pressure network inspected	49	486	825
Metres of low pressure network inspected	9,082	3,550	12,078
Number of high and medium pressure connections	36	99	332
Number of low pressure connections	3,567	1,051	1,708
Number of repairs	42	11	55

As regards overhead inspections, the total number of metres inspected tripled, increasing from 4,036 in 2017 to 12,903 in 2018. This data is proof of the Group's commitment to promoting and enhancing the health and safety of the communities it serves.

Underground connection inspections

	2016	2017	2018
Metres of high and low pressure network inspected	62,328	65,022	2,100
Metres of low pressure network inspected	833,069	803,645	41,315
Number of high and medium pressure connections	9,011	10,468	412
Number of low pressure connections	110,249	116,559	6,958
Number of repairs	48	39	32

The number of inspections of underground connections was considerably lower than in 2017. This is due to the fact that, in order to optimise the service, such inspections were mainly carried out internally, without the use of third-party companies. This should not be considered a mere cost-saving mechanism but instead represents the optimisation of specialised skills present within the Group, enabling the maintenance of high quality standards while reducing the total number of metres of underground connections inspected thanks to the practice of identifying possible gas leaks ex ante through the careful monitoring of areas exposed to greater risks of leaks. This has enabled more targeted and focused action to be taken, as proven by the high number of repairs carried out in 2018 despite the reduction in number of metres inspected

6.3 Privacy

Aware that the confidentiality of data and transactions is of primary importance, the Estra Group adopts specific security measures to prevent the loss, unlawful or improper use of, and unauthorised access to, personal data. The data protection policy is disclosed externally on the website (<https://www.estra.it/privacy-policy-e-copyright>) and internally via the company intranet.

Personal data is processed through the use of manual, computer and telematic tools in order to constantly guarantee the security and confidentiality of data. All information is stored only for the period strictly necessary to the pursuit of the objective for which it is collected, with the aim of minimising the risk of unlawful use of sensitive data.

The key security measures implemented by the Group are:

- the main companies of the Group have subjected their processes relating to the planning, development and delivery of services to Certification UNI EN ISO 9001:2008 for a number of years;
- three companies³ of the Group have adopted the Data Protection Management System in line with Standard ISO/IEC 27001:2013.

In the course of 2018 no complaints regarding breaches of confidentiality or the loss of customer data were received. Four requests for the deletion of data and five requests for the alteration of consent to marketing activities were received.

³ The Companies that have adopted the Data Protection Management System in line with Standard ISO/IEC 27001:2013 are Estra, Estra Energie and Estracom.

7. THE GROUP'S SUPPLIERS

Suppliers represent a fundamental external Stakeholder for the Estra Group. All products that Estra purchases from third parties pass through the supply chain. Given the national scale of the Group, supplies are sourced from across the peninsular, with particular reference to regions in Central Italy (Abruzzo, Lazio, Marche, Molise, Tuscany and Umbria). Suppliers must be constantly monitored, not only to ensure internal efficiency and cost-effectiveness but also with a view to optimising and selecting the best suppliers.

Some of the most significant quantitative data, analysed for the three years in question, are provided below, demonstrating the major economic and social impact that these Stakeholders have on the Group.

Total supplies have steadily increased, partly as a result of acquisitions that determined an increase in the dimensions of the Estra Group. Compared to the previous year this increase was 22%. Taking into account 2016, the total difference was 28%.

Total value of supplies and % breakdown by geographic area

	2016	2017	2018
Total value of supplies (Thousands of Euro)	194,978	204,465	249,418

%	2016	2017	2018
North	36.12	38.22	31.71
Central	58.90	58.72	66.00
South	3.89	2.40	1.53
Islands	1.09	0.66	0.77

Although the Estra Group is a national multi-utility company, its local presence and pronounced impact in the relevant regions is indisputable.⁴ This characteristic has distinguished the Group since its foundation and is one of its underlying traits. In 2018 there was an increase in the concentration of supplies in Central Italy of 7.28%, while the North recorded a reduction of 6.51% compared to 2017.

However, there is a clear difference between the distribution of supplies across the six regions of Central Italy between the two years. Although in 2018 most supplies were still sourced from Tuscany (47.74%), there was nonetheless a clear reduction of 32.31% compared to 2017. This reduction has benefited regions such as Lazio and Marche, regions in which the influence and economic impact of the Group is steadily gaining ground, partly as a result of the acquisitions policy implemented in these regions.

⁴ Local refers to Central Italy.

% breakdown of supplies by region for Central Italy

%	2017	2018
Abruzzo	0.67	2.30
Lazio	13.28	21.02
Marche	4.78	26.45
Molise	0.07	1.52
Tuscany	80.05	47.74
Umbria	1.21	0.97

7.1 Sustainable supply chain management

The Group does not currently apply a standard procedure to assess all new suppliers according to social and environmental criteria. However, in 2018 Estrada confirmed its commitment to improving its social and environmental impact by increasing the number of negotiated or public tender procedures in which suppliers are required to hold certifications that confirm the fulfilment of certain environmental and social standards. As shown in the tables below, there was an increase in the number of procedures requiring compliance with SA8000, a certification that certifies corporate management aspects relating to matters of corporate social responsibility, such as respect for human rights, respect for workers' rights, prevention of child labour and guarantees of occupational health and safety. Of the other certifications required, OHSAS 18001 certifies the voluntary application by suppliers of an adequate occupational health and safety system that goes beyond mere compliance with the legislation in force.

The following tables show the data relative to public and negotiated tender procedures for the 2016-2018 three-year period. In particular, as regards public tender procedures, the total amount in 2018 is more than three times that of the previous year. The largest amounts referred to meter readings, electronic metering devices for gas meters with remote reading and remote management capabilities, ordinary, extraordinary and emergency maintenance of gas pipes and plants, the implementation of extensions and replacements of gas networks and new connections to customers in various municipalities in Tuscany.

Tender procedures

Public tender procedures

	2016	2017	2018
Total amount (Thousands of Euros)	4,147	5,626	17,635
Number	8	3	6
Certifications required	ISO 9001 (4 procedures) SA 8000 (4 requests for compliance) Certifications for specific works (7 procedures)	ISO 9001 (2 procedures) SA 8000 (1 requests for compliance) Certifications for specific works (1 procedure)	ISO 9001 (2 procedures) SA 8000 (5 requests for compliance) Certifications for specific works (2 procedures) 14001 (1 procedure) OHSAS 18001 (1 procedure) SOA Statements (1 procedure) Other certifications (4 procedure)

Negotiated procedures

	2016	2017	2018
Total amount (Thousands of Euros)	3,155	2,644	5,102
Number	8	11	9
Certifications required	SA 8000 (6 procedures) Certifications for specific works (6 procedure)	SA 8000 (7 procedures) Certifications for specific works (7 procedures)	SA 8000 (9 requests for compliance) Certifications for specific works (6 procedures) ISO 9001 (1 procedure) Other certifications (1 procedure)

Furthermore, Estra, Centria, Estra Energie, Estracom and Estra Clima have adopted a supplier quality assessment system, where the maximum score is 100. The system also includes a specific category regarding respect for the environment for each individual supplier, as well as assessing other aspects include speed of delivery, correspondence between quantity ordered and quantity delivered, competence and speed of assistance, product quality, observance of contractual conditions, and respect for delivery and completion times. The score awarded for respect for environmental aspects was 99.61.

