

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

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2023 SUSTAINABILITY REPORT
2023 CONSOLIDATED NON-FINANCIAL STATEMENT
pursuant to Articles 3 and 4 of Italian Legislative Decree no. 254 of 2016

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EY S.p.A.

2023 CONSOLIDATED NON-FINANCIAL STATEMENT
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Letter to Stakeholders	5
1. The Group	6
1.1 History.....	6
1.2. Vision and Values of the Estra Group.....	7
1.3 Organisational model	8
2. Stakeholders and Value created by the Group	9
2.1 Targets and results	9
2.2. Introduction.....	9
2.3 Stakeholders and Stakeholder Engagement	10
2.4 Materiality Analysis and SDGs.....	11
2.5 Value generated and distributed.....	21
2.6 Investments	22
2.7 Innovation, research and development	22
2.8 The European Taxonomy.....	25
3. Governance.....	56
3.1 Targets and results	56
3.2 Corporate Governance and Control Boards	58
3.3 Responsible business management	63
3.4 Certifications	71
3.5 Risk management	72
4. The Environment.....	79
4.1 Targets and results.....	79
4.2 Environmental policy.....	83
4.3 Energy Consumption	84
4.3.1 Methane consumption.....	84
4.3.2 Electricity consumption.....	86
4.3.3 Vehicle consumption.....	88

4.4 NOx and PM10 emissions produced	89
4.5 Waste generated	90
4.6 Environmental mitigation.....	91
4.6.1 Energy efficiency of offices	92
4.6.2 Electric mobility.....	92
4.7 Energy production from renewable sources.....	92
4.8 Energy production from non-renewable sources	95
4.9 Self-consumption of electricity from renewable sources	95
4.10 Energy efficiency	96
4.11 Energy Communities	96
4.12 CO ₂ emissions	97
4.12.1 Emissions produced	97
4.12.2 Emissions avoided	98
5. Our people.....	100
5.1 Targets and results.....	100
5.2 Responsible HR management.....	102
5.2.1 Employment	102
5.2.2 Protected categories.....	107
5.2.3 Contracts and remuneration	107
5.2.4. New hires and terminations.....	109
5.3 Employee well-being.....	113
5.3.1 Diversity, equal opportunities and human rights.....	114
5.3.2 Work-life balance.....	117
5.3.3. Welfare	118
5.3.4. Internal communications.....	119
5.4 The development of human capital	120
5.4.1. Skills development and enhancement of human capital	121
5.4.2. Internships	123
5.5 Workers' rights and protections	124
5.5.1 Employee participation and consultation on occupational health and safety.....	126
5.5.2. Employee health.....	127
5.5.3. Occupational accidents.....	127
5.5.3 Freedom of Association	131
6. Customers and the Community.....	132
6.1 Targets and results	132
6.2 Relations with customers	134

6.2.1 Our customers in figures	134
6.2.2 Privacy	137
6.2.3 Social bonus and instalments.....	138
6.2.4 Online utility bills, customer area and app	139
6.3 Quality, security and service continuity	140
6.3.1 Customers served in branch and by call centres.....	140
6.3.2 Complaints and queries.....	142
6.3.4 Settlements	143
6.3.5 Disputes with customers	144
6.3.6 Quality of the gas distribution service	144
6.3.6.1 Standards.....	144
6.3.6.2 Inspections	146
6.4 Relations with institutions, the community and the region	147
6.4.1 Dialogue with local and national institutions.....	148
6.4.2 Local community development initiatives	148
7. Suppliers.....	152
7.1. Targets and results.....	152
7.2 Sustainable supply chain management.....	153
7.2.1. Supplier assessment and monitoring.....	154
7.2.2 Supplier Register.....	156
7.2.3 Tender procedures	157
7.3 Value of supplies	161
7.3.1 Our suppliers in figures.....	161
7.3.2 Contracts and procurements	164
Note on methodology	166
GRI Content Index.....	170

Letter to Stakeholders

Estra's governance experienced major change in 2023.

On 26 January 2023, the deed for the merger by incorporation of Consiag, Publiservizi and Acqua Toscana into Alia Servizi Ambientali was signed by representatives from each company.

Consiag was one of the founding members of Estra, and its inclusion in Alia Servizi Ambientali, which consequently became an Estra shareholder, marks a decisive step towards the creation of the Tuscan Multiutility that has been under discussion for over a year.

The Tuscan Multiutility aims to consolidate a strategic industrial sector by bridging the gap with the northern and central Italian regions, which completed similar mergers several years ago.

As a leader in Italy, Estra is determined to play a key role in the creation of this new entity by providing access to its industrial infrastructure. *The Multiutility can only be established if regional power structures are put aside in favour of a generous and inclusive approach that goes beyond administrative political cycles. The best thing is to proceed slowly but steadily, avoiding impositions and instead actively involving the various institutions. The new entity will be a strategic tool for regaining the administrative sovereignty of local public services, with a guarantee of adequate returns on investments and greater economic efficiencies. Consequently, I hope that we can welcome other Tuscan regions into this project as we move forward.*

The focus should not be only on economic benefits but also social ones. We need to help to bring costs down and still ensure that we have a robust financial structure capable of guaranteeing the investments required to support the system's competitiveness.

And on the subject of investments, in 2023, the Estra Group's investments totalled € 80.9 million.

The Group's particular focus on its infrastructure should also be noted. In this regard, investments in the development, maintenance and modernisation of the gas distribution network amounted to €39.2 million in 2023.

The Estra Group aims to align its economic targets with social and environmental objectives in the regions in which it operates. It's no coincidence that in 2023 we were a major partner in the creation of three Renewable Energy Communities (RECs). RECs represent a paradigm shift on the conscious use of energy and people's relationship to energy resources. We have long pursued dialogue with our regions to promote RECs, aiming to develop a model based on collaboration.

In this document, we illustrate many other aspects that characterise the actions of the Estra Group, which must continue to play an increasingly active role in the energy transition, given our primary focus on the energy sector.

The Chairman
Francesco Macrì

1. The Group

1.1 History

Estra S.p.A. was established in 2009 through the merger of three Tuscan public utility companies: Consiag di Prato, now merged into Alia Servizi Ambientali, which currently holds 39.5% of the share capital, Coingas di Arezzo (25.14%) and Intesa di Siena (25,14%). At the end of 2017, the multiutility Viva Servizi also joined the Group, later transferring its equity investment in Estra, equal to 10%, to Viva Energia di Ancona. Estra holds the remaining 0.22%.

Most of the municipalities in the provinces of Ancona, Arezzo, Florence, Grosseto, Macerata, Pistoia, Prato and Siena are indirect shareholders of Estra.

On 26 January 2023, the deed for the merger by incorporation of Consiag, Publiservizi and Acqua Toscana into Alia Servizi Ambientali was signed by representatives from each company. The merger by incorporation of the three companies into Alia Servizi Ambientali S.p.A. was approved by the Alia Servizi Ambientali S.p.A. Board of Directors on 28 April 2022.

The completion of the merger led to the creation of the Tuscan multiutility, which aims to consolidate a strategic industrial sector by bridging the gap with the northern and central Italian regions, which completed similar merger processes several years ago, ensuring that all of the strategic levers and decision-making powers on industrial processes and the relative economic and social benefits remain within the Tuscany region.

As of September 2022, Alia Servizi Ambientali Manages and Coordinates Estra S.p.A.

The Estra Group, which serves 895,719 gas and electricity customers and generated a total adjusted consolidated revenue of € 1,212 million in 2023, 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.

The information contained in the NFS refers to the wholly consolidated companies considered in the Consolidated Financial Statements of the Group as at 31 December 2023.

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 marketing of the relative services;
- provision and exploitation of plants producing energy from renewable sources with particular reference to solar 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.

To manage its activities, the Estra Group procures raw materials, goods and services from specific suppliers and monitors the quality of the services provided, generating significant indirect impacts on the local region. Depending on the specific processes in place, the internal organisation of the various Group companies guarantees that the services provided by suppliers are executed correctly, or otherwise operates directly to provide a given service to the end customer. Group companies conduct several operating activities aimed at the supply of goods or services to the end customer, which vary according to the type of company.

The strategic planning process examines the most significant activities to gain an understanding of the costs and revenues to ensure that the long-term profitability of the companies is not affected.

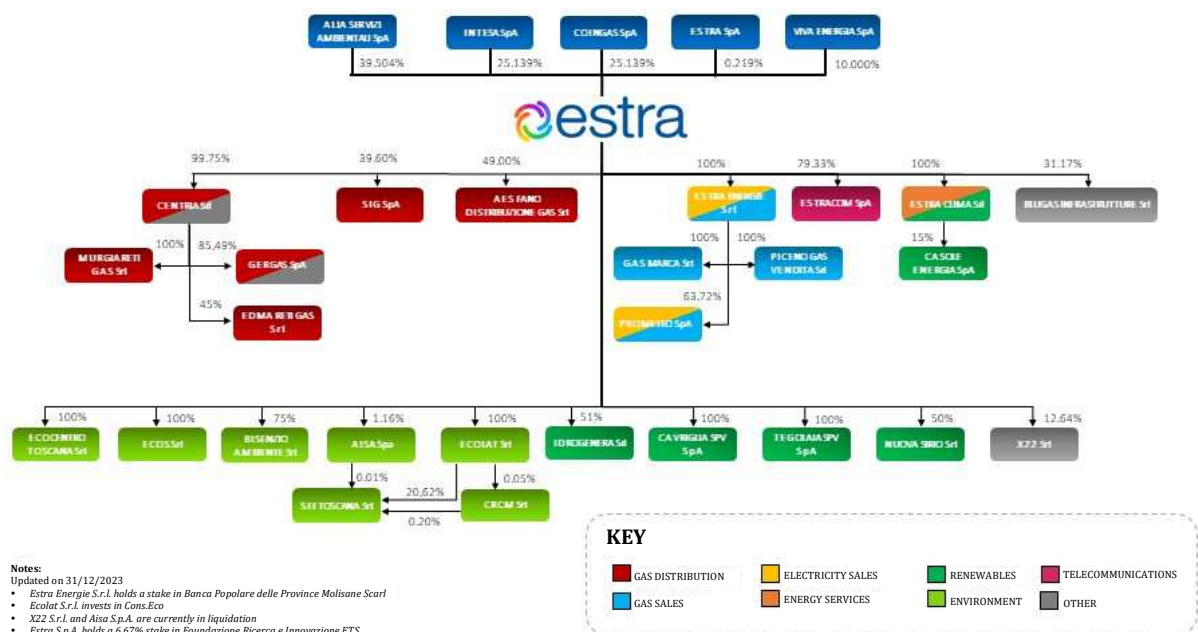
Identifying, assessing, and managing risks enables the Group to manage its exposure to the risks associated with its business while also continuing to effectively manage the entire value chain.

