

E.S.T.R.A. S.p.A.

Registered office at Via Ugo Panziera 16, Prato (PO)

Fully paid-up share capital € 228,334,000.00

Tax code and Prato Business Register number 02149060978,

Economic and Administrative Index no. 0505831

2021 SUSTAINABILITY REPORT
CONSOLIDATED NON-FINANCIAL STATEMENT 2021
pursuant to Articles 3 and 4 of Italian Legislative Decree no. 254 of 2016

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Director and General Manager Paolo Abati

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EY S.p.A.

CONSOLIDATED NON-FINANCIAL STATEMENT 2021
pursuant to Articles 3 and 4 of Italian Legislative Decree no. 254 of 2016

Contents

Letter to Stakeholders	page 6
1. Our commitment to Sustainability.....	page 7
1.1. Introduction.....	page 7
1.2. Estra, material topics and SDGs	page 8
1.3. Stakeholder map.....	page 13
1.4. Relations with stakeholders	page 13
2. Value created by the Group	page 16
2.1. Profile.....	page 16
2.2. Value generated and distributed	page 19
2.3. Investments	page 20
2.4. The European taxonomy.....	page 20
2.5. Innovation, research and development.....	page 24
3. Governance	page 26
3.1. Targets and results.....	page 26
3.2. Corporate Governance and Control Boards	page 28
3.3. Responsible business management.....	page 29
3.3.1. Management Model and Anti-corruption policy.....	page 29
3.3.2. Certifications.....	page 35
3.4. Risk management.....	page 36
3.5. COVID-19 pandemic.....	page 41
4. Our people.....	page 44
4.1. Targets and results.....	page 46
4.2. Employment.....	page 47
4.2.1. Protected categories.....	page 50
4.2.2. Contracts and salaries.....	page 51

4.2.3. New hires and contract terminations.....	page 52
4.3. Employee well-being.....	page 55
4.3.1. Diversity and equal opportunities.....	page 55
4.3.2. Work-life balance	page 58
4.3.3. Welfare.....	page 59
4.3.4. Internal communications.....	page 60
4.4. Rights and protections.....	page 61
4.4.1 Employee participation and consultation on occupational health and safety	page 62
4.4.2. Employee health.....	page 63
4.4.3. Occupational accidents.....	page 63
4.4.4 Freedom of association	page 67
4.5. Skills development and enhancement of human capital.....	page 67
4.5.1. Placements	page 70
5. Customers and the community.....	page 72
5.1. Targets and results.....	page 72
5.2. Customer relations.....	page 74
5.2.1. Our customers in numbers.....	page 74
5.2.2. Privacy	page 77
5.2.3. Social bonuses and instalments.....	page 78
5.2.4. Online billing, customer area and mobile app.....	page 79
5.3. Quality of service and customer-focused approach.....	page 80
5.3.1. Customers served in branch.....	page 80
5.3.2. Call centres.....	page 81
5.3.3. Complaints and queries.....	page 81
5.3.4. Settlements.....	page 83
5.3.5. Disputes with customers.....	page 84
5.3.6. Gas distribution service quality.....	page 85
5.3.6.1. Standards.....	page 85
5.3.6.2. Inspections.....	page 87
5.4. Dialogue with local and national institutions.....	page 89

5.5. Local community development initiatives.....	page 89
6. Suppliers.....	page 96
6.1. Targets and results.....	page 96
6.2. Sustainable supply chain management.....	page 97
6.2.1. Supplier assessment.....	page 97
6.2.2. Supplier register.....	page 99
6.2.3. Tender procedure.....	page 100
6.3. Value of supplies.....	page 104
6.3.1. Our suppliers in numbers.....	page 104
6.3.2. Contracts and procurement.....	page 106
7. The Environment.....	page 108
7.1. Targets and results.....	page 108
7.2. Environmental policies.....	page 113
7.3. Mitigation of environmental impacts.....	page 114
7.3.1. Energy consumption.....	page 114
7.3.1.1. Methane consumption.....	page 114
7.3.1.2. Electricity consumption.....	page 116
7.3.1.3. Vehicle consumption.....	page 118
7.3.2. Water consumption.....	page 119
7.3.3. Actions to mitigate environmental impacts.....	page 120
7.3.3.1. Energy efficiency of company offices.....	page 120
7.3.3.2. E-mobility.....	page 120
7.3.3.3. Replacement of asbestos roofing.....	page 121
7.3.4. Waste produced.....	page 121
7.3.5. NOx and PM10 emissions produced.....	page 123
7.4. Fight against climate change.....	page 123
7.4.1. Energy production plants.....	page 123
7.4.1.1. Energy production from renewable sources.....	page 123
7.4.1.2. Energy production from non-renewable sources.....	page 125
7.4.2. Self-consumption of electricity from renewable sources.....	page 126.

7.4.3. Energy efficiency.....	page 127
7.4.4. CO ₂ emissions.....	page 127
7.4.4.1. Emissions produced.....	page 127
7.4.4.2. Emissions avoided.....	page 129
Note on methodology.....	page 130
GRI Content Index.....	page 136

Letter to Stakeholders

In 2021 we were able to manage the COVID-19 pandemic more effectively than in the previous year, when the health emergency engulfed Italy and brought many business activities to a halt. In the last twelve months Italy has undergone major economic and social recovery, and 2022 might finally have been the time to devote ourselves to the plans that every European nation adopted in light of the EU Recovery Plan for a sustainable and inclusive future. However, the war in Ukraine risks bringing all of this into question, at the expense of another ongoing emergency that we cannot afford to ignore: the climate crisis.

Our 2021-2025 strategic plan focuses on the fundamental importance of our employees, climate change and the technological transition. These trajectories intersect with eight of the seventeen Sustainable Development Goals (SDGs) approved by the United Nations and aimed to be achieved by 2030. These eight SDGs are detailed in the report that describes our customer-centric approach, our care for our employees, our desire to reduce internal consumption and waste, and our commitment to the development of local communities and promoting education on sustainable development.

Another cornerstone of our environmental action is the energy efficiency initiatives adopted both in our own buildings and in those of third parties, which - thanks to State incentives - were widely developed in 2021.

The Estra Group is actively committed to protecting the natural environment and to promoting the sustainable development of the regions in which it operates, with 30.3 million kWh of electricity produced from renewable sources in 2021 (85.7% from photovoltaic, 14.1% from biomass and 0.2% from hydroelectric).

In 2021 our green electricity and gas tariffs grew significantly in popularity, highlighting our customers' increasing awareness towards environmental issues.

Economic value generated directly in 2021 was € 1,066 million, an increase of 39.3% compared to 2020 due to increased gas balancing activities and the rising cost of the raw material. Most of the value produced - € 902 million - was distributed to local and national suppliers, representing 91% of the total value. Economic value withheld by the Group was € 75.5 million (+10.42% compared to 2020), representing an effective indicator of the Group's capacity for self-finance.

Finally, we must mention the quality of our customer relations. The number of customers served in our 73 branches rose from 160,000 in 2020 to 165,000, and the average waiting time in branch fell from 12 minutes to 8 minutes. In 2021 our call centres answered 594,000 calls (out of the 620,000 received), with average waiting times falling from 99 seconds to 41 seconds. Complaints against Group companies fell significantly from 2,119 in 2020 to 725. In terms of methane distribution, plant safety is a key priority for the Group, with grid inspections covering around 100% of the entire network each year.

In light of these results, we are exceptionally grateful to our employees who dedicate their professionalism and commitment to our Group.

The Chairman
Alessandro Piazzi

1. Our commitment to Sustainability

1.1. 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” (hereinafter the “Decree”).

This Consolidated Non-Financial Statement (hereinafter the “NFS”) of the Estra Group as at 31 December 2021 has been prepared in compliance with the provisions of Decree no. 254/16, as amended, and is a separate document to the Directors' Report on Operations, as provided for by the Decree (Article 5, paragraph 3b).

The information contained in the NFS refers to the fully consolidated companies according to the line-by-line method considered in the Consolidated Financial Statements of the Group as at 31 December 2021, not including Edma Reti, which has been consolidated using the line-by-line method since 17/10/21. Data for Edma Reti will be reported from the next financial year.

In the preparation of its NFS Estra has applied the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on the “In accordance - Core” approach.

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 has ensured the necessary coordination and prepared this document.

This NFS was approved by the Board of Directors of Estra on 15 April 2022 and has been subject to limited review by EY S.p.A. The NFS is published in the section titled “Investor Relations” of the Company website (<https://corporate.estra.it/>).

In 2021 the pandemic caused by the COVID-19 virus continued to have a profound impact on the social and economic systems of many countries. The 2021 Consolidated Financial Statements illustrate the economic and financial effects on the Estra Group, while the social and environment impacts are described in this document in a specific paragraph of the “Governance” chapter.

On 12 July 2020 Regulation (EU) 2020/852 on the European Taxonomy, published in the Official Journal of the European Union on 22 June 2020, came into force. The Estra Group complies with the provisions established by the Regulation and the information regarding taxonomy-eligible business activities is reported in the “Value Created by the Group” chapter.

On 31/12/2021 the NRRP Project working group, composed of 18 employees, was officially established. To access the NextGenerationEU funds, Italy has submitted a National Recovery and Resilience Plan structured into six missions. The working group was created to better intercept the funding opportunities arising from the use of the funds made available by Italy's NRRP and to enable the Estra Group to grow in the fields of digitalisation, energy transition, sustainable mobility and innovation.

1.2 Estra, material topics and SDGs

The Estra Group is committed to promoting sustainability and sustainability practices in many areas of its business. Therefore, in line with its actions in the previous year, the Group has aimed to continue its efforts to align the Group's material topics with the Sustainable Development Goals (SDGs) introduced by the United Nations in 2015 (as shown in the table below).

The Materiality Analysis forms the basis of the sustainability reporting process. The analysis enables the identification of the topics that are deemed relevant to Stakeholders within and outside of the Estra Group that consequently must be prioritised during the sustainability reporting process.

The Materiality Analysis is updated by the Estra Group on a regular basis, usually every two years. The current analysis, which was carried out in 2020, will be updated in 2022 in view of the natural changes to the economic and social context to ensure constant alignment with the expectations of our Stakeholders.

The material topics reported in this NFS, while identified by the analysis conducted in the previous year, are deemed to adequately reflect the main economic, environmental and social impacts of the Group or to influence the assessments made by our Stakeholders, due to the absence of any significant changes to the business, to our stakeholders and to the reference context in which the Group operates.

The processes leading to the definition of the Materiality Matrix in 2020 are summarised below.

- Benchmarking analysis: a precise and structured analysis of the relevant material topics for competitors and large reference companies in other sectors was conducted. This analysis aimed to provide an understanding of the principal sustainability macro-trends.
- Qualitative analysis and comparison of external documents and of the context to provide further background on the topics (national and international sustainable development trends, European policies and mega-trends in the energy sector, impact of COVID-19 on sustainability reporting).
- Analysis of internal company documents (Strategic Plan, Business Plan, Code of Ethics, MOGC) to identify the most important topics relative to the value of sustainability on which to direct the sustainability reporting.
- Definition of the initial list of topics and involvement of the Work Group and Management Committee: based on the topics identified in the previous year and the first three phases of the process, the team responsible for sustainability reporting produced a list of possible topics to be presented to Stakeholders for evaluation.
- Presentation of the list to members of the Sustainability Reporting Work Group, who were asked to choose a maximum of 25 topics, without assigning priority, providing comments and suggestions for new topics as well as on the possible merging of multiple topics. The sustainability reporting team analysed and compared the feedback, identifying 21 material topics and carefully evaluating the decisions and any merging of topics.
- Meeting with the Management Committee, which was asked to evaluate the 21 topics identified. The Management Committee was involved in the process to assign an internal order of priority, or rather to evaluate the main economic, environmental and social impacts of each topic on the company. The sustainability reporting team received the feedback from the Management Committee and developed the definitive list of 17 material topics.
- Definition of the implementation methods of the Materiality Analysis: based on the analysis of the Stakeholder Map, the sustainability reporting team identified the categories of stakeholders to be involved. The stakeholders were involved in the process to assign an external order of priority, or rather to evaluate the topics that have a substantial impact on the assessments and decisions of the stakeholders themselves. The method of engagement was defined for each stakeholder category:
 - online questionnaire for all employees;

- multi-stakeholder focus group (trade unions and directors, customers, suppliers, banks, industry associations, environmental and consumer associations, institutions) conducted remotely with stakeholders from Ancona, Arezzo, Prato and Siena;
- online questionnaire for all customers registered on the website.

The analysis was conducted by assigning relevance to the various material topics on a scale of 1 to 5, where 1 = not relevant, 2 = slightly relevant, 3 = moderately relevant, 4 = relevant and 5 = very relevant.

- Implementation of the Materiality Analysis: in October-November 2020 the stakeholder engagement process was conducted as described above.
- Data collection and statistical analysis of the results: the sustainability reporting team processed the results from the online survey and the focus groups and produced the Materiality Matrix graph.

Stakeholders were asked to assign a materiality rating with regard to the Estra Group on the following 17 topics.

With regard to material topics identified by the Materiality analysis as a whole, please note that certain topics - Risk management and the ability to react to changing scenarios, Integration of sustainability aspects in company strategies, Stakeholder relations and dialogue - were deemed by company management and by stakeholders to be material as they represent indispensable tools for the positive performance of the company. These transversal topics are interrelated with the other material topics and have therefore been described throughout the report.

Topics
• ETHICS, INTEGRITY AND ANTI-CORRUPTION
• RISK MANAGEMENT AND THE ABILITY TO REACT TO CHANGING SCENARIOS
• INTEGRATION OF SUSTAINABILITY ASPECTS IN COMPANY STRATEGIES
• EMPLOYMENT, DEVELOPMENT AND ENHANCEMENT OF HUMAN CAPITAL
• PROTECTION OF THE RIGHTS, HEALTH AND SAFETY OF EMPLOYEES
• COMPANY WELFARE
• SERVICE QUALITY AND SAFETY AND CUSTOMER SATISFACTION
• BRAND REPUTATION AND CORRECT MARKETING AND COMMUNICATIONS PRACTICES
• PRIVACY AND DATA PROTECTION
• RESPONSIBLE SUPPLY CHAIN MANAGEMENT
• ENERGY EFFICIENCY, RENEWABLE ENERGIES AND SUSTAINABLE MOBILITY
• REDUCTION OF INTERNAL CONSUMPTION AND WASTE
• STAKEHOLDER RELATIONS AND DIALOGUE
• DEVELOPMENT OF LOCAL COMMUNITIES AND EDUCATION TO PROMOTE SUSTAINABLE DEVELOPMENT
• INNOVATION, RESEARCH AND DEVELOPMENT

<ul style="list-style-type: none"> • CREATION OF SUSTAINABLE ECONOMIC AND FINANCIAL VALUE
<ul style="list-style-type: none"> • PROTECTION OF HUMAN RIGHTS

The main material topics identified were:

- service quality and safety and customer satisfaction
- employment, development and enhancement of human capital
- protection of the rights, health and safety of employees
- ethics, integrity and anti-corruption
- risk management and the ability to react to changing scenarios
- protection of human rights
- creation of sustainable economic and financial value
- brand reputation and correct marketing and communications practices

The process concluded with the approval of the results of the Materiality Matrix (see Note on Methodology) by the Board of Directors of Estra S.p.A. on 30 November 2020.





The alignment of Estra's material topics to the SDGs shows how the Group's activities coincide with 8 of the 17 goals, highlighting how businesses can contribute to achieving those goals. Considering the Group's values and areas of operation, some of the SDGs are closely linked to the Group's activities. In particular:





- decent work and economic growth;
- responsible consumption and production;
- businesses, innovation and infrastructure;
- sustainable towns and cities;
- clean and accessible energy;
- fight against climate change;
- reducing inequalities;
- gender equality.

In the Business Plan, Climate Change is identified as one of the three long-term trajectories targeted by the new structure, values and strategic pillars of the Estra Group, along with energy savings and, consequently, reduced emissions, with initiatives aimed at buildings and offices. To this end, “Digital Smart Building” and “Activity Based Working” projects have been identified, in line with the following SDGs:

- Goal 7: Affordable and Clean Energy: Access to renewable, safe and widely available energy sources for all;
- Goal 11: Sustainable Cities and Communities: Making cities safe, inclusive, resilient and sustainable;
- Goal 12: Responsible Consumption and Production: Reversing current consumption trends and promoting a more sustainable future;
- Goal 13: Climate Action: Regulating and reducing emissions and promoting renewable energy;

One of the objectives of the Estra Group defined in the Business Plan is the medium-term corporate business diversification strategy (e.g. water, waste), aimed at transforming the Group into a leading national multi-utility company and green and digital services provider with a differentiated business model.

SDGs	Material topics that contribute to achieving the SDGs
	<ul style="list-style-type: none"> • Energy efficiency, renewable energies and sustainable mobility • Reduction of internal consumption and waste
	<ul style="list-style-type: none"> • Protection of the rights, health and safety of employees • Employment, development and enhancement of human capital • Company welfare
	<ul style="list-style-type: none"> • Responsible supply chain management • Innovation, research and development • Service quality and safety and customer satisfaction • Creation of sustainable economic and financial value • Risk management and the ability to react to changing scenarios • Integration of sustainability aspects in company strategies
	<ul style="list-style-type: none"> • Development of local communities and education to promote sustainable development • Stakeholder relations and dialogue

		<ul style="list-style-type: none"> • Reduction of internal consumption and waste • Service quality and safety and customer satisfaction • Brand reputation and correct marketing and communications practices • Privacy and data protection
		<ul style="list-style-type: none"> • Energy efficiency, renewable energies and sustainable mobility • Reduction of internal consumption and waste
		<ul style="list-style-type: none"> • Protection of human rights • Ethics, integrity and anti-corruption

The table below shows the relationship between the topics of Decree no. 254/2016 and the material topics discussed in the NFS, not including the “transversal” topics (Risk management and the ability to react to changing scenarios, Integration of sustainability aspects in company strategies, Stakeholder relations and dialogue).

Scope of Decree 254/2016	NFS Topics
Fight against active and passive corruption	Ethics, integrity and anti-corruption
Personnel	Employment, development and enhancement of human capital Company welfare Occupational health and safety
Social	Service quality and safety and customer satisfaction Stakeholder relations and dialogue Innovation, research and development Development of local communities and education to promote sustainable development Privacy and data protection

	Brand reputation and correct marketing and communications practices Sustainable supply chain management
Environment	Reduction of internal consumption and waste Energy efficiency, renewable energies and sustainable mobility
Human rights	Protection of human rights

1.3 Stakeholder map

The Estra Group reports its economic, social and environmental performance for the 2019-2021 three-year period considering the stakeholder categories identified in 2020 - following the process to prioritise the categories - through an analysis that involved the company's senior management and the main stakeholders. At the end of the analysis, the following list of Estra Stakeholders was compiled:

- Personnel
- Customers and users
- Shareholders and members (including indirect member municipalities)
- Suppliers (including strategic consultants)
- Lenders (including banks and investors)
- Environment
- Bodies and Institutions (including Local Authorities, Universities and Trade Unions)
- Community and region

1.4 Relations with stakeholders

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.

After the first issue published on 3.12.2020, the quarterly newsletter **Impronta Estra** was sent to all stakeholders throughout 2021. The newsletter represents a new point of contact with shareholders, municipalities, customers, suppliers, environmental and consumer associations, financial and social institutions, employees and banks. The aim is to establish a channel of dialogue to enable Estra to communicate periodically with its stakeholders, providing updates on the Group's initiatives, objectives and results on the topic of sustainability and allowing stakeholders to get in touch with Estra.

In fact, the same stakeholders play an active role in the editorial project, using their specific skills to contribute regular columns and features that characterise the various issues of the newsletter. The newsletter aims not only to inform and update stakeholders on the projects and initiatives that are closely linked to Estra's commitment to sustainability, but also to contribute to the promotion and development of a comprehensive cultural of sustainability able to share and enhance ideas and best practices from the outside world.

The main stakeholder engagement initiatives of the Estra Group carried out in 2021 are shown below. Compared to 2020, the number of initiatives that involved bodies and institutions on topics related to environmental sustainability increased.

Stakeholder	Initiatives in 2021	Frequency/Events 2021
Shareholders and members	Shareholders' meeting and meeting with indirect members ¹	18
Customers	Newsletter to subscribers to the customer area	monthly
	Broadcast of Estra TV visible to the public on office screens	monthly
	Prato – Agreement with Confesercenti for gas and electricity services	7.7.2021
	Definition of Charter of Responsibilities with Consumers' Associations. Published on the Estra website https://www.estra.it/aiuto/carta-delle-responsabilita/	18.2.2021
Personnel	The Valore in Circolo internal communications project: a journey into sustainability in eight stages, from September to December, aimed at providing a first-hand account of Estra's commitment to sustainability through the projects and activities described in the Sustainability Report. News about the Group's economic, social and environmental performance is posted in the Valore in Circolo section of the company intranet.	8 communications
	Centria 4 Safety newsletter	4
	Sicurezza in Estra newsletter	4
	News bulletins on the Intranet	160
Community and region	Impronta Estra newsletter	4
	Posts published on the Facebook Page	Around 100
	Articles published on the company website	129
	Press conferences	13
	Press releases	80
	Regional and local 60-second radio and TV news bulletins	every fortnight
The Institutions	E-vehicle charging stations opened in Lucignano (AR)	27.1.2021
	E-vehicle charging stations opened in Montemurlo (PO)	20.2.2021
	E-vehicle charging stations opened in Calenzano (FI)	12.7.2021

¹ The data includes the meetings of Estra shareholders, and the meetings of each Estra shareholder with its own shareholders, in which topics relating to the Estra Group were discussed (Consiag, Coingas, Intesa and Viva Servizi).

Lenders	Video surveillance system installed in Calenzano (FI)	13.7.2021
	Methane grid operational in the Rieti Valley	29.10.2021
	Investigations	6 investigations launched, of which 2 were concluded with a positive outcome in 2021 and 4 were ongoing as at 31/12/2021 and concluded with a positive outcome in January 2022
	Estra and Legambiente webinar aimed at teachers, focusing on topics related to SDGs 11, 12 and 13 (2 and 16 February, 2 March 2021).	3
Environment	Tree-planting in collaboration with Mosaico Verde in Civitella (AR), Italy on 17/02/2021 and in Ancona on 20/04/2021.	2
	Educational projects on environmental topics	2

2. Value created by the Group

2.1 Profile

The Estra Group was established in 2009 through the merger of three public utility companies: Consiag di Prato, Coingas di Arezzo and Intesa di Siena. At the end of 2017 the company Viva Energia di Ancona also joined the Group.

The Estra Group, which serves 789,470 gas and electricity customers and generated a total consolidated revenue of € 1,046,433 million in 2021, is one of the leading energy operators in Italy, with a particularly significant presence in central Italy. The Group predominantly operates in Tuscany, Marche, Umbria, Abruzzo, Molise, Campania, Calabria and Apulia.

On 26.01.2021 **Estra S.p.A.** completed the corporate acquisition of **ECOS S.r.l.**, a special waste management company, through the purchase of the remaining 85% of the shares (15% was acquired in 2020).

ECOS owns a waste storage facility and provides services including hazardous and non-hazardous waste disposal (with a maximum capacity of 85,000 tonnes), waste collection and transportation, and the reclamation of contaminated sites.

The facility plays a strategic role as it holds certain product licences that enable it to process solid, liquid, hazardous and non-hazardous waste. The site extends for 9,500 square metres and is located in Barberino Tavarnelle (FI), in an area that is well connected to major transport links at the heart of Tuscany, making it one of the most important waste management sites in central Italy.

On 27/10/2021 the Shareholders' Meeting of EDMA Reti Gas S.r.l. - a natural gas distribution and measurement company in Ancona - approved the amendments to its Articles of Associations and the shareholders' agreements to enable its consolidation by the line-by-line method into Estra S.p.A.

The shareholders of Edma Reti Gas (Estra and Viva Servizi S.p.A.) took the decision to consolidate the company into Estra in order to pursue the following key objectives:

- to collaborate and engage with the Municipalities in the region in order to meet local infrastructure needs;
- to be competitive and seize future opportunities in the natural gas distribution sector.

The decision considered Estra's knowhow in the sector in which Edma Reti Gas operates with a view to reaching its objectives.

Edma Reti Gas S.r.l. distributes methane gas and manages a gas network of 1,300 km, with 117 points of delivery in 15 municipalities in the province of Ancona: Ancona, Agugliano, Belvedere Ostrense, Camerano, Camerata Picena, Castelfidardo, Chiaravalle, Falconara Marittima, Offagna, Monsano, Monte San Vito, Montemarciano, Morro d'Alba, San Marcello and Senigallia

In 2020 Estra acquired a 5% stake in Bisenzio Ambiente S.r.l., which owns a treatment facility for hazardous and non-hazardous special waste in the form of liquid and pumpable sludge. There are plans to acquire full ownership of Bisenzio Ambiente through subsequent steps that will result in a gradual increase in the interest held by Estra until total control is reached. In 2021 Estra's stake in Bisenzio Ambiente remained unchanged pending the authorisation from the Tuscany Region to enable the company to treat other types of waste.

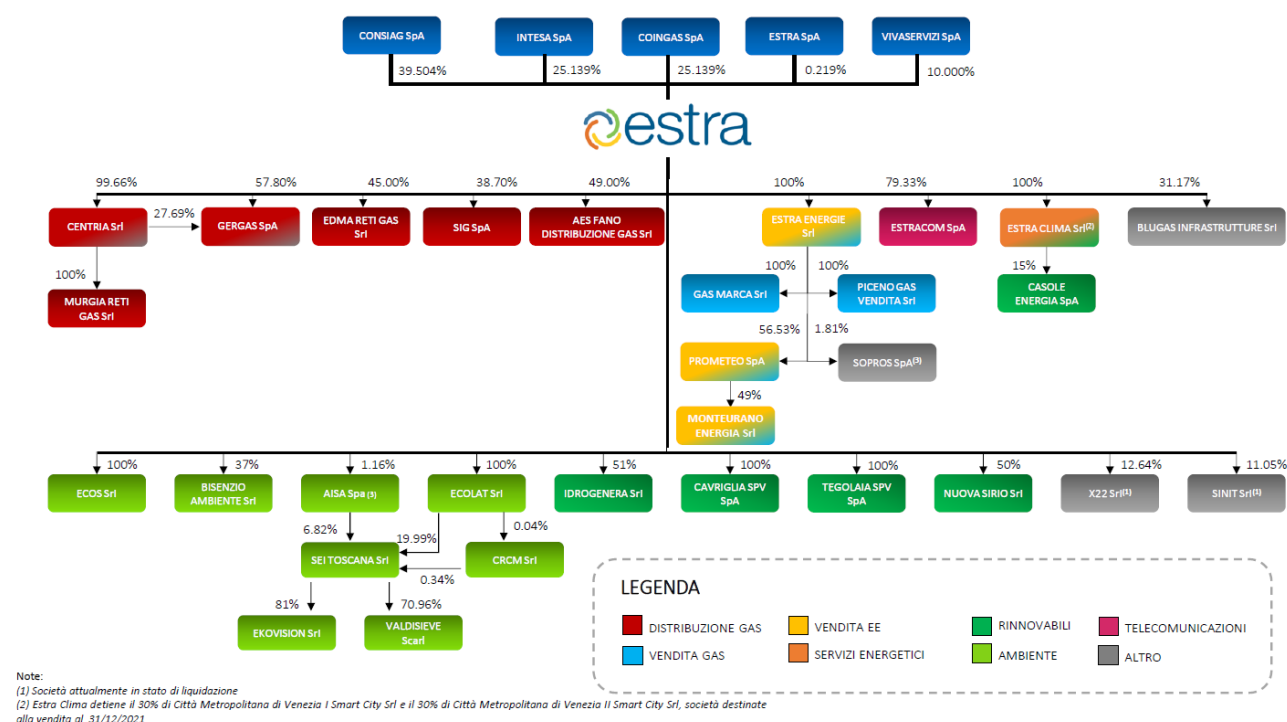
The Estra Group, with registered offices in Prato, operates in various sectors including:

- supply and sale of natural gas and electricity;
- natural gas distribution;
- technical and operational management of telecommunications networks and their marketing;
- provision and exploitation of plants producing energy from renewable sources with particular reference to solar, wind and biomass sources;

- design, installation and management of energy efficiency plants for businesses, apartment buildings and individual dwellings;
- treatment of solid and liquid, hazardous and non-hazardous waste;
- marketing of liquid propane gas.

Estra S.p.A. carries out various activities on behalf of the Group companies, such as strategic planning and organisation, financial planning and budgeting, the definition of marketing objectives and policies, disclosure and corporate reports, HR management policies, IT systems, coordination between business sectors, business management planning and control, and the definition and communication of sustainability topics.

The structure of the Estra Group as at 31 December 2021 is shown below, indicating the relevant holdings.



On 03/06/2021, Cerved Rating Agency downgraded the rating allocated to Estra S.p.A. from B1.1 to A3.1. The upgrade to the A3.1 rating reflects the marked improvement of the Group's financial performance in FY20, despite the fall in the Group's turnover, along with the reduction in net financial debt, which resulted in a broadly sustainable leverage and a balanced equity structure as at December 2020.

The Group's values

Proximity

We are an authentic presence in people's lives, removing the distances between us. Our relationships define who we are: "being part of" the local community is the corporate model that identifies us. Growth is the key to our role and the value that we can bring to the communities we belong to.

Sustainability

We are aware that the value fed into a community doesn't disperse: it multiplies. Therefore, we focus all of our actions in the knowledge that we have to help to maintain the natural heritage for future generations. We are a credible development factor for communities because we support activities and passions that contribute to social and economic growth.

Accessibility

Our services are available 24/7 and enable us to create simple and accessible opportunities. We are constantly developing the services of the future, promoting progress and growth, seeing and accepting every person as an opportunity to pursue the common good.

Empathy

We recognise our connection with people, helping us to understand and assist them in the best possible way. We transform our guiding principles and intentions into real opportunities, focusing on what really matters and can make a difference. We talk to people in accessible, informal language which is naturally frank and open.

Care

We make a difference by promoting and protecting people's peace of mind, providing primary services and building trust. We are committed to learning and understanding the everyday needs and diverse requirements of people in order to maintain long-lasting relationships. To do this, it is essential to interact with each individual and respond to them with determination and commitment every day.

Strategic guidelines

Estra's 2021-2025 Strategic Plan is defined through a robust planning process based on the analysis and disclosure of its key elements at all levels of the organisation. This has enabled the definition of long-term sustainable strategies able to respond to the challenges and opportunities of the ecosystem in which the Group operates.

The main five-year objective is to implement and transform Estra into a green and digital multi-utility company, thanks to a multi-business model and an integrated and synergistic approach between business units. Development in the core sectors - gas and energy - will be supported by consolidation in the integrated waste cycle, a sector in which Estra wishes to strengthen its presence in order to expand the Group's range of essential services.

In this regard, the technological transition and digitalisation process that Estra intends to prioritize in the near future is exceptionally important. Topics associated with climate change are also important, as are those relating to the enhancement and development of people, from the Group's employees and customers to local residents.

Estra's strategic decisions are a testament to the Group's wish to continue the growth pathway pursued since its foundation, with major impacts for stakeholders in terms of the creation of long-term value.

The Group's strategic pillars are:

- Growth
- Technological evolution
- Network
- Efficiency

2.2 Value generated and distributed

Quantifying the total wealth produced and distributed is essential to understanding the value in simple and concrete terms, expressed as monetary figures, that the Group returns to the region and to the people who live there.

The concept of distributing economic value enables the data in a financial report to be interpreted in a different way. In this multi-stakeholder perspective, the value produced by a company goes beyond the economic performance achieved in the year and embraces a universe of several different forms of remuneration that represent the true economic “mark” that a company makes on a community.

By focusing on its core business activities, Estra creates value both for stakeholders interested primarily in the Group's financial results (e.g. shareholders, employees, local authorities), and for all of the Group's other partners and stakeholders (suppliers, lenders and consumers).

Economic value directly generated and distributed (2019-2021)

(thousands of Euro)	2019		2020		2021	
Economic value generated directly	1,000,280		765,337		1,066,243	
Economic value distributed to Stakeholders	944,275		697,179		990,753	
<i>Suppliers</i>	857,191	90.8%	617,344	88.5%	902,068	91%
<i>Personnel</i>	39,348	4.2%	39,230	5.6%	41,856	4.2%
<i>Shareholders and lenders</i>	27,869	3.0%	18,984	2.7%	27,257	2.8%
<i>Local Authorities</i>	17,258	1.8%	19,498	2.8%	17,496	1.8%
<i>Community and region</i>	2,609	0.3%	2,123	0.3%	2,076	0.2%
Economic value withheld by the Group	56,005		68,158		75,490	

The economic value generated directly in 2021 is € 1,066 million. This marks an increase of 39.3% compared to 2020 due to the combined effect of increased gas balancing activities and the increased cost of the raw material. Revenue from sales of electricity also increased, mainly due to the higher volumes of electricity sold to end customers and the increase in sales tariffs.

Most of the value produced - € 902 million - was distributed to local and national suppliers, representing 91% of total value. The 46.1% increase is closely linked to the increase in revenue.

A total of € 41.8 million was distributed to employees, up 6.7% due mainly to the increase in workforce associated with the acquisition of Ecos as well as the wage increases provided for by the National Collective Labour Agreements (CCNL).

A total of € 27.2 million was allocated to shareholders and lenders in dividends and financial charges. The figure represented a sharp increase of 43.6% compared to 2020, mainly as a result of the increase in dividends distributed (more than double) despite the ongoing trend of reduced financial expenses.

In 2021 there was a € 2 million decrease in value distribution to the Public Administration, due to the lower profits generated in the year.

In line with the previous year, € 2 million were distributed to local communities and the region in sponsorships (to sports, cultural and social institutions), donations and membership fees.