Estra and Centria have established a Supplier Register that at year-end 2018 included 509 suppliers, marking an increase of 55% compared to the previous year. Suppliers who request to be enrolled on the Register are required to declare, at their own responsibility, that they have not been the subject of convictions, irrevocable convictions, or sentences regarding the application of penalties on request (plea-bargaining) pursuant to Article 444 of the Italian Criminal Code for crimes against the State or the Community in relation to one of the offences provided for by Article 80 of Italian Legislative Decree no. 50/2016. Suppliers that enrol on the list also declare to not be subject to contracting restrictions with the Public Administration, including in the cases provided for by Italian Legislative Decree no. 231/2001, to respect the provisions regarding the traceability of financial flows envisaged by Article 3 of Law no. 136/2010 and to commit to providing the documentation necessary to monitor compliance with this regulation. Furthermore, each supplier is required to complete a form in order to be registered on the SAP management system, declaring their commitment to ensuring the traceability of cash flows and to be free of forfeiture of suspension or prohibition relating to anti-Mafia law pursuant to Article 67 of Italian Legislative Decree no. 159/ 2011. These measures aim to guarantee the professional and corporate morality of the suppliers enrolled on the Register.

In addition to the above, Centria is certified according to SA 8000 and consequently assesses its suppliers according to the criteria of SA 8000; furthermore, once a year it notifies its clients of its SA 8000 certification and requests that they comply with the standards set by this certification.

Finally, Centria monitors the risks associated with supplier activities, based on the size of the contracts stipulated, and carries out communication activities and/or controls. Specifically, the Company adopts a system to assess the corporate risk of its suppliers, classifying them based on the various levels of potential risk, determined by the supplier category and amount of the supply. Each level identified corresponds to a specific monitoring procedure that becomes progressively more complex as the risk increases. Centria decided to adopt this assessment procedure as its methane gas distribution activities, particularly the execution of works, represent a greater corporate risk in the supplier selection process compared to other activities performed by the Estra Group

The table below shows the results of the procedure to assess the corporate risk of Centria's suppliers in 2018, effectively divided by product category. A total of 264 suppliers were analysed. The majority were characterised by a low level of risk (0 and 1). In this case Centria sends a notification to inform the supplier of its possession of the SA 8000 certification (level 0) or asks the supplier for a self-declaration of compliance with the principles of SA 8000 (level 1). For level 2 corporate risk, which involved 25 suppliers, suppliers were requested to complete a self-assessment questionnaire and confirm their willingness to take part in audit activities. Only four suppliers were awarded the highest level of risk, level 3. In this case, Centria carries out a series of audits throughout the year aimed at assessing the criteria required by SA 8000.

Centria requires suppliers whose activities are characterised by significant environmental impacts to hold

adequate environmental certifications. Furthermore, in 2018, 94 of the contracts signed by Centria included clauses relating to human rights (e.g. social clauses and safeguards), or were subjected to a human rights assessment.

PRODUCT CATEGORY	Level of Corporate Risk				Total
	3	2	1	0	
Office leases				1	1
Other			7	87	94
Works contracts	3	2	1		6
Consultancy services		2	4	2	8
Supplies		13	31	16	60
Professionals		1	17	3	21
Restoration			8	22	30
Services	1	7	26	20	54
Total	4	25	94	151	274

The number of extra-judicial and judicial disputes brought by suppliers against one of the Group companies is very small. In particular, no extra-judicial or judicial disputes were open at the end of 2018. In the course of the year three cases were closed, two relating to a dispute over failure to settle invoices according to contract and one claim for compensation for damages. In 2018 only one judicial dispute was concluded, brought by a supplier against a Group Company regarding a payment order for certain invoices relating to monitoring activities. These figures are a testament to the exceptional nature of judicial cases between suppliers and companies of the Estra Group.

8. ESTRA AND THE REGION

A total of 143 municipalities in the provinces of Ancona, Arezzo, Florence, Grosseto, Macerata, Pistoia, Prato and Siena are indirect shareholders of Estra. The Group engages in constant dialogue with the public administrations of these municipalities, aiming to improve the services offered to residents and to develop new areas of operation. The result of this continuous engagement has enabled Estra to become a stable point of reference for the Municipalities that rely on the Group for certain requirements.

Estra plays an important role in local and national public service policy. Indeed, Estra's Chairman is also Deputy Chairman of Confservizi Cispel Toscana and Utilitalia. Thanks to the new responsibilities associated with these roles, dialogue with major national public institutions (government, governmental ministries) and local institutions (Regions, ATO) has increased with local and national economic enterprises, public service companies and consumer associations.

The dialogue with the higher education sector and the Group's direct presence in ITS Energia e Ambiente della Toscana, as well as the numerous agreements with Tuscan universities, is also of note.

Through its companies, the Group is a member of various regional and national bodies. Estra is affiliated with Confindustria Toscana Nord, Confindustria Toscana Sud, and Confservizi Cispel Toscana. In 2018 Estra joined Fondazione ITS Energia e Ambiente della Toscana and assumed the chairmanship. The ITS of Colle Val d'Elsa di Siena is a highly specialised technological college which focuses increasingly on providing training in the energy sector. It offers high-level post-graduate courses that respond to business' needs and provide a new training channel that runs parallel to university courses. Also in 2018, Estra became a subscribing member of the Board of Directors of the Foundation for the Luigi Pecci Contemporary Art Center in Prato. The proximity, focus and respect afforded by the company to the areas it serves have led Estra to sign a partnership agreement with the Pecci Center and become one of its energy partners.

At a national level, Group companies are affiliated with the following bodies:

- Utilitalia;
- Assogas;
- Associazione Italiana Internet Provider;
- APCE Associazione per la Protezione delle corrosioni elettrolitiche;
- FIRE Federazione Italiana per l'uso Razionale dell'Energia.

8.1 Engagement and development of local communities

The Estra Group carries out numerous projects that involve local communities and promote their development, contributing to the creation of value for the community.

Project Manager of the Sustainability Report and the Consolidated Statement

Funding was awarded to Estra's project presented as part of the Erasmus+ Key Action 2 Programme. The project aims to create and train the new professional figure of the "Project Manager of the Sustainability Report and the Consolidated Statement" according to a methodology (Ecvet) that enables the recognition of the skills, expertise and abilities acquired by its participants in all European countries.

The obligations imposed by Italian Legislative Decree no. 254 of 2016, as well as the increasing importance attributed to sustainability, have confirmed the need to design an innovative and applied training programme able to develop specific skills enabling the accurate analysis, collection, measurement and disclosure of sustainability information according to the relevant economic, social and environmental significance, as well as securing the benefits that good sustainability practices and disclosure can bring to the company in terms of its business and organisation.

The Sustainability Report and the Consolidated Statement Project Manager is responsible for coordinating all activities necessary to the production of the Sustainability Report and the Consolidated Statement.

In 2018, activities were carried out with various partners in order to define the content and training methods, and the online platform (www.pmir.it) was opened for registrations. Thanks to this project, 60 students from Italy, Norway, Germany, Spain and Belgium will receive training.