The Group aims to improve the quality of life of the citizens and businesses that live and operate in its regions of operation by providing essential services.

The goal of the business model is to make a tangible contribution to the achievement of 8 of the 17 Sustainable Development Goals of the UN 2030 Agenda.

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, marketing of products/services, 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 2023 is shown below, indicating the relevant holdings.



1.2. Vision and Values of the Estra Group

Stay close, go far. We want to be a Group that seizes the opportunities of a transitioning world and transform utilities into accessible and sustainable services. We want to grow by being a daily presence in the lives of people and businesses, helping communities to develop and exploring new horizons.

This is Estra's vision and is founded on 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.

1.3 Organisational model

Each Group Company is governed by its own Board of Directors and represented by a Chairperson.

Based on the specific nature and scale of the challenges it may be called upon to face, the organisational structure is divided into:

- Divisions
- Departments
- Functions
- Activities

The Division comprises multiple Departments and is supervised by a Department Manager, who is responsible for ensuring its continuous interaction and liaison with the General Management.

Departments are made up of one or more Functions that each have a designated manager and represent the organisational and operational structure required to provide the respective services and/or manage supporting activities.

In line with the general organisation approach adopted, at this level programmes (or parts of programmes) are developed and implemented through the organisation and coordination of related or complementary technical and professional skills, as well as through the optimal definition of operational procedures.

Departments and Functions can be structured into basic organisational units called Activities.

Each Activity is characterised by the effective communication of information and experience among operators, by the presence of complementary roles that ensure a high level of exchange and renewal of expertise and qualifications, and by the empowerment of each employee, guaranteeing that work is performed in a continuous manner and in line with the adopted schedules and targets. Each Activity is assigned to a manager and/or a coordinator who is responsible for ensuring that it operates correctly.

To improve corporate integration mechanisms and decision-making processes, optimising the operational and collaborative capabilities of the Functions, Estra S.p.A. has established a Strategic Committee that discusses the company's general direction and monitors coordination and overall management performance.

The Committee is composed of:

- Chair
- CEO
- Deputy Chair
- General Manager
- General Coordinator.

2. Stakeholders and Value created by the Group

2.1 Targets and results

Targets for 2024

The current status of the targets listed in the 2022 NFS are described in the “Innovation, research and development” section of this chapter.

2.2. 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, having completed the placement of a bond admitted for listing on the regulated market of the Dublin Stock Exchange on 14 April 2022, 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 2023 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 entities included in the 2023 NFS are: Estra S.p.A., Estracom S.p.A., Estra Clima S.r.l., Estra Energie S.r.l., Gergas S.p.A., Centria S.r.l., Prometeo S.p.A., Piceno Gas Vendita S.r.l., Cavriglia SPV S.p.A., Tegolaia SPV S.p.A., Gas Marca S.r.l., Murgia Reti Gas S.r.l., Idrogenera S.r.l., Ecolat S.r.l., Ecos S.r.l., Edma Reti Gas S.r.l., Bisenzio Ambiente S.r.l., Ecocentro Toscana S.r.l.

The information contained in this document refers to the companies consolidated on a line-by-line basis considered in the Consolidated Financial Statements of the Group as at 31 December 2023. A company falls under the scope of the non-financial reporting requirement if the ownership of the company’s capital exceeds 50%.

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” approach.

Data were collected from the respective Functions of the Estra Group via company management systems, specific software, reports and, as of this year, a new software program developed to manage the NFS reporting process. 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 27 March 2024 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/>).

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 Regulation, and the “European Taxonomy” section of this chapter below provides details on the company’s taxonomy-eligible and taxonomy-aligned activities in relation to the six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

2.3 Stakeholders and Stakeholder Engagement

Stakeholders are all subjects within and outside the company directly involved in or impacted by the company's actions or that may play an active role in the business' success. Stakeholder decisions can have a major positive or negative impact on the company's projects and activities. In some cases, Stakeholders are key drivers of the business, as their support is necessary to the project's existence and success. Consequently, identifying stakeholders and understanding what they want is an essential step in creating successful strategies.

As such, communication, engagement, and the ability and willingness to listen are key elements of the Estra Group's relations with its Stakeholders.

The initiatives were aimed at the stakeholders identified in 2020, which were assigned levels of priority through an analysis involving the company's senior management and key stakeholders. At the end of the analysis, the following list of 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

The main stakeholder engagement initiatives of the Estra Group carried out in 2023 are described below.

Stakeholder	Initiatives in 2023	Frequency/events 2023
Shareholders and members	Shareholders' meeting and meeting with indirect members ¹	16
Customers	Newsletter to subscribers to the customer area	monthly
	Broadcast of Estra TV visible to the public on office screens	monthly
	New Estra store in Arezzo opened	01.12.2023
Personnel	Centria 4 Safety newsletter	4
	<i>Sicurezza in Estra</i> newsletter	3
	News bulletins on the Intranet	149
Community and region	<i>Impronta Estra</i> newsletter	4
	Posts published on Facebook, X, LinkedIn, Instagram	233
	Articles published on the company website	87
	Press conferences	17
	Press releases	77
	Regional and local 60-second radio and TV news bulletins	every fortnight
The Institutions	Agreement with the company Atlante to install 26 new e-vehicle charging stations in the municipality of Ancona	21.11.2023
	Presentation of GECCO, the Renewable Energy Community with Estra Clima, at Vaiano (PO)	16.01.2023
	Renewable Energy Communities; Estra meets with over 40 municipalities	04.04.2023

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 (Alia, Coingas, Intesa and Viva Energia).

Lenders	CERCA, a new Renewable Energy Community, is launched in Calenzano	27.09.2023
	CER.Ca.Cl is launched to promote the new REC in Prato in collaboration with Estra Clima	06.12.2023
	Investigations	1
Environment	Tree planting in collaboration with Mosaico Verde in Pesaro on 27/03/2023, Follonica on 20/04/2023, Vasto on 15/05/2023 and Pratolino Park on 18/05/2023.	4
	Prato Forest City - New park at Alda Merini Park in Prato	17.05.2023
	Educational projects on environmental topics	2

Additionally, on 21 June 2023 the *Comunicare la crisi climatica* (Communicating the Climate Crisis) conference was held in person and online to present the 2022 Sustainability Report. The event was an opportunity to inspire debate and discussion among Stakeholders, share thoughts and ideas on the complex topic of the ongoing climate crisis, and present the main topics of the 2022 Sustainability Report.

2.4 Materiality Analysis and SDGs

The materiality analysis is the method used to identify material topics for the business and its stakeholders that can significantly impact the ability to create value over time. In essence, material topics are those that “represent the most significant impacts of an organisation on the economy, the environment and people, including impacts on human rights.”

The materiality analysis process is based on three key concepts:

- **IMPACT:** defined as the effect - actual or potential, positive or negative - that an organisation has or could have on the economy, the environment and on people, including impacts on human rights;
- **DUE DILIGENCE:** the process through which the organisation identifies, prevents, mitigates and considers how to confront its negative impacts;
- **STAKEHOLDERS:** individuals or groups that have interests that are affected or could be affected (positively or negatively) by an organisation’s activities, or whose actions could reasonably impact the ability of the organisation to successfully implement its strategies and meet its goals.

At the end of 2022 and in accordance with the GRI Standards, the Estra Group conducted a materiality analysis in collaboration with its Stakeholders to assess the main aspects for the business’ strategic development and report its ESG performance.

The materiality analysis—conducted in late 2022 and approved in 2023, with no changes in 2023—was carried out as follows:

1. Analysis of the internal and external context

A precise and structured analysis of the relevant material topics for competitors and reference companies in other sectors was conducted. A qualitative analysis and comparison of the most important external documents and test scenarios was carried out, including, for example, Italian Legislative Decree 254/2016, the GRI Standards and other publications, national and international Sustainable Development Goals, the UN Global Compact, European energy policies and megatrends, with particular focus on the energy crisis, energy security and climate action, and Italian and international academic literature. Key internal documents were also reviewed: Enterprise Risk Management 2021, Integrated Marketing and Communication Plan 2022, Strategic Plan and Business Plan 2021-2025. The Group’s activities and its value chain were mapped. Furthermore, the Estra Group is already actively working to assess the risks and opportunities presented by climate change and plans to integrate them in a dual materiality perspective in the near future.

2. Identification of Group impacts

Following the GRI Standards and starting from the research carried out, the analysis of internal documents and the benchmarking activity, the actual and potential negative and positive impacts on the economy, the environment and people, including impacts on human rights, deriving from the Group's activities were identified, adopting a broad and non-selective approach. Each impact was linked to the activities carried out by the organisation and the partners involved along the supply chain. These impacts were reviewed and certified by the General Manager. Once the suggestions of the General Manager had been taken into account, the definitive list was produced, containing 27 impacts and their description, including the nature of the impact and whether it is positive, negative, actual or potential.

3. Evaluation of the significance of the impact

By engaging with internal Stakeholders (Management Committee, BoD of Estra S.p.A., Senior Management, Sustainability Work Group) and external stakeholders (environmental associations, shareholders and members, customers, consumer associations, bodies and institutions, lenders and suppliers/consultants), the significance of each identified impact was assessed. The engagement method was tailored to each stakeholder category based on their importance and level of understanding of the Group. All stakeholders involved were asked to give a score from 1 to 5 to each of the 27 impacts identified, where 1 means “not relevant” and 5 means “very relevant”. To obtain meaningful results, the stakeholders were invited to differentiate the relevance of the impacts presented to them using the 1-5 scale. Different weight was given to the opinions of the various categories of Stakeholders involved, depending both on their relevance and their level of understanding of the Estra Group.

4. Prioritisation of the most significant impacts and grouping into topics

A table was developed which, for each impact, shows the average score assigned by the internal and external stakeholders, and the average overall score. The average overall score ranged from 2.4 to 4.5. Impacts that earned a score of 3.9 and above were classified as “very relevant”. Impacts with a score of less than 3 were classified as “not relevant”. The other impacts were defined as “relevant”. Only significant and very significant impacts were considered. The impacts identified as significant or very significant at the end of the process were then grouped into 13 topics.

The table below shows the material topics, ordered from most important to the least important, based on the score attributed, accompanied by a description of each topic and highlighting whether they were deemed “very relevant” or “relevant”. The “position” column shows the order of the topics based on the scores received. The topics that received the same score share the same position.