The economic value withheld by the Group amounts to € 75.5 million. The progressive increase over the three-year period (+10.76% compared to last year) mainly comprising non-monetary expenses, is an effective indicator of the Group's capacity for self-finance.

2.3 Investments

In 2021, the Group's investments totalled € 97.8 million, an increase of 108.6% compared to 2020. This effective doubling was the result of the rise associated with the increase in new M&A Operations, which in 2021 represented the main type of investment made. In fact, overall, investments in industrial development represent 72.6% of the total for 2021. The 30.2% increase in investments in innovation compared to the previous year is also of note, and is mainly attributable to the purchase of IT systems and smart meters. Also in the innovation sector, € 770,000 was devoted to new investments in renewable energies and new businesses.

The following table shows the breakdown of investments made in the 2019-2021 three-year period.

Investments <i>(Thousands, €)</i>	2019	2020	2021
Industrial development	95,241	24,174	71,019
Innovation	3,317	12,588	16,390
Services	7,101	6,472	6,828
Tangible and intangible assets	3,452	3,657	3,591
Total	109,111	46,891	97,827

2.4 The European Taxonomy

Regulation (EU) 2020/852 (also “EU Taxonomy Regulation” or “Taxonomy” or “Regulation”), adopted in June 2020, introduced the taxonomy of sustainable business activities - a Europe-wide classification of business sectors and activities that can be considered environmentally sustainable - into the European legislative system. In particular, it is a tool for reporting business activities and financial product in order to provide businesses and investors the opportunity to disclose information about their commitment to the transition to climate neutrality. An economic activity is considered compatible with the taxonomy if it contributes to at least one of the six environmental targets established in the regulation and does not obstruct the achievement of any of the others (“Do No Significant Harm” clause).

In order to respond to the legal requirements of Regulation (EU) 2020/852, and subsequent delegated acts², and to identify the economic activities potentially able to contribute to climate change mitigation and adaptation targets according to the eligibility criteria³, the Group has taken the following actions:

² *Delegated regulation (EU) 2021/2139 of 4 June 2021 (Climate Delegate Act), and relative annexes I and II on climate change mitigation and adaptation targets, and Delegated regulation (EU) 2021/2178 of the Commission of 6 July 2021.*

³ *Without verifying compliance with all the technical screening criteria, the "Do No Significant Harm" criterion and the minimum social guarantees.*

- **Initial selection of eligible business activities of the Estra Group.** This process, conducted through consultation of the “*Climate Delegate Act - Mitigation Annex*” regarding the substantial contribution to climate change mitigation, and the “*Climate Delegate Act - Adaptation Annex*” regarding the substantial contribution to climate change adaptation, led to the definition of a broad list of potentially eligible business activities.
- **Subsequent selection of eligible business activities of the Estra Group, conducted by area representatives and Group Companies.** The second selection phase provided the definitive list of eligible business activities, as shown in the table below
- **Planning, implementation and coordination of specific meetings with area representatives and Group Companies.** The meetings were also attended by personnel involved in the planning and control, administration and budgeting departments in order to understand the possibility of extracting the technical data agreed upon with the representatives.

Table of eligible business activities of the Estra Group - Climate Change Adaptation Target

Number of business activities	Description of business activity	Company	Climate change adaptation
4.1	Electricity production by solar/photovoltaic technology	Estra Clima	X
4.3	Electricity production from wind energy	Estra Clima	X
4.5	Electricity production from hydroelectric energy	Idrogenera	X
4.15	District heating/cooling distribution	Estra Clima	X
4.16	Installation and operation of electric heat pumps	Estra Clima	X
4.20	Co-generation of heat/cooling energy and electricity from bioenergy	Estra Clima	X
5.5	Collection and transportation of non-hazardous waste in tranches separated at source	Ecolat, Ecos	X
5.9	Recovery of materials from non-hazardous waste	Ecolat	X
6.4	Management of personal transporters and bicycles	Estra	X
7.3	Installation, maintenance and repair of energy efficiency devices	Estra Clima	X
7.4	Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	Estra, Estra Energie, Estracom	X
7.5	Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	Estra Clima, Centria, Gergas, Murgia Reti	X

		Gas	
7.6	Installation, maintenance and repair of renewable energy technology	Estra Clima	X
8.1	Data processing, hosting and related activities	Estracom	X
9.2	Close-to-market research, development and innovation	Estra, Centria	X

Table of eligible business activities of the Estra Group - Climate Change Mitigation Target

Number of business activities	Description of business activity	Company	Climate change mitigation
4.1	Electricity production by solar/photovoltaic technology	Estra Clima	X
4.3	Electricity production from wind energy	Estra Clima	X
4.5	Electricity production from hydroelectric energy	Idrogenera	X
4.15	District heating/cooling distribution	Estra Clima	X
4.16	Installation and operation of electric heat pumps	Estra Clima	X
4.20	Co-generation of heat/cooling energy and electricity from bioenergy	Estra Clima	X
5.5	Collection and transportation of non-hazardous waste in tranches separated at source	Ecolat, Ecos	X
5.9	Recovery of materials from non-hazardous waste	Ecolat	X
6.4	Management of personal transporters and bicycles	Estra	X
7.3	Installation, maintenance and repair of energy efficiency devices	Estra Clima	X
7.4	Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	Estra, Estra Energie, Estracom	X
7.5	Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	Estra Clima, Centria, Gergas, Murgia Reti Gas	X
7.6	Installation, maintenance and repair of renewable energy technology	Estra Clima	X

8.1	Data processing, hosting and related activities	Estracom	X
9.1	Close-to-market research, development and innovation	Estra, Centria	X
9.3	Professional services related to the energy performance of buildings	Estra Clima	X

With regard to the activities considered eligible to the taxonomy, the accounting and management system of the Estra Group was used to define certain criteria (specific jobs, cost centres, CoGe accounts, Profits, etc.) in order to identify the turnover, CapEx and OpEx KPIs provided for by the Regulation.

In particular, turnover was calculated as the portion of net revenues obtained from products and services associated with the economic activities aligned with the taxonomy (numerator), divided by total net revenues (denominator). Turnover includes revenues reported in line with the reference international accounting standard (IAS/IFRS).

Capital expenditure (CapEx) includes, as denominator, capital gains on property, plant and equipment and intangible assets during the year before depreciation, write-downs and any other revaluation, including those deriving from value redeterminations and reductions for the year in question, and excluding changes to fair value. It also includes gains on property, plant and equipment and intangible assets resulting from business combinations. The numerator corresponds to the part of capital expenditure included in the denominator relative to assets or processes associated with economic activities aligned with the taxonomy, or which are part of a plan aimed at expanding the economic activities aligned with the taxonomy or allowing the eligible economic activities to align with the taxonomy, or which are relative to the purchase of products deriving from the economic activities aligned with the taxonomy.

Operating expenditure (OpEx) includes, as denominator, non-capitalised direct costs related to research and development, building renovation measures, short-term leasing, maintenance and repairs as well as any other direct expenses related to the daily maintenance of property, plants and machinery, by the company or by third parties to which these tasks are outsourced, necessary to ensure continuous and effective operation. The numerator includes the part of operating expenditure included in the denominator that either relates to assets or processes associated with economic activities aligned with the taxonomy, or which aim to expand economic activities aligned with the taxonomy or to allow eligible economic activities to align with the taxonomy, or which are relative to the purchase of products deriving from economic activities aligned with the taxonomy and individual measures that allow the activities aimed at achieving low carbon emissions or reduced greenhouse gas emissions.

The table below shows the turnover, CapEx and OpEx data for 2021, as extracted from the accounting system.

Total turnover, CapEx, OpEx of eligible activities (€)

Turnover 2021 eligible activities	CAPEX 2021 eligible activities	OPEX 2021 eligible activities
€ 36,099,952	€ 10,976,789	€ 26,843,697

The standard provides for the comparison of the data of the eligible activities with those of the consolidated financial statements to identify the weight of these activities on the total. The results are as follows:

Turnover 2021 eligible activities	Consolidated turnover 2021	Contents
€ 36,099,952.38	€ 1,058,488,092.29	3.41%

CAPEX 2021 eligible activities	Consolidated CAPEX 2021	Contents
€ 10,976,789.22	€ 54,425,012.16	20.17%

OPEX 2021 eligible activities	Consolidated OPEX 2021	Contents
€ 26,843,697.50	€ 950,193,991.30	2.83%

The indices are low because the core activity of the Group - electricity and gas sales - is not considered an environmentally sustainable activity under the European Regulation (even in the case of “green” tariffs), while for gas distribution only the installation, maintenance and repair of metering devices is considered an environmentally sustainable activity.

The data for non-eligible activities compared with data from the consolidated financial statements are provided below.

Turnover 2021 non-eligible activities	Consolidated turnover 2021	Contents
€ 1,022,388,139.91	€ 1,058,488,092.29	96.59%

CAPEX 2021 non-eligible activities	Consolidated CAPEX 2021	Contents
€ 43,448,222.94	€ 54,425,012.16	79.83%

OPEX 2021 non-eligible activities	Consolidated OPEX 2021	Contents
€ 923,350,293.81	€ 950,193,991.30	97.17%

2.5 Innovation, research and development

Innovation is one of the Estra Group's key pillars, directing its activities and investments and involving all sectors and Group companies. The main innovation, research and development projects conducted in 2021 were as follows:

E-QUBE - Start Up & Idea Challenge. In 2019 the third E-qube Start Up & Idea Challenge was launched, in collaboration with Nana Bianca and Startup Italia. The initiative aims to identify interesting start-ups and projects in the digital&energy sector.

After waiting several months to be able to hold an in-person event for the start-up awards ceremony, at the end of 2021 the decision was taken to close the call and name the three winning start-ups during an internal hybrid event, hosted both online and in-person, on 29/12/2021.

Estra selected three start-ups, all operating in the digital and green field, in recognition of their focus on environmental sustainability. The winning entrants were Rifò, which presented a project aimed at recycling and reusing scrap fabric to make new “zero miles” clothing; Blue Eco Line, which aims to reduce marine plastic pollution using a floating barrier positioned on riverbanks that intercepts waste; and Ener2Crowd, which has developed a platform that coordinates the demand for, and offer of, investments in sustainable projects designed to benefit the planet. The three winning start-ups will receive a grant totalling €60,000, access to a training and acceleration programme in collaboration with Nana Bianca, company offices, and a mentorship programme to support the development of the innovative ideas.

ENERGY COACHING - The Energy Coaching project was launched in collaboration with a previous winner of the e-qube challenge, aimed at giving customers the power to monitor their electricity consumption as well as tips on how to limit their carbon footprint. The energy coaching service will be accessible via the Estra app. On 31.12.2021 the analysis phase was completed. The production phase began in January 2022. The service is scheduled to go live in the second half of 2022.

3. Governance

3.1 Targets and results

Targets for 2021	Results in 2021
To adopt a platform for the management of governance, risk and compliance activities.	<p><i>Target partially achieved</i></p> <p>In August 2020 the Company launched a project to implement a database management system aimed at rationalising and simplifying “Governance”, “Risk Management” and “Compliance” processes (“GRC Tools”) in order to standardize the data of the various audit departments. The project was implemented throughout 2021 using the data provided by the internal audit departments and the supervisory body, but was not extended to other departments (e.g., Privacy, Risk Management). The GRC Tool was developed on the Ragic! platform.</p>
To develop and consolidate the Risk Management service through the updating of the “Top Risk” action plan.	<p><i>Target achieved</i></p> <p>In 2021 a project was implemented to consolidate and update the Enterprise Risk Management Model, also in light of the COVID-19 global pandemic and the current market conditions. During the updating process, steps were taken to further integrate sustainability into the Enterprise Risk Management process, linking the ESG criteria to the risks applicable to the Estra Group and assessing the environmental, social or governance-related risks.</p>
To broaden the list of Companies that have adopted the Model pursuant to Italian Legislative Decree no. 231/2001. Companies that conduct relevant activities (including in reference to their sector of operation) that are averagely structured may choose to adopt the Model	<p><i>Target achieved</i></p> <p>In 2021 the company Murgia Reti Gas approved the 231 Model.</p>

Targets for 2022/2023

To define an Anti-corruption Compliance Programme, initially for companies that have adopted the 231 Model, inspired by the values and principles defined in the Code of Ethics, with the aim of establishing a general code of conduct to be adopted by the Group's Directors, managers and employees, as well as by third parties.

In 2022 the Code of Ethics will be updated to take into account references to anti-corruption.

To broaden the list of Companies that have adopted the Model pursuant to Italian Legislative Decree no. 231/2001. Companies that conduct relevant activities (including in reference to their sector of operation) that are averagely structured may choose to adopt the Model

The company Ecos assigned the professional mandate for the adoption of the 231 Model in 2022.

To consolidate the current ERM process and update the Group risks:

to proceed with the annual review of the ERM Model to ensure its continued alignment with the strategic plan and the evolution of the reference markets

To define the cultural and ethical risk targets:

to integrate cultural and ethical risk assessments in order to identify opportunities for improvement in processes, practices and employee training.

To assess computerised risk management systems:

to launch research projects to develop a computerised risk management system.

To extend the whistleblowing platform to the company Murgia Reti Gas.

To provide whistleblowing training for employees of companies that have adopted the 231 Model.

Targets for 2022/2024

To analyse and implement the Group Governance, Risk and Compliance platform.

3.2 Corporate Governance and Control Boards

In 2021, the Corporate Governance and Control Boards (Board of Directors and Board of Statutory Auditors) of the Estra Group were composed of 70 members. These are predominantly men (approximately 4 out of 5 members), and 72.8% were over fifty years old. 31.4% of members are Estra Group employees, a testament to the company's desire to encourage the participation and engagement of its human resources in management decisions.

The table below shows the main data relative to members of the Governance and Control Boards, showing the evolution in the 2019-2021 period.

	2019	2020	2021
Composition			
Number of members	76	72	70
Women	19	18	15
Men	57	54	55
Age			
29 or under			
Women	0	0	0
Men	0	0	0
From 30 to 50 (inclusive)			
Women	10	8	5
Men	18	15	14
Over 50 years			
Women	9	10	10
Men	39	39	41
Average age			
Women	47 years	50 years	51
Men	55 years	56 years	56
Overall average age	53 years	54 years	55

As regards data on educational level, in 2021 there were no major percentage changes compared to the previous year: 97.2% of members hold a diploma or a degree. In particular, 34.3% hold a senior high school diploma, while 62.9% have a university degree. With regard to gender, the trend identified in 2020 was confirmed, with 73.3% of female members educated to university level, compared to 60% of male members.

As regards seniority^[1], in 2021 there were 102 roles in total, in line with 2020. Of these, 43 were characterised by a seniority of below three years, 34 with seniority between three and six years, and 25 with seniority of over six years. For both genders, the prevalent level of seniority was less than six years (77 out of 102).

^[1]Seniority is calculated considering the total number of roles, not the number of members of the governance bodies.

3.3 Responsible business management

In line with the Strategic Plan, aimed at developing the Group's business and creating value for stakeholders, as well as responding to the increasingly frequent changes to the economic scenario and the operational context, Estra assesses market opportunities for the purchase and disposal of companies and the leasing of business branches.

In 2021, a specific procedure was adopted to define the key phases of business transfers of companies, shareholdings and acquisitions, disposals and leasing of business branches. The process leading to the conclusion of these types of operation is necessarily preceded by various assessments and detailed analyses to prevent potential risks.

The management process for business transfers is structured over several phases. These include:

- identification of opportunities and approval of preliminary investigation;
- preliminary investigation and due diligence;
- authorisation of the transaction;
- closing;
- post-transaction review.

3.3.1 Management Model and Anti-corruption Policy

Management Model

Since its foundation, the Estra Group has adopted Organisational, Management and Control Models pursuant to Italian Legislative Decree no. 231/2001 (hereinafter "MOGC") which constitute the key element of a corporate prevention and control system able to prevent the commission of the offences provided for by the Decree. The number of Group Companies to have adopted the MOGC has increased over the years, and today includes the following Companies: Estra, Estra Energie, Prometeo, Centria, Gergas, Murgia Reti Gas, Estra Clima, Estracom, Ecolat, Gas Marca, and Piceno Gas Vendita.⁴

Companies that have adopted the Model pursuant to Italian Legislative Decree 231/2001 have also adopted their own Code of Ethics.

The Supervisory Body constantly monitors the implementation of, and compliance with, the MOGC, with independent powers of initiative, intervention and control that extend to all company sectors and departments.

⁴ With reference to the boundary of the NFS, please note that the companies Cavriglia, Tegolaia and Idrogenera have not adopted a MOGC as they do not have employees and were established exclusively for the purpose of managing renewable energy plants. The company Ecos, which has employees and was acquired in 2021, will adopt a MOGC in 2022.

In 2021 certain companies approved updates to the Model and the Code of Ethics: Piceno Gas Vendita in February, Estra Energie, Centria and Ecolat in March, Estra Clima in April, Prometeo in June, and Estracom and Gergas in July. The update to the 231 Model regarded the introduction of certain offences, specifically:

- unlawful trading in influence pursuant to Art. 346-*bis* of the Italian Criminal Code, introduced to the offences provided for in Art. 25 of Italian Legislative Decree no. 231/2001 by Italian Law no. 3 of 09 January 2019;
- fraud in competitive sport and illegal betting or gambling using prohibited means, pursuant to the new Art. 25-*quaterdecies* of Italian Legislative Decree no. 231/2001 introduced by Italian Law no. 39 of 03 May 2019;
- obstruction of justice and false statements to the Authorities responsible for monitoring information security introduced into Art. 24-*bis* of Italian Legislative Decree no. 231/2001 by Decree Law no. 105/2019 ("Cybersecurity Decree") converted by Italian Law no. 133 of 18 November 2019;
- tax offences introduced by the new Art. 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001 by Italian Law no. 157 of 19 December 2019;
- Italian Legislative Decree no. 75 of 14 July 2020 concerning the implementation of Directive (EU) 2017/1371, so-called PIF Directive.

In December 2021 the company Murgia Reti Gas approved the 231 Model and the Code of Ethics.

Between October and December 2021 Estra, Prometeo, Estra Energie, Centria and Estra Clima approved the update of the third part of the Special Protocols following the Estra S.p.A. service order no. 17 of 01/10/2021, Prot. 822 concerning the "operating methods for the appointment of mandates to consultants and professionals".

Finally, in order to strengthen the anti-corruption policies and the internal procedures, as well as to standardise employee conduct, in 2021 the Estra S.p.A. Service Order no. 16, Prot. 565 concerning travel and transfer expenses was issued, regarding:

- the types of expenses eligible for reimbursement, maximum limits and non-refundable expenses;
- the personnel responsible for approving expenses claims;
- the methods and tools for expenses and reimbursement claims;
- the allocation and use of corporate credit cards (personal billing).

Whistleblowing (anonymous reporting)

Estra and the other Group Companies⁵ have adapted the Model to Italian Law no. 179/2017 since 2018, establishing a digital channel able to protect the confidentiality of the identity of persons reporting unlawful conduct in relation to the alleged offences, thus protecting the integrity of the organisation. The web app (MY WHISTLEBLOWING) adopted by the Group enables users to access the platform exclusively with the use of unique access codes. All reports and data entered into the software are encrypted and, finally, the identity of the whistleblower is only visible to the Supervisory Body that receives the reports. The tool also enables anonymous reporting.

The Bodies have drafted and approved a regulation that provides for a preliminary investigation linked to the report which protects the identity of the whistleblower.

In 2021, no reports were submitted using this platform.

In 2021, the use of the platform was extended to the company Ecolat, and in 2022 it will be extended to Murgia Reti Gas.

⁵ Estra Energie, Estra Clima, Estracom, Prometeo, Gas Marca, Piceno Gas Vendita, Ecolat, Centria and Gergas

Finally, in 2022, the Estra Group intends to organise a training course on whistleblowing aimed at all employees.

Activities of the Supervisory Body

The supervision and control of the Model is entrusted by each Company to a Supervisory Body granted independent powers of initiative and control, to which periodic reports are submitted. The ten Supervisory Bodies make their assessments on the basis of the checks carried out during the audit, aiming to monitor compliance with the Model.

The Supervisory Body of Estra, Estra Energie, Estra Clima, Estracom, Prometeo, Centria and Gergas is composed of 4 members, 3 of which are external and one of which is internal; the Body carries out its activities in accordance with the guidelines approved by said Body. The Supervisory Body of Ecolat is composed of two members, one internal and one external, while Piceno Gas Vendita and Gas Marca established monocratic Supervisory Boards, with the role entrusted to a single internal member. Murgia Reti Gas will establish its Supervisory Body in 2022, having approved the 231 Model on 21/12/2021.

In 2021 the Supervisory Body held 32 board meetings, during which document checks (data streams coming from the management departments of the companies) and audits of areas considered to be most at risk of the commission of “231 Offences” were carried out.

A total of 41 audits were carried out, divided as follows:

- health, safety and environment: 7;
- plant/site health, safety and environment: 3;
- administration and budget: 1;
- acquisition process and consultancy: 6;
- personnel selection: 3;
- training pursuant to Italian Legislative Decree no. 231/2001: 8;
- training on regional government agreements: 8;
- IT security: 1;
- debt recovery via external legal consultants: 1;
- employment of non-EU citizens: 1;
- contract analysis: 1;
- management of local authority grants: 1.

In 2021 there was no record of breaches to the Organisational, Management and Control Model.

The main audits conducted by the Internal Audit department in 2021 were “operational audits” and “IT audits”. In the first instance the debt recovery procedure, which uses external legal consultants, was audited, with the dual aim of analysing the methods used to allocate outstanding gas and electricity debt and verifying any potential conflicts of interest. Meanwhile, the audit of the IT department, which considered reports submitted by Estra Energie customers regarding the use of personal data, aimed to check the “robustness” of the organisational methods in place to protect cyber security.

Anti-corruption policies

The anti-corruption policy of the Estra Group is characterised by the principles that underpin the Code of Ethics adopted by Estra S.p.A. and by the Companies that have adopted the 231 Model, including all 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.

In the 2019-2021 three-year period no cases of corruption were reported or identified and neither the company nor its employees were involved in corruption-related public legal proceedings.

All newly hired employees receive a copy of the Code of Ethics and a communication with references to the 231 Model and the Supervisory Body. The Organisational, Management and Control Model (MOGC) and the Codes of Ethics are available to view to all employees on the Group Intranet.

Furthermore, following each change to the MOGC, employees are sent a communication specific to the Company in question.

In 2021, 177 employees (97 men and 80 women) received training on anti-corruption, representing 22.5% of the workforce. This number is considerably lower than in the previous year (177 compared to 445) but is more in line with the data from 2019, when 184 employees received training on this topic. The fall in 2021 is mainly due to the high number of employees who participated in online training events in 2020 due to the continuation of the COVID-19 pandemic.

Anti-corruption training was provided to all employee categories, with various levels of participation. The main employee category that received anti-corruption training was office workers (54.2%), despite the sharp decrease compared to the data of the previous year (-21.1%); however, the percentage of managers and middle managers trained in 2021 increased compared to the previous year. These two categories respectively account for 11.9% and 19.2% of trained employees.

As regards the geographical distribution, as in the previous year 81.9% of employees to receive training were located in the Group's offices in Arezzo, Prato and Siena.

Employees who received anti-corruption training, subdivided by category and site

	2019	2020	2021
Number of employees trained on anti-corruption	184	445	177
Messengers	1	1	1
Manual workers	21	93	25
Clerical workers	135	335	96
Middle managers	14	16	34
Managers	13*	0	21
Percentage of total employees	24.2%	59.4%	22.5%

Geographical distribution			
Arezzo	14.1%	15.7%	10.7%
Prato	39.7%	44.5%	48.0%
Siena	14.1%	33.5%	23.2%
Ancona	0%	2.3%	1.7%
Other areas	32.1%	4.0%	16.4%

* This does not include managers who are members of Company Management Bodies.

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 that have adopted the Management Model and the Code of Ethics.

As regards the anti-corruption training that involved members of the management bodies, the data corresponds to the members of the Board of Directors and of the boards that approved the updates to the 231 Model. Therefore, the data for 2021 relative to anti-corruption training regards the companies Estra Energie, Estracom, Estra Clima, Prometeo, Piceno Gas, Centria, Gergas and Ecolat.

Members of the management bodies who have received anti-corruption training

2019			2020			2021		
Total members (no.)	Total members trained (no.)	%	Total members (no.)	Total members trained (no.)	%	Total members (no.)	Total members trained (no.)	%
76	38	50%	72	8	11%	70	52	74.3%

As regards members of the management bodies who received information on anti-corruption procedures, this data corresponds to the members who signed the interim report of the Supervisory Body relative to the first six months.

Members of the management bodies who have been informed of anti-corruption policies and procedures

2019			2020			2021		
Total members (no.)	Total members informed (no.)	%	Total members (no.)	Total members informed (no.)	%	Total members (no.)	Total members informed (no.)	%
76	50	65.8%	72	53	74%	70	49	70%

The 231 Management Model and the Code of Ethics are distributed to all employees of the relative Group companies at the time of approval or amendment. In 2021, information on the Management Model and the Code of Ethics was provided to 557 employees of the Companies which updated the Model (Estra Energie, Piceno Gas Vendita, Prometeo, Centria, Ecolat, Estra Clima, Estracom and Gergas). This included 55 new employees of the Companies that adopted the Model who received this information during their induction,

pursuant to company practice, as well as 13 new hires of the Companies that adopted the Model 231 but did not update it in 2021.

<i>Employees who were informed of updates to the 231 Model and Code of Ethics by classification</i>	2019	2020	2021
Managers	19*	11	11
Middle managers	36	14	28
Clerical workers	522	164	382
Manual workers	166	15	147
Messengers	6	3	2

Although the Estra Group has not adopted a formal procedure to inform suppliers of anti-corruption policies and procedures, all the suppliers that receive authorised purchase orders and those that receive orders under contract from companies that have adopted the Management Model and Code of Ethics are expressly required to acknowledge the latter. 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, distinguishing between those that received purchase orders and those that received orders under contract for the 2019-2021 period.

All suppliers who received purchase orders were required to acknowledge, share and accept the principles of the 231/2001 Model and the Code of Ethics. Compared to 2020, in 2021 there was an 8% increase in the number of suppliers who received purchase orders. As regards purchase orders, the number of suppliers increased at a constant and significant rate in the three-year period, as did the percentage of those who were required to acknowledge the Code of Ethics (57.1% in 2021).

Total number of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics			
	Total number of suppliers		
2019	2,223*		
2020	2,349**		
2021	2,405***		
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
2019	895	895	100%
2020	768	768	100%
2021	831	831	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

2019	686	189	27.6%
2020	588	297	50.5%
2021	736	420	57.1%

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

** Suppliers with trading agreements exclusively with Gas Marca, Piceno Gas Vendita (not managed by the Estra S.p.A. Procurement and Tender Service) and Murgia Reti Gas (which has not adopted a Code of Ethics) are excluded. In addition to this total there were 124 suppliers who acknowledged the Code of Ethics in view of purchase orders or orders by contract signed in the course of 2020 but for which no payment had been received as at 31/12/2020.

*** Suppliers with trading agreements exclusively with Gas Marca, Piceno Gas Vendita (not managed by the Estra S.p.A. Procurement and Tender Service), Murgia Reti Gas (which has not adopted a Code of Ethics) and Ecos (acquired in 2021 and which does not distinguish between purchase orders and orders under contract) are excluded. In addition to this total there were 112 suppliers who acknowledged the Code of Ethics in view of purchase orders or orders by contract signed in the course of 2021 but for which no payment had been received as at 31/12/2021.

All potential suppliers participating in negotiated or public tender procedures with all Group Companies that have adopted a 231 Model are required to issue a statement regarding the salient points of the 231 Model. All such potential suppliers must declare:

- 1) to have acknowledged the Code of Ethics and the Organisational, Management and Control Model of (name of company) on the website (company URL), 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 (name of company), 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 (name) 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 non-EU countries without the proper residence permits;
- 5) to not allow, 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 by (name of Company), 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;
- 6) to have never been called to trial (as legal representative) for the offences 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 2021 no commercial business contracts were terminated or were not renewed due to breaches to anti-corruption procedures.

3.3.2 Certifications

The Group considers certifications, which represent a fundamental element of the policies of the Estra Group, to be essential to governing and improving internal processes in order to optimise the efficiency and reliability

of the management system as a whole. Consequently, integrated management systems have been adopted at company and, sometimes, inter-company level. The certifications apply to various fields: quality management, corporate social responsibility, occupational health and safety, the environment, and data protection.

Number and type of certifications ⁶	2019	2020	2021
ISO 9001 Quality	7	9	9
SA8000 Social accountability	1	1	1
ISO 14001 Environmental management system	7	8	9
ISO 45001 Occupational health and safety management system	7	9	10
ISO/IEC 27001 Information security standard	3	3	3
ISO 55001 Asset management system	1	1	1
ISO 50001 and CEI 11352 Energy management (the data for 2021 refers to Centria)	2	2	1
Other industry-standard quality certifications: UNI EN ISO 18295 parts 1 and 2 (contact centre services), UNI EN ISO 3834-2 (fusion welding of metallic material), UNI 11024 (welding of polyethylene pipes) and UNI 11632, ISO IEC 17025 (accreditation of testing laboratories)	4	4	4

With regards to the regulations, Centria and Ecos hold the EMAS certification while Estra Clima holds (CE) 303/2008 certification. Estracom, Estra Clima and Centria are SOA-certified.

3.4 Risk management

Estra has adopted an integrated risk management model (Enterprise Risk Management - ERM) inspired by international best practices which involves, each within their level of competence, the company management and governance bodies. According to reference guidelines and best practices, the main objective of ERM activities is to ensure the optimal identification, measurement, management and monitoring of company risks.

The ERM Model considers all types of risk that may affect the achievement of the Group's strategic objectives, damage company assets or compromise business continuity. It is integrated into the Group's strategic decisions and main decision-making processes.

⁶ The ISO 9001, ISO 14001 and ISO 45001 certifications are held by Estra S.p.A., Estra Energia, Ecolat, Estra Clima, Estracom, Centria, Gergas and Prometeo. Murgia Reti Gas holds the ISO 9001 and ISO 45001 certifications. Ecos holds the ISO 14001 and ISO 45001 certifications; the "Information security standard ISO/IEC 27001" is held by Estra, Centria and Estracom. Centria holds the "ISO 50001 Energy management" and "SA 8000 Social accountability" certifications, while the CEI 11352 certification is held by Estra Clima.

The Estra Group acknowledges that Risk Management models can help to prevent risk situations, to manage the impact of unforeseen circumstances and to identify new opportunities to create value for the business, and thus aims to construct a model based on company targets and processes at strategic, operational and financial 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;
- adapt to the dynamics of the regulatory framework;
- increase competitiveness.

In 2021 the Estra Group continued to consolidate and develop its Risk Management model, with the aim of supporting senior management in the identification of the main company risks and the methods through which these can be managed, as well as identifying any relative mitigation measures. In particular, a project was implemented to update and standardise risks at Group level, also in light of the COVID-19 global pandemic and the current market conditions. Estra aims to continue to develop its corporate governance strategy through the implementation of a strategic and executive risk management model that supports the adoption or re-adoption of sustainable management strategies, including with a view to preventing potential problems in the internal control system caused by internal or external factors.

In 2021 the list of priorities was reviewed, and top risks were changed in view of the overall energy scenario that characterised the sector. Volume risk and price risk were identified as top risks and the consequences of counterparty risk (purchase and sale) and customer debt risk were analysed.

As regards climate change in the medium-long term, the Group has begun to assess the likely progressive abandonment of gas as an energy source and the impacts on the Group, which will continue far beyond the five years of the 2021-2025 strategic plan. The short-term strategy is to convert customer gas and electricity supplies to green tariffs, also considering the slow but constant reduction in our customers’ consumption, which is likely due to higher prices and greater environmental awareness.

The ERM Model adopted by Estra is based on:

- **focus on emerging or forecast 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 with 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, compliance, 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).

Non-financial risks

The corporate risks panel also extends to topics relating to sustainability. The non-financial risks mapped according to the aforementioned process are described below. Only changes to climatic conditions and/or

extreme weather events with negative impacts in terms of reducing gas/energy demand are considered to be top risks for the company.