Power Generation. International school-work programme

For many years Estra has successfully taken part in the Erasmus+ programme as part of the Key Action 1 programme. Thanks to its successful European projects, the company offers students and new graduates from technical and professional institutions across Italy the opportunity to take part in a transnational exchange programme in the Vocation Education and Training (VET) sector.

The exchange programme features a two-month training placement in the renewable energy and energy efficiency sector, to be carried out at companies, bodies and school institutions in one of the European countries taking part in the programme. In 2016 and 2017 over 100 students took part in the initiative, while in 2018 a total of 51 students aged between 18 and 21 embarked on the exchange. Also in 2018, 40 people (teachers and administrators of participating schools) spent one week abroad to visit businesses and schools. In total, 168 students from six Italian regions and 63 non-students participated in the project. Eleven European countries took part in the project: Italy, Spain, Portugal, Greece, Lithuania, Germany, Belgium, Ireland, United Kingdom, Czech Republic and Bulgaria.

The programme enables participants to develop and improve their professional, personal and interpersonal skills, as well as develop a sense of initiative and entrepreneurialism. Moreover, individual skills were honed and developed to promote constructive communication in different social and cultural contexts.

The commitment of the Estra Group to plan and manage such activities plays an important role in helping

young people to adapt to the world of work in an innovative and sustainable way.

Consequently, the attention afforded to project quality is of maximum importance. In fact, all available tools have been adopted to enable the recognition and exchange of skills acquired by learners (Ecvet methodology, Europass), an indispensable factor in the construction of a professional training system shared throughout Europe.

Estra Sport Club

This project was launched to support the youth branches of sports associations specialising in so-called “minor” disciplines. In 2018, 7,390 athletes from 43 sports associations in Tuscany, Marche and Abruzzo were members of Estra Sport Club, in towns and cities including Prato, Florence, Arezzo, Siena, Ancona, Macerata, Pesaro Urbino and Teramo.

The project’s aim is to create a network of sports institutions and sportsmen and women in order to develop the social value of the individual associations and companies that already work independently to promote sport in the regions in which they operate, with particular focus on activities to promote inclusion and integration.

Through the project, Estra promotes sport as a tool to encourage the healthy physical development and mobility of young people and as a method to firmly establish an inclusive culture among the younger generation, both in sport and in general life.

Student tournaments

Estra’s support for student tournaments, which for years has concentrated solely on the province of Arezzo, has been extended to involve Siena, Florence, Pistoia and Prato.

The partnerships between sports academies and Estra help to promote sport as a source of education, growth and commitment to social inclusion.

As well as contributing financially, Estra also produces the necessary material for the awards and to commemorate the achievements of the thousands of students who take part in the competitions. Another service it provides is to help communicate and promote physical activity through a shared communications plan that considers other regional stakeholders with interests in the project, such as Coni, CIP, Special Olympics and the Public Administration (regional bodies).

In 2018 a total of 47,780 students took part in the Student Tournaments while 36,150 students participated in mobility projects.

Digital literacy: “I use the internet too”

Implemented by Estra with the collaboration of Ti Forma and certain regional voluntary associations, the digital literacy project offers a free training course aimed at helping people over 65 to acquire new digital skills using computers.

Launched in 2015, the project has grown over the years to feature seven training modules, each lasting three hours, aimed at 20 participants for each region (Arezzo, Siena and Prato). As well as the partners from the first year, the project now involves local administrations and the University of Siena through the students of the Training Science faculty who, through lessons and placements, have acquired skills to enable them to plan, organise and teach digital literacy courses aimed at the over 65s. This organisational model helps to reduce the digital divide within communities and help bring different generations together in an active and collaborative way. In 2018 courses were held in Siena and Prato, involving 60 people over the age of 65 and 10 student teachers from the University of Siena.

Journalism Award “Estra for Sport. Reporting good news”

2018 marked the second year of the national journalism award “Estra for Sport. Reporting good news”. The award focuses attention on an important issue in sport: the responsibility of being a powerful social driver by reporting good news that focuses on people, their stories and their endeavours. The media plays a fundamental role in expressing the beauty, excitement and intrinsic value of sport. The award is also sponsored by the Italian Sports Media Union (USSI), as well as other organisations such as the National Order of Journalists, the Tuscan and Marche Orders of Journalists, the Italian Paralympic Committee (CIP), the CONI Regional Committees of Tuscany and Marche, Special Olympics Italia and the “Candido Cannavò per lo Sport” Foundation.

Over 140 journalists took part in the award in its second year. The awards ceremony was held on 16 October 2018.

The panel allocated ten awards, including the Special Awards for “Career”, “Sportswoman”, “Redaelli Award” and a Special Commendation.

On the day of the awards ceremony, before the ceremony itself a meeting was held between various classes in the sports college Gramsci - Keynes in Prato and the associations of the Estra Sport Club, on the subject of “Sports reporting in the era of social media”.

Art Bonus e sponsorizzazioni

In 2018 Estra contributed € 38,000 to two regional projects eligible for the national Art Bonus tax credit:

1. the Poggibonsi Archaeodrome Open Air Museum. Thanks to the support of Estra, various buildings at the site were completed: the Archaeodrome faithfully reconstructs the buildings of the Carolingian period (a

village from the time of Charlemagne in the ninth century). The project was curated by the University of Siena, the Municipal Administration and the Senesi Museum Foundation;

2. Chigiana Musical Academy. The project aimed to provide financial support for the artistic and exquisite musical works of the Academy. This support helps to further develop the Academy, aimed at enhancing, promoting and diffusing national and international musical heritage and supporting the specialist training and professional development of young exponents of classical music.

8.2 Environmental education

For years, the Estra Group has implemented initiatives to promote energy saving and environmental education, the most significant of which are listed below.

Energicamente

Academic year 2018/2019

In 2018 the Energicamente project was named the leading award in the category “Environment, Responsible Consumption and Non-Profit Initiatives” for the nineteenth Interactive Key Award, the Festival dedicated to digital web and mobile advertising.

Now in its eighth year, the Energicamente project, again in collaboration with Legambiente and having joined the “digital education” initiative to extend the project to all Italian regions, has developed its content to include the subject of energy use in the kitchen.