Position	Topics	Description of topic and relative impacts	GRI indicator	Materiality
1	Infrastructure, networks and business continuity	The continuity of the gas distribution service depends on the maintenance and control of the infrastructure and the network, especially its resilience. The Group is committed to carrying out these activities regularly and in accordance with the regulations, with the aim of reducing and preventing the risk of accidents to persons and property and service outages. Furthermore, thanks to the fibre optic network, businesses and citizens can access innovative technological services. The Estra Group is committed to investing in	203 – Indirect economic impacts	Very relevant

		<p>grid maintenance to guarantee business continuity.</p> <p>These measures minimise the risk of possible faults or outages, guaranteeing service efficiency and safeguarding users' access to energy.</p>		
2	Data protection and cyber security	<p>The Group collects data on customers, suppliers and other organisations with which it deals.</p> <p>To process this data and information, and to manage the network in the most efficient way possible, technological solutions such as cloud technology and smart metering is used.</p> <p>The adoption of these tools increases the risk of data leaks and cyber attacks. To minimise the potential negative impacts, Estra has adopted tools able to guarantee the privacy and protection of data stored on company systems.</p>	418 – Customer privacy	Very relevant
3	Employment, development and enhancement of human capital	<p>The Group's HR recruitment and selection processes impact employment levels and employment stability in the regions in which the Group operates. Employment is protected through policies that promote professional well-being, with the aim of improving motivation, performance and retention.</p> <p>The Group attracts, develops and enhances human capital mainly through training activities, career progression opportunities, the remuneration policy, and by guaranteeing a healthy work-life balance.</p>	<p>202 – Market presence</p> <p>401– Employment</p> <p>404 – Training and education</p>	Relevant

3	Region, community, and creation of sustainable economic and financial value	<p>By focusing on its activities, the Group creates value both for stakeholders interested primarily in the Group's financial results (e.g. shareholders, employees, local authorities), and for all of the other partners and stakeholders (suppliers, lenders and consumers). In this regard, the employment that the Group generates through its business is important. Moreover, the Group contributes to the development of the regions in which it operates through activities and initiatives, such as sponsorships, donations, projects with schools and sports associations, and competitions.</p>	<p>201 – Economic performance</p> <p>204 – Procurement practices</p> <p>413 – Local communities</p>	Relevant
4	Quality, competitive prices and customer-oriented approach	<p>The quality of the Group's customer service is mainly linked to the work carried out by operators at call centres and branches, by retail advisors and representatives, by emergency gas operators, by the engineers who carry out the work, and by those who manager the Group's various digital channels. Service quality is monitored by specific reports that contain data on compliance with set standards and the complaints process. Customer satisfaction depends not only on price, but on the quality of the provided services. The costs of the serviced offered by the Group are linked to economic and financial evaluations, except for the costs of gas and electricity. For these raw materials, the price is set on the international market and, for customers on the regulated market, is formally defined by the Italian Energy Authority (ARERA) along with the remuneration of the methane gas distribution business</p> <p>The quality and safety of the methane gas distribution service and the telecommunications network are guaranteed by the constant surveys and the remote control technology used to manage the plants. These actions are aimed at minimising the risks to</p>	416 – Customer health and safety	Relevant

		customer safety and reducing the negative impacts related to service outages.		
4	Protection of the rights, health and safety of employees	The Estra Group protects the rights of its workers, including the right to freedom of association. Moreover, the health and safety of its employees is guaranteed through specific procedures, guidelines and regulations that are regularly updated. The Estra Group implements an internal control system to manage and prevent occupational accidents and professional illnesses, and promotes a series of initiatives to increase employee engagement in risk prevention measures. Maintaining robust relations with the trade unions that represent workers is a fundamental part of protecting employees' rights, health and safety. However, despite all of the risk management measures and procedures adopted, occupational accidents do occur to both employees and contractors. Given the operational nature of the work carried out, the risk can be reduced but not entirely eliminated.	402 – Labor/Management Relations 403 – Customer health and safety	Relevant
5	Responsible supply chain management	To incentivise the adoption of quality standards and ethical and sustainable practices across the entire supply chain, the Group uses the information present in its Supplier Register and adopts social and environmental selection criteria in specific supplier selection tender processes.	308 – Supplier Environmental Assessment 414 – Supplier Social Assessment	Relevant
6	Promotion of diversity and inclusion	The Group is committed to respecting the principles of inclusion, equal opportunities and non-discrimination through the adoption of HR recruitment and management policies on topics such as welfare, skills development and awareness-raising. Violation of these principles can result in discrimination based on people's characteristics, leading to labour disputes.	405 - Diversity and Equal Opportunity 406 - Non-discrimination	Relevant
6	Energy transition and climate action	The Estra Group plays an active role in the energy transition and climate action, through:	302 – Energy 305 – Emissions	Relevant

		<p>-the generation of electricity and heat from renewable sources using a biomass plant, various photovoltaic plants, a hydroelectric power plant and a wind power plant;</p> <p>- design and management of energy efficiency services (energy performance diagnosis of buildings, replacement of boilers, installation of heat pumps, installation of thermal insulation in apartment buildings);</p> <p>- installation of e-vehicle charging stations;</p> <p>- offer of green gas and electricity tariffs to customers as well as technological solutions to monitor usage and promote good energy saving practices, such as the installation of smart thermostats.</p> <p>The Group generates direct and indirect GHG gas emissions from its gas distribution activities, internal consumption and fuel consumption linked to the company fleet. The vehicles also release polluting emissions (PM10 and NOX).</p>		
7	Ethics, integrity and anti-corruption	<p>The Group's ethical approach to business includes compliance with laws and regulations, the adoption of procedures to report unlawful conduct, and anti-corruption policies implemented throughout the supply chain (suppliers, human resources and customers). Unethical business practices increase the risk of improper or unlawful conduct, with consequent negative impacts for stakeholders and on the company's reputation.</p>	205 - Anti-corruption	Relevant
7	Transparent, clear and truthful communication and marketing strategies	<p>The Group is committed to adopting correct and transparent communication and marketing practices towards its existing and potential customers. These communications can be driven through advertising campaigns or by call centres, stores, retailers, digital channels and the media.</p> <p>Failure to adopt transparent and correct practices (such as unclear clauses and/or financial terms and conditions) can make customers more vulnerable and worsen the situations of users in energy</p>	417 – Marketing and Labeling	Relevant

		poverty. This would also have a negative impact on customer loyalty and numbers, and could drive away potential new customers.		
7	Digital transformation, innovation and smart cities	Digitalisation is intrinsic to the activities carried out by the Group's workforce and its relations with customers and suppliers are managed using digital tools. Research, development and innovation, including the digital transformation, impact all business areas, and take on particular relevance in the gas distribution, telecommunications and environmental services sectors. Further, the Estra Group is playing an active role in the development of smart cities, offering services such as Wi-Fi connections, cabling with FTTH (Fiber to the home) broadband networks, video surveillance and remote control technology, sustainable mobility and the Internet of Things (smart meters, smart thermostats, etc.).	There are no GRI indicators associated with this topic.	Relevant
8	Circular economy, waste reduction and recovery	In the management of its business, the Group generates special and non-special, hazardous and non-hazardous waste, of which more than 90% is recovered. Through its own corporate activities (such as the management of real estate and the procurement of goods and services), the Group can incentivise the implementation of good circular economy practices, helping to reduce waste by extending product life cycles. Moreover, it is able to promote positive practices linked to the circular economy by developing and implementing educational projects and initiatives.	306 – Waste	Relevant

The table clearly shows that the most relevant topics identified are those related to “Infrastructure, networks and business continuity”, which represents Estra Group's core asset, and “Data protection and cyber security”, which is drawing growing interest and attention among Stakeholders.

The third most relevant topic is “Employment, development and enhancement of human capital”, tied with “Region, community, and creation of sustainable economic and financial value”, demonstrating the strong link between sustainability and the creation of value over time, safeguarding and developing the knowledge, skills and abilities of its human capital.

Comparing the 2020 Materiality Analysis with the outcome of the 2022 analysis, two new material topics emerged in 2022:²

- “promotion and inclusion of diversity”, which in the previous analysis was not considered as a standalone topic and instead was incorporated into the topic “Protection of the rights, health and safety of employees”;
- “infrastructure, networks and business continuity”, the previous analysis was included in the topic “Service quality and safety and customer satisfaction”, in 2022 has been divided between “Quality, competitive prices and customer-oriented approach” and “Infrastructure, networks and business continuity”.

The following topics identified in the NFS 2021 as material are no longer included:³

- Risk management and the ability to react to changing scenarios;
- Integration of sustainability aspects in company strategies;
- Stakeholder relations and dialogue.

Estra Group's material topics contribute to the achievement of 8 of the 17 Sustainable Development Goals. The 8 Goals reflect the values that guide corporate action:

- Goal 5: Gender equality;
- Goal 7: Clean and accessible energy;
- Goal 8: Decent work and economic growth;
- Goal 9: Businesses, innovation and infrastructure;
- Goal 10: Reducing inequalities;
- Goal 11: Sustainable towns and cities;
- Goal 12: Responsible consumption and production;
- Goal 13: Fight against climate change.

² Please note that:





- “Service quality and safety and customer satisfaction” incorporates the previous material topic “Quality and safety and customer satisfaction”, and also includes aspects relative to access to energy and green tariffs;





- “Data protection and cyber security” incorporates the previous material topic “Privacy and data protection”, and also includes aspects relative to network security;

- “Energy transition and climate action” incorporates the previous material topic “Energy efficiency, renewable energies and sustainable mobility” and has absorbed some aspects of the previous topic “Reduction of internal consumption and waste”, now incorporated into the “Circular economy, waste reduction and recovery” topic;

- “Transformation, innovation and smart cities” incorporates the previous material topic “Innovation, research and development”, and also includes the possible impacts of digitalisation and the development of smart cities.

³ Although the topic “Anti-competitive behaviour” was been identified as material in the new Materiality Analysis, the data nonetheless reports on GRI disclosure 206-1 “Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices” to ensure continuity with previous years.