Scope of the Decree	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	<p>One of the pillars of the 2021-2025 Strategic Plan — aimed at transforming the Group into a leading multi-utility green and digital services provider — is Climate Change, along with the technological transition and human centrality.</p> <ul style="list-style-type: none"> - Consequently, the Group's targets include the diversification of the business in the medium-term (e.g. entering the waste processing sector), which its commercial policies are characterised by: Green gas and electricity tariffs, which are heavily promoted with specific marketing campaigns; - Increasing the fixed component of tariffs to mitigate variability/reduce gas consumption; - Cross-selling strategies, with the aim of reducing market dependency. <p>In line with the Strategic Plan, energy saving targets (-20% over the course of the plan) have been identified, along with the consequent reduction of emissions, with initiatives aimed at company buildings.</p> <p>As regards extreme climatic events, given the type of plant and their geographical distribution, the risk is deemed to be very low.</p> <p>The following actions have also been taken:</p> <ul style="list-style-type: none"> - the financial risk associated with climate change has been brought to the attention of the Board of Directors in order to focus the Group's strategic decisions on Climate Change; - in collaboration with the Group Risk Management department, the development of mitigation models is planned, updated and monitored, in order to manage the effects of these changes (e.g. scenario analyses or stress tests aimed at testing the resilience of the Group's portfolios and business models), including through the definition of metrics to assess the financial risks and opportunities linked to the climate, such as the TCFD Recommendations; - research and development into alternative energy sources was strengthened with a view to further diversifying the business.
	Failure to comply with environmental legislation and standards (e.g. minimum vital flows, emissions, waste management and associated records, noise levels, etc.)	<ul style="list-style-type: none"> ● Certification system: UNI ISO 14001-2015

Scope of the Decree	Description of Risk	Management Method
HUMAN RIGHTS	<p>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</p> <p>Failure to respect human rights in relations with personnel and suppliers</p>	<ul style="list-style-type: none"> • In the context of the Group's quality certifications, specific supplier certification and procurement management procedures have been adopted • Suppliers of companies that have adopted a Code of Ethics and an Organisational, Management and Control Models pursuant to Legislative Decree 231/01 must comply with the ethical principles and codes of conduct adopted by the Group, signing a specific clause to confirm acceptance of the Code of Ethics and the 231 Model. • 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 • Review of the design of the centralised procurement process at Group level • Finalise the formalisation of the procedures regulating the procurement and certification process at Group level; <ul style="list-style-type: none"> a) Group Procurement Regulation; b) Group Supplier Certification; c) Management of Consultancy Services. • Monitor of the Group and/or SBU/ADA procurement process by the General Affairs, Legal, Contract Purchases and Tenders Department; • Assess the adoption of a process for the management of third-party risks (e.g. qualitatively or quantitatively inadequate partners, negative reputation, failure to comply with environmental governance regulations).
PERSONNEL	<p>Staff organisational and development model incompatible with the Group's strategic objectives (e.g. Human Centricity)</p>	<ul style="list-style-type: none"> • The Human Resources department is responsible for: <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 ○ 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 ○ Defining a map of company process (at Estra and SBU level) aligned with the Group's strategic objectives ○ Improving the performance of the organisational structures/departments of the Group (specifically for offices located far from Prato and Siena) ○ Establishing, with the support of the various SBUs, appropriate information flows regarding the implementation of organisational models by subsidiaries in line with the Group's strategic objectives ○ Mitigating the risk of losing key resources with advanced technical and specialist knowledge through the mapping of key personnel of the entire Group, whose loss could

Scope of the Decree	Description of Risk	Management Method
	<p>Failure to comply with regulations, standards and Occupational Health and Safety law (Italian Legislative Decree no. 81/2008)</p>	<p>expose the Group to the loss of specialist knowhow</p> <ul style="list-style-type: none"> ○ Integrating the sustainability objectives (NFS) into the MBO and management incentive plans; ○ Conducting a “Corporate Climate” analysis through an anonymous and confidential online questionnaire to analyse the extent and frequency of conduct within the organisation that is inconsistent with the company's values and principles, with a view to analysing the response of collaborators to such conduct. The analysis is aimed at: <ul style="list-style-type: none"> - the identification of integrity risk, assessing the risk of potential breaches to ethical principles or the adoption of conduct by certain collaborators that is not compliant with company procedures or the law; - the development and consolidation of the shared acknowledgement of company values, with a view on focusing attention on “current” and “desired” values and facilitating the development and communication of company principles (e.g. Code of Ethics); - the assessment of the level of integrity as an audit and control tool, in order to assess and monitor the level of alignment of individual environmentally sustainable organisational processes with the company values and standards of conduct. <ul style="list-style-type: none"> ● Specific training programmes aimed at management and high-level personnel were launched. ● Certification system: ISO 45001, adopted by Group Companies
CORRUPTION	<p>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>	<ul style="list-style-type: none"> ● Adoption and distribution of the Code of Ethics and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 ● Activities performed by the Supervisory Bodies ● In the context of the Group's quality certifications, specific supplier certification and procurement management procedures have been adopted. ● Adoption by Estra Energie and Prometeo of the Self-regulation protocol for unsolicited contracts.

Scope of the Decree	Description of Risk	Management Method
SOCIAL	Loss of reputation among Stakeholders	<ul style="list-style-type: none"> • The Sustainability, Stakeholder Relations and Press Office department carries out the following activities: <ul style="list-style-type: none"> ○ based on a specific Regulation, it oversees relations with the media; ○ internal communications ○ it oversees and coordinates projects in order to promote sustainability and CSR practices among Group employees and in the Group's areas of operation; ○ it actively works with Stakeholders through participatory engagement projects, following a sustainable approach and considering economic, social and environmental aspects.

3.5 COVID-19 Pandemic

In 2021 the pandemic caused by the COVID-19 virus continued to affect every continent. In Italy, as in other countries, there were some periods of widespread infection and other periods when the virus was less prevalent.

The Group COVID-19 Management Committee, composed of the HSE, Workers' Safety and Trade Union representatives of all Group Companies and the Management representative, closely monitored the evolution of events throughout the year in order to ensure compliance with the regulations issued in response to the evolution of the pandemic to implement measures to contain the virus.

The Group Management, which was constantly informed of the development of the emergency, implemented the measures that became necessary from time to time in order to ensure the highest possible levels of safety in the workplace while also guaranteeing the continuity of essential public utility services.

Essential services such as emergency call-outs for gas and telecommunications service faults were maintained, and the Ecolat and Ecos waste treatment plants remained operational.

Health and safety in the workplace

In 2021, the measures implemented in the previous year to combat the spread of the COVID-19 virus in the workplace were continued. In particular:

- application of National and Regional directives (DPCM, Regional Decrees, INAIL Directive, etc.) issued during the emergency phase based on the evolution of the pandemic;
- issue of specific Group procedures and operating instructions and issue of service orders at Group and company level. 14 audits were conducted to verify the correct implementation of the various provisions according to specific check lists;
- to inform all personnel, the following communications were sent:
 - four joint Committee/Estra General Management communications to raise awareness and highlight the provisions established to help contain the infection;
 - a specific service order regarding Green Pass checks in the workplace, from 15/10/2021;
 - four safety notices containing updates on the COVID-19 pandemic;
- specific COVID-19 signage was installed to highlight, inform and remind all personnel of the conduct to be adopted and the restrictions in place;
- social distancing measures were established and alcohol-based hand-sanitiser products were placed in offices and company vehicles, a mandatory mask-wearing policy was adopting and masks were made available to all employees (78,474 masks were distributed);

- cleaning, sanitization and hygiene measures were implemented and intensified in the workplace (particularly in communal/shared spaces, work stations and around equipment), and the periodic cleaning of air conditioning filters and mechanical ventilation systems was increased. Hydrogen peroxide sanitiser was used in the Group's more crowded offices (Prato, Siena, Arezzo and Ancona) twice a month, while changing rooms and canteens were sanitised twice a week. Specific sanitation actions were taken when necessary;
- body temperature was checked at office entrances, protective screens were installed in the foyers and at the most exposed work stations, offices were closed to visitors and monitored access systems were implemented, specific PPE was provided to First Aid teams for any emergency situations, access to canteens and the use of company vehicles was restricted;
- as suggested by the National Technical Scientific Committee, a flu vaccination campaign was carried out. Meanwhile, to detect asymptomatic cases of COVID-19, 1,477 voluntary tests were performed:
 - o 721 rapid antigen tests
 - o 756 PCR tests
- for gas distribution and operating companies, specific instructions and directives related to their activities were issued. The anti-contagion protocol adopted for the Group and for sites was issued and updated in line with the provisions established in the protocols in collaboration with the Government, trade unions and entrepreneurs of 13/03/2020; this was updated on 26/04/2020 and revised on 06/04/2021. Specific procedures were adopted to ensure the necessary interventions required to maintain continuity of service and handle emergencies in private dwellings, periodic communications were sent to employees, specific PPE was provided to operating personnel;
- from 15/10/2021, when it became mandatory to hold a valid Green Pass in order to access the workplace, a procedure was implemented to check the COVID test status of all personnel in the Group's companies and main offices, with on-site checks in the foyer. For personnel located at external offices without a foyer, a sample at least 20% were tested each day in order to check the COVID status of all employees over the working week;

To protect the safety of employees in stores and offices open to the public, all of the general Group procedures were adopted and specific operating instructions were issued with particular reference to the protection and safeguarding measures established for public-facing commercial activities: protective screens between customers and representatives, monitored access based on surface area and number of employees, COVID-19 signage, sanitiser, hand sanitiser for customers, contactless infrared thermometers, surgical face masks and FFP2 masks, specific kits for First Aid teams, specific sanitiser packs for work stations, increased cleaning and sanitation of offices and technological systems (air conditioning units, etc.).

To protect the safety of external personnel who are required to regularly visit the Group's offices, specific directives and operating instructions were issued for guests and third-party maintenance personnel: self-declaration to access offices and subsequent possession of valid COVID-19 Green Pass, body temperature detection, hand sanitiser, obligatory mask wearing, specific hygiene services, restricted movement within offices and compliance with company provisions to contain the spread of the virus. The safety plans for outsourced works were updated and supplemented.

Since April 2020, measures have been in place to support employees infected by the coronavirus, with the stipulation of an insurance policy valid for all employees of all Group Companies. The policy applies in the event of hospitalisation from COVID-19 and provides for:

- compensation for each day spent in hospitalisation;
- compensation for each day spent in intensive care;
- assistance in the initial post-recovery stages, including:
 - o GP referral, ambulance transportation, domestic helper referral, childcare;
 - o school drop-off, grocery home delivery service, pet sitter.

Focus on remote working

The Estra Group never ceased activities and instead promoted working from home through remote working, with a view to reducing travel and the presence of personnel in company offices to a minimum, thus preventing the spread of the virus.

Working from home represented a total of 310,800 hours in 2021, equating to 41,813 days of remote working. The data are mainly in line with those of 2020 (313,435 hours worked and 42,112 days). A total of 407 employees worked remotely (225 women and 182 men), of which 92.3% were clerical workers.

Impact on the Group's business activities

The macro-economic scenario recovered significantly in 2021 thanks to the success of the COVID-19 vaccination campaign, allowing for the gradual reopening of the economy and the return to operation of most production activities, although certain production activities and consumer behaviours have not yet returned to pre-pandemic levels and there is a continued risk of possible slowdowns due to new variants of the virus that could interfere with the growth trajectory of the economy and the recovery of energy demand.

In this context of economic recovery, demand for natural gas grew considerably compared to the level recorded at the peak of the pandemic in Q2 2020.

The diversification of the Group's business portfolio, characterised by a balance of activities on both the free and regulated market, the diversification by sector of the portfolio of industrial natural gas and electricity clients, the rapid operational and organisational changes implemented by Group companies in response of the evolving context, and the measures undertaken to limit costs and mitigate the economic and financial impacts of the crisis, represented the key factors that enabled the Group to significantly reduce the impacts of the pandemic, even in 2020.

In 2021, all sectors of the Group's business impacted in 2020 by the pandemic benefited from the lifting of lockdown restrictions and the gradual recovery of production activities and, in particular:

- natural gas and electricity sales, due to the upturn in consumption particularly among retail and industrial clients, which fell in 2020 due to the cessation of activities during lockdown and the subsequent downsized reopening;
- natural gas distribution, due to the reversal of the downsizing implemented during the 2020 lockdown of all non-urgent investment activities which could be postponed as they were not directly linked to service safety and continuity and to the reduction of customer connections and services;
- energy efficiency, due to the reopening of work sites halted during the 2020 lockdown.

From an environmental standpoint, with specific reference to the fight against climate change, the pandemic did not have any particular negative impacts on the Estra Group as the production of energy from renewable sources continued as normal and its reduction, in certain cases, was not related to the health emergency but rather the cessation of plant activities due to technical difficulties.

4. Our people

4.1 Targets and results

Targets for 2021	Results in 2021
Implementation of the HR IT system (Talentia) to monitor training gaps through performance appraisals conducted using the software made available by HR to managers.	<i>Target achieved</i>
Implementation of Basic Training delivered remotely for new hires and continuous updates on privacy and data protection. Definition of a continuous and broad-reaching training plan for employees and collaborators delivered remotely. Creation and publication of specific content.	<i>Target not achieved due to slowdowns caused by the COVID pandemic; target reset for 2022</i>
Evaluation of knowledge and skills gaps and the need for updates of company personnel on the topic of privacy resulting from internal audits, reports and changes to regulations and legislation. Analysis of training requirements for updates and continuous training on important topics, evaluation of the content and planning and delivery of the training.	<i>Target not achieved due to slowdowns caused by the COVID pandemic; target reset for 2022</i>
Increased use of remote technologies for meetings, training, etc.	In 2021 meetings and events were mainly held online using devices and technologies provided by the Group, in particular the video conferencing system Webex, as well as other systems that can be accessed directly via an email server such as the suite provided by the Zimbra Group (Wildix - chat/email), and the system adopted by EstraEnergie and Prometeo to share documents and procedural updates between external offices and stores (Docebo). Training and refresher courses for Estra, Estra Energie and Prometeo (not including safety training courses whose frequency is regulated by law) were also delivered using video conferencing software, webinars and e-learning platforms.
Restructuring of the MyEstra portal: design of new portal	<i>Target partially achieved</i> In 2021 internal procedures were launched to establish a negotiated procedure for the design of

	the new company intranet of the Estra S.p.A. Group.
Commencement of the Group's works under the Utilitalia Agreement "La diversità fa la differenza" to launch and analyse Estra's approach to diversity and inclusion, to implement actions in this regard and to monitor the results	<i>Target achieved</i>
Implementation of employee engagement activities	<i>Target achieved</i> "Valore in Circolo" project on MyEstra: The "Valore in Circolo" project is designed to share our commitment to sustainability and showcase the major projects implemented by Estra. For Estra, sustainability is a founding value - it is what we are and what we believe in - and as such it is important that each one of us understands our commitment. It is a concrete commitment made of real actions, and is encapsulated in our Sustainability Report. Transparency, people-centric approach, constant dialogue with stakeholders, respect for the environment: these are the principles that unite us and, because value begets value, the time has come to launch the "Valore in Circolo" project! Two events each month and eight episodes will explore new content, ideas and information about Estra's commitment to sustainability.
Training project implemented thanks to the Tender of the Tuscany Region "Utilities 4.0: efficienza aziendale e innovazione al servizio di imprese, cittadini e territori": extension of original deadline (June 2021) due to the pandemic.	<i>Target achieved</i>

Targets for 2022

Implementation of a human resources IT system (Talentia) with a "Selection" form to collect and process applications via the "work with us" section of the website.

Internal work group, established following the Utilitalia Agreement "La diversità fa la differenza": publication of a strategic D&I document following the outcome of the employee survey held in late 2021 - start of awareness-raising/information campaign aimed initially at employees and then managers.

Restructuring of the MyEstra portal: completion of design and implementation of new portal.

Implementation of employee engagement activities: Company awards to reward everyday actions that best represent the Group's values, promote company volunteering initiatives/company volunteering day,

encourage colleagues to save energy at work and in their own homes (when working remotely) through a set of guidelines.

E-learning refresher training on privacy legislation and the Privacy Organisational Model, and information aimed at Group employees. Planned involvement of around 500 employees.

E-learning training for new hires (2021 and 2022) on privacy and the Group's privacy policy.

4.2 Employment

The Estra Group bases its identity and strength on its people, promoting professional growth and the development of skills and competences. The Group's personnel are a key resource for creating value, and defining and reaching company objectives. Consequently, they represent an essential component that must be cultivated, cared for and allowed to prosper.

In 2021, the workforce of the Estra Group was composed of 786 employees, a 5% increase on the previous year. Ad esclusione di 26 somministrati, tutto il personale è assunto direttamente, di questi 110 unità sono trasferite attraverso l'istituto del comando da una Società all'altra del Gruppo.⁷ As regard agency contracts, three employees were hired on permanent contracts while the others are on fixed-term contracts.

As regards contracting agreements, 100% of employees are covered by the reference National Collective Labour Agreement (CCNL); of these, 93.4% are covered by second-level agreements⁸, enabling them to operate with greater autonomy and flexibility through the integration of various economic and legislative schemes regulated by the CCNL (which constitute first-level agreements). Furthermore, during the year a trade union agreement addendum was signed which amended the amount of reimbursement allowed for meal expenses during transfers.

*Total number of employees**

2019	2020	2021
761	749	786

* Data calculated using the full-time equivalent (FTE) method. This method is used in order to represent employment situations such as that at the Estra Group where the total work of certain employees is sometimes shared between companies falling within the scope of the Consolidated Financial Statement and this Non-Financial Statement and those not considered within this scope. This HR management policy promotes a positive cross-contamination of skills and experiences between the various Group companies, growing professional expertise and standardising operating and management approaches within the various companies of the Group.

With reference to the number of employees by business area, there are no significant changes compared to the previous year (see the table below) except for the data for the environmental services sector which recorded a sharp increase of 67.7% thanks to the acquisition of Ecos S.r.l. The Company, which manages the collection, processing, storage and disposal of industrial waste, has 22 employees.

The gender distribution in the various business areas is worthy of note: in percentage terms, men are the dominant gender in the gas, methane and LPG distribution sector (87.3%), energy services sector (87%) and telecommunications sector (61.5%), due to the nature of these activities which have historically had a significant majority of male workers. Men are also prevalent in the environmental services sector (57.7%), while in the general services area the gender balance is generally even (49.7%). The electricity and gas sales sector has the highest percentage of employees, representing 58.7% of the workforce.

Women are mainly employed in the sales (46.6%) and general services (31.7%) departments, while men are employed in the gas, methane and LPG distribution sector (49.2%).

⁷ Please note that in 2021 one employee was legally employed by a company outside the reporting boundary (Viva Servizi) but operated within a company that falls within the boundary of this document.

⁸ The remaining 6.6% is composed of Ecos and Ecolat employees who have not signed second-level agreements.

Number of employees by sector	2019	2020	2021
Distribution of gas, methane and LPG	277	273	276
Energy services	23	22	23
Gas and/or electricity sales	236	230	235
Telecommunications	12	13	13
General services	186	180	187
Environmental services	27	31	52

The increase in the number of human resources has led to a positive change in the number of employees by professional level. The increase had a slight impact on clerical and manual workers (+15 in each category, with an increase of 3 and 1% respectively), while the numbers for other categories remained largely unchanged on the previous year. It is worth noting that 21 out of 23 managers (91.3%) are from Tuscany or Marche, the regions in which the Estra Group has its roots.

Number of employees by professional level	2019	2020	2021
Managers	21	21	23
Middle managers	40	40	44
Clerical workers	533	524	541
Manual workers	162	161	174
Messengers	5	3	4

The increase in the number of employees also had a slight impact on gender, although the ratios between the various categories remained more or less the same. In this regard, there was an increase in the number of manual workers (+13 compared to 2020) and clerical workers (+13 compared to the previous year). As regards the 26 agency staff, 17 are involved in clerical roles (of which 6 are women), and 9 are manual workers.

Breakdown of employees by qualification and gender	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Managers	18	3	18	3	19	4
Middle managers	31	9	31	9	33	11
Clerical workers	271	262	267	257	271	270
Manual workers	150	12	149	12	162	12
Messengers	5	0	3	0	4	0

As noted in the table, in line with the trend of the previous two years there were no particular variations in the number of employees by site. Aggregating the data on a regional basis, 82.1% of all employees work in Tuscany, 7.9% in Marche, 3.7% in Apulia, 2.2% in Molise and the remaining 4.2% are distributed across Abruzzo, Calabria, Campania, Emilia-Romagna, Lazio, Sicily and Umbria. In 2021, a new Group office was established in Florence following the acquisition of the company Ecos S.r.l.

Number of employees by location	2019	2020	2021
Ancona	35	35	36
Arezzo	104	100	102
Ascoli Piceno	17	17	18
Bari	19	17	17
Campobasso	1	1	2
Caserta	3	3	3
Chieti	1	1	1
Cosenza	1	1	1
Florence			22
Foggia	11	10	12
Grosseto	40	44	43
Isernia	14	14	15
L'Aquila	1	1	1
Lucca	2	2	2
Macerata	6	6	8
Modena	9	7	5
Naples	2	2	2
Palermo	1	1	1
Perugia	3	3	3
Prato	283	281	285
Reggio Calabria	3	3	3
Rieti	7	5	5
Siena	190	186	191
Teramo	8	9	8

The average seniority of service of Group employees is 15 years, down slightly on the previous year (15 years and 2 months). Considering the gender aspect, the average seniority among male employees is 15 years and 6 months, while among female workers it is slightly lower at 13 years and 11 months.

As regards the educational level of the workforce, the reduction in the number of employees holding primary or secondary school certificates recorded in the last three years continued. In 2021, only 16.4% of employees (-0.7% compared to 2020) held one of the two school certificates. The number of employees with diplomas also fell in percentage terms (-1.4%), while nonetheless representing the majority of employees at 46.2%, while graduates represented 35% (+1% compared to the previous two years).

The data relative to gender remains largely unchanged: more than 92.9% of total employees hold a high school diploma or above (134 out of 297 women have degrees) compared to 74% of men (141 out of 489 have degrees). It was not possible to obtain information on level of qualification of 19 employees (2.4% of the workforce). These includes 12 foreign employees and 7 Italian employees at Ecolat and Ecos.

Qualification	2019	2020	2021
Primary or secondary school certificate	17.5%	17.1%	16.4%
High school diploma	47.3%	47.6%	46.2%
Degree	34.0%	34.0%	35%

4.2.1 Protected categories

In 2021, 42 employees were considered to be from protected categories: 37 people with legal disabilities and 5 orphans and/or widows/widowers. Specifically, these include 30 men and 12 women with an average age of 47 and 51 respectively (the average age in the workforce generally is 48), who hold clerical roles 76.2%, mainly in the Group's offices in Arezzo, Prato and Siena (83.3%). In this regard, considering the professional level, the breakdown of employees in protected categories remained largely unchanged, as shown below:

	2019	2020	2021
People with legal disabilities	40	38	37
Orphans and/or widows/widowers	6	6	5

	2019	2020	2021
Women	15	14	12
Men	31	30	30

	2019		2020		2021	
Middle managers	1	2.2%	1	2.3%	1	2.4%
Clerical workers	35	76.1%	35	79.5%	32	76.2%
Manual workers	6	13.0%	5	11.4%	5	11.9%
Messengers	4	8.7%	3	6.8%	4	9.5%

4.2.2 Contracts and remuneration

In line with company policy and the ethical principles adopted to ensure employment stability to the Group's workforce, in 2021 the number of employees on permanent contracts increased by 15 compared to the previous year (with 2 new contracts issued), reaching a total of 742. The percentage of employees on permanent contracts was 94.4% in 2021 (-2.6%). This was due to the increase in fixed-term contracts which had a more significant impact on the overall data.

In 2021, 4 clerical workers (3 women and 1 man - the latter of which left the company during the year) with an average age of 30 had their contracts converted from fixed-term to permanent.

Breakdown of employees by contract type and gender	2019	2020	2021
Permanent	728¹	727³	742⁵
Men	454	457	459
Women	274	270	283
Temporary	33²	22⁴	44⁶
Men	21	11	30
Women	12	11	14

¹ of which 1 is agency staff (1 man)

² of which 11 are agency staff (5 men and 6 women)

³ of which 1 is agency staff (1 man)

⁴ of which 12 are agency staff (6 men and 6 women)

⁵ of which 3 are agency staff (3 men and 6 women)

⁶ of which 23 are agency staff (17 men and 6 women)

As regards remuneration, the indices regarding the ratio of pay between men and women remained largely unchanged. In detail, the basic annual salary of managers fell by 2.4% compared to 2020.

From 2020, considering the strategic guidelines adopted by the Estra Group and to respond to the need to standardise the incentive schemes used within Group companies, a universal management-by-objectives model was established. The model is aimed at managers as well as other senior personnel of Estra Spa and other Group companies.

The performance assessment process is based on indicators divided into the following three categories:

- Group economic indicators;
- Role indicators;
- Management skills.

The MBO model centres around three key elements:

1. simplicity in the structure and application of the model;
2. design of the model according to leading practices;
3. configuration of the model according to the Group structure and the roles included in the scope of the model.

The model enables the trend of the main indicators for each role to be monitored, identifying best performance, and is used to define the bonus linked to the achievement of the established targets. In total, objectives were assigned to 124 employees; in particular, during the year 10 employees were assigned targets related to sustainability.

Annual basic salary*: ratio of remuneration of women to men	2019	2020	2021
Managers	94%	95%	93%
Middle managers	98%	98%	98%
Clerical workers	91%	91%	92%

Annual total salary*: ratio of remuneration of women to men	2019	2020	2021
Managers	78%	87%	87%
Middle managers	92%	93%	92%
Clerical workers	87%	89%	89%

* The table does not include data from the companies Ecolat and Ecos which apply different contracts to those of other Group companies.

4.2.3. New hires and terminations

After the sharp decrease recorded in the previous year due to the impact of the pandemic, the total number of new hires has returned to pre-pandemic levels, as shown in the table below. Of the 86 new hires in 2021, 22 are the result of the acquisition of the company Ecos S.r.l., 21 are due to the recruitment and subsequent termination of contracts in the year, 1 is due to recall by the secondment board, while 42 are effectively new hires from the market. 44.2% of new hires were agency workers (38 resources), who joined the Estra Group as clerical or manual workers. The presence of workers hired in 2021 whose contracts were terminated in the same year was mainly due to the fact that the companies Ecos and Ecolat, which operate in the environmental services sector, used temporary workers.

The data shows a majority of male workers (68.6%) and an average age across the genders of 37. In 53.5% of cases, new hires were in the 30-50 age bracket, while 33.7% were 29 or under. 91.9% of new hires were employed in Tuscany, specifically in the offices in Florence (33.7%), Grosseto (20.9%), Prato (18.6%), Siena (10.5%) and Arezzo (8.1%). As regards professional level, almost all new hires were employed in clerical roles (51.2%) or were manual workers (46.5%), the latter of which had a pronounced male presence. In terms of educational level, except in rare cases most new hires held a high school diploma as a minimum.

In 2021, as regards contract agreements, 45.3% of new hires were covered by the CCNL and also signed second-level agreements. In terms of employment type, 62.8% of new hires were employed on fixed-term contracts.

Comparing the data for new hires with regard to age, increases were recorded in all three age brackets. In particular, there was a considerable increase in the middle bracket (+35 resources). The increases in the other two age brackets are also notable, as shown in the table below. As regards gender, new hires of men were more numerous across all three age brackets (the percentage of women recruited only exceeded 40% in the middle age bracket). The variations noted above are also evident in the recruitment rate data shown below.

New hires (subdivided by gender and age)	2019	2020	2021
Total	88	27	86

Men	61	14	59
Women	27	13	27
New hires by age			
29 or under	19	13	29
Between 30 and 50 (inclusive)	36	11	46
Over 50 years	33	3	11

Recruitment rate*	2019	2020	2021
Total	0.12	0.04	0.11
Men	0.13	0.03	0.12
Women	0.09	0.05	0.09
Recruitment rate by age**			
29 or under	0.37	0.32	0.57
Between 30 and 50 (inclusive)	0.08	0.03	0.11
Over 50 years	0.12	0.01	0.04

* Calculated as number of new hires/total employees by gender.

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

Considering the data relative to the 42 new hires only, 28 were non-agency workers. Of these, almost two thirds were men, with an average age across the genders of 37 and six months (35 for women and 39 for men). As for the workforce as a whole, most (78.7%) work in the offices in Tuscany, specifically in Prato (28.6%), Siena (21.4%), Arezzo (17.9%) and Grosseto (10.7%). As regards the composition by educational level and gender, 92.8% of new non-agency staff were employed as clerical or manual workers. Conversely, 46.4% hold a degree, with 80% of women educated to degree-level.

With regard to contract type, 46.4% of new employees were hired on fixed-term contracts, mainly full-time (92.9%), and 89.3% were covered by second-level agreements. Dividing the 28 new hires by age and gender, 60.7% were between 30 and 50, while 28.6% were 29 years old or under.

The tables below show the key characteristics of new non-agency workers and the relative recruitment rate.

New hires (subdivided by gender and age, not including agency workers)	2021
Total	28
Men	18
Women	10
New hires by age	
29 or under	8

Between 30 and 50 (inclusive)	17
Over 50 years	3

Recruitment rate*	2021
Total	0.04
Men	0.04
Women	0.03
Recruitment rate by age**	
29 or under	0.16
Between 30 and 50 (inclusive)	0.04
Over 50 years	0.01

* Calculated as number of new hires (not including agency workers)/total employees by gender

** Calculated as number of new hires (not including agency workers)/total employees by age

In line with the previous year, the number of contracts terminated in 2021 rose: 49 compared to 39 in 2020, with a significant increase of 25.6%. Contract terminations regarded employees with an average age of just over 43 (44 for men and 42 for women), mainly employed as clerical workers (22 resources) and manual workers (25 resources), with full-time contracts (57.1%) and fixed-term contracts (55.1%). The increase in the number of contract terminations in 2021 specifically regarded the under-30s (mainly men), and those in the middle age bracket (with a slight prevalence of men). Contract terminations among the over-50s fell by 1 resource.

As for the reasons for the contract terminations, 47% of cases regarded expired agency contracts, 22.4% were resignations, 18.4% were due to retirement and the remaining 12.2% related to various reasons including death, illness and the expiry of fixed-term contracts.

The general turnover rate recorded a slight negative change, specifically with regards to gender. Similar changes were also observed in the turnover rate by age.

Contract terminations (subdivided by gender and age)	2019	2020	2021
Total	34	39	49
Men	24	23	36
Women	10	16	13
Number of contract terminations by age			
29 or under	5	8	12
Between 30 and 50 (inclusive)	8	14	21

Over 50 years	21	17	16
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Turnover rate*	2019	2020	2021
Total	0.04	0.05	0.06
Men	0.05	0.05	0.07
Women	0.03	0.06	0.04
Turnover rate by age**			
29 or under	0.10	0.20	0.24
Between 30 and 50 (inclusive)	0.02	0.03	0.05
Over 50 years	0.08	0.06	0.05

* Calculated as number of contract terminations/total employees by gender, including agency workers.

** Calculated as number of new contract terminations/total employees by age, including agency workers.

4.3 Employee well-being

The Estra Group promotes the well-being of its employees through:

- professional opportunities in compliance with all applicable legal provisions and, therefore, without 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”;
- solutions, methods and actions able to improve the life of employees and promote a healthy work-life balance;
- company welfare measures such as flexible benefits;
- organisational and operational efficiency, promoting the exchange of information, collaboration and sharing of professional skills between employees, as well as the sense of belonging and corporate culture, also thanks to an easily accessible internal communications and document sharing system;
- training programmes aimed at the professional growth of our employees in line with the requirements for relevant skills and their own career expectations.

4.3.1 Diversity and equal opportunities

Estra believes diversity to be a key development and growth factor. With this in mind, in 2019 the Group - along with 26 other public utility companies associated with Utilitalia (The Italian Federation of water, environmental and energy companies) - signed the “Patto Utilitalia - La Diversità fa la Differenza” agreement promoted by the Commission established within the Federation to promote diversity within its member companies. By signing the agreement, the signatories undertake to integrate the *Diversity&Inclusion* approach into their company process. This entails:

- the definition and implementation of inclusive company policies that involve all levels of the organisation;
- the adoption of selection, recruitment and orientation policies that guarantee equal processes and practices regardless of gender, age, culture or ability, focusing exclusively on professional skills based on the company's requirements;
- the adoption of support measures to guarantee a healthy work-life balance and improve company welfare;
- transparent and objective appraisal, career progression and bonus policies;
- the definition of strategies and training programmes based on the specific training requirements, with a broad reach across the workforce;
- the adoption of a monitoring system able to objectively monitor and annually report the performance and progress effectively achieved by the company in terms of diversity;
- reporting of company progress in terms of diversity and the adoption of policies to raise awareness, both within and outside the company, on the importance of the inclusive measures adopted.

The Commission aims to translate the commitments undertaken with the Pact into best practices, identifying specific actions, policies and strategies to ensure their translation into concrete actions. Moreover, in order to monitor the results achieved, the Commission is developing an index that will provide a clear and unequivocal tool to measure the performance and improvements made by the companies in terms of Diversity Management.

In May 2021: the Estra Group took part in the “INCLUSION MANAGEMENT: designing a strategy to promote inclusion in business” training programme, which explored the key elements needed to define an inclusion strategy that aligns with the company's values and vision, as well as the most effective methods and methods to develop corporate inclusion projects and initiatives.

In November, Estra participated in the D&I research project “Celebrating differences in business”, promoted by the company MIDA, in collaboration with Milan Catholic University, which conducted a survey of the company to study the topic of diversity and inclusion. 268 Group employees filled out the questionnaire and were included in the sample on which the results of the survey were based.

In the year in question, there were no cases of discrimination at any of the Estra Group companies.

Men represent a large proportion of the Estra Group workforce. This is a direct consequence of the types of activities carried out by the various Companies, which involve duties and roles that have traditionally been characterised by a strong male presence (methane gas distribution and environmental services, for example). Women are mainly employed in the administrative sector.

The overall ratio of men to women in the Group has been stable for a number of years, at 62.2% men and 37.8% women.

Employees by gender	2019	2020	2021
Men	475	468	489
Women	286	281	297

As regards the age of employees, the range between men and women is highest in the under-30s (1 women to every 3 men) and lowest in the middle age bracket (2 women to every 3 men).

Employees by age	2019		2020		2021	
29 or under	51	6.7%	41	5.5%	51	6.5%

Between 30 and 50 (inclusive)	444	58.3%	431	57.5%	434	55.2%
Over 50 years	266	35.0%	277	37%	301	38.3%

In 2021, 131 employees - most of which were women (55.7%) - submitted requests and were granted parental leave. This figure is surprising when compared to the already exceptional figure recorded in the previous year, when many employees who were unable to perform their professional tasks remotely requested COVID-19 parental leave in order to manage the suspension of in-person learning in schools. This considerable increase, which is more or less equal across the genders - is due to the high number of hourly parental leave requests. As well as the expected reduction in the number of beneficiaries of COVID-19 parental leave (only 2 in 2021), there was an increase in the number of employees who took mandatory and optional maternity leave and obligatory parental leave.