Energicamente (www.energicamenteonline.it) offers important educational tips for schools, teachers and families. The fundamental elements of the project are:

- the recreational and educational programme for primary and first-grade secondary school pupils. In this regard, a special project, ROARR, has been developed for the first three years of primary school, as described later in this report. At year-end 2018 a total of 721 classes from 510 schools around Italy had signed up to the project, for a total of around 18,000 students. Through interactive lessons, quizzes and online games, students are invited to discover how to use energy more efficiently in everyday life, to use smart technologies to make cities more liveable, and to design a more sustainable future, exploring alternative transportation methods and renewable energy sources;
- the project’s content was implemented through the EstraKitchen section available for teachers, students and families. Estra’s kitchen is sustainable, innovative and efficient, and safeguards the environment and natural resources. When it comes to cost-saving, health and energy innovation, the decisions taken when preparing a meal - from shopping and food storage to cooking - are all important factors. Sustainability means quality, and translates to attention, care and respect when working with food. Thanks to the collaboration with the chef Gabriele Costantino, Energicamente also offers some excellent sustainable

recipes, complemented by tips and ideas for activities to explore the topics in class and at home;

- classes access the course by registering as a team in the EstraCommunity and, as well as exploring the content presented by fun animated characters, can take part in the Energy in Teams competition, which rewards the best multi-disciplinary project devoted to energy with the possibility of hosting an EstraDay, an opportunity for the entire school to join in and put the content of Energicamente into practice;
- families are also invited to take an active role in Energicamente. Parents can engage with their children to create a super sustainable recipe, as well as participating in the competition that focuses on energy saving and reducing waste in the kitchen. The prizes include a collection of KitcheAid products and energy-saving appliances (thermostats, smart air conditioners, LED bulbs);
- teacher training, through the provision of methodological support to help plan, manage and assess the recreational and educational programme, promoting citizenship skills. The courses - currently attended by 118 teachers - are delivered online through the Moodle e-learning platform and are recognised by MIUR with a 25-hour training certificate. The content explores the topics of the Energicamente project and proposes a series of classroom activities, with suggestions for surveys and additional research in the region. In 2018/2019 a new topic has been introduced: eating habits, in collaboration with EstraKitchen;
- now in its second year, the participatory project designed by Estra as part of the School-Work scheme represents an important opportunity to develop skills and encourage students to make sustainable decisions for the future. The course was delivered on the YOUutilities e-learning platform, offering a virtual classroom and a space for interactive activities, supported by material for individual study. Alternating with smart-working, the students conduct an actual audit in the field, assessing the energy efficiency characteristics of various types of public building in their area. The activities conclude with an output that students submit to the company tutors for assessment.

In late 2018, with the start of the 2018/2019 school year in September 704 classes took part in the project from 16 regions of Italy, involving a total of 17,600 students and 795 teachers.

ROARR

At year-end 2018, over 3,200 primary school pupils from the province of Ancona, Arezzo, Prato and Siena were signed up to the second edition of the Roarr! Save, recycle...roar! project. Devoted to environmental education and with a particular focus on the topic of energy saving, the project was designed by Straligut Teatro and Estra and involved an extensive network of institutional and non-institutional partners.

Roarr! takes the form of an exciting ecological treasure hunt. With the help of teachers and parents, the classes have to find 50 environmentally friendly actions to photograph and upload to their online album at www.roarr.it.

The project's statistics are impressive: 18,132 photos were uploaded at year-end 2018, with over 290,000

page views and - an important new feature this year - 62,000 shares on social media. The scores (500 photo points, 50 “duplications” and 10 shared points) achieved by the classes offer the participants the opportunity to access an extensive collection of theatre vouchers and environmental prizes which will be awarded in 2019. There are even more prizes to be won thanks to Estraclick, a photography competition that rewards the most original snaps with vouchers for learning materials and the publication of the photo on the project’s social media pages.

At year-end 2018, with the start of the 2018/2019 school year in September 123 classes took part in the project, involving a total of 3,200 students and 18,132 photographs of environmentally friendly actions.

Reduce waste, save the world

This project, promoted by MUIR and the Schools Office for Tuscany and sponsored by Estra, aims to teach a “culture of informed consumption” to reduce waste to benefit the most disadvantaged people, thus improving the difficulties experienced by certain segments of the population. The project focuses on the personal experiences of students and aims to develop awareness of positive lifestyles among young people. The project is aimed at all schools in Tuscany. Students took part in the regional competition, sponsored by Estra, to create a video advert to promote energy saving and a food bank was established in aid of the Emporio della Solidarietà in Prato and Banco Alimentare.

In 2018, 3,083 kg of food was collected for the food bank thanks to the participation of 6,600 students, while 550 students from 31 schools took part in the competition.

8.3 Innovation, research, development and partnerships with Universities and bodies

In 2018 the following partnerships were in place:

- University of Florence
 - Agreement on 5G experiments;
 - Marketing Idea. Aimed at students of strategic marketing and international marketing at the University of Florence, the agreement aims to offer a bridge between school and business to respond to the needs of the market and the region. The project has been developed in collaboration with the Economics and Business Science Department of the Florentine university and aims to select strategic marketing ideas in the electricity and gas sales sector. The prizes include a 3000 Euro cash prize and the opportunity of a curricular internship in Estra’s marketing department. The figures of the project since its launch are as follows: 550 participants, 62 projects submitted, and 12,000 Euros of prize money awarded.
- Prato PIN
 - Agreement on 5G experiments;

- WeM_Park, Laboratorio Universitario per il Marketing e le Tecnologie IC.;
- VisiCoRe Project, VLC (Visual Light Communication) testing.
- NOMISMA ENERGIA
 - A research project into new energy products and services for end customers in the transition from the regulated market to the free market.

The research and development activities focused on topics relative to services aimed at customers and the development of the new 5G technology, which is particularly important for the growth and distribution of telecommunications services. The 5G agreements relate to Estra having been named Use Case Leader for the following two experimental projects promoted by Wind Tre and Open Fiber:

- the development in the Municipality of Prato of a dynamic video-surveillance system with advanced artificial vision systems;
- the development of an IoT/loE platform, remote user monitoring, and processes for industrial automation and service integration.

Back in 2017 Estra promoted the e-qube Startup&idea Challenge programme. The initiative, aimed at start-ups and groups which have not yet been established as limited companies operating in Italy and abroad, aims to promote the development of the best and most innovative product, digital service or technological/manufacturing idea with excellent market potential through digital technology and the internet. The marketing areas in which the start-up candidates operated were: Sharing & Circular Economy, Smart Cities Solutions, Internet of Things, Energy Efficiency & Mobile, Retail Energy & Fintech, Mobility, Telecommunications, Machine learning & AI solutions, Marketing & Communications.

Overall, 174 start-ups responded to the call for tenders, originating from 26 countries around the globe including Italy, Germany, United Kingdom, China, India, Russia, United Arab Emirates, Nigeria, Kenya, USA and Mexico. A panel of industry experts appointed by Estra S.p.A. and Nana Bianca in Florence analysed the 12 finalists and selected the five winning entrepreneurial businesses. The winning start-ups participate in an ad hoc business accelerator programme and receive an investment grant worth a total of 80,000 Euros.

The winning projects in the 2018 edition of e-qube were:

MIDORI, which operates in the energy efficiency industry and develops innovative energy analysis services. The project submitted by this business was NED, an energy assistant able to measure the energy use of the most common domestic appliances. The advantages offered compared to other solutions include the use of a single device, ease of installation, savings of up to 20%, and methods and algorithms to measure electrical

loads developed by Midori over 4 years.

TATE, a retailer operating in the energy sector. This project regarded an app that enables users to manage their lighting and gas bills entirely from their mobile phone. With Tate, users can monitor their energy use and optimise their tariff based on the market. The user pays a membership fee to use the service while the price of energy remains unchanged.

WISEPOWER, an Italian university spin-off operating in the Industry 4.0 sector, which has patented technology for the generation of electricity from vibrations, ensuring higher levels of efficiency in the recovery of environmental energy. The Wisensing devices - currently in the prototype phase - help to monitor bridge structures, wind turbines and electrical cables. The main advantage offered by these devices is that they solve the problem of replacing the battery in smart devices.