SDGs	Material topics that contribute to achieving the SDGs
 <p>7 ENERGIA PULITA E ACCESSIBILE</p>	<ul style="list-style-type: none"> • Energy transition and climate action • Circular economy, waste reduction and recovery
 <p>8 LAVORO DIGNITOSO E CRESCITA ECONOMICA</p>	<ul style="list-style-type: none"> • Protection of the rights, health and safety of employees • Employment, development and enhancement of human capital
 <p>9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE</p>	<ul style="list-style-type: none"> • Responsible supply chain management • Digital transformation, innovation and smart cities • Quality, competitive prices and customer-oriented approach • Region, community, and creation of sustainable economic and financial value • Infrastructure, networks and business continuity
 <p>11 CITTÀ E COMUNITÀ SOSTENIBILI</p>	<ul style="list-style-type: none"> • Digital transformation, innovation and smart cities • Region, community, and creation of sustainable economic and financial value

		<ul style="list-style-type: none"> • Circular economy, waste reduction and recovery • Quality, competitive prices and customer-oriented approach • Transparent, clear and truthful communication and marketing strategies • Data protection and cyber security
		<ul style="list-style-type: none"> • Energy transition and climate action • Circular economy, waste reduction and recovery
		<ul style="list-style-type: none"> • Protection of the rights, health and safety of employees • Ethics, integrity and anti-corruption • Promotion of diversity and inclusion

The table below shows the relationship between the topics of Decree no. 254/2016 and the material topics identified in the NFS:

Scope of Decree 254/2016	NFS Topics
Fight against active and passive corruption	Ethics, integrity and anti-corruption
Personnel	Protection of the rights, health and safety of employees Employment, development and enhancement of human capital Promotion of diversity and inclusion
Social	Quality, competitive prices and customer-oriented approach Region, community, and creation of sustainable economic and financial value Digital transformation, innovation and smart cities Data protection and cyber security Transparent, clear and truthful communication and marketing strategies Responsible supply chain management

	Infrastructure, networks and business continuity
Environment	Circular economy, waste reduction and recovery Energy transition and climate action
Human rights	Protection of the rights, health and safety of employees Promotion of diversity and inclusion

2.5 Value generated and distributed

Determining the economic value directly generated and distributed is a key factor for the Estra Group, as it represents an opportunity to express and translate in monetary terms the wealth produced and distributed in the region and, therefore, to its Stakeholders.

This indicator represents a tool that can be used to interpret the values expressed in the annual report in a different way, eschewing the traditional single-stakeholder logic to embrace a multi-stakeholder approach. Through its core business, 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 (2021-2023)

<i>(Thousands of Euro)</i>	2021		2022		2023	
<i>Economic value generated directly</i>	1,066,243		1,780,409		1,230,144	
<i>Economic value distributed to Stakeholders</i>	990,753		1,715,821		1,132,779	
<i>Suppliers</i>	902,068	91%	1,622,276	94.6%	1,016,382	89.7%
<i>Personnel</i>	41,856	4.2%	46,595	2.7%	48,941	4.3%
<i>Shareholders and lenders</i>	27,257	2.8%	30,329	1.8%	48,916	4.3%
<i>Local Authorities</i>	17,496	1.8%	14,273	0.8%	16,574	1.5%
<i>Community and region</i>	2,076	0.2%	2,348	0.1%	1,966	0.2%
<i>Economic value withheld by the Group</i>	75,490		64,588		97,364	

The economic value generated directly in 2023 is 1,230 million. Compared to 2022, there was a 31% decrease due to the changes to the turnover of raw materials (gas and electricity). This was mainly affected by the trend in variable commodity prices, which dropped significantly compared to the peaks reached in 2022. In addition, overall turnover fell due to the decline in gas consumption, which was a direct consequence of the temperature trends recorded in 2023.

Most (89.7%) of the value produced was distributed to local and national suppliers, for a total of 1,016 million. The decrease during the year was due to the revenue trends described above.

€ 48.9 million was distributed to employees, up 5% compared to the previous year.

€ 48.9 million was allocated to shareholders and lenders in dividends and financial charges. This result, which marked a 61% increase on 2022, is essentially due to the higher financial charges which rose from €14 million in 2022 to around €38 million in 2023. Dividends fell from €16 million in the previous year to €11 million in 2023.

In 2023 there was a €2.3 million increase in value distribution to the Public Administration, due to higher income taxes in the year.

Around € 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 97.4 million. This is a considerable increase compared to 2022, due to the profit for the year, despite the increase in non-monetary costs which represent an effective indicator of the Group's self-financing capacity.

2.6 Investments

In 2023, the Group's investments totalled € 80.9 million, down by 10.7% compared to 2022. This reduction relates to investments in industrial development, which mainly regard M&A transactions, and fell from €58.8 million in 2022 to €52.9 million in 2023. Despite this, it remained the most significant investment category with 65.4% of total investments. There was also a 14% reduction in investments in innovation compared to the previous year due to fewer purchases of IT systems and smart meters.

The following table shows the breakdown of investments made in the 2021-2023 three-year period.

Investments <i>(Thousands, €)</i>	2021	2022	2023
Industrial development	71,019	58,838	52,909
Innovation	16,390	17,886	15,373
Services	6,828	4,489	4,098
Tangible and intangible assets	3,591	9,356	8,542
Total	97,828	90,569	80,922

The Estra Group's particular focus on its infrastructure should also be noted. In this regard, investments in the development, maintenance and modernisation of the gas distribution network amounted to €39.2 million in 2023 compared to €31.6 million in 2022, an increase of 24%.

2.7 Innovation, research and development

To tackle the constantly evolving energy scenario, the Estra Group promotes and invests in research and development activities aimed at developing new technologies and growing and consolidating the knowledge and skills of its personnel.

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 2023 were as follows:

E-QUBE

The new version of the E-Qube Startup&Idea Challenge, Estra's Acceleration and Innovation Programme, characterised by annual rolling scouting in the Group's core sectors, led to the selection of two new start-ups in 2023, Sunspeker and Up2You, with a view to exploring business opportunities. Sunspeker was selected because it has patented See Beyond®, a technology that produces a completely recyclable adhesive wrap that can camouflage rigid or flexible solar panels to make them aesthetically compatible with their surroundings. With this solution, every surface can be transformed into a solar panel and generate clean energy without creating any negative aesthetic impact or compromising the efficiency of solar energy production, which can reach a yield of 90%. Up2You impressed the Estra Innovation Group with its ability to help companies reduce their carbon footprint and neutralise CO₂ emissions. The start-up combines carbon credits with blockchain technology to certify environmental commitments, guaranteeing transparency and reliability. It offers carbon neutrality products, such as the calculation and certified neutralisation of companies' carbon footprints and special events (Neutral Company and Neutral Event), as well as corporate engagement products (PlaNet) that involve customers and clients in environmental sustainability-themed competitions.

RIFO'

In October 2023, the partnership with Rifò — a start-up selected as part of Estra's E-Qube acceleration programme — led to the successful conclusion of the ReThink Your Jeans project. The project involved the installing collection boxes at the company's facilities in Prato, Siena, Arezzo and Ancona to collect unwanted denim and jeans to be sent for the recovery and recycling. The project inspired a particularly high level of employee engagement, enabling the Group to make an active contribution to the circular economy in the fashion sector locally. In fact, out of the 38 participating companies, Estra came second in the number of jeans donated.

BLUE ECO LINE

The River Cleaner — funded by Estra and designed by Blue Eco Line, a start-up selected as part of the E-Qube acceleration programme — is a pilot system designed to intercept and collect plastic waste from rivers to prevent it from flowing into the sea and reduce marine pollution. The Region of Tuscany, the Municipality of Grosseto and the Land Reclamation Consortium also contributed to the project through a Memorandum of Understanding. In 2023, the first prototype of the system was built, and the executive design phase, developed in collaboration with the Land Reclamation Consortium, was concluded. The project is now awaiting the green light from the Services Conference, which is currently completing the necessary procedures to start the works. Once the Services Conference gives the go-ahead for the project and the dry run, scheduled for the first quarter of 2024, is successfully concluded, the system will be installed along the banks of the San Rocco (GR) tributary. The system is due to be launched in June 2024.

ENERGY COACHING

The Energy Coaching project was developed in collaboration with the start-up Midori, a previous winner of the E-Qube programme. By constantly monitoring consumption and implementing an alerts system that indicates when a household's consumption exceeds the standard for the type of house and region, Estra customers are coached on how to reduce their energy footprint by energy coach Lucy, who provides tips and suggestions on how to reduce household electricity consumption. In 2023, the service (currently only available to electricity customers) was integrated into the new Estra app, which is due to be launched in the first quarter of 2024. The free hardware does not require any additional device other than the app and will help customers use electricity responsibly and lower their energy bills.

SMART HYDRO GRID FOR ENERGY TRANSITION AND DECARBONISATION

In April 2023, development started for the SmartHydroGrid for Energy Transition and Decarbonisation project, presented by a partnership of companies operating in the energy sector, start-ups and universities in response to the Public Call to identify research projects in the hydrogen sector.

The project, led by Techfem S.p.A. and co-led by the University of Calabria (also the Science Body for the project), Centria S.r.l., Regas S.r.l. and Creta Energie Speciali S.r.l., will be developed over three years and has been selected by the Italian Ministry of Ecological Transition as one of the 15 research projects to be financed by NRRP funds.

European and Italian energy strategies call for renewable energy sources to play a progressively important role in electricity production. Against this backdrop, the integration of electricity and gas grids will be a decisive factor in achieving energy system security and flexibility targets by enabling greater switching among energy carriers.

Thanks to collaborations with partners, digital models are being developed to support the real-time management and monitoring of smart microgrids linked to the hydrogen market as long-term storage systems, while two pilot multi-energy systems will be installed at the Centria offices in Arezzo and the Techfem offices in Fano.

GAS DISTRIBUTION

Several innovation projects are being developed in the gas distribution sector, including:

- preheating M&R stations using renewable energy: the development and implementation of an automated preheating management system at M&R stations using algorithms to optimise the management of heat generators and heat pumps. The project is aimed at reducing energy consumption and environmental emissions.
- the Systems and Grids automation system: continued development of a digital platform to remotely control and manage natural gas distribution systems and grids.
- a pilot project for the automatic monitoring of gas consumption for preheating five M&R stations. The project applies machine learning technologies to the data lake of the remote control system used to manage Centria's grids and systems.

LARGE-SCALE SYSTEM APPROACH FOR ADVANCED CHARGING SOLUTIONS - XL CONNECT

Certified as eligible for funding in 2022, launched in 2023.

The development of electric mobility and e-vehicle charging technologies is at the centre of a three-year project funded by the European Union (European Climate, Infrastructure and Environment Executive Agency - CINEA). Estra and the Università di Firenze will fund the project until 2026, along with 22 European partners coordinated by VIV - Virtual Vehicle Research, an R&S centre based in Graz (Austria).