Employees granted parental leave by gender	2019	2020	2021
Men	13	30	58
Women	37	47	73

Number of employees who took parental leave (maternity/paternity)	2019	2020	2021
Number of employees who took mandatory maternity leave (including early maternity leave)	17	10	12
Number of employees who took optional maternity leave	34	26	47
Number of employees who took mandatory paternity leave (including early paternity leave)	7	12	17
Number of employees who took optional paternity leave	6	6	1
Number of employees who took COVID-19 parental leave	-	51	2

The considerable number of employees who requested hourly parental leave - totalling 7,724 hours - caused the total number of hours of parental leave to return to 2019 levels, at 18,816 hours of leave (+4,231 hours compared to the previous year). There was also a general increase in the number of hours of leave across the different categories of leave, with the exception of optional paternity leave and COVID-19 parental leave, as shown in the table below.

Hours of parental leave divided by type	2019	2020	2021
Optional maternity	7,882	3,974	5,070

Mandatory maternity (including early maternity)	10,257	4,837	4,950
Optional paternity	206	312	76
Mandatory paternity, including early paternity	206	429	931
COVID-19 parental	-	5,045	66

After the sharp fall in 2020 (-75% compared to 2019) due to fewer requests received from Group Companies for the identification of more qualified professional profiles to meet organisational needs, the number of promotions grew in absolute terms in 2021 (+127 promotions). The increase is mainly due to the higher number of requests for more qualified profiles, which returned to pre-pandemic levels.

For the first time, regardless of employment category promotions were evenly distributed across both genders, as shown in the table below. More than a quarter of female employees were promoted to a higher level.

As regards qualification level, 83% of promotions regarded clerical workers, followed by manual workers (10%), middle managers (4%) and managers (2%). The remaining 1% concerned a messenger. Finally, of the 155 employees who were promoted, 10 belonged to protected categories (9 people with legal disabilities and 1 orphan/widow), and 16 were on part-time contracts.

Promotions by gender and % of total employees	2019	2020	2021
Men	78	17	78
% of total employees (men)	16.4%	3.6%	16%
Women	33	11	77
% of total employees (women)	11.5%	3.9%	25.9%
Total promotions	111	28	155
% of total employees	14.6%	3.7%	19.7%

4.3.2 Work-life balance

In 2021, 89.4% of employees were employed on full-time contracts; the remaining 10.6% were on part-time contracts. These percentages are more or less aligned with the data for the previous year.

The table shows that while the total number of employees has changed over the last three years, the data relating to part-time contract staff has remained unchanged. With regards to gender, men mainly opted for full-time contracts, while women tended to be employed on part-time contracts (84.3% - an increase of +2.9% on the data for 2020).

In 2021 four clerical workers (2 women and 2 men) requested a transfer from full-time to part-time, while 4 office workers (2 women and 2 men) opted to transition in the opposite direction.

Employees by contract type	2019	2020	2021
Full-time	680¹	666²	703³
Men	463	453	476
Women	217	213	227

Part-time	81	83	83
Men	12	15	13
Women	69	68	70

¹ of which 12 are agency staff (6 men and 6 women)

² of which 9 are agency staff (4 men and 5 women)

³ of which 24 are agency staff (18 men and 6 women)

Remote working continued to be widely used in the Estra Group, which is conscious that this approach has positive benefits for personal well-being as well as for the environment, reducing commutes and the risk of infection. In fact, over 400 employees worked remotely (406 to be precise). The agreement signed between the Estra Group and the respective Trade Unions at the end of last year enabled workers to organise their own work autonomously on the condition that predefined targets were met within the given time frames, working with colleagues remotely through digital technology. Most workers who worked remotely (387) initially did so in 2020 during the outbreak of the pandemic, and continued to do so. However, flexible working will end for all employees on 31 March 2022.

The analysis of the indicator reveals some interesting data: firstly, 225 women and 181 chose to work remotely. Second, most of these (59.9%) were aged between 30 and 50, performed clerical roles (92.3%), and were employed on permanent contracts (99.5%) on a full-time basis (86.9%). Finally, as regards the number of hours worked remotely, in 2021 310,800 hours were worked over 41,813 days, a slight decrease on the previous year (313,435 hours and 42,112 days in 2020).

With a view to providing a positive work-life balance, the Group has used the Cisco Webex video conferencing system for many years in order to host meetings, events and video calls with internal and external personnel and the Group's offices. While predominantly a video-conferencing tool, Cisco Webex also serves as a group management tool with file-sharing, presentation and chat functions aimed at specific work groups. The software protects the privacy and security of the data and information transmitted thanks to advanced encryption techniques. Each update to the central cloud platform is instantly available to all users.

Cisco Webex can be accessed from company computers, both physically and remotely, and from the 22 conference rooms at the Ancona, Arezzo, Prato, Osimo and Siena offices. In particular, 583 video conferences were held in the Prato office in 2021 (+74 compared to 2020), for a total of 1,156 hours (just under the total of the previous year).

Finally, 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. In this regard, part of the productivity bonus is subject to the use of annual leave within the specified contractual terms.

4.3.3. Welfare

As well as the welfare benefits required by law (parental leave, life, disability and invalidity insurance, pension contributions, etc.), over the years Estra has put together a company welfare package aimed at improving the quality of life and well-being of its employees, in line with the Group's ethical principles and the care it devotes to its personnel.

The first measure concerns the company canteens in the three main offices, which have been open for some years.

More recently, in 2019 the Group signed an agreement with trade unions to enable its employees to convert all or part of their annual performance bonus to company welfare benefits (flexible benefits) or to allocate

10%-100% of the bonus to a supplementary pension fund, according to the provisions established for the 2019-2021 period. These amounts are not taxable either for tax purposes or for contribution purpose.

To this end, since 2018 employees have been given personal login details to the dedicated AON platform from where they can choose from 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.

Furthermore, on 23 October 2019 the Estra Group and relative trade unions signed an agreement on the so-called “solidarity leave” (see Article 24 of Italian Legislative Decree no. 151/2015) which enables workers to donate unspent holidays and leave to colleagues at the same Company who have used their contractual allowance of holidays and leave and who are in one of the following situations:

- caring for dependent children under the age of 18 who are seriously ill and require constant care;
- caring for children over the age of 18 or the children of spouse/common law partner who are seriously ill and require constant care.

The donated leave is allocated to an “ethical bank” and is calculated based on the remuneration of the employee who donates it.

Finally, in 2018 Utilitalia signed a specific agreement with Generali S.p.A. on behalf of employees of Group Companies that have subscribed to the agreement who are covered by the Gas/Water CCNL of 18 May 2017 and subsequent communication of 25 May 2018. Under the renewal terms of the agreement, companies are required to take out a permanent life and invalidity insurance policy for all employees, paying an annual fee of € 60.00 per person. The policy was signed in January 2019 and was retroactively applied from August 2018.

4.3.4. Internal communications

MyEstra is the Group's intranet portal used for most internal communications and, therefore, employee interaction. It is an important training tool as it enables documents to be filed and accessed with ease, and is constantly updated with news and information about the initiatives of Group Companies, as well as guaranteeing improvements in organisational and operational efficiency, optimising processes and saving time.

For the first time since its launch, in 2021 all employees had access to MyEstra. In 2020, 95.9% of the workforce could access the portal, while in 2019 the figure was 96.5%.

As regards the performance of MyEstra, there is a general and significant fall in the indicators (see comparison in the table below), except for the bounce rate, which has grown at a gradual but steady rate in line with the trend of the last few years (+1% compared to 2020).

160 news items were published on the portal in 2021 (+11 compared to the previous year), of which: 85 were Estra news articles, 63 were press releases and 12 were about CRAL. The increase in the number of news items was mainly due to the rise in Estra news articles (+10 compared to 2020).

MyEstra data	2019	2020	2021
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Employees with access to the Intranet	734	718*	786	* All Group employees except Ecolat
Actions carried out on the platform	127,019	114,520	89,948	
Unique visitors	1,649	1,741	1,429	
Duration of average visit	0:06:48	0:07:00	0:06:13	
Downloads	3,124	3,005	1,850	
Bounce rate	16%	18%	19%	
No. visits to the Intranet	21,556	19,872	14,710	

personnel.

In 2021 an internal survey about MyEstra was held. MyEstra is considered the second most effective method of circulating information in the company, after email. 59.6% confirmed that they rarely use MyEstra, confirming the opportunities to expand the usage of the platform. The most popular content regarded company documents, especially those relating to news about the company and its projects.

4.4 Rights and Protections

Providing a healthy, safe and legally compliant working environment is a key priority for Estra and is ensured through the adoption of a strict policy that covers all of the Group's areas of business. This policy also underpins the acquisition and maintenance of the Group's certifications, as demonstrated by the possession by the Parent Company, as well as by Estra Energie, Estracom, Centria, Estra Clima, Ecolat e Gergas, of the OHSAS 18001:2007 certification. Furthermore, Estra, Estracom, Estra Clima, Estra Energie, Gergas, Centria, Prometeo, Murgia, Ecolat and Ecos hold the ISO 45001 certification.

The certification system and, more generally, the focus and attention that the Group devotes to the safety of its employees have led to the creation, maintenance and continuous updating of an appropriate management and control system, as well as the compliance with all applicable laws and regulations. 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. Specifically, the following actions are taken:

1) Description of processes used to identify the presence of any occupational hazards and to assess the risks in a systematic and non-systematic way, as well to apply the system of controls to eliminate the dangers and minimise risk, including: i) how the organisation guarantees the quality of these processes, including the expertise of the people who carry them out; ii) how the results of these processes are used for evaluation and improvement.

Procedures and tools	Performance indicators
<ul style="list-style-type: none"> - Risk assessment document - Company safety organisational chart - Health checks and health protocols - Training, information and education - Internal emergency plans 	<ul style="list-style-type: none"> - Risk assessment pursuant to Italian Legislative Decree 81/08 - Shared and coordinated Internal emergency management in offices occupied by multiple companies

<ul style="list-style-type: none"> - Specific occupational health and safety procedures integrated in an workplace Quality-Environment-Safety management system - Occupational HSE management system certified according to OHSAS 18001 / ISO 45001 	<ul style="list-style-type: none"> - Identification, training and updating of emergency, fire prevention and first aid personnel - Defibrillator training at the main offices where most employees operate. - Adoption of a schedule to ensure timely monitoring of all deadlines and obligations for local units - Regular meetings and interaction with trade union representatives - Adoption and supply of PPE (for operational workers) - Constant monitoring (regular safety meetings for sites, accident reports, near misses, etc.) to implement continuous improvement policies. - Regular training directed at all employees on SSL topics (legislation, safety initiatives, accidents, near misses, etc.)
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2) Description of processes available to workers to report any hazards or hazardous situations at work, and an explanation of how workers are protected from reprisals; in particular, potentially hazardous situations must be reported to the competent managers and management personnel responsible for occupational HSE in the company, as well as through the trade union representatives of the Group and/or the individual company (for those not covered by the Group trade union).

3) Description of the policies and processes available to workers to remove themselves from work situations that they believe could cause injuries or occupational illnesses, and an explanation of how workers are protected from reprisals. More specifically, a company policy on occupational health and safety is promoted both internally and internally, along with operating procedures and instructions and emergency plans.

4) Description of the processes used to investigate any occupational accidents, including those to identify hazards and assess the risks relative to accidents, in order to identify corrective actions based on the list of controls and the improvements that must be carried out on the occupational health and safety management system. In this regard, as well as the measures in point (3) above, accidents, their causes and effects and any measure implemented to reduce their likelihood and the consequences are constantly monitored, with the support of the HR Service. The monitoring activities also consider near misses, which are reported in order to allow for the necessary improvements to working processes.

Reports regarding the last three points above may also be submitted to the Supervisory Body, the company doctor and the company trade union representatives, using the specific channels made available to all employees, such as the dedicated email address, the online communication channel and the relevant post boxes located in the Group's main offices, all of which guarantee anonymity. Centria, which holds the SA 8000 certification, has a dedicated representative.

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 in its action towards its workers, providing employees and their representatives a minimum notice period of 25 days.

4.4.1 Employee participation and consultation on occupational health and safety

To increase the level of engagement and consultation of employees in the development, implementation and evaluation of the occupational health and safety management system, the Estra Group implements a series of initiatives including:

- encouraging reports of near misses through online questionnaires;
- periodic occupational health and safety meetings;
- periodic meetings on managing emergencies in offices with multiple workers.

The “Sicurezza in Estra” newsletter is emailed to all employees of Estra SpA, Estra Energie, EstraCom and Prometeo every three months. The newsletter is also published on a specific page of the “MyEstra” intranet which is accessible to all employees of all Group Companies. The newsletter focuses on occupational health and safety aspects and on the integrated management system, and aims to provide information and updates to all workers on SSL topics and, in this particular period, on the COVID-19 pandemic.

In particular, at Centria, the Group's leading gas distribution company, workers were involved via:

- surveys distributed via digital platforms, aimed at improving company safety systems;
- the possibility of reporting near misses using the digital platform;
- an annual meeting, as provided for under Italian Legislative Decree 81/08, with workers’ safety representatives and company doctors;
- QSA Committee meetings held every six months to review the activities relating to the SA 8000 Management System, in collaboration with workers’ representatives;
- use of company network folders, where all operating documents related to the integrated management system are filed and updated.

In particular, through the QSA Committee, the company is able to collate all reports from workers’ safety representatives or workers and analyse requests in more detail, with a view to identifying the most appropriate solution. Centria holds certification SA 8000 and has therefore established a Social Performance Team, whose members include Workers’ Representatives.

To prevent the risk associated with “working alone”, which affects a large proportion of the company workforce, a pilot scheme using “man down” (“uomo a terra”) technology has been launched. The project involves the trade unions located in the areas where the devices are to be installed and the relative trade union agreement is currently being drafted.

As regards Murgia, another of the Group's gas distribution companies, an employee consultation and participation programme is developed each year. All communications and any directives are made available to all employees via a dedicated network folder. Ecos, which provides environmental services, holds an annual prevention and safety meeting attended by the workers’ safety representative, company doctor, trade union representative, legal representative and appointed proxies. Finally, at Gergas, which operates in the gas distribution sector, no formal management/workers’ committees have been established as the periodic HSE training and information plan adopted for ordinary management is far more stringent than the state-regional agreement.

4.4.2. Employee health

To promote the health and safety of its workers, the Estra Group generally takes action in different areas of intervention and applies different measures.

To facilitate access to health services that are not related to work, agreements have been established for workers and are promoted by CRAL. Furthermore, to confront the main health risks not related to professional situations, the following actions have been taken:

- administration of flu vaccinations for workers through the industry association “Cispel Toscana” (exclusively for the Group's sites in Tuscany; provided by the Regional authorities);
- antigen and PCR tests to check for asymptomatic cases of the SarsCOV2 virus among workers.

With regards to the confidentiality of workers' personal health information, no sensitive data about employee health is processed or stored. The Companies support the doctor and/or the healthcare facility to plan and manage appointments (defined by the doctor) and to conduct employee health checks. Sensitive data is only processed by the doctor, who usually signs a confidentiality agreement.

Group companies active in the gas distribution sector operate in a slightly different way. For example, the Centria CRAL signs agreements with local medical practices to provide specialist medical services at a discounted price for employees, while Gergas organised a training course on “Alcohol levels, smoking and passive smoking”.

4.4.3. Occupational accidents

The Estra Group defines specific procedures, guidelines and regulations which are notified to all employees and regularly updated, in order to implement an internal control system to manage and prevent the risk of occupational accidents. As noted in the opening paragraph, particular attention is also given to training and raising awareness among employees with regard to occupational health and safety. To summarise, the Group is committed to implementing a “culture of safety” through the promotion of four key pillars:

- the management's commitment to safety;
- sharing concerns regarding dangers and focusing on their impact on people and work;
- the realistic and flexible use of rules, avoiding excessive paperwork;
- continuous reflection on practices through monitoring and feedback analysis.

The key dangers associated with working activities concern operating companies in the gas distribution sector (Central, Gergas, Murgia): these dangers include work-related stress, prolonged use of video-terminal equipment and general mishaps (collisions, slips, cuts, getting in and out of vehicles, falls, etc.); as well as these dangers, which are common to all Group Companies, operating companies must also consider risks such as exposure to noise, methane gas and LPG (fire, explosion, asphyxia), the use of manual machinery (wounds, amputations), the use of electricity (electrocution), works at height (falls), moving mechanical machinery (falling material, crushing) and manual machinery (injuries to the musculoskeletal system), vehicle traffic (collisions), driving company vehicles (road traffic accident), the use of hazardous substances (poisoning, asphyxia), the presence of multiple businesses at the same site (interference), potentially contaminated or polluted environments (underground gas chambers), and - in the last year - infection from COVID-19.

In the environmental services sector, the main risks associated with working activities are:

- risks associated with nighttime work;
- risks associated with noise, the potential exposure to biological and chemical agents, to erect posture and to repetitive strain;
- risk of fire;

- risk from mechanical vibrations;
- risks from handling objects and transporting loads;
- risks associated with the use of machinery and equipment relating to the waste selection and processing plant.

Ecolat, one of the two Estra Group companies responsible for environmental services (the other is the newly acquired Ecos), is aware of occupational health and safety aspects and has implemented a series of actions and procedures to eliminate and reduce dangers and minimise risks, such as:

- nighttime work in suitably lit areas;
- employee training, information and education;
- actions to promote a culture of health and safety at work;
- use of appropriate PPE (e.g. footwear, gloves, clothing, eyewear, helmet...);
- regular maintenance and cleaning of plant machinery and equipment;
- obligation for employees to change out of work clothing and take a shower at the end of a shift;
- implementation of the laundry service for work clothing in changing rooms;
- definition of risk mitigation procedures for professional activities;
- maintenance of horizontal and vertical plant signage;
- definition of a targeted medical check-up programme for workers exposed to specific risks.

In 2021, seven occupational accidents were recorded, just above the figure in the last two years (see table below). However, none of the accidents affected workers on agency contracts; consequently, the summary table below only considers accidents that affected Estra Group employees. In 2021, the accident rate increased compared to 2020, returning to 2019 levels. The overall severity rate remained constant in the three years but increased among male employees and decreased among female employees.

Total number of accidents (total and by gender)	2019	2020	2021
Total number of accidents	7	6	7
Men	6	3	4
Women	1	3	3

Accident rate (total and by gender)	2019	2020	2021
Accident rate*	6.09	4.97	5.59
Men	8.09	3.86	5.08
Women	2.45	6.96	6.45

* Calculated as (no. of accidents/hours worked)*1,000,000

Accident severity rate (overall and by gender)	2019	2020	2021
Accident severity rate*	0.08	0.07	0.07
Men	0.10	0.07	0.10

Women	0.03	0.07	0.03
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* Calculated as (Calendar days lost due to accidents/workable hours)*1,000

Accidents involved one executive, one clerical worker and 5 manual workers, for a total of 98 days of convalescence (+23 compared to 2020). In line with the previous year, 43% of these accidents involved women. The number of accidents among male employees is higher than for women; consequently, the number of days of convalescence is higher among men (85 out of 98).

As for the type of accident, the recorded accidents regarded road accidents (rear-end collisions), bruising to arms and legs, as well as injuries or wounds sustained during working activities (e.g. when loading materials or separating waste). According to the severity rate, these incidents were classed as non-serious. Furthermore, in one case the accident was classed as a commuting accident, as it occurring on the journey between the workplace and a private location.

As regards accidents to workers not employed by the Group but whose place of work is under the control or supervision of the Group (such as construction sites, works conducted at its offices and branches, customer care activities at stores and branches, etc.), only Centria monitors the number of events and, as a severity index, the number of days of absence. In 2021 the number of accidents involving workers not employed by Centria which occurred in places of work under its control was 2, with a total of 48 days of absence from work.

As noted above, there were no reports of accidents with serious consequences (the respective rate is therefore zero) or serious incidents such as fatalities at work of employees on the payroll where corporate liability was definitively established, or serious occupational accidents resulting in serious or very serious injury to employees on the payroll where corporate liability was definitively established. The fatality rate is therefore zero.

In recent years, much attention has been given to the causes of “near misses” at work. A near miss is any work-related event that might have led to injury or death but which, due to pure chance, did not. When near misses occur it is important to consider which factors (human, technical and organisational) may have contributed to the event in order to avoid similar incidents in the future through the introduction of appropriate measures and improved processes to prevent them. The Estra Group monitors and observes near misses in order to prevent and analyse these events.

In 2021 18 near misses were reported (+8 compared to 2020). These occurred in four companies: Ecolat (5), Estra (1), Centria (10) and Ecos (2). The reports regarded potential injuries associated with impact, collisions, failure to comply with HSE procedures and smoke leaks.

No near misses were reported for the companies Estra Energie, Prometeo, Estra Com, Estra Clima, Gergas or Murgia Reti Gas.

To prevent these situations from occurring again in the future, for each near miss a careful analysis of the event and the associated risk is conducted and specific measures are taken, such as the adoption of specific equipment (overshoes with non-slip soles to be used in the event of wet floors, meetings with employees and maintenance companies, and engagement with inspection personnel.

Furthermore, no occupational illnesses of employees or former employees for which the company was declared ultimately responsible were recorded. Occupational illnesses particularly affect workers employed in the gas distribution and environmental services sectors. The main occupational illnesses and their causes are listed below:

- hypoacusis due to noise, as employees involved in certain tasks are exposed to noise levels above 80 dB(A) on a daily or weekly basis;
- illnesses caused by mechanical vibrations to the hands and arms, as certain tasks involve the use of tools, equipment, machines and apparatus that transmit vibrations to the hands and arms;

- herniated discs in the lower back, caused by certain tasks that require the use of machinery that transmit vibrations to the entire body;
- illnesses caused by infrared radiation due to tasks involving burning objects;
- illnesses caused by UV radiation, including solar radiation;
- manual handling of loads.

Other conditions include those related to poor posture, screen use and, in certain cases, the use of company vehicles.

The dangers are determined by the risk assessment procedure. The actions taken to minimise the risk of contracting occupational illnesses are:

- replacement of the source of the danger with something less dangerous (e.g. work equipment);
- plant and equipment maintenance to maintain compliance;
- specific risk assessment with field measurements (e.g. noise, vibrations);
- employee health checks;
- adoption and application of SSL working procedures and instructions;
- staff training and information;
- collective or personal protective equipment;
- the use of CE-certified equipment, work surfaces and anti-glare monitors;
- position of work stations away from direct sources of heat and direct and artificial light;
- adoption of ergonomic furniture.

In 2021 there were no confirmed cases of occupational illness, resulting in an occurrence rate of zero.

4.4.4 Freedom of Association

At the end of 2021, a total of 242 employees were members of trade unions, equating to 30.8% of the workforce. While there was an increase in absolute terms (+3) compared to the previous year, this represented a decrease of 2.5% due to the increase in total employees in the workforce.

In terms of gender, the rate of trade union membership is considerably higher among women (exactly 2.5 times higher, as shown in the table). This data is in line with the figures from 2019 and 2020. This year, the trade union had four more female members than in 2020.

Number of workers who are trade union members, subdivided by gender	2019	2020	2021
Total	243	239	242
Men	181	177	176
Women	62	62	66

4.5 Skills development and enhancement of human capital

The Estra Group offers a broad range of training programmes, which go well beyond the Group's legal obligations. This is due to the Group's commitment to furthering the skills of its employees and providing continuous opportunities for professional development while improving the quality of services delivered and the corporate climate.

This strategic decision is further evidenced by the care with which the Human Resources department manages employee data through the use of specific software such as Talentia.

Talentia is a software used in the training sector that allows the user to record any course carried out both internally and externally to the company, as well as to update the curriculum vitae of each employee, attaching the certificate obtained or the certificate of attendance, if issued by the training provider. The course registration process retains certain information such as the course name, date and participants. For each session the record filled in by the teacher and signed by the course attendees is also attached. At the end of the year the HR service extracts and processes the training data for the previous year for each Group company. As well as providing reports, Talentia also enables the HR service to monitor the expiry dates of obligatory training certificates in order to schedule updates and refresher courses within the necessary time frames.

In order to identify the specific training needs of each employee, a direct meeting is held between the Service/Area Manager and the Training and Skills Management Department held each year in Q4. After the meeting, training suggestions are aggregated into a specific module. Training requests are analysed by the Area Manager, who checks the suggestions and approves the training.

In 2021, 734 employees took part in training activities (460 men and 274 women), some 80 resources more than in the previous year, when 654 workers received in-house training.

In total, 29,334 hours of training were delivered (20,590 hours for male employees and 8,744 hours for female employees), equating to an average of 35 hours per worker (39 for men and 28 for women)⁹. These numbers are almost twice the figures recorded in 2020 (for details, please see the table below) and in any case are well above pre-pandemic levels.

Total number and average number of training hours	2019	2020	2021
Total number of training hours	23,439	17,854	29,334
Average number of training hours per worker	29	23	35

Considering the professional level and gender of employees who received training, 58.4% of total training hours were delivered to clerical workers (44% women and 56% men), followed by the other male-dominated categories: manual workers (19.2%), middle managers (11.9%), managers (10.4%) and messengers, the latter with a negligible percentage (0.1%).

The extensive and varied training programmes are based on certain key categories, as follows:

- mandatory and voluntary occupational health and safety training (general and sector-specific), for a total of 5,765 hours;
- apprenticeship training;
- technical and professional training aimed at the development of specific skills required for certain roles;
- risk management and responsibility (231 updates, fraud prevention, audit recommendations, etc.);

⁹Thanks to improvements in data collection techniques, since 2019 the data also includes employees who ceased working for company, and employees who were hired and ceased working for the company in the same year. Average training hours have been calculated based on 801 employees for 2019, 788 in 2020 and 835 for 2021.

- work and tax (simplifications decree, certification on income 2021, model 770, public contracts code, etc.);
- management (project management, risk management, accounting system, etc.);
- privacy and transparency;
- team building and communication (communication techniques, conversation skills, etc.);
- IT: management and security tools.

In 2021, as in the previous year, short individual coaching sessions were conducted to support personal growth by helping employees to recognise and optimise their own resources. In particular, 54 employees were able to attend a 124-hour advanced management training programme. In addition, two Masters programmes were offered: Design and Management of EU Projects 2021-2027, and Executive Business Administration, which were pursued by 7 employees in 2021.

Training was mainly conducted remotely (61.3%). In-person and blended learning accounted for 16.7% and 22% of total hours respectively.

As regards average hours of training by professional level, there was a considerable increase in the hours of training delivered to middle managers and clerical workers across both genders, and a reduction in the amount of training given to managers (both men and women).

Average hours of training by qualification and gender	2019	2020	2021
Managers			
Men	58	164	132
Women	40	107	101
Middle managers			
Men	39	61	80
Women	32	37	70
Clerical workers			
Men	33	19	34
Women	15	9	27
Manual workers			
Men	39	26	31
Women	63	3	2
Messengers			
Men	9	8	9
Women	-	-	-
Total			

Men	36	30	39
Women	18	11	28

In 2020 the Estra Group launched a new training project: Estra Training. This programme aims to develop knowledge to enable better customer management and focuses on empowering the people who work in the customer care service, as well as other company resources responsible for providing services to end customers.

Estra Training revolves around an online training platform aimed at operators at its call centres, branches, stores and customer care departments, enabling data to be organised in an innovative and structured way and consolidating a unique and interactive knowledge base. The platform brings together a complex and varied set of information, not only focusing on the technical and procedural knowledge that represents the “traditional” training received by operators but also providing space for valuable content, collaborative tools, and even the co-authoring of training materials.

The aim is to develop a circular training model where all participants are encouraged to make active contributions and where all available knowledge, both top-down and bottom-up, is used to provide the best possible customer service. “Area experts” were appointed in various company departments, recognising those with strong sector know-how. These area experts play an active role in the customer service training process (writing/reviewing/validating content, participating in discussions and webinars, etc.). Meanwhile, customer services operators provide essential and valuable feedback about their experiences to the company through forums, surveys and questionnaires. Sometimes, this feedback, such as examples of customer care best practices, is translated into concrete measures to improve the service, benefiting everyone involved, especially customers. An editorial calendar, a reporting system and regular error-checking ensure that the system is operating effectively.

Estra Training is built around a true community that promotes a collaborative environment and fuels a new training culture. It represents a culture of shared responsibility, of customer communication, and of customer value for the company as a whole.

In 2021 a total of 527¹⁰ call centre operators and branch and store representatives received training, divided into sectors: “Customer Service” (304), “Agencies” (107) and “Academy” (116). 78 hours of training were delivered, with 256 e-learning programmes and 22 webinars on various topics. Each operator received an average of 38 hours of training.

As regards e-learning programmes, there were 42,313 registered users (33,448 in 2020); the average number of registered users for each course was 165 (+17 compared to 2020), while the average number of registered users per operator was 98. Finally, the average completion rate was 78%.

The webinars recorded a total of 1,143 registrations (384 in the previous year); the average number of attendees was 52 (12 fewer than the number of registered users), and the average number of registered users per operator was 6.

This proves that Estra Training is also an effective way of promoting the well-being of the people involved in it, enabling them to take an active role in consolidating the skills needed to deliver a positive customer experience.

¹⁰ For privacy reasons, the accounts of operators who no longer work for the Estra Group are deleted after 6 months. The figures therefore underestimate the actual data.

4.5.1. Internships

Internships represent one way in which the commitment to develop the human capital of the Estra Group is extended beyond the company's borders, offering senior high school and university students the opportunity to work in a professional environment for a certain period of time.

Internships can be part of a curriculum or be extracurricular: in the case of the former, interns can train within an actual business during their academic studies, while the latter is an individual choice that enables the participant to build up professional experience in order to increase their employability.

In 2021 a total of 21 internships were completed by 6 young women and 15 young men (diploma or degree undergraduates and graduates).

As noted in the table below, 10 extracurricular internships started and concluded within the year, for a total of 1940 days, or 65 months.

Extracurricular internships	2019		2020		2021	
	No.	%	No.	%	No.	%
Women	6	60.0	5	71.4	3	30
Men	4	40.0	2	28.6	7	70
Total	10	100	7	100	10	100

Extracurricular internships were promoted by the Employment Centres of Siena, Prato and Ancona, and were held in the corresponding offices of the Group (80% in Prato). The roles covered by interns include various clerical positions in different fields: strategy, development, logistics, portfolio, administration, financial statements, gas operations, credit management, risk management, database management, and planning and control software management.

Interns were mainly young women (70%), with an average age of 26 (younger than in 2020) and were Law or Economics graduates.

After the significant drop in 2020 due to the COVID-19 pandemic, the number of curricular internships grew by 1. In 2021, a total of 11 curricular internships were completed, equating to 429 days or 14 months.

Curricular internships	2019		2020		2021	
	No.	%	No.	%	No.	%
Women	2	9.5	7	22.2	3	27.3
Men	19	90.5	2	77.8	8	72.7
Total	21	100	9	100	11	100

Curricular internships were mainly taken by diploma students (4), undergraduates (3) and graduates (3), most were men, and the average age was 21. The promoting bodies for most internships were universities (6), senior high schools (4) and the Employment Centre (1). Internships were held in the offices in Prato, Siena, Teramo, Ancona and Arezzo (2 internships were held in two offices) and interns were employed in several different corporate environments (branches, post-sales/debt management, back office/commercial practices,

secretary, administration, sustainability report office, etc.) and services (energy savings and white certificates, marketing and communication, plant services, etc.).

5. Customers

5.1 Targets and results

Targets for 2020	Results in 2021
Open new stores in Assisi and Casalbordino for Prometeo and in Cassino and Pagliare del Tronto for Estra Energie.	<i>Target partially achieved</i> Casalbordino and Cassino are completed and operational. The planning process has been completed for Assisi and Pagliare del Tronto.
Targets for 2021	Results in 2021
Centria Average arrival time for emergency gas call-outs < 35 minutes.	<i>Target achieved</i> Level set by the resolution: 90% within 60 minutes: Average time recorded downstream of the POD (minutes): 32.09; Average time recorded upstream of the POD (minutes): 32.93;
Centria Average time for gas supply activation < 3.5 days.	<i>Target achieved</i> Time set by the resolution: 10gg Average time for gas supply activation, 2021: 3.49 days.
Gergas Renewal of 13 gas regulation units.	<i>Target achieved</i>
Estra Launch of Urban Jungle project at Estra's Prato office.	Following the extension of the completion deadline, the deadlines for the project were adjusted to the new schedule. The design and implementation of the works will begin in 2022.
Estra CO2 detectors installed in rooms	The testing phase is still ongoing. 10 devices were installed in communal areas and conference rooms in the Prato office. Based on the initial test, modifications to the data contained in the control dashboard were requested and critical issues in the alerts provided at start-up were noted. We are currently awaiting a proprietary QR code that enables the activation of a buzzer and new gateways to test the scope of the devices for use in spaces other than company offices (Estra stores).
Estra Installation of sensors on three pilot projects in collaboration with CNR.	<i>Target achieved</i> In 2021 air quality monitoring systems were installed at the Estra office. Data collection will be essential to analyse the impact of the project after its completion.

Targets for 2022

Open new stores in Assisi for Prometeo and restructure the Estra Energie offices in Atessa and Pagliare del Tronto.

Centria

Average time for gas supply activation < 3.5 days

Average arrival time for emergency gas call-outs < 35 minutes

Gergas

Renewal of 6 gas regulation units.

CO2 detectors installed in rooms: in 2022 the new gateways will be tested to assess the scope of the devices for use in spaces other than company offices (Estra stores).

Estracom

Improve air quality: implement a digitalisation project in industrial areas to manage environmental conditions and vehicle traffic.

Building energy efficiency: digitalisation of urban areas to improve the energy efficiency of buildings.

Targets for 2021-2022

Estra Group

Design and implementation of stakeholder engagement initiatives to create opportunities for dialogue and debate about sustainability topics and raise awareness among stakeholders of the social and environmental impacts generated by the Group in its areas of operation. In 2021, offers of stakeholder engagement initiatives were requested from several specialist companies. In 2022 the company that provided the most cost-effective offer will be selected and the engagement activity will be implemented.