AWHY, a company operating in the CRM industry which develops smart chatbots able to automate customer services for businesses. The company has developed a proprietary Artificial Intelligence algorithm able to learn and evolve automatically over time.

AMBRA, a decentralised energy storage farm which aims to simplify the management of the batteries used to balance the electricity grid. Ambra connects battery-powered devices (machines and products that use energy) to the Ambra CORE energy management system using the Ambra METER. This creates a giant mobile battery that can be used to balance the energy system. Ambra also offers an opportunity for users to earn money by making their batteries available to the system.

In 2018 Estra was awarded the Special Award for Open Innovation at the third edition of StartupItalia! Open Summit 2018, the annual event dedicated to celebrating the best innovative companies in Italy. The award was presented to Estra rather than a start-up because of its commitment to supporting start-ups operating in the energy industry through its “E-qube Startup&idea Challenge” call for tenders.

Also in 2018, Estra received the “digital champion” award as part of the European ranking of the top 100 digital champions organised by the Financial Times. The list of the top 100 digital champions identifies the most innovative companies that have distinguished themselves in Europe with their ability to drive the process of digital transformation and look to the future. Nominated in the “companies and organisations that use technology to solve problems in the community” category, Estra was praised in particular for its innovative approach to managing the sales process for renewable energy and enabling customers to access services.

9. ENVIRONMENTAL PROTECTION

Although it has not established a consolidated environmental policy, the Estra Group has identified a number of key points that comprise the Group's environmental policies implemented in its environmental management systems. The Companies certified according to 14001 are those whose activities have the greatest environmental impact: Estra, Estra Energie, Estracom, Estra Clima, Centria and Gergas.

In particular, the Estra Group pursues:

- the maintenance over time of the certification of its Environmental Management System by a certified third-party body. The certification refers to all companies relevant in terms of environmental impact, thus excluding sales companies;
- the constant improvements in environmental performance, in line with the improvement objectives set, the environmental regulations signed by the organisation and the parameters of the relative legal provisions;
- the reduction, in the course of its activities, of the use of natural resources and the contribution to climate change;
- the reduction of total waste generated, particularly hazardous waste, and the development of recovery activities, focusing on the use of non-hazardous substances in working activities and promoting separated waste collection;
- the prevention of pollution and any possible environmental risks associated with company activities, conducting preventive assessments and duly monitoring all critical parameters, as well as the constant reduction of the risks associated with the use of hazardous substances;
- raising awareness among staff operating for or on behalf of the Group, encouraging employees and collaborators to take responsibility for the protection of the environment and implementing staff information and training programmes;
- raising awareness among suppliers and contractors regarding the environmental management principles relevant to the Group;
- commitment to actions aimed at maximising energy saving at its sites and offices and when managing its vehicle fleet, promoting more efficient and less polluting technologies;
- when managing its activities, raising awareness among residents in the Municipalities it serves on topics such as energy saving, the reduction of greenhouse gas emissions and, more generally, sustainability and sustainable development;
- the reduction in the use of energy resources per unit of gas introduced into the grid through regular plant maintenance and improvements;
- the optimisation of the use of fuel for transport through the replacement of company vehicles and

innovative mobility management systems;

- optimised work management to reduce any emissions and comply with the applicable legal provisions;
- the activation of appropriate measures to reduce and prevent accidents, manage emergencies and mitigate the consequences for the environment and public health.

Environmental protection is delivered through the robust use of the energy resources necessary to enable the Estra Group to carry out its activities. Over the years, the company has acquired a deep understanding of the importance of protecting and safeguarding the regions in which it operates. Successfully minimising its environmental impact by reducing consumption and waste is a key priority for Estra. In cases where this isn't possible, the company is committed to ensuring better management, such as through the use of renewable energy and waste recovery as opposed to waste disposal. More actively, the Group is a leader in the use of energy efficiency solutions aimed at optimising and thus reducing energy consumption by the company and its customers. Finally, for a number of years the Group has operated in the renewable energy generation sector.

In 2018 no fines or environmental sanctions were imposed on the Estra Group.

9.1 Environmental mitigation

Like all businesses, the Estra Group has an impact on the environment. Simply consider the use of electricity and methane gas in its offices and to power the energy generation plants, or the use of fuel by the company vehicle fleet. To confront these challenges, Estra implements various internal and external measures aimed at reducing its energy impact, such as the policy to improve the efficiency of businesses, residential buildings and its own offices which not only reduces energy use but also cuts costs.

9.1.1 Energy consumption

This section focuses on the use of methane use, electricity and fuel by the Estra Group. As regards the consumption of methane gas and electricity in company offices, please note that the changes to the Group's scope of consolidation and the progressive acquisition of new company buildings has increased the number of offices and sites, with a consequent increase in energy consumption.⁵ The other relevant category in terms of energy consumption concerns the operation of the REMI (regulation and measurement) cabins for the distribution of methane gas, and the operation of the energy production plants from renewable and non-renewable sources. Finally, vehicles impact consumption through the use of petrol, diesel and methane.

⁵ In reference to 2018, the list of sites falling within the reporting boundary is as follows: Arezzo, Prato, Siena, Osimo, Grosseto, Montepulciano, Pettoranello, Civitanova Marche, Rieti, Sansepolcro, Ascoli Piceno and Follonica. In addition, there is also a high number of stores and public offices located throughout Italy.

9.1.1.1 Methane consumption

In 2018 methane consumption rose by 17.04% compared to 2017. This increase is essentially due to consumption for gas distribution and the operation of energy production plants. A more detailed analysis revealed the following:

- as shown in the table methane, gas consumption in offices rose slightly in 2018 due to the extension of the reporting scope resulting from the increase in the number of offices and stores (+1.04%);
- methane consumption by plants (district heating systems and the biomass plant) increased by 14.92% compared to 2017 as a result of the increase in energy production in 2018 thanks to the return to normal operation following the resolution of issues that had previously prevented the systems from operating at capacity;
- methane gas consumption for gas distribution rose by 22.34% due to the presence of a new gas distribution company, Melfi Reti Gas, which became part of the Estra Group in 2018.

Methane gas consumption of the Group	2016		2017		2018	
	m ³	Giga Joule	m ³	Giga Joule	m ³	Giga Joule
Methane consumption - office heating	215,459	7,570	215,017	7,554	217,256	7,659
Methane consumption - gas distribution	836,531	29,391	878,299	30,858	1,009,310	35,581
Methane consumption - plants	1,045,050	36,717	999,604	35,120	1,222,928	43,112

9.1.1.2 Electricity consumption

As regards the Group's consumption of electricity, the most salient items relate to office use (3,695,876 kWh in 2018), mainly for lighting, power and office air conditioning (in relation to which the considerations described in the previous paragraph regarding the increase of energy consumption in 2018 also apply), and use for power generation plants (for the proportion of electricity sourced from the grid), including co-generation and photovoltaic systems, which equalled a total of 1,314,740 kWh. For minor photovoltaic plants total use of electricity from the grid has been estimated.⁶ Other significantly lower consumption items concern the consumption of gas cabins, power supplies for the cathodic protection of pipelines and consumption relating to stores and public offices.