XL-Connect, an acronym of "Large scale system approach for advanced charging solutions", is a research and innovation project launched with the aim of optimising the entire charging chain - from the supply of energy to the end user - considering the scenario of a growing e-mobility sector (the number of battery-powered e-vehicles is due to reach 30-40 million by 2030 in the EU).

These development forecasts represent a major challenge for the energy system, but at the same time offer an opportunity to use innovative technologies, such as vehicle-to-grid systems, that will enable the vehicle charging system to store energy, thus increasing grid stability.

The general goal of XL-Connect is to deliver clear benefits to all interested parties. The project has the scope to have major direct impacts on the region, informing plans to install charging stations and contributing to renewable energy initiatives to optimise system efficacy. This will benefit the network operator, companies that supply energy to private customers and businesses, and last but not least, users of electric vehicles.

A survey of user behaviour and the analysis of the energy system and the grid represent the core research behind the project, aimed at creating forecasting models that can predict the behaviour of future e-vehicle owners and fleet operators, as well as identify shortcomings on the electricity network and energy system.

The development of advanced charging technology and control mechanisms will form the basis for the evaluations/virtual and physical demonstrations conducted in four European countries (Belgium, Germany, Italy and Portugal).

Parallel to this, a smart charging simulator will be developed which, by incorporating the results of the demonstrations, will be able to illustrate the impact of these technologies and engage all interested parties: energy suppliers, grid operators, charging station operators, suppliers of e-vehicle components and accessories, and a vehicle manufacturer.

In 2023, periodic discussions and alignment meetings were held among the partners to share data and develop innovative business models.

ANCONA OFFICE DIGITALISATION PROJECT

The project, developed by Estracom and commissioned by Estra, concerns the preliminary development of a network of topographic GPS landing points to support georeferenced surveys and enable the subsequent correlation of the topographic survey and laser scanner survey aimed at acquiring a 3D point cloud model of the entire area. The architectural survey of the buildings carried out using 3D laser scanning technology will make it possible to acquire 360 photographic images from a camera equipped with HDR technology. The survey data will then be post-processed to link the stations and create a colour point cloud model of the entire surveyed area.

The survey will also include a description of the types and characteristics of the main materials used in the interiors and exteriors of the buildings, as well as a georadar survey of the perimeter and the forecourt at the front of the buildings.

The planning phase took approximately 45 working days, and the works were concluded in May 2023.

BIM & DIGITAL TWIN

This project involves using a laser scanner to survey and produce the point cloud of the PoP network in Prato. The point of presence (PoP) is a network access point, provided by Estracom, capable of routing traffic to the end users that are connected to it. In 2023, the Digital Twin software of the PoP and the relative rendering of the as-built BIM were completed and certified, and the new platform was adopted as a tool to monitor and control the electricity and environmental parameters of the PoP area.

2.8 The European Taxonomy

The European Commission, as part of its Sustainable Finance Action Plan, has introduced the Taxonomy (EU Regulation 2020/852, also “EU Taxonomy Regulation”, the “Taxonomy” or the “Regulation”), a standardised Europe-wide classification system that defines a set of criteria to assess the environmental sustainability of economy activities. The Taxonomy aims to incentivise businesses to make their models more environmentally sustainable by investing in this field and disclosing environmental and climate-related data and their commitment to the transition to climate neutrality.

The Taxonomy defines six environmental objectives to identify economically sustainable activities:

- climate change mitigation,
- climate change adaptation,
- sustainable use and protection of marine resources,
- transition to the circular economy,
- pollution prevention and control,
- protection and restoration of biodiversity and ecosystems.

According to the Regulation, activities are considered environmentally sustainable when they make a substantial contribution to at least one of the six environmental objectives, provided that they Do No Significant Harm (DNSH) to the other objectives and guarantee compliance with the minimum social safeguards.

Following the recommendations of EU Regulation 2020/852 and the subsequent Delegated Acts⁴, which introduce reporting obligations concerning the Taxonomy in non-financial reporting, the Estra Group has developed a process to analyse the applicability of the Taxonomy to its activities, considering all of the Group's consolidated companies, with the aim of reporting on three KPIs: turnover, OpEx and CapEx.

This series of analyses was carried out by a cross-departmental working group composed of Sustainability, Planning and Control, Administration and the competent functions of the Group's various business lines, and involved five steps:

1. the verification and validation of the eligible economic activities identified in the previous year;
2. eligibility analysis of any new companies that have entered the scope of consolidation through the analysis and evaluation of the NACE codes and the verification of the descriptions of the activities contained in the annexes;
3. analysis of DNSH and technical screening criteria to evaluate the level of alignment;
4. verification of the minimum social safeguards;

⁴ Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Climate Delegate Act) and its Annexes I and II on climate change mitigation and adaptation targets, Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, as amended, Regulation (EU) 2022/1214, which supplemented Regulation (EU) 2021/2139 by providing for new economic activities and amended Regulation (EU) 2021/2178, and EU Delegated Regulation 2023/2486 of 27 June 2023.

5. calculation of financial indicators and verification of criteria (specific jobs, cost centres, CoGE accounts, profit, etc.) needed to determine the turnover, CapEx and OpEx KPIs.

With regard to compliance with the Minimum Safeguards, 2023 marked an important transition for the Estra Group. To comply with the provisions of the EU Taxonomy, the new Human Rights Policy and Anti-Corruption Policy were approved, and the Code of Conduct and Ethics for all Group companies was updated (see “Governance” – “Responsible Business Management”).

The Human Rights Policy enshrines the respect for human rights as a fundamental value of the Group's actions towards all of its Stakeholders, incorporating all updates to domestic and international regulations that refer to the principles of respect for human rights, and undertaking to act in accordance with all measures established to ensure the correct application of the Policy, including:

- UN Guiding Principles on Business and Human Rights;
- The International Covenant on Civil and Political Rights, 1976;
- The International Covenant on Economic, Social and Cultural Rights, 1976;
- The European Convention on Human Rights, 1950;
- UN Convention on the Rights of the Child, 1989;
- The International Labour Organization (ILO) Conventions;
- The Declaration on Fundamental Principles and Rights at Work, 1998;
- Principles of the UN Global Compact, 1999;
- European Parliament Resolution of 10 March 2021 concerning recommendations to the Commission on corporate due diligence and corporate accountability;
- Italian law on equal opportunities for men and women;
- Italian law on the freedom of association and trade union activities in the workplace;
- Italian law on occupational health and safety;
- Italian law on working hours;
- Italian law on privacy and personal data protection.

Please note that in the two reporting years after the introduction of the Taxonomy Regulation (2021 and 2022), the analysis only considered the climate change adaptation and climate change mitigation targets. As of 2023, in response to the publication of the Delegated Regulations for the two environmental targets concerning the sustainable use and protection of marine resources, transition to the circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems, the Group extended the analysis to all six targets. Specifically, the alignment analysis focused on climate change mitigation and adaptation, while for the other four targets only eligibility was assessed.

The following tables show the list of eligible economic activities for each target.

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

Activity code	Description of business activity	Company
CCM 5.5 / CCA 5.5	Collection and transportation of non-hazardous waste in tranches separated at source	Ecolat, Ecos
CCM 4.31 / CCA 4.31	Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.	Estra Clima

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

Activity code	Description of business activity	Company
CCM 4.1 / CCA 4.1	Electricity production by solar/photovoltaic technology	Estra Clima

CCM 4.3 / CCA 4.3	Electricity production from wind energy	Estra Clima
CCM 4.5 / CCA 4.5	Electricity production from hydroelectric energy	Idrogena
CCM 4.15 / CCA 4.15	District heating/cooling distribution	Estra Clima
CCM 4.16 / CCA 4.16	Installation and operation of electric heat pumps	Estra Clima
CCM 4.20 / CCA 4.20	Co-generation of heat/cooling energy and electricity from bioenergy	Estra Clima
CCM 4.30 / CCA 4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Estra Clima
CCM 6.4 / CCA 6.4	Management of personal transporters and bicycles	Estra Energie
CCM 7.3 / CCA 7.3	Installation, maintenance and repair of energy efficiency devices	Estra Clima
CCM 7.4 / CCA 7.4	Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	Estra Energie Estra
CCM 7.5 / CCA 7.5	Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	Centria Gergas Murgia Edma Reti Gas Estra Clima
CCM 7.6 / CCA 7.6	Installation, maintenance and repair of renewable energy technology	Estra Clima
CCM 8.1 / CCA 8.1	Data processing, hosting and related activities	Estracom
CCM 9.1 / CCA 9.2	Close-to-market research, development and innovation	Estra Centria Gergas Murgia Edma Reti Gas
CCM 9.3 / CCA 9.3	Professional services related to the energy performance of buildings	Estra Clima

Table of the Estra Group's eligible business activities - Transition to the Circular Economy (CE) Target

Activity code	Description of business activity	Company
CE 2.7	Sorting and recovery of materials from non-hazardous waste	Ecolat Ecocentro
CE 4.1	Supply of data-driven IT/OT solutions	Estracom

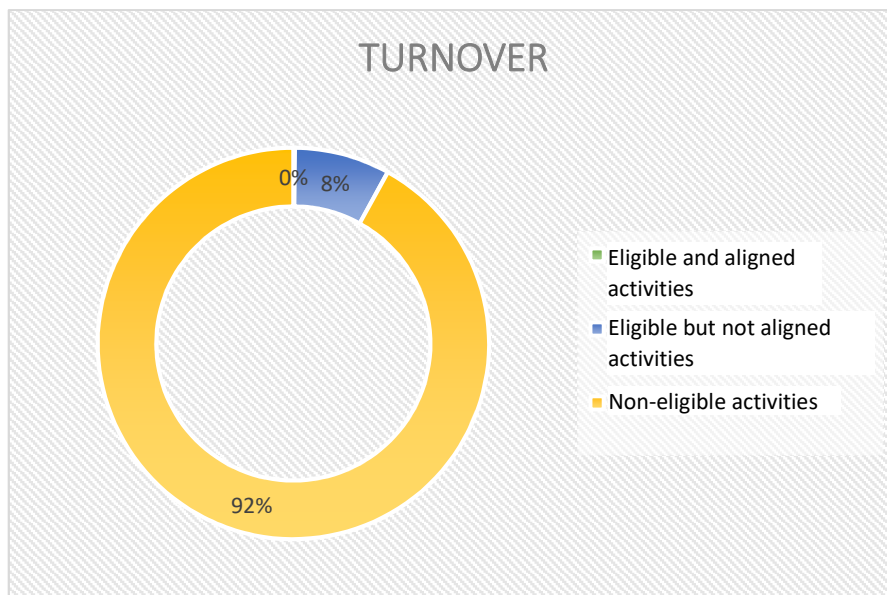
Table of the Estra Group's eligible business activities - Pollution Prevention and Control (PPC) Target