Estra

Launch projects to support families in need, promoting a culture of solidarity and social responsibility to combat energy poverty, including through actions to promote the sustainable use of resources and energy production. In 2021, a demoscopic survey was conducted to study various aspects relating to energy poverty, including measures to combat it. In 2022 the various possible actions will be assessed in collaboration with sales companies, with a view to implementing those deemed most effective and efficient.

Targets for 2023

New opening of Prometeo store in Montemarciano.

Completion of Urban Jungle project.

5.2 Relations with customers

Customers are always at the heart of the Estra Group's focus and work, and ensuring their satisfaction, improving the relationship of trust and providing a high quality service are the primary objectives of the Estra Group. To achieve these objectives it is important to establish a relationship that evolves over time, adapting to different lifestyles by offering personalised experiences and services for families, researching and developing innovative solutions, monitoring processes and innovating the services provided.

The services that characterise the relationship of quality and trust that exists between Estra and its customers include the development of channels of communication - including stores and branches, call centres, the smartphone app and the customer area - which enable customers to easily and immediately manage their supplies.

With a view to ensuring this greater proximity and support to customers, Estra has adopted a strategy characterised by a strong local presence. The 73 stores and branches that provide assistance and information about products and services guide customers towards more conscious and transparent energy decisions.

To ensure all customers receive maximum protection and in compliance with the competition laws, in 2019 Estra Energie and Prometeo launched a joint process in collaboration with Consumers' Associations which led to the approval of a voluntary self-governance protocol for unsolicited contracts and activations, in partnership with leading consumers' associations and the Control Authority.

In 2021, in order to further consolidate the dialogue with Consumers' Associations, the Charter of Responsibilities of the Estra Group was created, a digital tool available on the company's website which provides clear and detailed information on the methods and procedures that regulate the sale and distribution of gas and electricity by the Estra Group. The digital format was adopted in order to provide a document that can be updated to consider any changes to legislation or internal procedures in real time.

An email channel was also established to enable the direct submission of reports by Consumers' Associations to ensure that complaints are rapidly handled and resolved.

In light of the liberalisation of the energy market, the Charter of Responsibilities has become an increasingly vital tool to enable consumers to make free, conscious decisions and access all of the useful information in a clearly presented way.

The only administrative case for anti-competitive behaviour and monopoly practices outstanding in 2021 referred 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.

5.2.1 Our customers in figures

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

In 2021 the number of end gas customers fell by a further 4.9%, while the number of electricity customers increased by 1.8% compared to 2020. In relation to contract type, in the 2019-2021 period the general

downwards trend in gas and electricity sales on the regulated market continued, a sign of the measures being adopted by all commercial energy companies to confront the end of the regulated market scheduled for 01 January 2024 without too many consequences.

	2019	2020	2021
Number of gas PODs			
End market - Free	363,261	387,968	384,023
End market - Regulated	272,313	236,901	209,647
Total	635,574	624,869	593,670
Number of electricity PODs			
End market - Free	145,662	175,729	181,666
End market - Regulated	19,197	16,569	14,134
Total	164,859	192,298	195,800

In 2021 the gas volumes sold increased once again (+7.7%) due to the return to operations following the COVID-19 pandemic; in line with the trend seen in customer numbers, the volumes of gas sold on the free final market increased but those on the protected final market decreased. The volumes of electricity sold also increased between 2020 and 2021 by 6.8%.

	2019	2020	2021
Gas volumes sold (million m³)			
End market - Free	1,695	1,192	1,319
End market - Regulated	236	203	183
Total	1,931	1,395	1,502
Electricity volumes sold (GWh)			
End market - Free	734	731	781
End market - Regulated	44	33	35
Total	778	764	816

The number of telecommunications customers, who are mainly located in Tuscany, particularly Prato and Florence, continued to grow in 2021 (+4.5%). In 2021, compared to 2020, the number of customers served by the district heating network increased (+8.9%) thanks to connections of new users to the systems in the Municipalities of Ancona, Siena, Calenzano and Sesto Fiorentino.

Number of customers	2019	2020	2021
District heating	1,119	1,328	1,446

Telecommunications	4,028	4,170	4,359
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Works to lay fibre-optic cable by Estracom in collaboration with Open Fiber continued in 2021. The data confirm the positive and consistent expansion of the infrastructure, with a 31.9% increase in km of network in 2021 compared to 2020.

Estracom continued the works launched in previous years aimed at the digitalisation of urban areas in municipalities located in the Group's areas of operation. In particular, in 2021 residential buildings in the regions of Signa, Lastra e Signa and Campi Bisenzio were connected to the network. The project aims to provide users with ultra-fast fibre optic connections to facilitate the use of new value-added digital services made available by new technology, the necessity of which was highlighted by the pandemic.

To develop its projects to expand its high bandwidth network, Estracom focuses on installing infrastructure with FTTB (Fiber to the Building) and FTTH (Fiber to the Home) technology. This guarantees a connection speed of at least 100 Mbps for each user. The fibre optic network is one of the Group's areas of excellence. Since its foundation, the Group has chosen to invest in expanding the network mainly in the metropolitan area of Florence, Prato and Pistoia through its company Estracom. This brought fibre optic internet to businesses and local authorities, focusing in particular on industrial districts, using fibre optics as the physical carrier for stable, high-performance, high-bandwidth, superfast broadband, with various innovative, high added value services.

Fibre optic infrastructure	2019	2020	2021
Fibre optic infrastructure (km of cable)	790	948	1250

The main data regarding the Group's gas distribution service in the 2019-2021 period are shown below. The three distribution companies - Centria Reti Gas, Gergas and Murgia Reti Gas - manage the gas network and plants in the provinces of Arezzo, Ancona, Bari, Campobasso, Florence, Foggia, Grosseto, Isernia, L'Aquila, Lucca, Perugia, Pistoia, Prato, Rieti, Siena and Teramo.

Comparing the data for 2020 and 2021, there was a slight increase in the number of active PODS and grid length (+0.2%), while gas input into the grid fell slightly (-7.8%).

Methane gas distribution service users (thousands)

	2019	2020	2021
No. of active PODS	516	516	517

Gas input into the network (million m³)

2019	2020	2021
663	652	601

Natural gas network length (km)

2019	2020	2021
6,984	7,015	7,038

An upwards trend was also recorded in the sale and distribution of LPG by the companies Centria and Gergas: +4.1% customers, +7.4% LPG volumes distributed, +4.9% of km of LPG network.

LPG distribution and sales customers

	2019	2020	2021
No. of active PODS	5,360	5,293	5,511

LPG volumes sold (million m³)

2019	2020	2021
0.863	0.782	0.840

LPG network length (km)

2019	2020	2021
144	143	150

5.2.2 Privacy

The confidentiality of data and transactions represent two key priorities for the Estra Group and consequently specific security measures are adopted to prevent the loss, unlawful or improper use of, and unauthorised access to, personal data.

The Group's privacy policy can be viewed by customers and suppliers on the website (<https://www.estra.it/privacy-policy-e-copyright>), and can be accessed by Group employees on 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.

In 2021 no complaints were received regarding breaches of confidentiality of customer data of the various Group companies and there were no instances of theft or loss of customer data. In 2021 the company Ecos was not included in the data as it is not managed by the Group's privacy department. In 2022 this data will be monitored and included in the report.

A total of 138 requests were received to exercise the rights provided for by Articles 15-21 of the GDPR and/or to request information and clarifications regarding the processing of data by those concerned.

In terms of privacy, the main security measures implemented by the Group include the following certifications:

- the main companies of the Group have subjected their processes relating to the planning, development and delivery of services to Certification UNI EN ISO 9001:2015 - Quality Management System for a number of years;
- three companies of the Group have adopted the Data Protection Management System in line with Standard ISO/IEC 27001:2013.¹¹

5.2.3 Social bonus and instalments

For customers experiencing financial hardship, including in relation to large households, and for customers with health conditions that require energy-intensive medical equipment, ARERA (Regulatory Authority for Energy, Networks and the Environment) has established the “electricity bonus”, in the form of a discount applied to customers’ electricity bills. ARERA has also established the “gas” bonus, which is applied in a similar way.

The tables below show the data regarding the allocation of gas and electricity bonuses by Estra Energie and Prometeo. As noted, in 2021 there was a sharp increase in the allocation of gas and electricity bonuses, due to the change in the allocation method: from 01 January 2021, customers do not need to request the bonus which is now applied automatically with ISEE for all customers whose income is below a certain threshold. Additionally, as part of measures to combat rising energy bills, in the final quarter of 2021 the Italian Government increased the amount of the bonus.

Gas bonuses allocated by the Group's main sales companies

	2019	2020	2021
No. of bonuses allocated	21,403	20,510	36,186
Value of bonuses allocated (€)	2,126,349	1,902,494	4,174,612.89

Electricity bonuses allocated by the Group's main sales companies

¹¹ For more information on the companies which have been awarded the certification, please refer to the “Certifications” paragraph in the chapter “The Group”.

	2019	2020	2021
No. of bonuses allocated	8,656	9,725	21,187
Value of bonuses allocated (€)	829,792	873,331	3,174,366.91

Support for customers in financial difficulty is also provided through the ability to pay utility bills in instalments. A total of 32,118 gas and electricity utility bills were paid in instalments, of which 83% referred to gas supply.

Moreover, in the last quarter of 2021 the Government implemented certain measures to combat the extraordinary rise in energy prices caused by the record price of raw materials, through Italian Decree Law 130/2021.

The measures, which are valid for energy usage between 01/10/2021 and 31/12/2021 by domestic customers and micro-businesses, are:

- Electricity: elimination of system fees;
- Gas: reduction of system fees;
- Gas: reduction of VAT to 5%;
- Electricity and gas: improvements to the social bonus.

5.2.4 Online utility bills, customer area and app

The number of gas, electricity and telecommunications customers who choose to receive their utility bills by email continued to grow in 2021. This decision reflects customers' greater awareness of environmental aspects and their efforts to reduce paper, while also offering advantages for customers by enabling them to quickly and easily access and take action on their utility bills.

Methane gas customers

	2019	2020	2021
Online billing	11.3%	14.3%	16%
Total customers	71,873	89,246	95,008

Electricity customers

	2019	2020	2021
Online billing	21.8%	26.5%	28.5%
Total customers	35,981	51,041	55,820

Telecommunications customers

	2019	2020	2021
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Online billing	7.2%	7.8%	18.4%
Total customers	289	323	326

Customers have access to two digital tools to manage their supplies: the customer web area and the app.

The number of registered users of the customer web area fell by 16.4%: following the clean-up of the database, in 2021 users who have not accessed the customer area since May 2019 are no longer considered in the total.

With regards to the app, after the significant increase in the number of customers who downloaded the app in 2020 compared to 2019 due to the COVID-19 pandemic and the closure of the Group's stores and branches, in 2021 the number of users fell compared to 2020. However, the data for 2021 is nonetheless in line with pre-COVID figures.

Customer web area	2019	2020	2021	Variation 2020-2021
Number of registered customers	233,713	291,421	243,753	-16.4%
No. of accesses to the portal	1,283,891	2,105,894	1,899,107	-9.8%

The Estra App	2019	2020	2021
Customers who have downloaded the Estra App in the relative years (Android/iOS)	29,528	44,411	33,167

5.3 Quality of services and customer-oriented approach

5.3.1 Customers served in branch

In 2021 the Group operated 73 stores, mainly located in the central and south of Italy. Compared to 2020 there was a reduction in the total number of branches as the company Vivaservizi ceased to operate on behalf of Prometeo in many branches and, while Prometeo opened new stores in its own name, these do not outnumber the closures. Furthermore, in 2021 the mobile store that served various municipalities in Tuscany ceased to operate as it was not possible to guarantee the safety of on-board personnel and the vehicle required considerable manpower.

Number of stores	2019	2020	2021
	84	87	73

No new stores were opened in 2021 but several branches in the province of Ancona that had been closed in 2020 due to the COVID-19 pandemic reopened, specifically those in Chiaravalle, Castelfidardo, Montemarciano and Senigallia.

Furthermore, the branches in Cassino (FR) and Casalbordino (CH) were completely redesigned and relocated into spaces more in line with the layout of the Group's stores.

The concept behind the Estra Stores is to provide large, well-equipped spaces where customers can sign up to commercial offers (gas, electricity, energy services, ADSL and telephone) and obtain advice on the complex scenario of the free energy market and all other services (activations, transfers, queries regarding bills, takeovers, information, etc.).

Many stores have a smart queuing system which simplifies and speeds up enquiries by enabling customers to choose the service they require. Furthermore, there is a device that enables customers to submit their meter reading without needing to queue to talk to an operator. Moreover, Estra TV is broadcast on a screen in the waiting room, offering a direct line to the company and displaying news, useful information, news and details of commercial offers. In many of the Group's stores products such as electric bicycles, LED lamps and smart thermostats for boilers and air conditioning units are on display and available to buy.

After the slowdown of in-store activities during the national lockdown caused by the COVID-19 pandemic in 2020 which lasted almost two months, in 2021 the number of customers served in branch began to increase again, albeit not to pre-pandemic levels. In fact, in 2021 social distancing measures remained in force and access to the Group's branches was regulated and limited.

Number of customers served in branch ¹²	2019	2020	2021
	260,566	159,874	168,259

Average waiting time in branch (minutes) ²	2019	2020	2021
	11	12	8

5.3.2 Call centres

Estra Energie and Prometeo, the two Group companies that operate in the gas and electricity sales sector, have a call centre dedicated to customers and potential customers where callers can receive information about their supply, manage certain aspects of their account and file complaints.

The number of calls handled by the Estra Energie and Prometeo call centre and the waiting time before speaking to an operator in 2021 returned to pre-pandemic levels. In fact, after the significant increase in call numbers and waiting times in 2020, the number of calls received by call centres was 620,091 and the waiting time before speaking to an operator fell from 99 seconds in 2020 to 41 seconds in 2021, marking a significant improvement and a resulting increase in service level (from 58.17% in 2020 to 95.89% in 2021). Since 2018 the waiting time for customers calling the call centre has been calculated including the time in which the customer listens to the pre-recorded menu before speaking to an operator.

Number of calls (call centres of electricity and gas sales companies) to operators, total and with positive outcomes

¹² The number of customers served in branch and the average waiting time in branch in 2021 refers to Estra Energie and Prometeo.

2019		2020		2021	
Received	Answered	Received	Answered	Received	Answered
770,474	614,979	903,151	515,001	620,091	594,111

5.3.3 Complaints and queries

In 2021 the continuous downwards trend in the total number of written complaints received by the Group's gas and electricity sales companies (Estra Energie and Prometeo) and gas distribution companies (Centria, Gergas and Murgia) seen in the last few years continued.

In particular, considering complaints received by Estra Energie and Prometeo only, in 2021 there was a significant reduction compared to previous years (2,036 in 2020 to 676 in 2021), due to the increasing tendency among customers to write to receive information - sometimes very basic in nature - rather than to file a complaint. Furthermore, it is worth noting that the average customer is much better informed than in the past, and is therefore less likely to write to complain about something that is not necessarily due to an error by the company.

Complaints received by the Group's gas distribution companies (Centria, Gergas and Murgia Reti Gas) also fell, from 83 in 2020 to 49 in 2021. The maximum response times to complaints in 2021 were met in 100% of cases for all of the Group's distribution companies.

The average complaints response time at Estra Energie, which receives more than half of total complaints, was 20 days in 2020 and 12 days in 2021, continuing the downwards trend.

	Written complaints	Cases pending a response as at 31/12	Responses processed within the maximum time period
2019	3,066	98	2,968
2020	2,119	6	2,107
2021 ¹³	725	33	690

Complaints regarding unsolicited gas or electricity contracts or activations received by Estra Energie and Prometeo also fell, from 74 in 2020 to 57 in 2021. The reduction in the number of these complaints is a testament to the Group's constant commitment to transparency and fairness in new customer acquisitions. Furthermore, all 57 complaints regarding unsolicited gas or electricity contracts or activations were responded to within the maximum period (30 days).

¹³ Complaints in 2021 relate to Estra Energie, Prometeo, Gergas, Centria and Murgia Reti Gas.

As regards written requests for information received by Estra Energie and Prometeo in 2021, the opposite trend can be observed, increasing 7% from 3,150 in 2020 to 3,375.

As noted previously, this increase is related to the reduction in written complaints caused by the fact that customers are increasingly informed and aware and thus more likely to send requests for information rather than complaints.

Despite the upwards trend in information requests, the maximum responses times were met in 98% of cases, and the average response time fell from 16 days in 2020 to 7.5 days in 2021.

	Written requests for information	Cases pending a response as at 31/12	Responses processed within the maximum time period
2019	1,753	28	1,721
2020	3,150	43	3,100
2021	3,375	42	3,331

After the exponential growth in the use of the Group's various digital communication methods in 2020 due to the pandemic, in 2021 there was continued growth in the use of Facebook and the chat function, partly due to the closure of the WhatsApp channel, while the number of messages originating from the website fell slightly.

The virtual assistant service launched in 2020 on the *estra.it* website in partnership with one of the winning start-ups of the 2018 edition of the E-qube challenge was suspended at the end of April as it was not able to provide an adequate level of service to customers.

Other communications channels

	Chat	Website	WhatsApp	Facebook	ChatBot
2020	14,413	8,307	1,494	720	998
2021	31,317	7,555	0	946	1,139

5.3.4 Settlements¹⁴

The Alternative Dispute Resolution (ADR) tool is being used increasingly frequently to resolve disputes without having to resort to the judicial system. The procedure is straightforward for the customer, who can participate in the dispute resolution process personally or through an appointed representative via digital platforms, thus saving time. Thanks to these features, the process has been met with satisfaction by the vast majority of those who have used it.

¹⁴ Settlements refer to Estra Energie and Prometeo.

The use of the Single Buyer Service of the ARERA Customer Help Desk increased in 2021, rising from 67 settlements in 2020 to 91 in 2021; similarly, the number of settlements through the Chamber of Commerce also increased (0 in 2020, 4 in 2021).

Number of settlements through the Chamber of Commerce

	2019	2020	2021
Closed positively	5	0	3
Closed negatively	3	0	0
Pending	4	0	1
Total	12	0	4
	2019	2020	2021
Closed positively	62	48	60
Closed negatively	15	13	15
Pending	6	6	16
Total	83	67	91

Number of settlements through the Sportello del Consumatore Acquirente Unico

5.3.5 Disputes with customers¹⁵

At year-end 2021 there were 69 pending judicial and extra-judicial disputes brought by customers, of which 65 referred to the company Estra Energie.

The table below shows the data for closed judicial and extra-judicial disputes brought by customers against Group companies (included in the reporting boundary).

The increase in the number of legal disputes (from 13 in 2020 to 68 in 2021, 65 of which referred to Estra Energie) is due to the number cases opened by customers who submitted claims for the reimbursement of the excise duty on electricity, invoiced in 2010, 2011, 2012, following Ruling no. 27099 of 2019 of the Court of Cassation. This Ruling overturned the law that had introduced the tax, Italian Decree Law 511/1988, Art. 6, because it did not comply with European regulations. With Ruling no. 27101 of 2019, the Court established that claims for reimbursement of the tax by end customers (as "taxable person") had to be submitted to the vendor, as "Obligor", and not to the State Administration. The Company therefore appeared in these cases, claiming the irrelevance of the ruling in light of the conflicting jurisprudence.

	2019	2020	2021
Judicial cases brought by customers against Group companies that were open at year-end	7	13	68
Judicial cases brought by customers against Group companies that were concluded during the year	8	4	17

¹⁵ There were no significant claims for compensation made by customers.

Extra-judicial cases brought by customers against Group companies that were open at year-end	6	3	1
Extra-judicial cases brought by customers against Group companies that were open at year-end	13	12	8

5.3.6 Quality of the gas distribution service

5.3.6.1 Standards

In 2021 Murgia Reti Gas did not conduct any customer satisfaction surveys, while Centria began the planning procedure for a customer satisfaction survey and selected the provider of the service. The survey and the analysis of the results is scheduled for 2022.

Gergas carried out a phone survey in 2021 on 79 users. The data shows that customer satisfaction is in line with expectations, except in the case of tariff transparency, where levels were slightly lower than expected but nonetheless evaluated as “very good”. As regards “Customers Relations Aspects” and “Technical Aspects”, the level of satisfaction was “very good”.

The results of the survey are given below, with an overall rating of the services provided by Gergas of 3.61 (on a scale of 0 to 4):

- satisfaction regarding waiting times for technical works was 3.59;
- satisfaction regarding staff courtesy was 3.33;
- satisfaction regarding case handling was 3.61;
- satisfaction regarding the resolution of technical issues was 3.61.

Considering the responses received, no critical issues were identified. The survey will be repeated in order to constantly monitor end customer satisfaction.

As regards the methane gas distribution service provided by Group companies Centria, Gergas and Murgia, there are various critical elements concerning the safety and consistency of service to customers that merit further analysis, as summarised by the tables below.

As regards the service offered to customers, one such element is the call centre, which provides technical assistance by phone in response to requests for information regarding service status, quotes or works, requests for services and appointment changes, as well as requests for specific services regarding smart meters (installation, maintenance and general information). Furthermore, all users have access to an emergency call centre for 24/7 rapid intervention, which should be called in the event of a gas leak.

This rapid intervention service is essential to guarantee the safety of citizens and communities. The performance of the three Group companies that operate in this sector is considerably above the standards set by ARERA, according to which technicians should arrive at the site of the call within 60 minutes. The 2021 data confirms the Group's performance in terms of the maximum response times: maximum response times were met by Gergas in 98% of cases, by Centria in over 99% of cases and by Murgia Reti Gas in 100% of cases.

Rapid gas intervention: average response time to site of call (minutes) - ARERA target: 60 minutes

Company	Type	Average time
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	of intervention	(in minutes)		
		2019	2020	2021
Centria	On the distribution plant	32.93	32.11	32.71
	Downstream of the POD	32.74	32.32	32.09
Gergas	On the distribution plant	20	20.06	28.28
	Downstream of the POD	18.44	20.30	27.51
Murgia Reti Gas	On the distribution plant	38.71	35.51	34.91
	Downstream of the POD	36.17	35.46	37.22

As regards calls made to the call centre to request rapid gas intervention, the maximum response time established by ARERA is 90% within 120 seconds.

In 2021 this requirement was met by both Gergas (98%) and Murgia Reti Gas (100%). Centria continued its policy to adopt a higher standard than the level required by ARERA: 99% of calls must be answered within 100 seconds, with success rates of 99.9% in 2021, in line with 2020.

Despite the 12% increase in the number of calls in 2021 over 2020, in line with the trend in the 2019-2021 period, the average waiting time before speaking to an operator continued to fall.

Gas distribution call centre: number of calls and average waiting time before speaking to an operator

Number of calls		
2019	2020	2021
19,482	21,151	23,771

Average waiting time before speaking to an operator (seconds)		
2019	2020	2021
86.2	64.27	56.79

The Group continued the installation of electronic smart meters which provide real-time data, enabling utility bills to reflect actual usage and accelerating certain activities (activation or deactivation of a supply, transfer, etc.).

Electronic meters¹⁶

	2019	2020	2021
Number of electronic meters installed in the year	131,630	57,338	22,880
Total number of electronic meters in operation	319,806	370,562	408,173

As regards the number of cases where the gas distribution service quality level was not met and where the right to automatic compensation applies, in 2021 Gergas did not record any cases of failure to meet the standard and the number of instances fell considerably for both Centria and Murgia Reti Gas.

Number of failures to meet the gas distribution commercial quality standard with right to automatic compensation		
2019	2020	2021
436	204	135

5.3.6.2 Inspections

Ensuring the planned and systematic inspection of the gas distribution grid is one of Estras's duties towards the community and the region. The inspections aim to prevent gas leaks, guarantee a high level of plant safety and prevent the risk of accidents, and consequently require specialised and modern equipment as well as highly specific skills and abilities, provided by the human capital of the companies associated with this business.

ARERA establishes minimum standards that have to be met in terms of inspections. The Group companies responsible for this activity not only respect but go beyond the compliance requirements established by law, with a view to ensuring the highest level of quality.

Centria Reti Gas, Gergas and Murgia Reti Gas carry out scheduled grid inspections constantly and systematically, using specialised and modern equipment. In particular, the monitoring activities are carried out thanks to a remote control system of metering and regulating stations aimed at reducing the pressure of methane gas, and an alarm system that facilitates rapid intervention.

To raise awareness and inform users on safe practice, the company posts messages onto its company vehicles which contain practical advice and tips to prevent combustible gas accidents in domestic residences.

The table below shows the data for gas distribution grid inspections. In 2021, inspections were carried out on over 99% of the total grid, including the high, medium and low pressure networks.

Gas distribution network inspections	2019	2020	2021
Total metres of high- and low-pressure	3,076,546	3,081,430	3,119,216

¹⁶ The data refer to the gas distribution companies only: Centria, Gergas and Murgia.

network			
Metres of high- and low-pressure network inspected	2,544,937	3,068,295	3,082,940
Total metres of low-pressure network	3,843,850	3,899,272	3,919,695
Metres of low-pressure network inspected	3,004,267	3,898,139	3,910,547
Number of repairs	23	33	39

The inspection of metering devices is voluntary and aims to increase user safety by conducting a manual operator check on the device, rather than an automatic check. As shown in the table, the number of metering devices inspected in 2021 fell both on the high and medium pressure grid and on the low pressure grid. This is directly due to which area is chosen for the inspection, as the number of metering devices can vary by region.

Metering devices inspected					
Number of high- and medium-pressure POD			Number of low pressure POD		
2019	2020	2021	2019	2020	2021
256	202	66	4,098	6,147	4,943

As regards overhead connection inspections, the total number of metres inspected continued to fall throughout the 2019-2021 period. This is not due to specific factors but rather due to the sample area chosen for the inspections, which, given the variations in characteristics, inevitably leads to varying data.

Overhead connection inspections	2019	2020	2021
Metres of high- and low-pressure network inspected	757	245	503.53
Metres of low-pressure network inspected	10,024	8,677	2,851.45
Number of high- and medium-pressure connections	189	73	71
Number of low-pressure connections	2,223	2,223	822
Number of repairs	34	69	29

The data refer to Centria and Gergas (Murgia Reti Gas did not carry out overhead connection inspections).

Compared to previous years and in line with 2020, in 2021 the Company conducted an inspection campaign that focused more on underground connections.

Underground connection inspections	2019	2020	2021
Metres of high- and low-pressure network inspected	4,135	33,912	20,106.80

Metres of low-pressure network inspected	84,862	445,057	208,909.30
Number of high and medium connections inspected	463	3,912	2,538
Number of low-pressure connections inspected	9,090	51,615	23,816
Number of repairs	28	28	26

The data refer to Centria and Gergas (Murgia Reti Gas did not carry out underground connection inspections).

5.4 Dialogue with local and national institutions

The role and nature of the Estra Group's activities require constant dialogue and discussion with the National Institutions, with Regions, Municipalities, Local Authorities and all relevant stakeholders.

All of the Group's activities were planned and conducted conscious of the responsibility towards the community and the region, with the aim of generating wealth, protecting the environment and meeting stakeholder expectations and needs, as well as creating value and implementing projects and actions able to develop the assets and management and technological capital of the Group, and provide economic and social well-being for employees and the community.

This means developing the Group's business through transparent communication, dialogue and collaboration, participating in round tables with Bodies and Institutions, local and national economic categories, and consumers' associations, with a view to offering effective responses and solutions to stakeholder needs.

This relationship to and focus on stakeholders is a direct consequence of the fact that 139 Municipalities in the provinces of Ancona, Arezzo, Florence, Grosseto, Macerata, Pistoia, Prato and Siena are indirect shareholders of Estra, and thanks to this participatory relationship Estra has become a point of reference for these municipalities.

Estra has also cultivated a strong collaborative relationship with the higher education sector, particularly through agreements with various universities such as the University of Florence, Politecnico di Milano and PIN - the Città di Prato University Centre.

The Group and its companies are members of various regional bodies: Confindustria Toscana Nord, Confindustria Toscana Sud, CNA, Confservizi Cispel Toscana, Fondazione ITS Energia e Ambiente di Colle Val d'Elsa (SI), Alleanza Territoriale Carbon Neutrality Siena, Contratto di Rete AIRES (Estra, SEI Toscana, Acea Ambiente and fourteen other businesses and organisations have signed an agreement to promote research, innovation and development in the field of the circular economy and environmental sustainability.

Nationally, the various Group companies are associated with bodies such as Utilitalia, Associazione Italiana Internet Provider and APCE Associazione per la Protezione delle Corrosioni Elettrolitiche.

In 2019 Estra was awarded Supporting Member status by the Prato Textile Museum and there is now an Estra representative on the foundation's management committee.

All of these engagement activities pursued by Estra impact the quality of Estra's reputation, as evidenced by the presence of news articles about the Group in the local and national press. In 2021 3,163 articles were published in the local and national media and 5,932 articles about the Group were posted on local and national websites. 96% of the articles were positive or neutral in tone.

5.5 Local community development initiatives

The Estra Group implements many projects aimed at the community and the region, with several goals: to raise awareness and engage young people on environmental topics and the Sustainable Development Goals of the UN Agenda 2030, and to provide comprehensive support to the world of sport and promote the values that sport encapsulates.

Energicamente

Energicamente – A scuola di sostenibilità is the Estra Group project aimed at raising awareness among young people about the responsible use of energy and resources, with a view to stimulating an environmental conscience and encouraging more conscious behaviour.

Estra dedicates the digital edutainment-based project to students and teachers at primary and junior secondary schools across Italy, with the aim of raising awareness about energy innovation and environmentally sustainable consumption, in line with the Sustainable Development Goals and the UN Agenda 2030.

Having reached its eleventh year in 2020/2021, the project provides schools with access to a digital platform (www.energicamenteonline.it) with an educational game with four levels aimed at students and a creative competition on how to improve the local region, along with a magazine with news, interesting facts and advice on sustainability designed to be read in class or at home.

The Energicamente platform is 100% digital and offers a fun programme of games, learning activities and missions designed to actively and directly involve students who have the opportunity to “learn by doing”. The online challenge, aimed at promoting merit among the students, enables children and young people to work as a team, to earn points individually and as a class, to climb the ranks and to win the prizes offered their school.

As in previous editions, children are accompanied along their journeys by a team of five superheroes: Elio, Sofia, Ted, Regina and Aurora. With the support of the mascots, the students learn about the Sustainable Development Goals, starting with Goal 7 “Clean and accessible energy”, which aim to build an equal and sustainable future by 2030. They will also learn about Goal 9 “Businesses, innovation and infrastructure”, Goal 11 “Sustainable towns and cities”, Goal 12 “Responsible consumption and production”, Goal 13 “Climate action” and Goal 17 “Partnership for the Goals”.

As well as the online programme, the Energicamente project also involves classes enrolled in the “Together for the Global Goals” competition which runs from 16 December 2020 to 22 April 2021. Focusing on Goal 17 “Partnership for the Goals” and Estra’s five key values (proximity, sustainability, accessibility, empathy and care), the competition asks students to present a creative project that describes their idea to improve the world, starting with their immediate surroundings. A panel of experts selected the most sustainable projects that offer a creative and simple solution to tangible local needs, rewarding the three classes with technological devices and educational material.

The programme also includes 4 webinars aimed at teachers, created by Estra in collaboration with Legambiente, to further knowledge about the Sustainable Development Goals explored in the project.

As shown in the table below, the project which ended in 2021 extended across some 19 regions with participation from over 400 schools.

Edutainment programme 2020/2021

Impact		Schools		Teachers		Teams of students	
Regions	19	Primary	228	Primary	238	Primary	158
Provinces	98	Secondary 1st Grade	263	Secondary 1st Grade	283	Secondary 1st Grade	266
		Total	491	Total	521	Total	424

In 2021/2022, Estra decided to redesign the project and its format. Registrations are still open and will end in May 2022. The registrations to date are as follows:

Schools		Teachers		Number of students	
Total	356	Total	390	Total	1027

Roarr! Save, recycle... roar!

The fourth edition of the ROARR! project aimed at schools for the 2020/2021 academic year has been redesigned in light of the excellent results of the previous year's edition, with the aim of focusing on innovation and taking a positive and proactive look at the future. The theatrical and digital activities have been redesigned to offer schools an innovative and integrated digital and workshop-based learning experience, aimed at building Key Citizenship Skills and aligning with the objectives of the 2030 Agenda indicated by the Italian Ministry of Education, Universities and Research and the Italian Ministry of the Environment.

Aimed at primary school children in grades I, II and III in Tuscany, Umbria and Marche, the project takes the form of an exciting ecological treasure hunt. Each class is provided with an online album and must collect 50 "eco-actions", or environmentally friendly actions. With the help of parents and teachers, the children find eco-actions, photograph them and post them into their online photo album, earning points and contributing to the creation of a regional ranking: the top three classes in each region will win a digital theatre prize.

The competition began on 01 February 2021 and ended on 20 March 2021. The digital "theatre prizes" were awarded between April and June 2021.

The 2020/2021 edition had several new features:

- **THE ROARR! PLEDGE** The project and the objectives and rules of the game are presented to classes via Google Meet, which enables the children to interact via video-conference. The virtual meeting concludes with the famous "ROARR! PLEDGE", when the classes promise to respect the environment.
- **THE ROARR! KIT** All classes that sign up to the initiative receive the ROARR! KIT, which contains a poster, a teachers' guide, gadgets for students and information for families, aimed at promoting conscious and stimulating engagement.
- **THE DIGITAL THEATRE PRIZES** The winning classes will have the opportunity to star in interactive digital theatre workshops: thanks to live-streamed shows, kits to construct their own sets and costumes, and video tutorials, they will create their very own creative and original theatre production, bringing the magic of theatre to video but with the pace and energy of the digital world.
- **ROARR2ROARR** During the competition, participating classes meet on the Google Meet platform to get to know each other, exchange ideas and environmentally friendly tips, and promote good environmental practices.
- **ESTRACLICK** Estraclick is ROARR!'s social media competition launched to engage the entire community in the promotion of good environmental practices. During the competition, each week a panel selects

the most interesting photo posted by users on Instagram with the hashtag #estraclick, and rewards the class chosen by the winning photographer with a voucher for educational materials.