The Prato and Arezzo offices are also powered using renewable electricity produced by the solar panels installed on the roofs of the office buildings. These systems are not owned by the Group.

⁶ The estimate was based on the electricity produced by plants multiplied by the co-efficient calculated according to the ratio between energy withdrawn from and introduced to the grid in Cavriglia in 2016 (1.45%).

The table shows that overall, electricity consumption in 2018 was largely in line with the previous year.

Electricity consumption of the Group	2016		2017		2018	
	kWh	Giga Joule	kWh	Giga Joule	kWh	Giga Joule
Electricity consumption from the grid	5,056,804	18,204	5,348,791	19,256	5,653,232	20,352
of which offices	3,754,580	13,516	3,476,664	12,516	3,695,876	13,305
Solar electricity consumption by offices	79,884	288	85,748	309	74,872	270

9.1.1.3 Vehicle consumption

The Estra Group has 318 vehicles, including a campervan converted into a mobile store. According to the Group's policy, vehicles are usually leased rather than bought. This is a targeted decision that reflects a specific sustainability policy aimed at ensuring a low environmental impact. In fact, by leasing vehicles the Group is able to quickly replace vehicles from time to time, opting for models with a lower environmental impact.

Vehicle consumption also refers to the fuel use of the mobile store which, although diesel-powered, uses a small amount of petrol for the generator needed to power the computers and lights within the mobile office. Furthermore, the consumption of the two generators at the Prato office aimed at ensuring energy self-sufficiency of the services and telecommunications system in the case of grid blackouts is also considered.

Vehicle consumption	2018	Giga Joule
Petrol (Lt)	6,272	196
Diesel (Lt)	430,366	18,453
Methane (m³)	4,957	174

9.1.2. Environmental mitigation actions

To mitigate its impacts on the regions and communities in which it operates, the Group is committed to three main actions:

- ensuring energy efficiency through a specialist company (Estraclima);
- producing energy from renewable sources (see paragraph 9.2.1);
- incentivising the use of electric vehicles..

9.1.2.1 Energy efficiency

Energy efficiency at the Prato site

In 2018 the heat and circulation pumps on the office roof were removed and two low-noise, high-efficiency heat pumps were installed and connected to a new distribution network built between the pumps and to the building's roof (the network extends to the various connection points located on the existing riser ducts used to supply power to the terminals installed in the offices). The system also features circulators with inverters and on-off valves on each fan coil, as well as a new remote management system.

Energy efficiency at the Arezzo site

In 2018 the site's heating unit was completely renovated, replacing the old generator with a methane-powered condenser unit (that produces thermal energy to heat the office during winter). These works also involved the replacement of the old circulator pumps with new inverter circulators, the installation of a solar heating system to produce clean warm water, as well as the introduction of a new remote heating management system.

Call for Energy Saving

In mid-2018 Estra Clima, an Estra Group company operating in the energy saving sector, launched the "Call for Energy Saving" focused on energy efficiency. The project aims to identify effective solutions to reduce consumption through the use of the most efficient technologies available on the market.

The initiative, which has been allocated investments worth 6 million Euros, is the only one of its kind in Italy, representing the first call promoted in Italy by an E.S.Co (Energy Saving Company) directed at businesses and with the aim of developing energy efficiency initiatives. The presence of the E.S.Co offers the possibility to internally finance the identified actions and to reinvest the energy savings generated by the investment back into the investment itself.

The call was aimed at businesses in the Marche and Tuscany regions operating in the industrial and service sectors such as sports associations with power generation units either owned by the association or leased on a multi-annual basis. Overall the works focused on six key areas: the installation/replacement of the co-generation plant; the replacement of steam generators; the replacement of hot water boilers; the installation of a heat recovery unit; the replacement of chillers for the production of cold water; the replacement of bulbs with new LED alternatives.

With this project the Estra Group aims to contribute positively to regional development by funding the promotion of measures to increase energy efficiency in order to safeguard the environment and develop the smart cities of tomorrow.

9.1.2.2 Electric mobility

Estra opened its first public e-car charging station in December 2016. The Group installed another six in 2017 and an additional five in 2018. Further installations are scheduled for 2019.

Estra is committed to investing in e-mobility and the charging infrastructure represents its primary tool for promoting sustainable mobility, reducing dependency on fossil fuels and reducing greenhouse gas emissions, encouraging methods of transport with lower environmental impacts.

The charging stations are active 24 hours a day and feature two 22 kw, type 2 (rapid charging) sockets. All motorists need to fill up is a credit card and a few taps on their smartphone screen. This rapid and innovative charging system has been made possible by Estra thanks to a dedicated “e-charge” app available for IOS and Android. To activate and manage charging and mobile payments, simply connect to the wireless hotspot at the e-charging station, download the “e-charge” app and sign up. The app offers a range of functions and features an interact map of all of the active charging stations. The service is also available to non-customers. By year-end 2018 a total of 12 stations had been installed in Tuscany and Marche.

9.1.3 Waste

While waste production increased between 2016 and 2018, a significant increase was recorded in 2018 in particular, equal to 43% compared to the previous year. This is due to the progressive dismantlement of the fixtures and fittings in the Group’s recently acquired warehouses, and mainly concerns non-hazardous waste such as iron, aluminium and the building materials found in these warehouses.

Non-hazardous waste has always referred predominantly to the ash produced by the biomass plant, totalling 288,340 kg in 2016, 359,330 kg in 2017 and 509,900 kg in 2018. The increase is due to the increase in production recorded by the plant in 2018.

Contrary to previous years, in 2018 non-hazardous waste also referred to food waste (fats and oils only) from company canteens while the Group’s use of paper was estimated according to the number of reams of paper purchased during the year.

The table shows that despite the increase in waste generated, almost all generated waste (91%) was sent for recovery and not landfill, in line with the Group’s strategic guidelines on environmental sustainability.

Waste (in Kg)	2016	2017	2018
Total general waste	558,312	637,927	910,577
Total non-hazardous waste	501,817	574,597	835,537
Total hazardous waste	56,495	63,330	75,040
Total waste sent for recovery	464,331	561,220	830,294
Total waste sent to landfill	93,981	76,707	80,283

Total non-hazardous waste sent for recovery	462,622	559,741	828,869
Total non-hazardous waste sent to landfill	39,195	14,856	6,668
Total hazardous waste sent for recovery	1,709	1,479	1,425
Total hazardous waste sent to landfill	54,786	61,851	73,615

9.2 The fight against climate change

The Estra Group has several electricity and heat generation systems. In line with the Group's strategic guidelines aimed at reducing environmental impact and combating climate change caused by fossil fuels, these systems mainly use renewable sources.

9.2.1 Energy generation plants

The Group has many photovoltaic systems of various sizes located in six Italian regions. The most important ones are located in Cavriglia and Tegolaia in Tuscany. The biomass plant in the Municipality of Calenzano (FI) also makes a significant contribution to the production of energy from renewable sources, particularly thermal sources. The Group is constantly committed to finding new renewable energy sources, as proven by the introduction into the scope of consolidation of Idrogenera, a company operating in the hydro-electricity sector.