Activity code	Description of business activity	Company
PPC 2.1	Collection and transportation of hazardous waste	Ecos
PPC 2.2 / CE 2.4	Treatment of hazardous waste	Bisenzio Ambiente

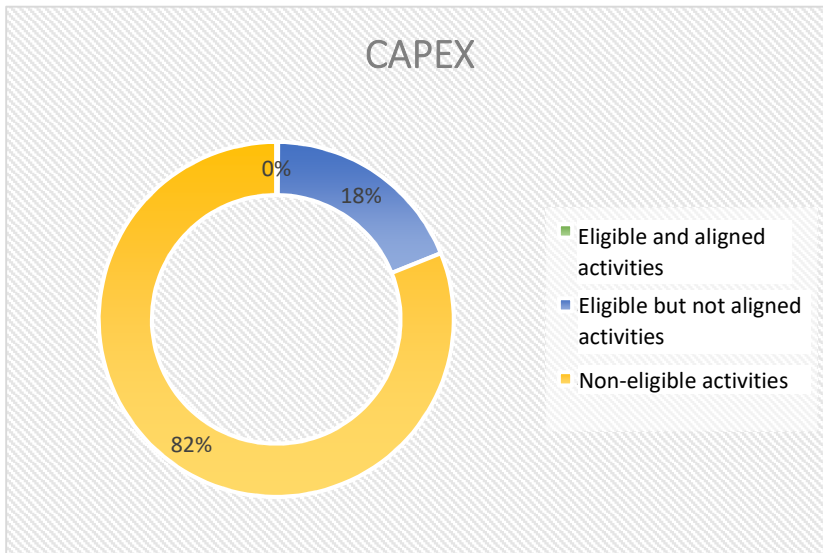
Based on this comprehensive analysis, the portions of eligible, aligned and not aligned activities for the three KPIs required by the Taxonomy for 2023 are shown below.

The values used in the graphs are based on those in the tables.

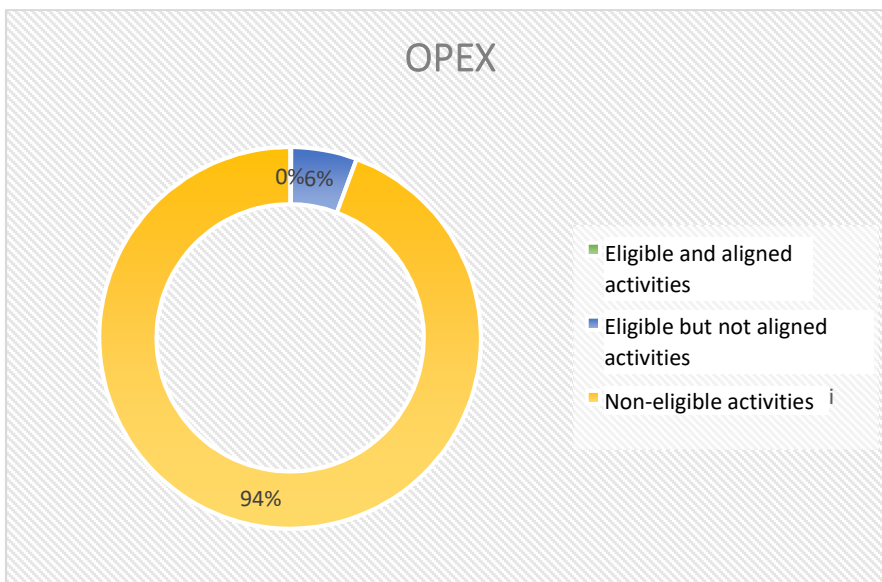
	Eligible and aligned activities	Eligible but not aligned activities	Non-eligible activities
TURNOVER	0.12%	7.91%	91.97%



	Eligible and aligned activities	Eligible but not aligned activities	Non-eligible activities
CAPEX	0.17%	18.34%	81.49%



	Eligible and aligned activities	Eligible but not aligned activities	Non-eligible activities
OPEX	0.08%	5.60%	94.32%



For more details on eligible, aligned and non-eligible activities, as well as the calculation criteria for the relative portions of turnover, OpEx and CapEx, the complete tables prepared using the templates provided for in EU Delegated Regulation 2021/2178 are provided below.

Summary table - 2023 Turnover

Description of economic activity	Taxonomy code		Consolidated Turnover 2023	Proportion of Turnover 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of turnover aligned or the taxonomy 2022	Enabling activity	Transitional activity
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity				
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%		
A. Eligible activities																				
A.1. Eligible and aligned activities																				
Collection and transportation of non-hazardous waste in tranches separated at source	CCM 5.5 / CCA 5.5	Ecolat	132,000	0.01%	NO	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.01%		
Collection and transportation of non-hazardous waste in tranches separated at source	CCM 5.5 / CCA 5.5	Ecos	1,308,702	0.11%	NO	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.41%		
TOTAL A.1 Eligible and aligned activities			1,440,702	0.12%														0.42%		

Description of economic activity	Taxonomy code		Consolidated Turnover 2023	Proportion of Turnover 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of turnover aligned or the taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			YES/NO	YES/NO
District heating/cooling distribution	CCM 4.15 / CCA 4.15	Estra Clima	1,800,143	0.15%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.17%		
Installation and operation of electric heat pumps	CCM 4.16 / CCA 4.16	Estra Clima	7,911	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Co-generation of heat/cooling energy and electricity from bioenergy	CCM 4.20 / CCA 4.20	Estra Clima	1,712,546	0.14%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.11%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30 / CCA 4.30	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Management of personal transporters and bicycles	CCM 6.4 / CCA 6.4	Estra Energie		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of energy	CCM 7.3 / CCA 7.3	Estra Clima	66,446,682	5.48%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	1.67%		

Description of economic activity	Taxonomy code		Consolidated Turnover 2023	Proportion of Turnover 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of turnover aligned or the taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			YES/NO	YES/NO
			€	%													%			
efficiency devices																				
Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	CCM 7.4 / CCA 7.4	Estra Energie Estra	76,517	0.01%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Centria Gergas Murgia		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of instruments and devices to measure, regulate and	CCM 7.5 / CCA 7.5	Edma Reti Gas		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			

Description of economic activity	Taxonomy code		Consolidated Turnover 2023	Proportion of Turnover 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of turnover aligned or the taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			YES/NO	YES/NO
control energy performance in buildings			€	%																
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Estra Clima	98,363	0.01%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.01%		
Installation, maintenance and repair of renewable energy technology	CCM 7.6 / CCA 7.6	Estra Clima	215,020	0.02%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Data processing, hosting and related activities	CCM 8.1 / CCA 8.1	Estracom	101,379	0.01%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.01%		
Close-to-market research,	CCM 9.1 / CCA 9.2	Centria Gergas Murgia		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			

Description of economic activity	Taxonomy code		Consolidated Turnover 2023	Proportion of Turnover 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of turnover aligned or the taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			YES/NO	YES/NO
development and innovation			€	%																
Professional services related to the energy performance of buildings	CCM 9.3 / CCA 9.3	Estra Clima	45,000	0.00%	YES	N/EL	N/EL	N/EL	N/EL	N/EL							YES			
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.	CCM 4.31 / CCA 4.31	Estra Clima		0.00%	NO	YES	N/EL	N/EL	N/EL	N/EL							YES			
Sorting and recovery of materials from non-hazardous waste	CE 2.7	Ecolat	5,421,085	0.45%	N/EL	N/EL	N/EL	YES	N/EL	N/EL							YES	0.24%		
Sorting and recovery of materials from non-hazardous waste	CE 2.7	Ecocentro	5,007,921	0.41%	N/EL	N/EL	N/EL	YES	N/EL	N/EL							YES			

Description of economic activity	Taxonomy code		Consolidated Turnover 2023	Proportion of Turnover 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of turnover aligned or the taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			YES/NO	YES/NO
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
Supply of data-driven IT/OT solutions	CE 4.1	Estracom	98,700	0.01%	N/EL	N/EL	N/EL	YES	N/EL	N/EL							YES			
Collection and transportation of hazardous waste	PPC 2.1	Ecos	5,390,478	0.44%	N/EL	N/EL	N/EL	N/EL	YES	N/EL							YES			
Treatment of hazardous waste	PPC 2.2 / CE 2.4	Bisenzio Ambiente	488,153	0.04%	N/EL	N/EL	N/EL	NO	YES	N/EL							YES			
TOTAL A.2 Eligible but not aligned activities			95,843,107	7.91%	6.55%	0.00%	0.00%	0.87%	0.48%	0.00%								2.34%		
A. TOTAL A.1. + A.2.			97,283,810	8.03%														2.76%		
B. Taxonomy non-eligible activities																				
Non-eligible activities			1,114,762,354	91.97%																
TOTAL B. Taxonomy non-eligible activities			1,114,762,354	91.97%																
TOTAL A + B			1,212,046,164																	

	Aligned activities by target	Eligible activities by target
CCM	0%	7%
CCA	0%	0%
WTR	0%	0%
CE	0%	1%
PPC	0%	0%
BIO	0%	0%

Summary table - 2023 CapEx

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution					Criteria for doing no significant harm					Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Enabling activity	Transitional activity	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy					Pollution
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. Eligible activities																			
A.1. Eligible and aligned activities																			

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%		
Collection and transportation of non-hazardous waste in tranches separated at source	CCM 5.5 / CCA 5.5	Ecolat		0.00%	NO	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES			
Collection and transportation of non-hazardous waste in tranches separated at source	CCM 5.5 / CCA 5.5	Ecos	136,747	0.18%	NO	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%		
TOTAL A.1 Eligible and aligned activities			136,747	0.18%														0.00%		
<i>of which enabling</i>			0	0.00%																
<i>of which transition</i>			0	0.00%																
A.2. Eligible but not aligned activities																				
Electricity production by solar/photovoltaic technology	CCM 4.1 / CCA 4.1	Estra Clima	264,137	0.35%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	1.00%		
Electricity production by	CCM 4.1 / CCA 4.1	Cavriglia		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
solar/photovoltaic technology																				
Electricity production by solar/photovoltaic technology	CCM 4.1 / CCA 4.1	Tegolaia		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Electricity production from wind energy	CCM 4.3 / CCA 4.3	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Electricity production from hydroelectric energy	CCM 4.5 / CCA 4.5	Idrogen era	10,970	0.01%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
District heating/cooling distribution	CCM 4.15 / CCA 4.15	Estra Clima	510,773	0.67%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		
Installation and operation of electric heat pumps	CCM 4.16 / CCA 4.16	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Co-generation of heat/cooling energy and electricity from bioenergy	CCM 4.20 / CCA 4.20	Estra Clima	18,885	0.02%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30 / CCA 4.30	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Management of personal transporters and bicycles	CCM 6.4 / CCA 6.4	Estra Energie		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of energy efficiency devices	CCM 7.3 / CCA 7.3	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of e-vehicle charging stations in buildings (and in building parking spaces)	CCM 7.4 / CCA 7.4	Estra Energie Estra	28,649	0.04%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		
Installation, maintenance and repair of instruments and devices to measure, regulate and	CCM 7.5 / CCA 7.5	Centria Gergas Murgia	10,413,355	13.60%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	9.00%		