The 2020/2021 competition

Schools	Classes	Teachers	Students
89	256	344	6,400

Winning schools/classes that received a prize

Schools	Classes
9	9

Online activity (www.roarr.it)

Photos uploaded	Interactions	Views	Unique visitors
10,503	17,032	205,395	6,269

Facebook activity

Facebook Fanpage	Impressions Page	Post interactions
10,592	27,788	3,065

Instagram activity

Followers	Average daily coverage
1,256	345

The fifth year of the ROARR! project for schools in the 2021/2022 academic year was developed in collaboration with Straligut Teatro. This year's project continues the themes established in previous editions and is aimed at more than 200 first, second and third-grade classes in primary schools in Tuscany, Umbria and Marche.

The format remains the same as in previous years: an ecological treasure hunt, the pledge, the digital theatre prizes and the Estraclick competition.

The 2021/2022 competition

Schools	Classes	Teachers	Students
56	213	262	5,325

E-CUP Competition

In 2021 a new competition was launched with the aim of supporting non-professional sports associations in Italy for under-16s and promoting the culture of sport. The digital initiative aims to interact with and support local organisations who devote their commitment and willingness to support young people in their personal development and teach them the positive and healthy principles associated with sport. In fact, these are the very same principles that Estra supports and embodies.

E-cup offers 15 prizes worth € 3,000 each, which are assigned to the highest ranking teams in each sports category, as well as other prizes and special commendations.

To take part, simply register at www.estra.it/ecup, follow the instructions and choose a password. Next, simply invite fans to vote on the official competition website to climb the rankings, win prizes and receive the Winner Pack, which includes 30 baseball caps, 30 t-shirts, 30 drawstring bags, 30 water bottles and an E-cup banner.

Furthermore, a panel of experts including champions from ACF Fiorentina, Lube Volle, and Guelfi Football will also award the Sports Associations that distinguish themselves with projects and programmes that celebrate and promote inclusivity.

The E-cup project is developed in partnership with Decathlon and Enervit, with the support of ACSI, Associazione Centri Sportivi Italiani.

Registrations are open from 25 October 2021 to 15 March 2022. The winners will be named by 30 March 2022.

E-CUP competition 2021/2022

Registrations	Number of votes	Regions	Sporting disciplines
21	3,216	7	>10

Journalism Award “Estra for Sport. Reporting good news”.

In November 2020 the registration opened for the IV edition of the “ESTRA FOR SPORT: REPORTING GOOD NEWS”, an award launched by Estra in collaboration with Unione Stampa Sportiva Italiana (USSI) and SG Plus Ghiretti & Partners to recognise journalists who believe in the value of sport and who, through their words and images, highlight the role of sport as a driver of good news, emphasising its capacity to set examples and inspire positive lifestyles.

The response to the fourth edition of the Journalism Award was excellent, with over 300 applications submitted from across Italy, all of which were of the highest quality.

In the fourth edition, in collaborative with USSI and the Order of Journalists of Emilia Romagna, Estra organised four webinars which were attended by over 200 journalists. The webinars were held online and each session, which lasted three hours, offered journalists the opportunity to acquire three CPD credits.

Many speakers captivated their audience with their talks, including Alberto Bortolotti who attended all four events as moderator, Matteo Marani, Lucia Blini, Michele Corti and Guido Lo Giudice. The newly appointed chairman of USSI, Gianfranco Coppola, also made an appearance in the second webinar and Roberto Ghiretti, CEO of SG Plus Ghiretti & Partners, described his many years of experience in the world of sport in three webinars, illustrating certain case histories and sparking interest and questions from many audience members.

The IV year of the Journalism Award was also supported by an initiative aimed at people who dedicate themselves to sport every day. 89 companies took part in the “Reporting Good Sports News” call to action, a feat that the company was very proud of in a period when many sports clubs were forced to severely limit their activities due to the lockdown to prevent the spread of COVID-19. These figures are proof that those who work in sport never lose their dedication or commitment to it.

The Call to Action was aimed at Abruzzo, Marche, Molise, Tuscany and Umbria, regions in which Estra has always had strong links with the community, with the aim of rewarding and supporting associations whose work emphasises the role of sport as a tool of social responsibility and inclusion, which can be used to implement concrete actions to support the region and the lives of the local community. In October 2021 the award ceremony of the fourth edition of the Award was held and the fifth edition was launched.

The Award Ceremony of the Estra for Sport: Reporting Good News Journalism Award was hosted in the Main Hall of CONI in Rome by Giovanni Malagò, Chairman of CONI.

The Panel assigned thirteen awards, including five Special Awards: Lifetime Achievement to Mario Sconcerti, Woman of Sport to Donatella Scarnati, Estra for the Community to Lorenzo Fagnoli, Redaelli Award to Riccardo Caponetti and the Good News Award to Elisabetta Soglio for the Good News insert in Corriere della Sera.

Five Special Mentions were given to Claudio Arrigoni of Buone Notizie-Corriere della Sera, Simona Berterame of Fanpage.it, Giuseppe De Caro of Rai-TGR Campania, Federico D’Ascoli - La Nazione and Andrea Federica from Cesco di 7-Sette.

Of the 321 shortlisted services, the panel also selected winners from the Printed Press, Web and Blog” and TV and Radio categories:

Printed Press - Gian Luca Pasini, *La Gazzetta dello Sport*

Web and Blog – Raffaele Nappi, *Ilfattoquotidiano.it*

TV and Radio – Monica Matano, Rai Sport

The ceremony concluded with the presentation of the awards to the five winning companies of the Call to Action:

Abruzzo: ASD SAILING TEAM, Marche: ASD PALLAMANO CHIARAVALLE, Molise: ASD NUOVA PALLAVOLO CAMPOBASSO, Tuscany: ASD AQUATEAM NUOTO CUOIO, Umbria: ASD BASKET GUBBIO.

Art Bonus and sponsorships

By providing support for several social, cultural and sporting initiatives and activities, the Group is able to collaborate closely with local communities. This support is provided in the form of sponsorships and donations, including through the incentives associated with the Art Bonus.

In 2021 donations and charitable giving totalled € 129,000. Two donations were delivered through the National Art Bonus scheme: € 10,000 to Fondazione Teatro Metastasio di Prato - Contemporanea Festival 21, and € 30,000 to Museo del Tessuto (Textile Museum).

Sponsorships

2019	2020	2021
€ 1,721,030	€ 1,209,400	€ 1,370,216

6.1 Suppliers

6.1 Targets and results

Targets for 2021	Results in 2021
Maintain the voluntary certification as “Tender Specialist” for two resources, issued by Eni.c (the Italian Certification Body)	<i>Target achieved</i>
Review the categories of the Supplier Register with the gradual aim of only engaging consultancy services from professionals entered on the Register	<i>Target achieved</i> Launch of a new company procedure for consultancy contracts worth over € 40,000.00.
Definition of a guideline that defines the criteria for the appointment, composition and operation of tender committees and commissions for contracts pertaining to special works, services and supplies, with a view to ensuring the correct performance and impartiality of the tender process in line with existing legislation.	<i>Target partially achieved</i> The guidelines has not yet been defined; in the meantime, the criteria have been specified in the tender deeds.
Definition of a procedure for the identification and management of contracts not covered by the Procurement Code.	<i>Target partially achieved</i> <i>A draft guideline has been produced.</i>

Targets for 2022

Maintain the voluntary certification as “Tender Specialist” for two resources, issued by Eni.c. (the Italian Certification Body).

Targets for 2022-2023

Update the Supplier Register due to expire in January 2023.

6.2 Sustainable supply chain management

As the Estra Group acquires all of the products and services used to provide its services to its customers through its supply chain, suppliers represent one of the most important stakeholder categories. Consequently, the supply chain must be constantly monitored to guarantee internal efficiency and cost-effectiveness, as well as external quality and responsibility, also considering the positive impacts on the revenue streams generated by the company's business.

This chapter contains and illustrates the data for the 2019-2021 three-year period, but does not include fees paid to Municipalities for the management of the gas distribution grid and the photovoltaic systems, the concession fees paid to Municipalities and third parties, purchases of raw materials (gas and electricity), inter-group purchases, suppliers of energy efficiency certifications and the relative fees, or the remuneration for participation on the Board of Directors of the various Group Companies.

In 2019 the procurement process for services, works and supplies for subsidiary and investee companies in the natural gas distribution sector was amended. The procurement process has been centralised through the Centrale Unica di Committenza (Single Central Commission). Estra S.p.A. acts as Contracting Authority and operates in the name and on behalf of all investee companies in the gas distribution sector. This move aims to standardise the materials and technologies used, optimising procurement procedures and guaranteeing efficiency and cost-effectiveness.

In 2021 the supply chain did not undergo any significant changes in terms of the structure of the chain itself and relations with suppliers. The only change concerned the acquisition of the company Ecos S.r.l., which provides environmental services, particularly waste treatment and management. The acquisition did not result in any major changes to the supply chain, but added to the number of supplier categories with which the Group has business relations due to the specific activities carried out by the firm in question.

6.2.1. Supplier assessment

To measure supplier quality, in the absence of a structured standard procedure shared by all Estra Group companies, Estra, Centria, Estra Energie, Estracom, Estra Clima and Ecolat adopt a structured assessment system that considers a diverse set of criteria to evaluate its suppliers, including speed of intervention, the correspondence between quantity ordered and quantity delivered, competence and speed of assistance, product quality, and compliance with contractual conditions, delivery times and safety requirements. To ensure that the latter criteria is met, one of the measures taken is to conduct regular site monitoring. Murgia adopts various criteria measured on a scale of 1 to 10, while Gergas conducts an assessment based on any instances of non-compliance identified.

Considering Centria, Estracom, Gergas and Murgia as a whole, in 2021 a total of 269 inspections were conducted at roadwork sites. The inspections considered both contractors and subcontractors. In detail, 83.6% of inspections were carried out by Centria. Furthermore, in 2021 Estracom and Gergas inspected 100% of their sites, while Centria, which had many active sites (662), inspected 34%. In terms of compliance, sites met all compliance criteria in 100% of cases. Based on the inspections, no corrective measures were deemed necessary. Estra Clima sites were not inspected while Estra's activities did not involve sites.

As regards the supplier assessment process, the commercial partners considered obtained an average score of 92.5 out of 100¹⁷, in line with the previous year.

Centria is the main Estra Group company that operates in the methane distribution sector and is certified according to SA 8000. The SA 8000 certification has very specific standards for social performance and therefore implies that particular attention is given to this aspect during the supplier assessment process. Furthermore, the certification encourages suppliers to comply with the requirements provided by it. In this regard, the Company regularly monitors the corporate risk that characterises the supplier's activities and supports this assessment with communications activities. Specifically, Centria has adopted an assessment system to evaluate the corporate risk of its suppliers, classifying the levels of potential risk based on the type and value of the supply. The company decided to adopt this assessment procedure as its methane gas distribution activities, particularly the execution of works, represent a greater social risk in the supplier selection process compared to other activities performed by the Estra Group. Each level identified corresponds to a monitoring and control procedure that becomes progressively more complete and complex in line with the increased risk. Specifically:

- suppliers with a risk level of 0 are sent information informing them of the SA8000 certification and the main objectives of the Corporate Social Responsibility Policy;
- suppliers with a risk level of 1 are sent the information described above and are required to declare in writing that they will comply with, implement and pursue the principles of corporate social responsibility envisaged by international standard SA8000;
- suppliers with a risk level of 2 are sent the information described above and are required to declare in writing that they will comply with, implement and pursue the principles of corporate social responsibility envisaged by international standard SA8000, and are prepared to follow the self-assessment process through questionnaires to verify compliance with the above requirements;
- suppliers with a risk level of 3 must comply with the criteria for level 2 and must consent to being personally audited.

The table below shows the results of the assessment of social risk of Centria's suppliers in 2021, divided by product category.

Detailed analysis:

PRODUCT CATEGORY	Level of Social Risk				
	3	2	1	0	Total
Other			2	84	86
Works contracts	8	3	2		13
Consultancy services		2	5	16	23
Supplies		6	15	42	63
Works		2	1		3
Professionals		1	5	16	22
Restoration				39	39
Services	3	1	5	49	58
Sundry				44	44
Total	11	15	35	290	351

Based on the analysis of 351 suppliers (+20 compared to 2020), it can be noted that:

- 290 companies (82.6%) have a social risk level of 0;

¹⁷ For clarity, it should be noted that this score is the weighted average of the percentages of the supplier assessment, considering quality, environment and safety.

- 35 companies (10.0%) have a social risk level of 1;
- 15 companies (4.3%) have a social risk level of 2;
- 11 companies (3.1%) have a social risk level of 3.

Compared with the data for last year, the number of suppliers with a social risk level of 0 increased. This figure rose from 122 in 2020 to 290 in 2021, or from 36.7% to 82.6% of total suppliers analysed, equating to a positive change of 46%. This sharp increase naturally redefined the percentages of the other risk levels: in particular, the number of suppliers with a risk level of 1 fell by 126 (161 in 2020 compared to 35 in 2021), while commercial partners with a risk level of 2 fell from 12% to 4.3%, a drop of nearly 8%. The number of companies with a risk level of 3 remained more or less unchanged (9 in 2020 compared with 11 in 2021). The changes that emerged in 2021 compared to the previous year are mainly due to the review of the assessment parameters for suppliers with contracts worth less than € 50,000.

Finally, suppliers whose activities are characterised by significant environmental impacts are required to hold adequate environmental certifications such as ISO 14001.

6.2.2 Supplier Register

The Supplier Register was adopted by the Parent Company Estra S.p.A., but according to internal regulations it may be used by all Group Companies. In 2021, the number of economic operators listed on the Supplier Register adopted by Estra S.p.A. increased by 105 suppliers compared to 2020. The 693 economic operators present on the register are divided as follows:

- 584 are accredited (including 73 unconfirmed accreditations due to various reasons, such as failure to update certain information and 21 suppliers whose certificates had expired);
- 12 are pending audit by the competent service;
- 76 have begun the registration process and but have not yet completed the application (“pre-registered suppliers”).

On 01 February 2020 the Supplier Register was renewed and all trade partners listed on the register, in force from 2016 to 2019, were sent a notification informing them how to register on the new Economic Operator Register, due to remain in force until January 2023. The renewal also involved product categories that have been restructured following changes to the company's requirements.

	2019	2020	2021
Operators registered on the Estra Group Supplier Register	688	588	693
<i>of which certified</i>	401	465	584
<i>of which certified but whose certification has expired</i>	146	33	21
<i>pending audit by the competent service</i>	79	3	12
<i>whose registration is incomplete</i>	42	87	76

Furthermore, as in the case of the previous register, suppliers wishing to be listed on the Supplier Register must declare, at their own responsibility, to not be subject to spent legal convictions, criminal convictions which have become irrevocable or plea-bargains pursuant to Article 444 of the Italian Code of Criminal Procedure, the non-existence of situations preventing negotiation with local authorities, as well as to undertake to comply with the provisions on the traceability of its financial flows. This is to guarantee the corporate and professional integrity of the suppliers that collaborate with the Estra Group.

Following Law 120/2020, Estra Group companies increased the use of the Supplier Register, which could now be used for supplies of values between € 500,000 and € 1,000,000.

Furthermore, on 1 October 2021, the provision adopted by Estra S.p.A. to standardise the appointment process of mandates to consultants and professionals came into force. For all other Group Companies, the relative administrative bodies were required to define the timeframes for the entry into force of these new operating methods. The service order states that mandates may only be appointed to professionals and consultants who are registered on the Supplier List. Furthermore, for mandates of over € 40,000.00, market research must be carried out and at least three quotes must be obtained. If it is not possible to obtain the minimum number of quotes required, the Area Manager involved must provide a written explanation. In any case, the Department Manager must report any conflicts of interest to their Line Manager or the Company Department that conducts the evaluations.

Disputes with suppliers

Judicial and extra-judicial disputes brought by suppliers against one of the Group Companies further reduced in 2021 (as shown in the table below), with only a negligible number of cases reported. At year-end, there were 2 open judicial disputes, while 3 disputes were resolved during the year: 1 with a judicial proceeding and 2 with extra-judicial proceedings. The fact that the judicial proceeding was the result of a previous unresolved extra-judicial proceeding is a testament to the Group's commitment to seek to resolve disputes with suppliers amicably, thus avoiding legal disputes.

The disputes regarded the failed payment of invoices following services rendered and transfers, and disputes over the amounts of reimbursements made. There were no significant requests for compensation by suppliers.

Number of disputes with suppliers by type	2019	2020	2021
Judicial cases brought by suppliers against Group companies that were open at year-end (regardless of start date)	1	3	2
Judicial cases brought by suppliers against Group companies that were concluded during the year (regardless of start date)	1	0	1
Extra-judicial cases brought by supplier against Group companies that were open at year-end (regardless of start date)	6	1	0
Extra-judicial cases brought by suppliers against Group companies that were concluded during the year (regardless of start date)	5	4	2

6.2.3 Tender procedures

In 2021 the Estra Group launched five public tender procedures (one of which began in 2020) and 14 negotiated procedures (4 of which began in the previous year) for works, supply and service contracts.

To participate in the tender procedures, suppliers were required to hold certifications that guarantee compliance with the established environmental and social requirements for the tender in question, despite the fact that the Estra Group has not currently adopted a standard procedure aimed at assessing suppliers based on social and environmental criteria. The table below shows the certifications required from suppliers both in public tender and negotiated procedures. SA8000, which was the most commonly requested certification, certifies corporate management aspects relating to matters of corporate social responsibility, with a particular focus on topics such as human rights, respect for workers' rights, prevention of child labour and guarantees of occupational health and safety. Other frequently requested certifications are:

- ISO 9001, which evaluates quality management systems;

- ISO 14001, which certifies the environmental management system of an organisation;
- OHSAS 18001 (replaced on 11 September 2021 by UNI ISO 45001) which certifies the occupational health and safety control system.

Sometimes the tenders also require certifications for specific works in order to guarantee certain operational services.

Finally, the request for SOA statements aims to guarantee the possession by contractors of the economic, technical and organisational requirements required by current Public Contract law (Italian Legislative Decree no. 50/2016 as amended and Italian Presidential Decree no. 207/2010).

In these tenders, Estra does not ask for specific certifications but rather requires that the performance standards defined by them are met. For example, with reference to ISO 14001, the requirement to comply with the procedures defined in the certification when executing the service or the supply, rather than to possess the certification itself, guarantee a high standard of work and enable small businesses to compete in the tender. This expands the pool of possible suppliers and offers opportunities for collaboration to businesses of different sizes. Similarly, suppliers were not required to submit SOA Statements in negotiated procedures conducted in 2021, as they are not mandatory for contracts of less than € 150,000.00, but compliance with the standards provided under article 90, section 1 of Italian Presidential Decree 207/2010 was required, specifically:

- value of works carried out directly in the five years prior to the date of publication of the call for tenders not less than the value of the contract to be signed;
- total staff costs not less than 15% of the value of works carried out in the five years prior to the date of publication of the call for tenders; in the event that the ratio between staff costs and value of works is less than the required 15%, the value of works is proportionally reduced in order to re-establish the required percentage;
- the possession of appropriate technical equipment to conduct the works subject to the tender.

This has enabled the Group to increase its engagement with small businesses. The public tender procedures regarded the installation of electronic gas metres with remote smart technology, the maintenance of the gas distribution grid and plants, the construction of gas distribution networks and related plants in certain municipalities in the province of Grosseto, gas odourisation services, meter reading services and insurance policies. The negotiated procedures mainly referred to the supply and installation of devices (gas volume converters and relative data loggers, video surveillance equipment for cathodic protection, remote-controlled gas pressure regulators, equipment to recondition fiscal gas meters in M&R stations) and reconditioning and maintenance services (replacement of preheating generators, emergency intervention, construction and maintenance of methane gas grids and connections, repair services and periodic checks on volume converters installed on gas metering devices). To a lesser extent, these procedures also concerned cross-disciplinary professional services, such as the supply of three-year licences for various VMware products, the assignment of the telematic Press Review service and the executive design of new environmentally friendly fittings.

Public tender procedures	2019	2020	2021
Total amount (€ thousands)	19,732	5,675	7,772
Number of procedures	5	1	5 (of which 1 was launched in 2020)

Certifications required	<p>ISO 9001 (5 procedures)</p> <p>ISO 14001 (4 procedures)</p> <p>OHSAS 18001 (4 procedures)</p> <p>SA 8000 (2 requests for compliance)</p> <p>SOA Statements (3 procedures)</p>	<p>ISO 9001</p> <p>ISO 14001</p> <p>OHSAS 18001</p> <p>SA 8000</p> <p>(1 request for compliance)</p> <p>SOA Statement</p> <p>Other certifications (Completion certifications for similar works)</p>	<p>ISO 9001 (3 procedures)</p> <p>ISO 14001 (2 procedures)</p> <p>OHSAS 18001 (1 procedure)</p> <p>SA 8000 (1 procedure)</p> <p>SOA Statements (1 procedure)</p> <p>Other certifications (Certification 39001 Road Traffic Safety Management; Training of welding personnel pursuant to standards UNI 9737:2016; UNI EN 13067:2013; UNI EN ISO 9606-1)</p>
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Negotiated procedures	2019	2020	2021
Total amount (€ thousands)	883	3,132	4,951
Number of procedures	4	12	14 (of which 4 were launched in 2020)
Certifications required	<p>ISO 9001 (3 procedures)</p> <p>ISO 14001 (3 requests for compliance)</p> <p>SA 8000 (4 requests for compliance)</p> <p>SOA Statements (3 procedure)</p> <p>Certifications for specific works (1 procedure)</p>	<p>SA 8000 (10 requests for compliance)</p> <p>SOA Statements (3 procedures)</p> <p>Certifications for specific works (6 procedures)</p>	<p>SA 8000 (9 procedures)</p> <p>ISO 9001 (3 procedures)</p> <p>ISO 14001 - Compliance with the procedures of the 14001 environmental management system (2 procedures)</p> <p>OHSAS 18001 (2 procedures)</p> <p>SOA Statements - Required for works of under 150,000.00 (2 procedures)</p> <p>Certifications for specific works - Training of welding</p>

			<p>personnel pursuant to standards UNI 9737:2016; UNI EN 13067:2013; UNI EN ISO 9606-1 (2 procedures)</p> <p>Other certifications (EU Compliance with ATEX, MID and EMC Directives; Product compliance with standards: UNI/TS 11629:2020, UNI ISO 12405:2010, UNI 9167:2020 - 2 procedures; Products certified to comply with the Minimum Environmental Criteria established by the Ministerial Decree of 11 January 2017, amended by Italian Ministerial Decree of 3 July 2019 - 1 procedure).</p>
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The significant increase in negotiated procedures in the last two years is partly due to the entry into force of Italian Legislative Decree no. 76/2020, converted into Law 120/2020 which simplified the tender procedures and accelerated the selection mechanisms. In fact, the Decree raised the maximum amount permissible for negotiated procedures and lowered the number of operators that must be contacted. Art. 2, paragraph 1 of the Law states that contracting authorities may directly award contracts for works of amounts of less than € 150,000, and for services and supplies of amounts of under € 139,000 without the need to consult with multiple economic operators, without prejudice to the principles of Art. 30 of the Public Contracts Code of Italian Legislative Decree no. 50 of 18 April 2016. The Decree provides for the use of a negotiated procedure, with no call for tender, upon consultation of at least five economic operators, where present, for the award of contracts for services and supplies of values equal to or above € 139,000 and between € 150,000 and € 1 million. In the case of works of values in excess of € 1 million, at least ten operators must be consulted.

This law enables the direct award of contracts for services and supplies of less than €139,000. Estra requests one to three quotes and this integrates the process into a single negotiated procedure in order to ensure transparency and quality, and to optimise the selection process.

6.3 Value of supplies

6.3.1 Our suppliers in figures

At the end of the critical period of the COVID-19 pandemic, which in 2020 led to a reduction in the number of suppliers, particularly during the lockdown which restricted business activities, in 2021 the number of commercial partners of the Estra Group grew. To be precise, the Group has established supplier agreements with 2,549 companies.

Number of suppliers

2019	2020	2021
2,444	2,302	2,549

Considering the breakdown of suppliers, 97.3% of commercial partners (2,479 out of 2,549) are partnerships and share capital companies, as well as associations, freelance professionals and affiliated practices. The remaining 2.7% are represented by cooperatives and consortia.

Of the 2,549 partners, 98.1% are Italian companies, while the remainder are based abroad, figures which remain more or less in line with the previous year.

With regard to the type of services provided, the Group's trade partners are essentially divided into those that provide services to the distribution service and the sales service. As regards gas distribution, suppliers are mainly companies that specialise in gas network maintenance, the supply and installation of gas meters, and quality certification updates. With regard to sales, which refers to Estra Energie, Prometeo, Gas Marca and Piceno Gas Vendita), suppliers mainly offer services in customer care and client acquisition, including store and branch management, PAP agencies and retailers, telesellers and gas distributors. The services offered by Estracom's trade partners include connections, customer care (both for end users and municipal authorities), and the supply and maintenance of hardware and software. Estra Clima deals with construction firms (works at apartment blocks managed by the Group) and suppliers of materials required to operate the biomass plant in Calenzano. The services that concern the parent company Estra relate to software maintenance and supply, vehicle leasing, sponsorships and marketing projects. Ecolat mainly deals with suppliers of transport services, electromechanical plant maintenance, and hardware supplies. Finally, Ecos' main suppliers are businesses operating the management, treatment and recovery of industrial waste, service providers and transportation firms.

As regards the geographical distribution of the Group's Italian suppliers, in 2021 there were only minimal changes to the data of the previous year (as shown in the table below).

	2019	2020	2021
North	26.9%	28.2%	27.3%
Central	66.9%	65.4%	66.4%
South	5.1%	4.9%	5.1%
Islands	1.1%	1.5%	1.2%

Once again, in 2021 Tuscany was home to the highest number of commercial partners: 1,138 companies, equalling 45.5% of total suppliers. Meanwhile, a considerable number of suppliers are in Lombardy (14.8%), Marche (9%), Lazio (5.3%) and Emilia Romagna (5.2%).

The total number of suppliers in central Italy returned to the pre-pandemic levels of 2019, when the total was over 1,600 companies. Furthermore, compared to 2020, in 2021 the number of suppliers from central Italy

rose by 176. . Although there were no changes in the percentage breakdown of commercial partners in the regions of central Italy, there was a slight reduction in the number of suppliers in Marche (-1.3%) and Molise (-0.9%), and an increase in the number of companies from Tuscany (+2.8%).

	2019	2020	2021
Abruzzo	4.4%	5.1%	4.3%
Lazio	8.1%	8.2%	7.9%
Marche	14.3%	14.8%	13.5%
Molise	3.6%	3.5%	2.6%
Tuscany	66.8%	65.7%	68.5%
Umbria	2.8%	2.7%	3.1%
Total suppliers in Central Italy	1,611	1,485	1,661

In 2021, total Estra Group supplies amounted to € 270,000,000 (+4.7% compared to 2020).

Total value of supplies (€ thousands)	2019	2020	2021
	258,058	258,513	270,815

Italian supplies represent 99.8% of total supplies (€ 270,334,000), of which 95.4% is generated by partnerships and share capital companies, associations, freelance professionals and affiliated practices. As regards the supplies of Group companies, Estra Energie accounts for 65.4% of the total, well above Centria (8.9%) and Estra S.p.A. (4.9%).

The total value of supplies reflects the geographical distribution of the commercial partners, although in this case the percentage difference between central and northern Italy is less pronounced. In particular, the value of supplies in the North in the three years in question grew by 7.2% (+5% in the last year), while in the Centre the total value of supplies fell by 6.6% (-4.1% in the last year). The value of supplies in the south and the islands fell by negligible amounts.

Geographical distribution of total supply value in percentage terms	2019	2020	2021
North	34.5%	36.7%	41.7%
Central	62.4%	59.9%	55.8%
South	2.3%	2.3%	2.0%
Islands	0.8%	1.1%	0.5%

At a regional level, Tuscany is the national leader on this particular ranking, accounting for just under 44% of the total value of Italian supplies (down by approximately 1% over 2020). Elsewhere, two opposing trends can be seen: the value of supplies of companies in Marche, which for four years has fallen by an average of 4% each year (-3.2%); and the situation in Lombardy, where the total value of supplies has increased by over 7%.

Distribution of supply value by region (%)	2019	2020	2021
Abruzzo	1.5%	1.3%	1.3%
Basilicata	0.1%	0.1%	0.0%

Calabria	0.4%	0.6%	0.5%
Campania	0.7%	0.6%	0.6%
Emilia Romagna	4.7%	4.7%	4.7%
Friuli Venezia Giulia	0.1%	0.1%	0.1%
Lazio	4.6%	4.3%	4.5%
Liguria	0.4%	1.9%	0.5%
Lombardy	12.2%	13.9%	21.0%
Marche	12.9%	8.3%	5.1%
Molise	0.3%	0.3%	0.4%
Piedmont	13.6%	13.8%	13.0%
Apulia	1.1%	1.1%	0.8%
Sardinia	0.5%	0.8%	0.1%
Sicily	0.3%	0.3%	0.4%
Tuscany	42.2%	44.7%	43.8%
Trentino-South Tyrol	0.1%	0.2%	0.2%
Umbria	0.9%	0.9%	0.8%
Aosta Valley	0.0%	0.0%	0.0%
Veneto	3.3%	2.1%	2.2%
Total value of Italian supplies (€ thousands)	257,530	258,149	270,334

Compared with Central Italy as a whole, the supply value in Tuscany has increased. In 2021, this represented 80% of the total value of supplies (+3.9% compared to 2020).

Supply value in Central Italy	2019	2020	2021
Abruzzo	2.4%	2.2%	2.2%
Lazio	7.4%	7.1%	8.0%
Marche	20.6%	14%	9.1%
Molise	0.5%	0.5%	0.8%
Tuscany	67.7%	74.6%	78.5%
Umbria	1.4%	1.6%	1.4%

6.3.2 Contracts and procurements

The Estra Group uses two main methods to procure goods and services:

- orders under contract, resulting from a tender procedure or direct instruction;
- authorised procurements, for which a quote is requested, and authorised rapid procurements for supplies required by a specific service for emergency situations (for which a quote is therefore not requested).

In 2021, as shown in the table below, orders under contract, authorised procurements and rapid authorised procurements represented around 95.6% of total supplies, equating to € 258,829,000 (+32.0% compared to the percentage recorded in 2020). In the same year, Gas Marca and Piceno Gas Vendita made procurements (the two companies do not distinguish between orders under contract, authorised procurements and rapid authorised procurements) for a total value of € 58,967, represented a decline of 22%.

The analysis of the individual procurement methods of goods and services shows that the value of authorised procurements and rapid authorised procedures fell in the last year (-3.7%). This reduction is the result of a specific company policy of transparency that have led Estra Energie and other Group companies such as Prometeo, Gergas and Murgia to cease the use of rapid authorised procurements.

*Orders under contract (thousands, €)**

2019	2020	2021
206,551	184,368	247,673

*Authorised procurements and rapid authorised procurements (€ thousands)**

2019	2020	2021
12,423	11,590	11,156

* The data do not include Piceno Gas Vendita, Gas Marca and Ecos, as it was not possible to subdivide orders under contract, authorised procurements and rapid authorised procurements.

7. The Environment

7.1 Targets and results

Targets and results

Many of the following targets, which are part of the Group's 2021-2025 strategic plan, are aimed at achieving a 20% reduction in internal energy consumption and, consequently, at reducing emissions. Measures to improve the energy efficiency of buildings that have already been carried out or are planned for the future in order to achieve this target are listed below.