The tables below show that in 2018 there was a reduction (-11.20% compared to 2017) in the production of solar power due mainly to the unfavourable weather conditions that prevented a repeat of the previous year's performance. The figure for 2016 reflects the fact that at this time the Cavriglia and Tegolaia plants were not included in the scope of consolidation and therefore their energy production was not taken into consideration. Thermal and electrical energy generated from biomass was mainly unchanged, with only a slight increase (+2.90%) recorded for thermal energy.

It should also be noted that Estra owns three plants that do not produce energy from renewable sources: the co-generation plants owned by Estraclima. All three are located in Tuscany and contribute to the production of electrical, thermal and cooling energy, and produced 26.80% more energy in 2018 compared to the previous year. As noted in the paragraph concerning plant consumption, this increase is the result of maintenance works to return the systems to normal operational levels.

Total electricity production from renewable sources

Total electricity production from renewable sources*	2016		2017		2018	
	kWh	Giga Joule	kWh	Giga Joule	kWh	Giga Joule
Photovoltaic	8,190,663	29,486	30,303,341	109,092	26,909,950	96,876
Biomass	4,593,807	16,538	4,649,340	16,738	4,611,450	16,601
Wind	4,423,980	15,926	19,000	68	12,668	46
Hydroelectric	-	-	-	-	144,653	521

* The table shows the amount of electricity produced by photovoltaic, biomass, wind and hydroelectric systems; electricity generated from photovoltaic and wind sources and sold was 26,146,053 kWh in 2018; electricity generated from hydroelectric sources and sold was 144,653 kWh in 2018; electricity generated from biomass and sold was 3,118,637 kWh in 2018.

Total thermal energy production from renewable sources

Total thermal energy production from renewable sources*	2016		2017		2018	
	kWh	Giga Joule	kWh	Giga Joule	kWh	Giga Joule
Biomass	21,906,299	78,863	21,894,488	78,820	22,528,946	81,104

* The table shows the amount of thermal energy produced by biomass; the thermal energy generated from biomass and sold was 7,773,164 kWh in 2018. Furthermore cooling energy produced from biomass was 581,142 kWh, of which 404,977 kWh was sold.

Energy production by the co-generation plants in Sesto Fiorentino and Siena (Malizia plant and Mattioli plant) owned by Estra Clima

Energy produced from non-renewable sources	2016		2017		2018	
	kWh	Giga Joule	kWh	Giga Joule	kWh	Giga Joule
Electricity	406,360	1,463	263,310	948	864,561*	3,112
Thermal energy	6,439,950	23,184	5,850,510	21,062	6,383,500*	22,981
Cooling energy	19,230	69	10,790	39	517,770*	1,864

* The table shows the amounts of electrical, thermal and cooling energy produced from non-renewable sources; electrical energy generated from non-renewable sources and sold totalled 811,071 kWh in 2018; thermal energy generated from non-renewable sources and sold was 5,584,583 kWh in 2018; cooling energy generated from non-renewable sources and sold was 450,239 kWh in 2018.

9.2.2 Self-consumption of electricity from renewable sources

The majority of the Group's photovoltaic systems self-consume part of the energy they produce. The data for self-consumption in 2018 is essentially in line with the previous year. As well as self-consumption by photovoltaic systems, self-consumption by the biomass plant was also recorded this year.

Self-consumption of electricity by photovoltaic systems	2016		2017		2018	
	kWh	Giga Joule	kWh	Giga Joule	kWh	Giga Joule
	35,281	127	634,276	2,283	662,730	2,386

* The estimate was calculated by multiplying the production-emission variation by the co-efficient, which was 0.85 for Cavriglia and Tegolaia, 0.80 for Teseco, Gibilisco and Sansepolcro, and 0.90 for other photovoltaic systems.

Self-consumption of electricity by the biomass plant was constant over the three years.

Self-consumption of electricity by biomass systems	2016		2017		2018	
	kWh	Giga Joule	kWh	Giga Joule	kWh	Giga Joule
	1,464,863	5,274	1,475,007	5,310	1,502,498	5,409

* Thanks to the conclusion of the data collection process, data for the entire three-year period in question was obtained.

9.2.3 Atmospheric emissions

The emissions produced in 2018 as described in the table below include all principle consumptions of methane gas, other fossil fuels and electricity during the year. These consumptions refer specifically to methane gas and electricity for the operation of company sites, offices and plants, the consumption of methane to heat the REMI cabins used in the gas distribution network, methane losses,⁷ energy losses from production plants and finally the consumption of the Group's vehicle fleet.

Compared to 2017, in 2018 emissions rose for two main reasons:

- unlike in the two previous years, vehicle fuel use was also included in the data;
- the consumption related to plants and the gas distribution network increased following restoration to full operational capacity (see paragraph 9.1.1.1 for more details).

Emissions produced

CO ₂ (t)	2016	2017	2018
Scope 1 emissions - from combustion	4,157.78	4,243.88	5,993.66
Scope 1 emissions - from methane	421.66	1,444.42	232.03
Scope 2 emissions - Located Based	1,896.30	2,005.80	2,035.16
Scope 2 emissions - Market based	2,605.96	2,481.13	2,693.93

⁷ This data is calculated taking into consideration the methane losses due to accidents and not due to the physiological losses of gas along the distribution network.

9.2.4 Avoided atmospheric emissions

Avoided CO₂ emissions are mainly the result of the self-consumption of electricity produced by the photovoltaic and biomass systems and, to a lesser extent, the energy produced using the solar panels at the Arezzo and Prato sites.

Avoided CO₂ emissions increased from 270.01 tons in 2017 to 806.43 tons in 2018. This increase is exclusively due to the fact that in 2017, the data for self-consumption did not include data for the biomass system which represents the most significant proportion of plant self-consumption (see the note to the second table in paragraph 9.2.2).

Note on methodology

This NFS considers the period commencing on 01.01.2018 and ending on 31.12.2018. The reporting boundary is consistent with that of the Consolidated Financial Statements of the Group. There were no significant changes to the reporting methodology, except for the transition from the GRI Referenced approach to the GRI Standards In accordance - Core approach.

All standards used and reported in the GRI Content Index were those published in 2016.

The reporting standards

The table below shows the correlation between the material topic of the Estra Group and the corresponding GRI aspects selected.

Material topics	GRI aspects	Internal impact	External impact
Waste Generated	306 - Effluents and Waste	X	
Reduction of internal consumption	302 - Energy	X	
Energy efficiency and production of energy from renewable sources Fight against climate change	305 - Emissions	X	
Engagement and development of local communities, environmental education and the circular economy	413 - Local Communities	X	
Economic sustainability and market competitiveness	202 - Market Presence	X	
Correct marketing and internal communications practices	417 - Marketing and Labelling	X	
Customer focus and satisfaction Quality of services, reputation and brand	206 - Anti-competitive Behaviour 419 - Socio-economic Compliance	X	Suppliers*
Innovation, research and development	-	X	
Product liability	416 - Customer Health and Safety	X	
Data protection	418 - Customer privacy	X	
Attracting and retaining resources	401- Employment	X	
Employee welfare and development	404 - Training and Education 402 - Labour/Management Relations	X	
Occupational health and safety	403 - Occupational Health and Safety	X	Suppliers*

Equal opportunities	405 - Diversity and Equal Opportunity	X	
Human rights	407 - Freedom of Association and Collective Bargaining 406 - Non-Discrimination	X	Suppliers*
Sustainable supply chain management	204 - Procurement Practices 414 - Supplier Social Assessment 308 - Supplier Environmental Assessment	X	
Anti-corruption	205 - Anti-corruption	X	Suppliers*

* Reporting not extended to the external boundary

In regard to the provisions of Italian Legislative Decree no. 254, indicators regarding the use of water resources and polluting emissions have not been considered as, compared to the other environmental impacts, these are of low relevance to the Group's materiality analysis as they refer exclusively to water use at company offices.