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
control energy performance in buildings																				
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Edma Reti Gas 3	1,409,773	1.84%	YES	NO	N/EL	N/EL	N/EL	N/EL						YES	2.00%			
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL						YES				
Installation, maintenance and repair of renewable	CCM 7.6 / CCA 7.6	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL						YES				

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
energy technology																				
Data processing, hosting and related activities	CCM 8.1 / CCA 8.1	Estracom	42,000	0.05%	YES	NO	N/EL	N/EL	N/EL	N/EL						YES				
Close-to-market research, development and innovation	CCM 9.1 / CCA 9.2	Centria Gargas Murgia	239,785	0.31%	YES	NO	N/EL	N/EL	N/EL	N/EL						YES	0.00%			
Professional services related to the energy performance of buildings	CCM 9.3 / CCA 9.3	Estra Clima		0.00%	YES	N/EL	N/EL	N/EL	N/EL	N/EL						YES				
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.	CCM 4.31 / CCA 4.31	Estra Clima		0.00%	NO	YES	N/EL	N/EL	N/EL	N/EL						YES				
Sorting and recovery of materials from non-hazardous waste	CE 2.7	Ecolat	770,104	1.01%	N/EL	N/EL	N/EL	YES	N/EL	N/EL						YES	5.00%			
Sorting and recovery of	CE 2.7	Ecocentro		0.00%	N/EL	N/EL	N/EL	YES	N/EL	N/EL						YES				

Description of economic activity	Taxonomy code		Capex 2023	Proportion of Capex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of CAPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
materials from non-hazardous waste																				
Supply of data-driven IT/OT solutions	CE 4.1	Estracom	74,066	0.10%	N/EL	N/EL	N/EL	YES	N/EL	N/EL						YES				
Collection and transportation of hazardous waste	PPC 2.1	Ecos	563,253	0.74%	N/EL	N/EL	N/EL	N/EL	YES	N/EL						YES				
Treatment of hazardous waste	PPC 2.2 / CE 2.4	Bisenzio Ambiente		0.00%	N/EL	N/EL	N/EL	NO	YES	N/EL						YES				
TOTAL A.2 Eligible but not aligned activities			14,345,750	18.34%	16.90%	0.00%	0.00%	1.10%	0.74%	0.00%							17.00%			
A. TOTAL A.1. + A.2.			14,482,496	18.51%													17.00%			
B. Taxonomy non-eligible activities																				
Non-eligible activities			63,756,611	81.49%																
TOTAL B. Taxonomy non-eligible activities			63,756,611	81.49%																
TOTAL A + B			78,239,107																	

	Aligned activities by target	Eligible activities by target
CCM	0%	17%
CCA	0%	0%
WTR	0%	0%
CE	0%	1%
PPC	0%	1%
BIO	0%	0%

Summary table - 2023 OpEx

Description of economic activity	Taxonomy code		Opex 2023	Proportion of Opex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of OPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%		
A. Eligible activities																				
A.1. Eligible and aligned activities																				
Collection and transportation of non-hazardous waste in tranches separated at source	CCM 5.5 / CCA 5.5	Ecolat	34,000	0.00%	NO	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%		
Collection and transportation of non-hazardous waste in tranches separated at source	CCM 5.5 / CCA 5.5	Ecos	809,736	0.08%	NO	YES	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.16%		

Description of economic activity	Taxonomy code		Opex 2023	Proportion of Opex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of OPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
TOTAL A.1 Eligible and aligned activities			843,736	0.08%													0.16%			
<i>of which enabling</i>			0	0.00%																
<i>of which transition</i>			0	0.00%																
A.2. Eligible but not aligned activities																				
Electricity production by solar/photovoltaic technology	CCM 4.1 / CCA 4.1	Estra Clima	1,021,705	0.10%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.05%		
Electricity production by solar/photovoltaic technology	CCM 4.1 / CCA 4.1	Cavriglia	713,689	0.07%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Electricity production by solar/photovoltaic technology	CCM 4.1 / CCA 4.1	Tegolaia	438,276	0.04%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Electricity production from wind energy	CCM 4.3 / CCA 4.3	Estra Clima	3,998	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		
Electricity production from hydroelectric energy	CCM 4.5 / CCA 4.5	Idrogene ra	19,013	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		

Description of economic activity	Taxonomy code		Opex 2023	Proportion of Opex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of OPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			YES/NO	YES/NO
District heating/cooling distribution	CCM 4.15 / CCA 4.15	Estra Clima	2,073,166	0.19%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.22%		
Installation and operation of electric heat pumps	CCM 4.16 / CCA 4.16	Estra Clima	0	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Co-generation of heat/cooling energy and electricity from bioenergy	CCM 4.20 / CCA 4.20	Estra Clima	1,863,461	0.17%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.13%		
High-efficiency co-generation of heat/cooling and power from fossil gaseous fuels	CCM 4.30 / CCA 4.30	Estra Clima		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Management of personal transporters and bicycles	CCM 6.4 / CCA 6.4	Estra Energie	149	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		
Installation, maintenance and repair of energy efficiency devices	CCM 7.3 / CCA 7.3	Estra Clima	44,772,975	4.20%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	1.10%		
Installation, maintenance and repair of e-vehicle charging stations in buildings (and in	CCM 7.4 / CCA 7.4	Estra Energie Estra	67,821	0.01%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.01%		

Description of economic activity	Taxonomy code		Opex 2023	Proportion of Opex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of OPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
building parking spaces)																				
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Centria Gergas Murgia		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Edma Reti Gas		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Installation, maintenance and repair of instruments and devices to measure, regulate and control energy performance in buildings	CCM 7.5 / CCA 7.5	Estra Clima	0	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		

Description of economic activity	Taxonomy code		Opex 2023	Proportion of Opex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of OPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
Installation, maintenance and repair of renewable energy technology	CCM 7.6 / CCA 7.6	Estra Clima	121,005	0.01%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Data processing, hosting and related activities	CCM 8.1 / CCA 8.1	Estracom	42,000	0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES	0.00%		
Close-to-market research, development and innovation	CCM 9.1 / CCA 9.2	Centria Gergas Murgia		0.00%	YES	NO	N/EL	N/EL	N/EL	N/EL							YES			
Professional services related to the energy performance of buildings	CCM 9.3 / CCA 9.3	Estra Clima		0.00%	YES	N/EL	N/EL	N/EL	N/EL	N/EL							YES			
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.	CCM 4.31 / CCA 4.31	Estra Clima		0.00%	NO	YES	N/EL	N/EL	N/EL	N/EL							YES			
Sorting and recovery of materials from non-hazardous waste	CE 2.7	Ecolat	1,039,080	0.10%	N/EL	N/EL	N/EL	YES	N/EL	N/EL							YES	0.25%		
Sorting and recovery of materials from non-hazardous waste	CE 2.7	Ecocentro	3,302,624	0.31%	N/EL	N/EL	N/EL	YES	N/EL	N/EL							YES			

Description of economic activity	Taxonomy code		Opex 2023	Proportion of Opex 2023	Criteria for substantial contribution						Criteria for doing no significant harm						Minimum safeguards	Proportion of OPEX aligned to/eligible for the Taxonomy 2022	Category	
					Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water and water resources	Circular economy	Pollution	Biodiversity			E	T
			€	%							YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%			
Supply of data-driven IT/OT solutions	CE 4.1	Estracom	71,500	0.01%	N/EL	N/EL	N/EL	YES	N/EL	N/EL							YES			
Collection and transportation of hazardous waste	PPC 2.1	Ecos	4,140,339	0.39%	N/EL	N/EL	N/EL	N/EL	YES	N/EL							YES			
Treatment of hazardous waste	PPC 2.2 / CE 2.4	Bisenzio Ambiente	188,270	0.02%	N/EL	N/EL	N/EL	NO	YES	N/EL							YES			
TOTAL A.2 Eligible but not aligned activities			59,879,069	5.60%	4.79%	0.00%	0.00%	0.41%	0.41%	0.00%								1.76%		
A. TOTAL A.1. + A.2.			60,722,805	5.68%														1.92%		
B. Taxonomy non-eligible activities																				
Non-eligible activities			1,008,402,203	94.32%																
TOTAL B. Taxonomy non-eligible activities			1,008,402,203	94.32%																
TOTAL A + B			1,069,125,008																	

	Aligned activities by target	Eligible activities by target
CCM	0%	5%

CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Template 1 - Fossil gas related activities

Row	Fossil gas related activities	
1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
2	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
3	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

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

Row	Economic activities	TURNOVER Amount and proportion						CAPEX Amount and proportion						OPEX Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
5	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Amount and proportion of taxonomy eligible but not taxonomy aligned economic activity referred to	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Row	Economic activities	TURNOVER Amount and proportion						CAPEX Amount and proportion						OPEX Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI</i>																		
7	Amount and proportion of other taxonomy eligible but not taxonomy aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	79,436,770	6.55%	79,436,770	6.55%	0	0.00%	12,938,326	16.90%	12,938,326	16.90%	0	0.00%	51,137,258	4.79%	51,137,258	4.79%	0	0.00%

Row	Economic activities	TURNOVER Amount and proportion						CAPEX Amount and proportion						OPEX Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	79,436,770	6.55%	79,436,770	6.55%	0	0.00%	12,938,326	16.90%	12,938,326	16.90%	0	0.00%	51,137,258	4.79%	51,137,258	4.79%	0	0.00%

Template 5 - Taxonomy non-eligible economic activities

Row	Economic activities	Turnover Amount	Turnover Percentage	CapEx Amount	CapEx Percentage	OpEx Amount	OpEx Percentage
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0

7	<i>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</i>	1,114,762,354	91.97%	63,756,611	81.49%	1,008,402,203	94.32%
8	<i>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</i>	1,114,762,354	91.97%	63,756,611	81.49%	1,008,402,203	94.32%

To calculate the KPIs (turnover, CapEx and OpEx), please note that:

- 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.