Targets for 2021	Results in 2021
Consumption and Energy efficiency	
<p>Centria</p> <p>Improve energy consumption relative to the management of M&R station boilers through the implementation of electronic systems, installing another three systems with energy efficiency measures (insulation, pumps, pre-heating systems and heat exchangers). The 2021 energy efficiency programme will focus on the Arezzo 1 plant. Furthermore, cost-benefit analyses are being carried out for the installation of another 6 systems in 6 M&R stations.</p>	<p><i>Target achieved</i></p> <p>In 2021 the works on the Arezzo 1 M&R station were completed, and the station entered into operation in December 2021. The cost-benefit analyses were successfully carried out for installations in another 6 M&R stations. The works have already been carried out for one of these stations, while the tender procedure for the remaining five is complete and the works will be carried out in 2022.</p>
<p>Estra</p> <p>Siena office: improve the energy efficiency of the air conditioning unit, LED lighting, and solar energy system.</p>	<p><i>Target partially achieved</i></p> <p>The energy efficiency measures are almost complete. The office is now able to manage the heating and air condition units autonomously through a new system. The photovoltaic panels have yet to be installed due to bureaucratic problems.</p>
<p>Centria</p> <p>Replacement of asbestos roofs:</p> <p>- 2 to be replaced in 2021</p>	<p><i>Target achieved</i></p> <p>In 2021, a total of 2 stations were replaced.</p>
<p>Estra</p> <p>Completion of the renovation of the Ex Sori area at the Prato office, including the installation of energy-efficient lighting and air-conditioning systems. New management of technological plants using remote software. A pilot project is currently being trialled. This will end with the conclusion of renovation works of the "Ex Sori" rooms at the Prato office.</p>	<p><i>Target partially achieved</i></p> <p>The works have commenced and all of the air conditioning and electrical infrastructure has been installed in the offices. In 2022 the BMS and lighting systems will be completed.</p>

<p>Estra</p> <p>Remote management of the water plant at the Estra S.p.A. office in Prato.</p>	<p><i>Target achieved</i></p> <p>The office's water plant is now controlled remotely using remote management software.</p>
<p>Estra</p> <p>Installation of energy efficiency measures on the first floor of the Arezzo office.</p>	<p><i>Target achieved</i></p> <p>The installation of energy efficiency measures on the first floor of the Arezzo office was completed.</p>
<p>Estra</p> <p>Gradually replace the lights in the company offices of Estra S.p.A. with LED lamps</p>	<p><i>Target achieved</i></p> <p>With regards to the Prato office, the building owner formally accepted a proposal to replace the external lights on Via Panziera and Via Grignano. As regards the Arezzo office, the existing lights have been replaced with new LED lamps. The installation of external LED lighting will be completed in 2022.</p>
<p>Estra</p> <p>Continue the energy efficiency policy at the Arezzo office, with:</p> <ul style="list-style-type: none"> • the replacement of windows and vertical insulation panels; • the installation of underfloor insulation with hot/cold insulation panels. 	<p><i>Target not achieved</i></p> <p>The scheduled works have not yet been implemented. The building is currently undergoing a comprehensive renovation which will improve energy efficiency performance and extend the office.</p>
<p>Estra</p> <p>Optimise energy consumption through the gradual separation of energy utilities in order to reduce consumption and enable energy usage to be allocated more effectively</p>	<p><i>Target partially achieved</i></p> <p>At the Arezzo site, the water company has supplied and installed two new water meters in the canteen and on the fire prevention system. In Prato, in conjunction with the building owner the electricity system is currently being upgraded in order to separate certain internal services. At the Siena office, the electricity supplies of Estra and the consortium Terre Cablate ed Acquedotto del Fiora were separated.</p>
Electric mobility	
<p>Estra Group</p> <p>Install 10 new e-vehicle charging stations</p>	<p><i>Target partially achieved</i></p> <p>5 charging stations were installed and 14 more were authorised, but due to bureaucratic delays and electricity distribution issues these were not installed in 2021</p>

Estra Group	<i>Target partially achieved</i>
Sale of 60 e-bikes distributed through corporate channels	Due to product procurement delays
Estra Group	<i>Target not achieved</i>
Sale of 40 wall boxes/charging stations distributed through corporate channels	Sales have been delayed due to hold-ups in the implementation of the company's ERP
Estra Group	<i>Target achieved</i>
Launch of project to sell and promote electric kick scooters, distributed through corporate channels	
Estra Group	<i>Target achieved</i>
Sale of 100,000 energy-saving LED bulbs, distributed through corporate channels, many as competition prizes associated with a lighting catalogue with the aim of promoting energy savings	
Waste	
Ecolat	<i>Target achieved</i>
30% reduction in volume of processed waste	Thanks to the reduction in volume enabled by the shredder
Estra Clima	<i>Target achieved</i>
Sign contract for biomass plant ash recovery. The current supplier sends this waste to landfill, resulting in a higher environmental impact.	The contract was signed with the supplier and all accumulated ash was disposed of.
Estra Group	<i>Target achieved</i>
Encourage and implement electronic billing	Estra Energie, Prometeo and Estracom saw increases in the adoption of electronic billing compared to 2020
Estra Group	<i>Target achieved</i>
Optimise the use of multifunction printers to reduce consumption of paper and consumable goods.	With the exception of Ecolat and Gergas, multifunction printers that comply with the Print Releaf standard were installed in nearly all offices and print rooms. The use of consumable goods was reduced through the adoption of default monochrome and double-sided printing settings.
Estra Group	<i>Target achieved</i>
Replace the printers that do not comply with the Print Releaf standard adopted by the Estra Group and update the Siena, Arezzo, Murgia, Rieti and Fano offices.	

Targets for 2021-2022

Estra Group

Launch of project to lease electric cars, distributed through corporate channels. Negotiations with the supplier began in 2021.

Estra Group

Introduction and availability of sustainable mobility vehicles in the Group's fleet (e.g. electric cars, electric scooters, e-bikes, electric kick scooters). Two new electric cars were purchased in 2021.

Estra Group

Continue the implementation of sustainable mobility sharing services, expanding in new regions or developing new partnerships (e.g. kick scooter sharing). Target suspended.

Targets for 2022

Estra

Completion of the renovation of the Ex Sori area at the Prato office, including the installation of energy-efficient lighting and air-conditioning systems.

Estra

New management of technological plants using remote software: implementation of the remote management system at the Prato, Arezzo, Siena and Sesto Fiorentino stores. Arezzo: remote management of the water system and fire prevention pressurisation system.

Estra Group

Private sector e-mobility offer: 200 installations of private charging infrastructure.

Estra Group

E-mobility for local authorities: 50 authorisations for the installation of new public charging stations.

Ecolat

Increase the efficiency of the ML plant to improve the quality of treated waste.

Ecos

Increase the efficiency of the mineral fibre volume reduction process.

Centria

Improve energy consumption relative to the management of M&R room boilers through the implementation of electronic systems, installing systems with energy efficiency measures (insulation, pumps, pre-heating systems and heat exchangers). The installation and operation of energy efficiency systems for five M&R stations is planned for 2022.

Targets for 2021-2023

Estra Group

Increase the digitalisation of documents with the adoption of new management methods at Group level.

Estra Group

Renew the vehicle fleet with the introduction of 100 vehicles with the latest type approval. The vehicles were ordered in 2021 and delivery is pending.

Replacement of asbestos roofs: 5 newly acquired roofs to be scheduled for replacement in 2021-2023.

Targets for 2022-2023

Estra

Complete the replacement of the lights in the Prato and Arezzo offices with LED lamps.

Estra Group

Participate in at least five tender procedures for the installation of charging stations on public land in indirect member municipalities. 80% achieved in 2021.

Estra Group

Renew the vehicle fleet with the introduction of 100 vehicles with the latest type approval.

Centria

Replacement of 8 asbestos roofs.

Targets for 2023-2024

Optimise energy consumption at the Arezzo, Siena and Prato offices through the gradual separation of energy utilities in order to reduce consumption and enable energy usage to be allocated more effectively.

Siena office: improve the energy efficiency of the air conditioning system, install LED lighting and complete the installation of photovoltaic panels.

7.2 Environmental policy

Although Estra has not established a formal environmental policy at Group level, the very nature of its business and its mission have led to the definition of certain fundamental elements that characterise its management systems. This commitment is expressed in the Integrated Management System which is distributed and shared by all employees and all Group companies. In this regard, Estra has developed specific tools to monitor performance (also in terms of sustainability and environmental conservation), such as environmental impact assessments, analytical controls, internal audits and the monitoring of regulatory compliance.

The Group has adopted management system such as the ISO 14001, ISO 50001 and UNI CEI 11352 certifications and the EMAS Registration. The Companies certified according to 14001 are those whose activities have the greatest environmental impact: Estra, Estra Energie, Estracom, Estra Clima, Centria, Gergas, Ecolat, Prometeo and Ecos.

In more detail, the Estra Group:

- ensures the maintenance over time of the certification of its Environmental Management System by a certified third-party body. The certification concerns all Group companies that have significant environmental impacts, except sales companies;
- is committed to ensuring the continuous improvement of environmental performance, guaranteeing compliance with the reference laws and regulations;
- aims to reduce the use of natural resources for the performance of its activities, through internal and external processes aimed at reducing emissions;
- where possible, aims to reduce the amount of waste produced, particularly hazardous waste, prioritising waste recovery processes over disposal;
- constantly monitors the potential environmental risks associated with its activities and manages its plants through audits, assessments and improvement measures;
- informs and raises awareness among employees to promote a better understanding of the topics related to environmental protection;
- informs and raises awareness among its suppliers and contractors regarding the Group's environmental management approach;
- promotes actions and processes aimed at minimising energy use in offices and at sites, as well as the consumption of the company fleet by renewing vehicles with more technologically efficient and environmentally friendly alternatives;
- is committed to raising awareness about sustainability and sustainable development among residents in the municipalities in which it operates;
- helps to reduce the use of energy resources per unit of gas introduced into the grid through regular plant maintenance;
- manages its construction sites with a view to reducing pollution and always in compliance with applicable laws and regulations;
- identifies and implements measures able to reduce and prevent environmental incidents and the relative consequences for the environment and for residents.

As well as being active for many years in the production of renewable energy, the Group is committed to improving efficiency and reducing consumption through the promotion of an effective integrated waste

management process, and is leading the way in the use of energy efficiency solutions with the aim of optimising and reducing the consumption of the business and its customers.

In 2021 no fines or environmental sanctions were imposed on the Estra Group. However, following an audit by ARPAT (the Regional Environmental Protection Agency of Tuscany) at the Ecos office in 2022, sanctions were issued regarding certain known and emerging procedural issues.

7.3 Environmental mitigation

The environmental impact varies greatly depending on the activities carried out by the company. In this regard, Estra's impact on the region mainly relates to the consumption of electricity and methane gas to supply its offices, M&R stations and energy production plants, and the fuel required to power its fleet of company vehicles.

In order to reduce this impact, the Group adopts internal and external measures. One such example is the policy to improve the efficiency of M&R stations, its offices, businesses, apartment blocks and other public buildings in order to save both money and energy.

7.3.1 Energy consumption

The Group is particularly conscious of its energy consumption. Consumption can be divided into three main categories (net of methane losses):

- methane gas;
- electricity;
- vehicle fuel.

Consumption from renewable sources amounted to 9,457 GJ, while consumption from non-renewable sources was 183,363 GJ, for a total of 192,820 GJ. This data represented a 14% increase compared to 2020, mainly due to the increase in consumption of the co-generation plants, particularly the plant in Ancona, and - to a lesser extent - the acquisition of the new company "Ecos".

As in 2020, the energy intensity index was calculated in 2021, comparing the Group's total energy consumption (methane, electricity, diesel and petrol) and the total number of Estra Group employees. In 2020 the energy intensity index was 226 GJ, while in 2021 it rose to 245 GJ, with the 8.4% increase largely due to the rise in consumption at the Group's plants, as analysed in the paragraphs below (7.3.1.1 Methane consumption, and 7.3.1.2 Electricity consumption).

7.3.1.1. Methane consumption

The Estra Group uses methane gas to heat its offices, branches and stores, as well as for a range of other reasons. In fact, the most intensive consumption of methane can be attributed to the operation of the M&R stations, co-generation systems and, more recently, the waste separation and processing system operated by Ecolat.

The consumption data also includes methane leaks caused by environmental events and physical leaks, or rather "normal" leaks associated the gas distribution process.

The table below provides a quantitative overview of the above data, with the exception of methane leaks, which are not considered as consumption in the strictest sense and are discussed at the end of this paragraph. The aggregate data shows a 16.7% increase in total methane consumption, partly due to the higher consumption of methane for gas distribution and partly due to the more intensive consumption by the Group's plants. In general terms, plants represent 71% of total methane consumption (compared with 67.5%

in 2020), while the remaining third relates to gas distribution to M&R stations (25.8%) and for use of offices, stores and branches (3.2%).

Looking at the data in more detail, methane consumption at offices, stores and branches fell by 40.5% compared to 2020. This was effectively due to the energy efficiency measures implemented at the Siena office, which involved the replacement of methane systems with latest generation heat pumps and the installation of photovoltaic panels (soon to be operational). Methane consumption at the Group's plants increased by 22.9% compared to 2020, due to the consumption of the co-generation plants analysed at the end of this paragraph.

Methane consumption of the Estra Group (net of leaks)

	2019		2020		2021	
	m ³	Gigajoule	m ³	Gigajoule	m ³	Gigajoule
Methane consumption at sites, offices and stores	216,560*	7,645	205,186*	7,239	122,095*	4,308
Methane consumption - gas distribution	943,165	33,297	883,422	31,168	1,008,813	35,592
Methane consumption - plants	1,206,994	42,611	2,257,554	79,649	2,773,716	97,859
Total	2,366,719	83,553	3,346,162	118,056	3,904,624	137,759

** For stores/offices whose data is not directly managed by Estra and for which accurate data was not available, estimates have been made based on known consumption data, adjusted to the surface area of the office.*

Methane consumption by Ecolat in 2021 was 1,777 cubic metres, compared to 1,452 in the previous year. Based on the data for 2020, this year 85% of consumption, or 1,510 cubic metres, represents actual plant consumption, while the remaining 15% is accounted for by the office. As in the previous year, the calculation was based on the ratio of office staff to plant personnel.

Before being entered into the grid for use, the methane gas is heated, decompressed and regulated using specific infrastructure known as M&R (metering and regulation) stations. The activity carried out by these systems is essential to the distribution process and uses methane gas.

In total, in 2021 methane gas consumption for the gas distribution process increased by 14.2% compared to 2020, and by 7% compared to 2019 (pre-pandemic).

The Estra Group has 5 co-generation plants, which can be divided by source as follows:

a) renewable source

- the biomass co-generation plant in Calenzano, fed by wood chips, with an electrical output of 799 kW and a thermal output of 4,500 kW;

b) non-renewable source

- the trigeneration plant in Sesto Fiorentino, fuelled by methane, with an electrical output of 1,605 kW, a thermal output of 1,596 kW and a cooling output of 561.6 kW;
- the Malizia co-generation plant in Siena, fuelled by methane, has an electrical output of 135 kW and a thermal output of 210 kW;
- the Mattioli co-generation plant in Siena, fuelled by methane, has an electrical output of 520 kW and a thermal output of 876 kW.
- the Termas co-generation plant at Ancona, fuelled by methane, is equipped with a plant with three heat generators and two co-generation plants, for a total electrical output of 3,000 kW and a total thermal output of 19,000 kW.

As shown in the table below, the co-generation plants recorded a rise in methane consumption of 22.9% compared to 2020, in terms of volume, this increased from 2,256,320 cubic metres in 2020 to 2,772,206 cubic metres in 2021. This increase was due to the increase in consumption at the Sesto plant and the Termas plant in Ancona. Specifically, in 2021 the Sesto plant connected around 150 apartments to its network, although not all are currently occupied. At the Ancona plant, new large-scale connections were recorded, such as the connection to Ancona hospital. Methane consumption by the renewable energy plant increased by 15.7%. This is due to the fact that the plant had two months of downtime, resulting in the consumption of methane to enable the continuation of services to users. As regards the plants fuelled by methane, the increase was much greater (+24.4%) due to the increased consumption at the Sesto and Ancona plants noted above. The table below shows the breakdown of this consumption.

Methane consumption of co-generation plants

	2019		2020		2021	
	m ³	GJ	m ³	GJ	m ³	GJ
Plant fuelled by biomass	324,663	11,462	403,246	14,227	466,481	16,458
Plants fuelled by methane	882,331	31,149	1,853,074	65,378	2,305,725	81,348
Total	1,206,994	42,611	2,256,320	79,605	2,772,206	97,806

Information on methane leaks, which are included in the data for total methane consumption of the Group, is provided below.

The data for methane leaks refer to Centria; Murgia Reti Gas and Gergas did not record any methane leaks due to environmental events. In 2021 there were five environmental events, mainly due to third parties, which resulted in methane leak totalling 119,830 cubic metres. Two events were responsible for most of the gas leaks, both of which occurred in the Municipality of Lastra a Signa in the province of Florence. The remaining leaks occurred in the municipalities of Castelpizzuto and Frosolone in the province of Isernia, and Radicofani in the province of Siena.

Normal methane leaks, or rather those that are associated with the gas distribution service provided by Centria, Gergas and Murgia Reti Gas, amount to 2,349,002 cubic metres; when leaks due to environmental events are factored in, the total amounts to 2,468,832 cubic metres.

7.3.1.2 Electricity consumption

The electricity consumption of the Estra Group concerns consumption by networks and by the photovoltaic plants of office and retail spaces (sites, offices and stores), the co-generation and photovoltaic (and wind) plants, as well as those operated by companies as part of the gas distribution service (Centria, Gergas and Murgia Reti Gas). Since 2020 the consumption data also includes the Ecolat waste separation and treatment plant, and from 2021 the industrial waste storage and treatment system operated by Ecos will also be considered.

Total electricity consumption by the Estra Group fell by 1.1% compared to the previous year. The most significant consumption component concerns sites, offices and stores. In this regard, in 2021 a total of 3,549,324 kWh was consumed by offices, stores and branches, marking a further decrease on 2020 (-3.8%) due to the effect of measures to optimise supply management and improve the efficiency of the central heating and air conditioning systems. This consumption mainly relates to lighting, power and office air conditioning and includes, in the case of the Prato site, the energy consumption of two electric vehicles owned by the Estra Group and, for the Arezzo office, the consumption of one electric vehicle owned by the Group. With regard to electricity consumption at offices, branches and stores, it is noted that 19.6% (697,054 kWh)

relate to the 100% certified and renewable “Scelta Pura Luce” tariff. The data is considerably higher than in the previous year when consumption from the “Scelta Pura Luce” tariff was 281,753 kWh, or 7.6% of total office/store/branch consumption.

The offices in Arezzo and Prato are partly supplied with renewable energy produced by the photovoltaic systems installed on the roofs of the respective offices. Unlike the other photovoltaic plants, these systems are not owned by the Group. In 2021, consumption from this renewable source increased considerably thanks to the more efficient use of the plants.

*Electricity consumption of the Estra Group**

	2019		2020		2021	
	kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
Electricity consumption from the grid	6,605,027	23,778	7,136,870	26,693	7,059,254	25,413
<i>of which and offices, branches and stores</i>	4,069,021	14,648	3,687,949	13,277	3,549,324	12,778
Solar electricity consumption by offices	59,121	213	74,588	269	307,424	1,107

* The table does not include internal consumption of electricity produced by the renewable energy plants managed and operated by the Group, which is reported in the “Fight against climate change” paragraph.

In 2021, compared to the previous year electricity consumption from the grid by co-generation systems fell by 12.8%. Specifically, consumption by plants fuelled by biomass was slightly higher (+1%) and therefore in line with 2020, while the reduction was entirely attributable to the plants fuelled by methane (-14.7%). The reduction was achieved by adapting the start-up and shutdown processes of the plants. In fact, by keeping the motor active for longer periods, it is possible to reduce the consumption associated with the traditional start-up/shutdown of the plant, thus providing greater cost-effectiveness.

Electricity consumption from the grid - co-generation plants

	2019		2020		2021	
	kWh	GJ	kWh	GJ	kWh	GJ
Plants fuelled by biomass	187,591	675	211,914	763	214,012	770
Plants fuelled by methane	737,181	2,654	1,520,967	5,475	1,297,622	4,671
Total	924,772	3,329	1,732,881	6,238	1,511,634	5,442

In 2021, electricity consumption from the grid by photovoltaic plants - particularly the main plants at Cavigilia and Tegolaia - fell by 25.8% compared to the previous year due to the reduction in production in 2021, as discussed in more detail in paragraph 7.4.1.1 on renewable energy production.

Electricity consumption from the grid - photovoltaic plants

2019		2020		2021	
kWh	GJ	kWh	GJ	kWh	GJ
400,996	1,444	379,051	1,365	281,142	1,012

Electricity consumption at the Centria, Gergas and Murgia Reti Gas plants (generally small in scale and composed of M&R stations, remote meter reading systems and power supplies for the cathodic protection of pipelines) was in line with the trends observed in 2019 and 2020. In 2021, this consumption increased by 4% compared to the previous year.

Electricity consumption from the grid of the Centria, Gergas and Murgia Reti Gas plants

2019		2020		2021	
kWh	GJ	kWh	GJ	kWh	GJ
768,655	2,767	826,810	2,977	860,481	3,098

In 2021, despite being inactive the wind generators in Sardinia consumed 350 kWh.

Finally, total electricity consumption by the two waste management companies (Ecolat and, from 2021, Ecos) was 895,732 kWh, calculated using the same criteria applied to Ecolat for methane consumption.

Ecolat's consumption was divided as follows: 21,509 kWh (4%) by offices, 516,206 kWh (96%) by the plant. The breakdown was different in 2020 as there used to be a separate company that used the same office as Ecolat, which therefore accounted for some of the consumption. This company was no longer present in 2021 and therefore total consumptions can be accurately split between office and plants according to the percentages shown above (4% for the office, 96% for the plant).

The consumption of the new company Ecos was divided as follows: 17,901 kWh (5%) by offices, 340,116 kWh by the plant.

7.3.1.3 Vehicle consumption

The Group has a fleet of 345 vehicles. Of these, 15 are unlicensed vehicles that transport goods within the Ecos and Ecolat plants (in 2020 these were not included in the total figure). There is also a campervan converted into a mobile store, which ceased to operate at the end of September 2021, one scooter and four electric cars.

Compared to 2020, the number of electric vehicles has increased by seven: this increase refers to 5 unlicensed vehicles operated by the company Ecos (4 forklifts and 1 road sweeper) and the addition of two new electric vehicles, one at the Prato office and the other at the Arezzo office; as such each of the Group's main offices (Arezzo, Prato and Siena) has access to at least one electric vehicle.

Vehicles owned by the Group increased from 25 in 2020 to 47 in 2021, due mainly to the vehicles acquired as part of the acquisition of Ecos. The remained 298 vehicles are leased. The Group continues to adopt a policy to lease vehicles rather than to buy them outright. This decision helps to reduce the Group's environmental impact thanks to the progressive replacement of vehicles with latest-generation models, and ensures the safety and protection of workers, who have access to new and technologically advanced vehicles. The policy also enables a significant cost saving.

After the reduction in the mileage travelled and total consumption of the Group's vehicles in 2019 and 2020 due to the COVID-19 pandemic, in 2021, both figures increased by +29.4% (mileage) and +22.6% (diesel and petrol consumption), albeit pre-pandemic levels have not yet been reached.

Vehicle fleet

	2019	2020	2021
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Number	347	323	345
Distance travelled (km)	7,078,176	5,971,324	7,725,495

	2019		2020		2021	
	L	GJ	L	GJ	L	GJ
Diesel	514,401	16,777	444,917	15,991	543,169	19,544
Petrol	9,125	287	14,165	445	19,689	646

	2019		2020		2021	
	m ³	GJ	m ³	GJ	m ³	GJ
Methane	1,555	55	0	0	0	0

	2019		2020		2021	
	kWh	GJ	kWh	GJ	kWh	GJ
Electricity	309	1	743	3	267	1

With regard to fuel source, 92.2% of company vehicles are powered by diesel, 4.9% by petrol, 2.6% are electric and 0.3% (one vehicle) is bi-fuel (methane and petrol). There is no data available for the bi-fuel vehicle.

Vehicle consumption data also includes the fuel used by 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. As noted in the chapter “Customers and the community”, the mobile store ceased to operate on 30/09/2021.

The petrol consumption shown in the table also includes consumption relating to the operation of two generators at the Prato site aimed at ensuring, when necessary, the energy self-sufficiency of the server and telecommunications system. Due to the negligible amount of petrol consumed, it was not possible to separate the data regarding the consumption of the generator and the generator units from that of vehicles.

Total diesel consumption data includes the fuel used by the unlicensed machinery operated by Ecolat (5 unlicensed vehicles and 1 shredder) and Ecos (9 vehicle: 4 diesel-powered and 5 electric). These vehicles operate exclusively within the plants as forklifts, loaders and cherry-pickers and are essential to the plant's activities.

The electricity consumption shown in the table concerns one of the Group's four electric cars - specifically the vehicle at the Siena office - which is usually charged using the charging station installed in the office car park. The consumption of the other three electric vehicles and the unlicensed electric machinery operated by Ecos is included in the consumption data for the Prato, Arezzo and Ecos offices.

7.3.2 Water consumption

The water consumption shown in the table below refers to consumption at the Group's main sites. The data therefore refer to the offices in Montepulciano, Arezzo, Prato, Siena and Ancona.

Water consumption at Group sites

2019	2020	2021
m ³	m ³	m ³
14,100	10,760	9,983

Water is used to guarantee the operation of the biomass plants in Calenzano and the district heating system in Sesto. These plants consumed 6,963 cubic metres of water in 2021 compared to 10,423 cubic metres in the previous year, with a percentage reduction in water consumption of 33.2%. In detail, in 2021 the consumption at the two plants is measured as the algebraic difference between water withdrawn (8,349 cubic metres) and water discharged (1,386 cubic metres).

Water consumption at the Calenzano plant is required in order to:

- reintegrate the water from the “ash extinguisher” system emitted from the boiler, which involves the production of bottom ash and aqueous solutions;
- pressure wash the boiler twice a year. This is taken from the grid, recovered and processed as waste. The optimisation of the water collection process has led to reductions in the amount of waste produced during cleaning processes, not with regard to the liquid component but rather due to the possibility to extract solid waste using a conveyor belt which is recovered when the tanker collects the aqueous solutions, reducing the final weight;
- the water is then reintegrated into the cooling tower which is used under one of the district heating system substations for air conditioning in one of the nearby buildings.

The Ecolat plant uses water to clean the storage area and the fuel tank of unregistered machinery. This water is withdrawn from the network and is not discharged to the sewers but rather evaporated as part of the production cycle to produce cooling energy. Discharged water mainly derives from the storage tank located at the base of the evaporation tower, discharged when the plant is mothballed for winter.

In 2021 the Ecolat plant consumed 1,318 cubic metres of water compared to 2,143 cubic metres in 2020, a reduction of 38.5%. In detail, in 2021 the consumption at the plants is measured as the algebraic difference between water withdrawn (from the public water system and groundwater) and water discharged for treatment, which was 287 cubic metres.

The reduction was enabled by the return to normality after the leaks in the groundwater system in the previous year. Total water reserves stored in fire protection systems at the start and end of the 2019-2021 three-year reporting period were 90 cubic metres.

The Ecos plant consumed 611 cubic metres of water. Total water reserves in the 9 water tanks of the fire prevention system stood at 246 cubic metres at both the start and end of the 2021 reporting period.

7.3.3 Environmental mitigation actions

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

- ensuring energy efficiency through a specialist company, Estra Clima;
- encouraging the use of electric vehicles;
- producing energy from renewable sources;
- recovering generated waste.

7.3.3.1 Energy efficiency of offices

The energy efficiency measures at the Estra Group's activities were continued. During the year, the works at the Siena office were nearly completed and the office is now able to operate the heating and air conditioning

units autonomously using a new system. At the Prato site, the building owner formally approved the project to replace the external lights on Via Panziera and Via di Grignano; the replacements will take place in 2022. Finally, at the Arezzo office the entire lighting system was replaced with LED lights and the energy efficiency measures on the first floor of the Arezzo office were completed.

The separation of energy utilities, which is crucial to correctly attributing and reducing consumption, also saw considerable progress in 2021. At the Arezzo office, new water meters were installed in the canteen and in the fire prevention system. At the Siena office, meanwhile, the electricity supplies of Estra and the consortium Terre Cablate ed Acquedotto del Fiora were separated.

7.3.3.2 Electric mobility

In 2021 the Group continued to pursue its commitment to decarbonisation through the promotion of mobility systems able to reduce environmental impacts, and specifically through the provision of public charging infrastructure in major cities located in the Group's regions of operation.

Since the first charging station was opened in December 2016, the electric and sustainable mobility sector has recorded steady growth. In fact, several municipalities are adopting specific plans and guidelines to regulate the installation of charging systems.

At the end of 2021 there were 24 charging stations installed in Tuscany and Marche (+5 compared to last year's total, all of which were installed in the municipality of Calenzano).

The charging stations are active 24 hours a day and feature two 22 kw, type 2 (rapid charging) sockets. To “fill up”, Estra has developed a rapid and innovative charging system based on two elements: a credit card and the dedicated app available for IOS and Android systems. To activate and manage charging and mobile payments, users must simply connect to the wireless hotspot at the e-charging station, download the “Estra ricarica” app and sign up. The app has various functions, including the option of viewing all charging stations on an interactive map. The service is also available to non-customers. The charging stations installed by the Group were used 15,791 times in 2021 and the energy used to supply the charging systems is 100% renewable.

Furthermore, to promote sustainable mobility among customers, including through partnerships and specific agreements, Estra sells e-bikes and electric scooters at its stores: in 2021, 27 e-bikes and 117 scooters were sold.

Furthermore, the partnership between Estra and MiMoto to deliver the scooter sharing system in Florence continued.

With a view to reducing its environmental impact on the local area, in 2021 the Estra Group continued to operate a disincentive policy aimed at reducing the use of company vehicles for business journeys between offices through the use of the Cisco Webex video-conferencing system.

7.3.3.3. Replacement of asbestos roofing

As in previous years, in 2021 the Estra Group - through the distribution company Centria - continued to monitor and analyse the asbestos roofs of M&R stations in order to assess and reduce the risks associated with the use of hazardous materials.

During the year, Centria removed and replaced 2 asbestos roofs in the municipalities of Cavriglia and Terranuova Bracciolini, thus removing a substance that is highly dangerous both to the environment and human health. The works were entrusted to companies registered on the national register of environmental operators for category 10A and, as they concerned asbestos-containing materials, were conducted in compliance with the safety measures envisaged by current environmental protection and occupational health and safety law. Both roofs were completely removed and replaced with fibreglass panels, a material that offers excellent impermeability, protection and structural stability. The old roofs were completely disposed of.

7.3.4. Waste generated

2021 was characterised by a return to near-normality after the disastrous year that was 2020, dominated by the onset of the global pandemic and signalling the start of 9 months of remote working for the Group's employees.

As such, total waste generated increased by 68.8% compared to the previous year. However, when compared to the pre-pandemic levels of 2019, in 2021 there was a slight decrease of 1.8%.

In general terms, the Estra Group's policy to gradually reduce the amount of waste produced inevitably encounters extraordinary circumstances that generate more waste, such as warehouse clearances. In fact, in 2021 the amount of waste disposed of, some of which was classified as hazardous waste, was considerable. This extraordinary event - which will therefore not be repeated in future years - was the result of a huge clear-out of old products, fittings and various materials, mainly in the Siena office.

Another key element when considering the Group's waste is the biomass co-generation plant. This plant generates three main types of waste: fly ash, bottom ash and water used to extinguish bottom ash. The impact of this waste on total waste is significant (61% in 2021).

In 2021 the waste produced by the plant totalled 489,120 kg, compared to 236,560 kg in 2020 and 526,650 kg in 2019. The 106.8% increase compared to 2020 was not only due to the return to operational capacity of the plant after the extraordinary maintenance carried out in 2020, but also due to the difficulty associated with the disposal of fly ash and bottom ash, which results in occasional increases in the amount of material stored at the Calenzano plant. That said, the waste generated by the plant fell by 7.1% compared to 2019.

Paper consumption fell slightly (-2%) from 9,612 kg in 2020 to 9,415 kg in 2021. This data was obtained by analysing the consumption data recorded by the multi-function printers with passes, the procurement data where not detectable by the system (Ecolat and Gergas), and estimated data for certain smaller offices. With regards to Ecos, which was fully acquired by the Group in February 2021, the data considered the amount of paper recorded by the printers in April 2021 (the month in which the printers were installed), applying the figure to the other 11 months.

As regards the composition of the waste, a detailed analysis shows that most waste (94%) was sent for recovery rather than disposal, as was the case throughout the 2019-2021 reporting period, demonstrating the Group's willingness to prioritise recovery over disposal with a view to general waste sustainability.

Waste generated by the Estra Group

Kg	2019	2020	2021
Total general waste	810,692	471,525	795,918
Total non-hazardous waste	774,688	469,215	784,684
Total hazardous waste	36,004	2,310	11,234
Total waste sent for recovery	746,176	441,162	746,892
Total waste sent to landfill	64,516	30,363	49,026
Total non-hazardous waste sent for recovery	744,928	439,672	741,377
Total non-hazardous waste sent to landfill	29,760	29,543	43,307
Total hazardous waste sent for recovery	1,248	1,490	5,515
Total hazardous waste sent to landfill	34,756	820	5,719

We printed, we planted

The Estra Group has signed up to the PrintReleaf certification system, which measures the Group's paper consumption and compensates for the number of trees felled to produce it by planting the equivalent number of trees through an automated global reforestation platform.

The online platform measures the paper consumption of every single print project (weight and volume) and, at the same time, determines the equivalent number of trees to be planted through a certified global reforestation process (Brazil, Dominican Republic, India, Ireland, Madagascar, Mexico and the United States). Subsequently, PrintReleaf activates an eight-year auditing process to monitor the progress and survivability of the planted trees through the company SGS International, the world's leading testing, inspection and certification company.

In 2021 Estra offset the equivalent of 2,461,248 standard sheets of paper by planting 295 trees through the PrintReleaf system.

The data for 2021 was slightly below the 2,558,456 standard sheets of paper and 307 planted trees in 2020 due to the awareness of users towards environmental sustainability and reducing the reduction of consumption and paper waste to improve their environmental impact.

The Group has 150 printers connected to the PrintReleaf system, accounting for approximately 89% of all printing units across all Group companies: in 2021 the process to update older printers continued and the printers in the Siena, Arezzo, Murgia, Rieti and Fano offices are now compatible with the PrintReleaf standard.

7.3.5 NOx and PM10 emissions produced

In 2021, total NOx and PM10 emissions fell by 12% compared to the previous year.

As regards the type of emissions produced, the data collected at the end of 2021 with regard to nitrogen oxide and mixtures thereof (NOx) show a reduction of around 6.1% compared to 2020, while PM10 emissions (particulate matter) were effectively eliminated.

NOx and PM10 emissions produced by vehicle use

tonnes	2019		2020		2021	
	NO _x	PM10	NO _x	PM10	NO _x	PM10
Diesel	4.138956	0.284356	3.457801	0.237709	3.246316	0.000118
Petrol	0.130109	0.005054	0.032170	0.005117	0.039948	0
Methane	0.002565	0.000754	N/A	N/A	N/A	N/A
Total	4.271631	0.290344	3.489971	0.242826	3.286264	0.000118

7.4 The fight against climate change

The Estra Group operates several electricity and thermal energy production plants. Much of the energy is entirely produced using renewable sources.