The calculation methodology

The main calculation methods and any specific details regarding individual indicators reported in this document are described below:

- the accident rate is calculated as the ratio between the number of accidents and the number of hours worked multiplied by 1,000,000;
- the severity rate is calculated as the ratio between number of calendar days lost due to accidents (not counting the day on which the accident occurred) and the number of possible working hours in the reference period multiplied by 1,000;
- The absenteeism rate is calculated by multiplying the ratio of hours of absence to possible working hours by 100.

The emission factors used to calculate the CO₂ reported are as follows:

- Direct emissions (Scope 1): for natural gas consumption the emission and conversion factors are taken from the table of national standard parameters published in 2018 by the Italian Ministry for the Environment and the Protection of Land and Sea in relation to the latest update. Methane emissions are calculated with a methane GWP of 28, as indicated by the scientific paper of the Intergovernmental Panel on Climate Change (IPCC) "First Assessment Report IPCC". Furthermore, the quantity of methane is based on an estimate of gas leaks relating to incidents recorded by Centria, while the Group's other gas distribution companies (Gergas and Melfi Reti Gas) did not record any incidents;

- Indirect energy emissions (Scope 2):
 1. Location based: these emissions are calculated by multiplying the electricity acquired by the national electricity network by the emission factor taken from Terna's International Comparison of Enerdata figures (2015 and 2016 data);
 2. Market based: these emissions are calculated by multiplying the quantity of electricity withdrawn by the national electricity grid by the residual mix emissions factor for Italy according to the European Residual Mixes, ABI (2017 data).

The emissions factors used to calculate avoided emissions are those applicable to new systems or energy withdrawn from the national grid published by the Piedmont Region for the calculation of emissions during energy audits.

GRI Content Index

GRI Standard	Disclosure	Pagina	Omission
General Disclosures			
GRI 102: General Disclosures	Organizational profile		
	102-1 Name of the organization	E.S.T.R.A. S.p.A.	
	102-2 Activities, brands, products, and services	pages 96-100	
	102-3 Location of headquarters	Registered office in Via Ugo Panziera, Prato (PO)	
	102-4 Location of operations	Italia	
	102-5 Ownership and legal form	pages 96-100	
	102-6 Markets served	pages 96-100	
	102-7 Scale of the organization	pages 96-100	
	102-8 Information on employees and other workers	pages 118-120	
	102-9 Supply chain	pages 136-140	
	102-10 Significant changes to the organization and its supply chain	pages 136-140	
	102-11 Precautionary Principle or approach	pages 109-112	
	102-12 External initiatives	page 141	
	102-13 Membership of associations	page 141	
	Strategy		
	102-14 Statement from senior decision-maker	pages 92-95	
	102-15 Key impacts, risks, and opportunities	pages 109-112	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	pages 101-102	
	102-17 Mechanisms for advice and concerns about ethics	pages 112-117	
	Governance		
	102-18 Governance structure	page 108	
	Stakeholder engagement		
	102-40 List of stakeholder groups	page 102	
	102-41 Collective bargaining agreements	All employees are subject to National Collective Labour Agreements (CCNL)	
	102-42 Identifying and selecting stakeholders	page 102	
	102-43 Approach to stakeholder engagement	page 102	

102-44 Key topics and concerns raised	page 102	
Reporting practice		
102-45 Entities included in the consolidated financial statements	page 96	
102-46 Defining report content and topic Boundaries	pages 159-162	
102-47 List of material topics	pages 159-162	
102-48 Restatements of information	No restatements of information included in the previous year's report were made	
102-49 Changes in reporting	Compared to last year's reporting, the "Core" option of the GRI Standards has been adopted	
102-50 Reporting period	2018	
102-51 Date of most recent report	Consolidated Non-Financial Statement 2017	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	Corporate Relations and Press Office Manager ssaccenti@destraspa.it	
102-54 Claims of reporting in accordance with the GRI Standards	pages 159-162	
102-55 GRI content index	page 162	
102-56 External assurance	page 83	

GRI 200 Economic Standard Series

Market Presence

GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 page 125	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community	page 125	

Procurement Practices

GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 pages 136-140	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	pages 136-140	

Anti-corruption			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 pages 112-117	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	page 113	
	205-3 Confirmed incidents of corruption and actions taken	No confirmed cases of corruption were detected in 2018.	
Anti-competitive Behavior			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 pages 131-132	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pages 131-132	
Emissions			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 pages 150-151	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 300 Environmental Standards Series			
Energy			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 pages 150-158	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302: Energy	302-1 Energy consumption within the organization	pages 152-153; 157	
Emissions			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-162 pages 150-158	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	page 158	
	305-2 Energy indirect (Scope 2) GHG emissions		

Effluents and Waste			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-160 pages 150-158	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	page 155	
Supplier Environmental Assessment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-160 page 141	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 308: Supplier Environmental Assessment	308-1 New Suppliers that were screened using environmental criteria	page 141	
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-160 pages 125-131	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment	401-1 New employee hires and employee turnover	pages 125-131	
Labour/Management Relations			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-160 pages 123-125	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 402: Labour/Management Relations	402-1 Minimum notice periods regarding operational changes	page 123	
Occupational Health and Safety			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-160 pages 120-122	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		

GRI 403: Occupational Health and Safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	pages 120-122	
		Professional Illnesses: 0	
Training and Education			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 127-129	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	page 127	
Diversity and Equal Opportunity			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 122-123	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	page 119	
Non-discrimination			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	No cases of discrimination were detected in 2018	
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 123-125	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In 2018 no risks of infringements to the rights of freedom of association or collective bargaining were detected for any Group operation, nor for major suppliers participating in tenders or operators enrolled on the Supplier Register	

Local Communities			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 141-149	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	pages 141-149	
Supplier Social Assessment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 page 137	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	page 137	
Customer Health and Safety			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 132-135	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	pages 132-135	
Marketing and Labeling			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 131-132	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 417: Marketing and Labeling	417-3 Incidents of non-compliance concerning marketing communications	In 2018 the Estra Group was not subject to significant fines or non-monetary sanctions for non-compliance with disclosure regulations, except for the case indicated in paragraph 6.1	
Customer Privacy			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 135-136	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		

GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pages 135-136	
Socio - economic Compliance			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	pages 159-161 pages 131-132	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	In 2018 the Estra Group was not subject to significant fines or non-monetary sanctions for non-compliance with socio-economic regulations, except for the case indicated in paragraph 6.1	