7.4.1 Energy generation plants

7.4.1.1 Energy production from renewable sources

Given the energy transition and the recent geopolitical crisis unfolding on our continent, renewable energy has never been such a pressing topic. The European Union's target to achieve carbon neutrality by 2050 is as ambitious as it is necessary.

In line with EU policies and targets, for some time the Estra Group has been diversifying its energy production sources. Most of the energy produced derives from the Group's many photovoltaic plants of varying sizes and located in six regions in Italy (the largest plants are 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 table below shows that in 2021, in line with 2020, 85.7% of the Group's energy production 2021 referred to solar, 14.1% to biomass and 0.2% to hydroelectric.

*Total electricity produced from renewable sources**

	2019		2020		2021	
	kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
Photovoltaic	28,561,958	102,823	27,857,303	100,286	25,976,776	93,516
Biomass	5,126,000	18,454	4,311,626	15,522	4,265,743	15,357
Wind	0	0	2,220	8	2,184	8
Hydroelectric	91,886	331	84,409	304	62,737	226

* 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 27,745,233 kWh in 2019, 26,780,202 kWh in 2020 and 24,959,831 kWh in 2021; electricity generated from biomass and sold was 3,519,769 kWh in 2019, 2,970,868 kWh in 2020 and 2,963,833 in 2021; electricity generated from hydroelectric sources and sold was 90,134 kWh in 2019, 82,721 kWh in 2020 and 61,598 kWh in 2021.

Photovoltaic

In 2021, electricity production from photovoltaic systems was 25,976,776 kWh. This marked a drop of 6.7% compared to 2020 due mainly to faults at certain plants. In the 2019-2021 three-year reporting period, production fell by 10%, from 28,561,958 kWh in 2019 to 25,976,776 kWh in the last year. 70% of the energy from photovoltaic systems is produced at the Cavriglia and Tegolaia plants, which produce 10,712,172 kWh and 7,520,223 kWh respectively.

Biomass

As well as generating thermal energy, the Calenzano biomass plant generates electricity through an ORC turbine. The electricity is mainly absorbed by the auxiliary equipment required to operate the turbine itself, the biomass boiler and the district heating pumps; any surplus energy is transferred to the national grid.

In 2021, electricity produced from biomass fell by only 1%, with production data remaining largely in line with the previous year.

Wind

Electricity is produced from the two wind farms owned by Estra Clima in Sardinia. In 2021 the plants generated 2,184 kWh of wind energy.

Hydroelectric

Hydroelectric energy is produced by Idrogenera. In 2021 production fell by 25.6% compared to the previous year. This reduction is mainly due to an incident attributable to third parties in the year (the cables of the plant

were severed) which halted production. Consequently, electricity sold to the national grid fell from 82,721 in 2020 to 61,598 in 2021.

The Calenzano biomass plant produces thermal energy which is used to supply hot water and heating to several public and private buildings. In 2021 production increased by 6.1% compared to 2020. However, thermal energy remains well below the level recorded in 2019. This is due to the fact that in 2021 there were two months of downtime which reduced annual production. In any case, the plant has been operational for a long time and will be reconditioned in the coming years.

*Thermal energy produced from the biomass plant**

2019		2020		2021	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
24,074,439	86,668	17,494,171	62,979	18,562,500	66,825

*The thermal energy transferred was 7,983,301 kWh in 2019, 6,126,697 kWh in 2020 and 6,365,617 kWh in 2021.

In 2021, cooling energy produced by the biomass co-generation plant increased by 8.2% (+83,170 kWh), while cooling energy transferred decreased by 3.2% (-29,386 kWh) compared to the previous year.

*Thermal energy produced from the biomass co-generation plant**

2019		2020		2021	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
1,259,340	4,534	1,018,400	3,666	1,101,570	3,966

*The cooling energy transferred was 649,458 kWh in 2019, 910,343 kWh in 2020 and 880,957 kWh in 2021.

Green energy

Since 2019 Estra has pursued a project to expand its range of green products and tariffs available to domestic and business customers, establishing the Scelta Pura Luce tariff and then in 2020 the Scelta Pura Gas tariff. Scelta Pura Luce is a certified renewable energy package designed to offer an attractive alternative focused on protecting the environment and the local region. In fact, the electricity supplied with Scelta Pura Luce comes exclusively from renewable sources certified with a Guarantee of Origin, thus guaranteeing full compliance with international standards and trustworthy sources.

Scelta Pura Gas guarantees CO₂ offsetting for retail gas consumption through funding for international renewable energy projects aimed at combating climate change.

In particular, the Estra Group has signed a three-year agreement with AzzerCO₂, a company owned by Legambiente and Kyoto Club specialising in sustainability and energy, aimed at the launch of a structured offsetting programme for CO₂ emissions generated during the combustion phase of the Group's methane gas sales. The emissions are offset through the purchase of CO₂ credits on the voluntary market from certified Gold Standard international renewable energy projects selected for their exemplary social, environmental and economic characteristics and which comply with the leading internationally recognised auditing standards.

There were 61,245 active contracts at the end of 2021, compared with 21,377 in the previous year (+186%), a testament to the success of the new tariffs and the communication campaigns, and emphasising the growing awareness among customers of environmental issues. In 2020, consumption linked directly to green tariffs aimed at domestic and business customers was 27.5 million kWh, rising to around 117 million kWh in 2021.

At year-end 2021, active green gas contracts totalled 244,835 (compared to 7,050 in 2020, +3,372%), with a total consumption of over 79 million cubic metres (compared to 1 million cubic metres in 2020).

Furthermore, Estra has signed up to Mosaico Verde, a national reforestation campaign devised and promoted by AzzerCO₂ and Legambiente which aims to unify the need for municipalities and park authorities to restore

urban and suburban green spaces with the desire of businesses to invest resources to create or protect forests as an action of corporate social responsibility and to combat climate change.

The main aim of the reforestation projects is to reduce CO₂ emissions while also helping to increase local biodiversity and restore tree cover to improve the landscape of the areas in question, which are mainly heavily urbanised. Individual initiatives that aim to improve public accessibility to such spaces are also important, such as the creation of woodland areas that offer residents the possibility to rediscover their local areas.

After the first three projects in the municipalities of Civitella in Val di Chiana (AR), Calenzano (FI) and Ancona, which led to 2500 new trees being planted, in 2021/2022 Estra will support initiatives in Arezzo, Follonica (GR) and Macerata with the addition of a further 3,000 trees. The actions supported by Estra aim to plant a total of around 9,000 trees over the three-year period.

7.4.1.2 Energy production from non-renewable sources

Estra produces energy from non-renewable sources via four methane-powered co-generation plants owned by Estra Clima and located in Sesto Fiorentino, Siena and Ancona. The plants support the renewable energy plants and contribute to the production of electricity, thermal energy and cooling energy.

As shown in the table below, there was a considerable increase in electricity production (150%) compared to 2020. This is mainly due to the increased use of the Ancona plant, which only produced electricity in November and December in 2020, compared to 2021 when it produced electricity throughout the season. Furthermore, the amount of electricity produced at the Sesto Fiorentino plant increased to meet the higher demand for thermal energy resulting from the increased number of connected users.

The production of thermal energy also increased by 14.3% in 2021 compared to the previous year. This was mainly attributable to the Ancona plant where there was greater demand from users (due to the connection of Ancona hospital to the grid, for example). Usage also increased at the Sesto Fiorentino plant due to the connections to new apartment blocks.

Finally, cooling energy, which is only produced at the Sesto and Calenzano plants, increased by 51.6%. This considerable increase is partly due to the reopening of businesses such as hotels, sports facilities and certain public offices that had been forced to close during the lockdown, and partly due to the increase in the number of users of the Sesto plant and the larger time-slot required by those users.

Consequently, during the year the total amount of energy transferred was 40.7% higher than in 2021.

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

	2019		2020		2021	
	kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
Electricity	761,727	2,742	990,952	3,567	2,501,692	9,006
Thermal energy	6,991,160	25,168	16,381,440	58,973	18,732,062	67,435
Cooling energy	609,953	2,196	490,342	1,765	743,646	2,677

* The table shows the amount of electricity, thermal energy and cooling energy produced by non-renewable sources; transferred electricity from non-renewable sources was 652,769 kWh in 2019, 631,341 kWh in 2020 and 2,126,986 kWh in 2021; transferred thermal energy from non-renewable sources was 5,885,315 kWh in 2019, 11,434,993 kWh in 2020 and 14,810,433 kWh in 2021; transferred cooling energy from non-renewable sources was 435,681 kWh in 2019, 408,618 kWh in 2020 and 619,705 kWh in 2021. Cooling energy was generated and transferred by the Sesto Fiorentino plant only.

7.4.2 Self-consumption of electricity from renewable sources

Some of the electricity produced by the Group's plants is self-consumed by those same plants. In 2020, there was an increase of 40.2% in electricity consumption from photovoltaic systems due to the deterioration of the power-factor correction components of the transformers, which increased electricity loss and thus increased consumption. In 2021 consumption increased slightly by 3.8% compared to the previous year, for the same reasons noted above.

The biomass plant recorded a fall in self-consumption of 7.2% compared to the previous year due to the reduced operation of the plant. In this regard, the plant was subject to two months of downtime in 2021.

*Self-consumption of electricity by photovoltaic systems**

2019		2020		2021	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
698,981	2,516	979,746	3,527	1,016,945	3,661

* Estimates refer to 2019 only and were calculated by multiplying the production-emission variation by the coefficient, which was 0.85 for Cavriglia and Tegolaia, 0.80 for Teseco, Gibilisco and Sansepolcro, and 0.90 for other photovoltaic systems. The data for 2020-2021 refers to actual data, not estimates.

Self-consumption of electricity by biomass systems

2019		2020		2021	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
1,606,241	5,782	1,401,893	5,047	1,301,197	4,684

Self-consumption of electricity by the hydroelectric plant was estimated at 1,100 kWh.

7.4.3 Energy efficiency

The Estra Group has always taken an active approach to energy efficiency. Over the years, this activity, which is managed by Estra Clima, has led to the implementation of various projects, including the ESCO formula initiatives, the installation of co-generation plants and public lighting projects. The latter project was launched in 2019 with the municipality of Calenzano and aims to improve the energy efficiency of the public lighting systems with the installation of 20 video-surveillance cameras to monitor the correct operation of the plants, and three new e-vehicle charging stations.

In the previous three-year reporting period, Estra Clima has focused its activities on the replacement of traditional boilers for residential customers with the installation of condenser boilers equipped with external temperature control sensors. In the 2019-2021 three-year period, these activities more than doubled (105%) and the number of projects implemented in 2021 (379) is over two times the number in 2019 (185). This consistent and exponential growth is directly linked to the debt transfer contract formula, which provides for income tax breaks of 50% or 65% for those who purchase a condensing boiler, with the possibility of transferring the credit to the supplier (in our case Estra) without having to wait 10 years to recover the overall benefit.

As regards apartment renovations and reconditioning measures, 22 projects were carried out in 2021, a 37.5% increase on the 16 conducted in 2020. Given the complex nature of the works compared to a simple boiler replacement, this increase is due to the slow but steady improvement of the pandemic in 2021, which enabled many projects that had been reduced to a minimum in 2020 to be continued.

Number of projects carried out

Type of project	2019	2020	2021
Apartment renovation and reconditioning	32	16	22
Replacement of domestic boilers	185	313	379

7.4.4 CO₂ emissions

7.4.4.1 Emissions produced

The emissions produced are caused by the following:

- methane and electricity consumption for use at sites, offices and plants;
- methane consumption to heat the M&R stations on the gas distribution network;
- gas leaks and energy loss from production and distribution plants;
- vehicle fuel consumption.

As refined by the reference standards, emissions are divided into:

- Scope 1: direct CO₂ emissions produced, originating from sources owned or controlled by the company;
- Scope 2: indirect CO₂ emissions deriving from the company's activities, originating from the use of electricity taken from the grid.

Scope 1 emissions increased by 14.4% from 51,318 tonnes of CO₂ in 2020 to 58,728 tonnes of CO₂ in 2021. From last year, emissions data also includes the normal methane leaks associated with the gas distribution activity, as well as classic methane leaks caused by environmental events. The impact of these emissions on total Scope 1 emissions in 2021 was 84.3%.

Combustion emissions increased by 17.7% in 2021 compared to the previous year. This was mainly influenced by the increase in methane consumption by plants, with particular reference to the non-renewable co-generation plants. The impact of these plants on emissions was 4,572 tonnes of CO₂ (representing 49.5% of total combustion emissions) compared to 3,676 tonnes of CO₂ produced in 2020: this is net of the decline in consumption achieved thanks to the energy efficiency and optimisation measures implemented in the Group's offices (described in paragraphs 7.3.1.1 and 7.3.3.1 above), which led to lower emissions. Finally, diesel consumption increased compared to 2020 due to the progressive return to normality post-lockdown, which caused CO₂ emissions to increase 18.9% from 1,177 tonnes in 2020 to 1,451 tonnes in 2021.

In line with the provisions of the GRI standards, the table below records separate data for Scope 1 emissions deriving from methane leaks.

Total Scope 1 emissions

CO ₂ (tonnes)	2019	2020	2021
Scope 1 emissions - from combustion	6,059	7,848	9,233
Scope 1 emissions - from methane	1,671	43,470*	49,495

* Connection data for Murgia Reti Gas was not available; emissions relating to physical leaks have been estimated and therefore may be higher than those reported.

The data for Scope 2 emissions (calculated according to the location-based and market based approach) was the lowest observed in the three-year period. In fact, thanks to the measures to optimise and improve the efficiency of the Group's offices and plants (as described in section 7.3.1.2), there was a reduction in emissions

both according to the location-based approach (-7% compared to 2020) and the market-based approach (-8.6% compared to the previous year).

The table below compares total Scope 2 emissions in the 2019-2021 period, calculated according to the location-based and market-based approaches.

Total Scope 2 emissions

CO ₂ (tonnes)	2019	2020	2021
Scope 2 emissions - Located Based	2,371	2,398	2,224
Scope 2 emissions - Market based*	3,192	3,194	2,918

*Consumption relating to the “Scelta Pura Luce” tariff has been excluded.

7.4.4.2 Emissions avoided

Emissions avoided refer to two main categories:

- energy efficiency measures;
- energy production from renewable sources (mainly photovoltaic).

*Total emissions avoided (tonnes)**

Total emissions avoided (tonnes)	CO ₂
2019	12,455
2020	14,391
2021	13,204

Considering the data of the two items mentioned above, in 2021:

- the amount of CO₂ emissions avoided due to energy efficiency measures decreased by 7.6%, falling from 421 to 389 tonnes in 2021 thanks to CO₂ savings enabled by apartment renovation and reconditioning projects and the replacement of boilers in domestic residences;
- emissions avoided due to electricity production from renewable sources, equating to 9,548 tonnes of CO₂, fell by 13.5% compared to 2020.

During the year emissions were also avoided thanks to the production of thermal energy (3,230 tonnes) and cooling energy (36 tonnes). Therefore, emissions avoided through renewable energy production in 2021 amounted to the equivalent of 12,813 tonnes of CO₂.

However, as highlighted in the table below the most significant portion of emissions avoided continued to be represented by the production of electricity from renewable sources.

Emissions avoided through the production of electricity from renewable sources (tonnes)

	2019	2020	2021
	CO ₂	CO ₂	CO ₂
Electricity production from photovoltaic	10,254	9,360	8,183

systems			
Electricity production from biomass systems	1,840	1,449	1,344
Electricity production from wind systems	0	0.7	0.7
Electricity production from hydroelectric systems	33	28	20

Note on methodology

The reporting period for this Non-Financial Statement, published on an annual basis, is from 01/01/2021 to 31/12/2021. The reporting boundary includes all companies consolidated on a line-by-line basis referred to in the Consolidated Financial Statements of the Group, excluding Edma Reti Gas. The non-financial data of Edma Reti Gas, consolidated using the line-by-line method and included on the balance sheet since 17/10/21, will be included in future editions of the NFS.

This document has been prepared in line with the *GRI - Global Reporting Initiative - Sustainability Reporting Standards* according to the “*In accordance - Core*” option.

The reporting standards

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

The GRI Standards refer to the 2016 edition, with the following exceptions: “GRI 403: *Occupational Health and Safety*” and “GRI 306: *Waste*” of 2020. 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.

Material topics	GRI aspects	Internal impact	External impact
Reduction of internal consumption and waste	302 – Energy 306 - Waste	X	
Energy efficiency, renewable energies and sustainable mobility	305 – Emissions	X	
Development of local communities and education to promote sustainable development	201 - Economic Performance	X	
Creation of sustainable economic and financial value	201 - Economic Performance 204 - Procurement Practices	X	
Brand reputation and correct marketing and communications practices	417 - Marketing and Labelling	X	
Service quality and safety and customer satisfaction	416 - Customer Health and Safety	X	
Innovation, research and development		X	

Privacy and data protection	418 - Customer privacy	X	
Employment, development and enhancement of human capital	202 - Market Presence 401– Employment 404 - Training and education 405 - Diversity and equal opportunity	X	
Protection of the rights, health and safety of employees	403 - Occupational Health and Safety	X	Suppliers*
Company welfare	402 - Labour/management relations	X	
Protection of human rights	406 - Non-discrimination	X	Suppliers*
Responsible supply chain management	414 - Supplier Social Assessment 308 - Supplier Environmental Assessment	X	Suppliers*
Ethics, integrity and anti-corruption	206 - Anti-competitive behaviour 307 – Environmental compliance 205 - Anti-corruption 419 – Socioeconomic compliance	X	Suppliers*

* Aspects with significant impacts outside the Group were not included within the reporting boundary. The Group aims to incorporate these aspects in the future.

The calculation methodology

The main calculation methods and the parameters used in this document are described below:

- The work-related accidents rate is the ratio between the number of recorded occupational accidents, not including accidents during travel, and the total number of hours worked, multiplied by 1,000,000.
- The rate of work-related accidents with serious consequences (not including fatalities) is the ratio between the number of recorded occupational accidents with serious consequences (not including fatalities) and the total number of hours worked, multiplied by 1,000,000.
- The fatality rate is the ratio between the number of work-related fatalities and the total 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.
- To calculate the hours of absence for workers for whom data was not available, estimates were made using the following method. For each worker, the number of working days in one year was divided by 5 in order to calculate the number of working weeks. The number of working weeks was multiplied by the number of hours provided for in the contract to obtain the number of workable hours. Hours of

absence were calculated by multiplying the number of workable hours by the absenteeism rate of the Estra Group, represented by the ratio of hours of absence to workable hours (using employee data, where available). Hours worked were then calculated as the difference between workable hours and hours of absence.

- To calculate mileage not travelled due to remote working, four categories have been defined: 10-20 km, 20-40 km, 40-60 km, and 60 km+. For each category, the number of employees was identified and the average of the category was multiplied by the number of employees and the number of days spent remote working. The total mileage not travelled was calculated as the sum of the four categories.

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 2020 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) "Fifth Assessment Report IPCC". Furthermore, the quantity of methane is based on an estimate of gas leaks relating to incidents recorded by Centria, while Murgia Reti Gas and Gergas did not record any incidents. Finally, to calculate emissions resulting from physical gas leaks along the distribution network the Group used ARERA Resolution 39/2020/R/GAS, which refers to the documents published by the Technical Association of the European Gas Industry (Marcogaz), specifically "Assessment of methane emissions for Gas Transmission & Distribution System Operators" and "Survey Methane Emissions for Gas Distribution in Europe."
- 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 (2019 data).
 2. *Market based*: these emissions are calculated by multiplying the quantity of electricity withdrawn by the national electricity grid (net of energy consumed by the "Scelta Pura Luce" tariff) by the residual mix emissions factor for Italy according to the *European Residual Mixes, AIB* (2020 data).

Emissions of NO_x and PM₁₀ were calculated according to the most recent emission factors published by Ispra Ambiente in 2019.

Due to the impossibility of accurately determining the consumption of certain users due to the various contract types, certain data has been estimated.

The estimation method adopted does not follow the average consumption indicators per capita published on the AEGESI website as these do not apply to the types of property, given said assets are not constant but rather intermittent.

Based on these considerations, estimates have been made according to the following steps:

- First, the average consumption of the energy carrier is identified based on available data, identifying the consumption in square metres (total consumption of the energy carrier relative to the property for which data is available, divided by the area in square metres of said property).
- This value is then multiplied by the surface area of the property for which no consumption data is available in order to estimate average consumption per square metre.
- Finally, the figure is multiplied by a consumption index based on the property's weekly opening hours.

As regards the data for emissions avoided: the Group applied an internal methodology to calculate emissions avoided through the production of electricity, thermal energy and cooling energy from renewable sources. To

calculate emissions avoided due to renewable electricity, the quantity of electricity was multiplied by the emission factor taken from Terna's International Comparison of Enerdata figures (2018 and 2017 data).

As regards heating and hot water production:

- the calculation considered the thermal energy transferred to users of the biomass-powered district heating network, which was subsequently converted into primary energy considering the average seasonal performance of a condenser boiler (average seasonal performance of 94%). This primary energy was converted into consumption of methane equivalent using the calorific value indicated by SNAM Rete Gas for the supply of the Calenzano area. The calorific value of SNAM Rete Gas for the Calenzano area refers to the output of the natural gas distribution plant "34675600 - PoD PRATO". The conventional calorific output for 2020 is published at the link https://www.snam.it/it/trasporto/adempimenti-reporting-autorita/PCS_Convenzionale/ and is: 0.039365 GJ/m³. The value of methane equivalent is then used to calculate the CO₂ emissions and, therefore, emissions avoided.

As regards air conditioning systems:

- the calculation considered the cooling energy transferred to users of the biomass-powered district heating network which was subsequently converted into primary energy, considering the seasonal energy efficiency ratio (SEER) of the cooling unit (9.54). This primary energy was then converted into consumption of electricity equivalent. The value of electricity equivalent was then used to calculate the CO₂ emissions and, therefore, emissions avoided.

Finally, not all thermal energy produced by the biomass plant and transferred to the grid originates from the biomass plant; some of it derives from the methane boiler used as a backup in the case of plant downtime due to maintenance or fault. Therefore only the part relative to energy effectively derived from renewable sources is considered in the calculation of emissions avoided, not including the thermal energy produced from the woodchip boiler.

Materiality analysis

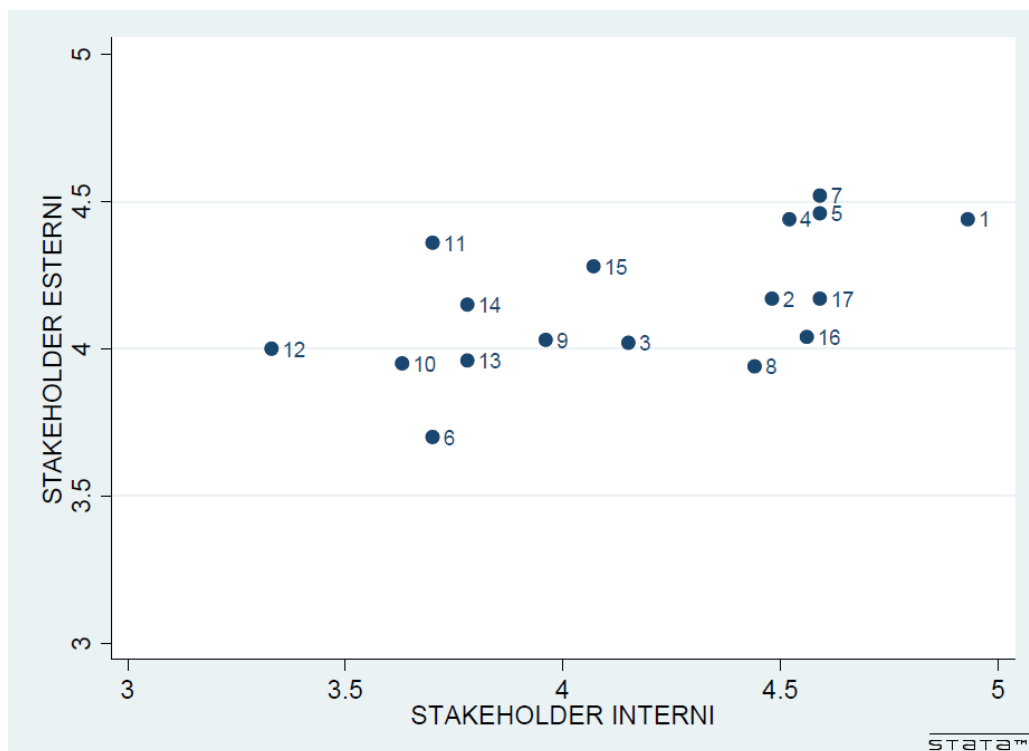
This Non-Financial Statement is based on the material topics identified in 2020 and approved by the Board of Directors of Estra S.p.A. on 30 November 2020. The topics were identified by the materiality analysis. The main stages of the analysis are described here:

- Benchmarking of topics considered "material" by national competitors and large reference companies in other sectors;
- Qualitative analysis and comparison of external documents and of the context to provide further background on the topic;
- Analysis of internal company documents to identify the most important topics relative to the value of sustainability;
- Definition of the initial list of topics and engagement of the Work Group and the Management Committee involved in the process to assign an internal order of priority, or rather to evaluate the main economic, environmental and social impacts of each topic on the company. The Management Committee identified a list of 17 topics, in response to which stakeholders were asked to assign a materiality rating with regard to the impact on the Estra Group;
- Stakeholder engagement, through focus groups and online questionnaires, in order to assign an external order of priority, or rather to evaluate the topics that have a substantial impact on the assessments and decisions of the stakeholders themselves.

The 17 material topics are as follows:

Material Topics
1. ETHICS, INTEGRITY AND ANTI-CORRUPTION
2. RISK MANAGEMENT AND THE ABILITY TO REACT TO CHANGING SCENARIOS
3. INTEGRATION OF SUSTAINABILITY ASPECTS IN COMPANY STRATEGIES
4. EMPLOYMENT, DEVELOPMENT AND ENHANCEMENT OF HUMAN CAPITAL
5. PROTECTION OF THE RIGHTS, HEALTH AND SAFETY OF EMPLOYEES
6. COMPANY WELFARE
7. SERVICE QUALITY AND SAFETY AND CUSTOMER SATISFACTION
8. BRAND REPUTATION AND CORRECT MARKETING AND COMMUNICATIONS PRACTICES
9. PRIVACY AND DATA PROTECTION
10. RESPONSIBLE SUPPLY CHAIN MANAGEMENT
11. ENERGY EFFICIENCY, RENEWABLE ENERGIES AND SUSTAINABLE MOBILITY
12. REDUCTION OF INTERNAL CONSUMPTION AND WASTE
13. STAKEHOLDER RELATIONS AND DIALOGUE
14. DEVELOPMENT OF LOCAL COMMUNITIES AND EDUCATION TO PROMOTE SUSTAINABLE DEVELOPMENT
15. INNOVATION, RESEARCH AND DEVELOPMENT
16. CREATION OF SUSTAINABLE ECONOMIC AND FINANCIAL VALUE
17. PROTECTION OF HUMAN RIGHTS

The collection and statistical analysis of the data from the online surveys and focus group led to the identification of the following Materiality Matrix.



All of the material topics received a high score (3.3 being the lowest), suggesting that internal and external stakeholders deem the identified topics to be of relevance to the Estra Group, and also reflecting the difficulty in explaining that lower scores do not devalue the topic but simply help to create the necessary hierarchy.

The main material topics identified were:

- service quality and safety and customer satisfaction
- employment, development and enhancement of human capital
- protection of the rights, health and safety of employees
- ethics, integrity and anti-corruption
- risk management and the ability to react to changing scenarios
- protection of human rights
- creation of sustainable economic and financial value
- brand reputation and correct marketing and communications practices

GRI Content Index

GRI Standard	Disclosure	Page	Omission
GRI 101: Reporting principles - 2016			
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 16-17	
	102-3 Location of headquarters	Registered office in Via Ugo Panziera, Prato (PO)	
	102-4 Location of operations	Italy	
	102-5 Ownership and legal form	Page 16	
	102-6 Markets served	Pages 16-17	
	102-7 Scale of the organization	Pages 16-19	
	102-8 Information on employees and other workers	Pages 49, 53, 61	
	102-9 Supply chain	Pages 102-104	
	102-10 Significant changes to the organization and its supply chain	There were no significant changes to the supply chain in 2021.	
	102-11 Precautionary Principle or approach	Pages 36-42	
	102-12 External initiatives	Pages 8-12	
	102-13 Membership of associations	Page 94	
	Strategy		
	102-14 Statement from senior decision-maker	Page 6	
	102-15 Key impacts, risks, and opportunities	Pages 36-42	
	Ethics and integrity		

	102-16 Values, principles, standards, and norms of behaviour	Pages 17-18	
	102-17 Mechanisms for advice and concerns about ethics	Pages 29-35	
	Governance		
	102-18 Governance structure	Pages 28-29	
	Stakeholder engagement		
	102-40 List of stakeholder groups	Pages 13-15	
	102-41 Collective bargaining agreements	All employees are subject to National Collective Labour Agreements (CCNL).	
	102-42 Identifying and selecting stakeholders	Pages 13-15	
	102-43 Approach to stakeholder engagement	Pages 13-15	
	102-44 Key topics and concerns raised	Pages 13-15	
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	Pages 17-136	
	102-46 Defining report content and topic boundaries	Pages 136-137	
	102-47 List of material topics	Pages 9-10	
	102-49 Changes in reporting	No significant changes were made in 2021 compared to the previous year.	
	102-50 Reporting period	01/01/2021-31/12/2021	
	102-51 Date of most recent report	Consolidated Non-Financial Statement 2021	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	Sustainability, Corporate Relations and Press Office Manager ssaccenti@estraspa.it	

	102-54 Claims of reporting in accordance with the GRI Standards	Page 136	
	102-55 GRI content index	Pages 142-151	
	102-56 External assurance	Pages 152-154	
GRI 200 Economic Standard Series			
Economic performance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 19-20	
	103-3 Evaluation of the management approach	Pages 19-20	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Pages 19-20	
Market Presence			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Pages 136-137	
	103-2 The management approach and its components	Page 49	
	103-3 Evaluation of the management approach	Page 49	
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Page 50	
Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Page 101	
	103-3 Evaluation of the management approach	Page 101	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 110	

Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 31-34	
	103-3 Evaluation of the management approach	Pages 31-34	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pages 32-34	
	205-3 Confirmed incidents of corruption and actions taken	Page 32	
Anti-competitive Behaviour			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 31-34,79	
	103-3 Evaluation of the management approach	Pages 31-34, 79	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 79	
GRI 300 Environmental Standards Series			
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 118-125, 132-133	
	103-3 Evaluation of the management approach	Pages 118-125, 132-133	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 118-125, 132-133	
Emissions			
GRI 103: Management	103-1 Explanation of the material topic and its	Pages 136-137	

Approach 2016	Boundary		
	103-2 The management approach and its components	Pages 118-125, 132-133	
	103-3 Evaluation of the management approach	Pages 118-125, 132-133	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 134-135	
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 134-135	
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 127-128	
	306-2 Management of significant waste-related impacts	Pages 127-128	
	306-3 Waste by type and disposal method	Pages 127-128	
Environmental compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 118-119	
	103-3 Evaluation of the management approach	Pages 118-119	
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	Pages 118-119.	
Supplier Environmental Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 102-104	
	103-3 Evaluation of the management approach	Pages 102-104	

GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers that were screened using environmental criteria	The Group does not currently apply a standard procedure to assess all new suppliers according to environmental criteria.	
GRI 400 Social Standards Series 2016 - GRI 403: Occupational Health and Safety			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-138	
	103-2 The management approach and its components	Pages 49-52	
	103-3 Evaluation of the management approach	Pages 49-52	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 54-57	
Labour/Management Relations			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 49-52	
	103-3 Evaluation of the management approach	Pages 49-52	
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 66	
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 36	
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 42-45, 67-71	
	403-3 Occupational health services	Pages 42-45, 67-71	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 42-45, 67-71	

	403-5 Worker training on occupational health and safety	Page 72	
	403-6 Promotion of worker health	Pages 42-45, 67-71	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 42-45, 67-71	
	403-9 Work-related injuries	Pages 67-70	
	403-10 Work-related ill health	Professional illnesses: 0	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 71-74	
	103-3 Evaluation of the management approach	Pages 71-74	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pages 72-73	
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 27-28, 57-59	
	103-3 Evaluation of the management approach	Pages 27-28, 57-59	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 28; 58-59.	
	405-2 Ratio of basic salary and remuneration of women to men	Pages 53-54	
Non-discrimination			
GRI 103: Management	103-1 Explanation of the material topic and its	Pages 136-137	

Approach 2016	Boundary		
	103-2 The management approach and its components	Pages 57-58	
	103-3 Evaluation of the management approach	Pages 57-58	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No cases of discrimination were detected in 2021.	
Supplier Social Assessment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 102-104	
	103-3 Evaluation of the management approach	Pages 102-104	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	The Group does not currently apply a standard procedure to assess all new suppliers according to environmental criteria.	
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 92-94	
	103-3 Evaluation of the management approach	Pages 92-94	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pages 92-94	
Marketing and Labelling			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Page 78	
	103-3 Evaluation of the management approach	Page 79	

GRI 417: Marketing and Labelling 2016	417-3 Incidents of non-compliance concerning marketing communications	In 2021 there was one case of non-compliance with regulations and/or corporate governance codes concerning marketing communications.	
Customer Privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 81-83	
	103-3 Evaluation of the management approach	Pages 81-83	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 81-83	
Socio - economic Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Pages 29-35	
	103-3 Evaluation of the management approach	Pages 29-35	
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	In 2021 there was one significant fine in the social and economic area (significant fines are defined as fines of over € 45,000) following an investigation by the Italian Revenue Agency. The fine in question was for € 45,230.	
Innovation, research and development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 136-137	
	103-2 The management approach and its components	Page 25	
	103-3 Evaluation of the management approach	Page 25	