3. Governance

3.1 Targets and results

Targets for 2023	Results in 2023
<p>Estra Group To analyse and implement the Group Governance, Risk and Compliance platform.</p>	<p><i>Target not achieved</i> A GRC platform has not yet been implemented.</p>
<p>Estra Group 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.</p>	<p><i>Target achieved</i> In 2023, the Code of Ethics was updated and re-issued as the Code of Ethics and Conduct, adopted by all Group companies, including those that have not adopted 231 Models. To support the Code of Ethics, an Anti-Corruption Policy and a Human Rights Policy were also drafted.</p>
<p>Estra Group To extend the list of Companies that have adopted the Model pursuant to Italian Legislative Decree 231/2001 to companies operating in the environmental sector that conduct relevant activities and are averagely structured.</p>	<p><i>Target partially achieved</i> In 2023, ECOS adopted the Model pursuant to Italian Legislative Decree 231/2001. The drafting of the 231 Model of the company Bisenzio Ambiente was also completed on 31/12/2023 and will be approved at the first BoD Meeting of 2024. Target 100% achieved for all companies that have chosen to adopt the 231 Model. In the environment sector, the only company yet to resolve on the adoption of the 231 Model is Ecocentro Toscana.</p>
<p>Estra Group 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.</p>	<p><i>Target achieved</i> Update completed; for certain risks, approval from the competent functions is still pending.</p>
<p>Estra Group To introduce a new risk assessment metrics, such as interconnectivity and speed, to complement traditional probability and impact assessment metrics.</p>	<p><i>Target achieved</i> The current risk assessment methodology adopted by the Estra Group assesses the interconnectivity of risks and the speed at which the effects of those risks can manifest.</p>
<p>Estra Group To implement software dedicated to managing the Occupational Safety Management System and IMS.</p>	<p><i>Target not achieved</i> Contact with supplier initiated, procurement requirements defined and cost-benefit feasibility study launched. The project was interrupted, as it is not deemed a</p>

	priority until the corporate restructuring linked to the multiutility entity is concluded.
Estra Group 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.	<i>Target achieved</i> The risk is being monitored and takes account of the improvement actions taken in 2023 (Anti-Corruption Policy, Human Rights Policy, Code of Ethics).
Estra Group To provide training on anti-corruption policies and procedures to government bodies.	<i>Target achieved</i> The Governance bodies approved the Code of Ethics, the Anti-Corruption Policy and the Human Rights Policy in 2023.
Estra Group To assess computerised risk management systems: to launch research projects to develop a computerised risk management system.	<i>Target partially achieved</i> Ongoing. A tool to record, monitor and analyse risks is currently being finalised.
Estra Group To provide whistleblowing training for employees of companies that have adopted the 231 Model. Alignment to Whistleblowing regulations.	<i>Target partially achieved</i> Italian Legislative Decree 24, which entered into force on 30 March 2023, stated that companies had to align to the new regulation by 17 December 2023. Estra has aligned to the new regulation, approving its whistleblowing procedure on 18 December 2023 and postponing the relative training to early 2024. Regulatory alignment target 100% achieved.
Centria To transition to certification ISO 27001:2022 - Information Security Management Systems.	<i>Target partially achieved</i> The transition to ISO 27001:2022 certification was planned for 2023, as foreseen in the Audit of the ICIM Certification Body on 28 and 29 February 2024.
Murgia Reti Gas S.r.l. UNI EN ISO 14001 and Emas certification.	<i>Target not achieved</i> Target not completed and delayed to 2025.

Targets for 2023-2024

To consolidate the new Neta information system and implement improvements to make processes faster, safer and more efficient

	Level of achievement
NetaSiu	40%
NetaSial	56%
Neta2D	47%
Neta4Sales	72%

Targets for 2023-2025

Adoption of the Neta System in all Estra Group companies: the Neta system was adopted by 3 Group companies (EstraEnergie, Prometeo and Centria), but a change of strategy is currently underway.

Targets for 2024

Bisenzio Ambiente
Achieve ISO 45001 Certification

Bisenzio Ambiente
Adopt the Model pursuant to Italian Legislative Decree 231/2001

Estra Group
Alignment of the corporate website to the Whistleblowing policy, publication of the access link to the internal whistleblowing platform and third-party disclosures

Estra Group
To provide training on anti-corruption policies and procedures to government bodies

Targets for 2024-2025

Estra Group
Update of the 231 Model to align to regulatory updates (new predicate offences) introduced by Italian Law 137/2023, with particular reference to the following crimes: Bid rigging (Art. 353 of the Italian Criminal Code) and interference with the tender process (Art. 353-*bis* of the Italian Criminal Code) and subsequent training activities

Targets for 2024-2026

Estra Group
To implement software dedicated to managing the Occupational Safety Management System and IMS

Estra Group
Alignment of Occupational HSE procedures with ISO45001 (coordination)

Targets for 2025

Murgia Reti Gas S.r.l.
UNI EN ISO 14001 and Emas certification

3.2 Corporate Governance and Control Boards

In 2023 there were 92 members on the Estra Group's governance boards. With regard to gender, there is a pronounced weighting towards men, who represent 73.9% of the positions held. In terms of age, 75% of members are over 50 years old. Furthermore, the company's willingness to engage and motivate its employees has led to 38% of employees sitting on the Boards of Directors of Group companies.

The table below summarises the key information of the governance boards for the last three years (2021-2023).

		2021	2022	2023
Composition				
Number of members		70	82	92
Women		15	17	24
Men		55	65	68
Age				
29 or under				
Women		0	0	0
Men		0	0	0
From 30 to 50 (inclusive)				
Women		5	5	8
Men		14	14	15
Over 50 years				
Women		10	12	16
Men		41	51	53
Average age				
Women		51	52	52
Men		56	57	56
Overall average age		55	56	55

As regards educational level, the data in 2023 were unchanged on the previous year: 96.7% of members hold a diploma or a degree. In particular, 38% hold a senior high school diploma, while 60.9% have a bachelor's or master's degree.

As regards company seniority⁵, in 2023, there were 116 positions in total, in line with 2022. Of these, the majority (72) were characterised by a seniority of below three years, 21 with seniority between three and six years, and 23 with seniority of over six years. For both genders, most positions had seniority of less than three years.

With regard to the Board of Directors of Estra S.p.A., the ordinary Shareholders' Meeting is responsible for the appointment and revocation of the Board of Directors and defining the fee payable to them, the appointment of the Board of Statutory Auditors, and the party assigned the independent audit and whatever else is provided under article 2364 of the Italian Civil Code. The Shareholders' Meeting is responsible for adopting rules that govern the operation of shareholders' meeting operations, where deemed necessary.

Estra S.p.A. is governed by a Board of Directors consisting of 5 members. The shareholders Alia S.p.A., Intesa S.p.A., Coingas S.p.A. and Viva Energia S.p.A. each have the right to nominate one director. In Estra S.p.A., the Chairperson of the Board of Directors is not a senior executive of the organisation.

Candidates members of the Board of Directors must possess specific expertise and professional qualifications in terms of offices held, functions previously performed, professional activities carried out or comparable activities. In addition to these requirements, directors that are not nominated by shareholders must also meet the requirements of autonomy and independence pursuant to Art. 2399 (1) of the Italian Civil Code. 87.7% of the directors nominated to serve on the various Boards of Directors of Group companies within the scope of consolidation have specific expertise and knowledge of the reference scenario. As regards the gender diversity of the Board of Directors of Estra S.p.A., despite not being a listed company it nonetheless undertakes to comply with Law 120 of 12 July 2011, under which at least one third of roles must be allocated to women.

Directors not nominated by Shareholders must meet the requirements of autonomy and independence provided for under Article 2399.1 of the Italian Civil Code, without prejudice to the requirement to possess

⁵ Seniority is calculated considering the total number of roles, not the number of members of the governance bodies.

specific expertise and professional experience in terms of offices held, functions previously performed, professional activities carried out or comparable activities.

Committees are appointed by the Estra S.p.A. BoD at the time of approval of the company's organisational structure.

Each member of the BoD informs the other directors and the Board of Statutory Auditors of any interest they may have in a given operation of Estra S.p.A., declaring the conflict of interest with regard to the matter in question and explaining the reason. The conflict of interest shall be duly noted in the minutes of the Board meeting and thus shall also be made aware to employees who receive, as a result of their role, the minutes of the items on the agenda of the Board meeting in which the director declared the conflict of interest.

As such, Stakeholders are made aware of all conflicts of interest declared, including those relative to:

- i) membership of more than one Board of Directors;
- ii) cross-shareholdings with suppliers and other Stakeholders;
- iii) existence of majority shareholders (whose vote is decisive for the attainment of a majority at a Board meeting);
- iv) related parties, their relations, transactions and outstanding balances.

The performance of the Estra S.p.A Board of Directors, also with regard to the management of the Group's impact, is assessed each year in the Shareholders' Meeting during the presentation of the Consolidated Financial Statements and the Consolidated Non-Financial Statement. At such time, the economic impacts are illustrated, making reference to the content of the Consolidated Financial Statement and the impact on the environment and people described in the Consolidated Non-Financial Statement. Therefore, the Shareholders - as Stakeholders themselves - are involved in approving the results for the year.

The BoD is responsible for assessing the performance trends in the year. It approves the results presented to the Shareholders' Meeting and provides strategic guidance. With regards to the impact assessment, the various tasks are assigned to each manager, according to the organisational chart approved by the BoD and the duties performed. The organisational chart defines the Group's organisational structure, identifies the managers, their collaborators and the duties they are required to perform.

Furthermore, at the end of each term of office (every three years), the Shareholders assess the performance of the Estra S.p.A. Board of Directors and decide whether or not to change the composition of the Board. Currently, the performance of the highest governing body is not assessed on sustainability targets.

Directors' remuneration is established by the Shareholders, who decide:

- the annual fixed component of remuneration proportional to the net profit for the year;
- the maximum bonus that can be awarded upon the approval of the Financial Statements, which can be redefined at that time and may vary according to the different roles of the directors;
- the maximum annual remuneration for the offices that the directors hold.

The fee for appointees is set by the Board of Directors at the time of their appointment. The fee must remain within the maximum limits established by the Shareholders, varies depending on the various roles, and always complies with the limits established by statutory provisions.

The remuneration of senior managers is based on the National Collective Labour Agreement (CCNL) tables and a performance appraisal system. The model is aimed at managers as well as other senior personnel of Estra S.p.A. and other Group companies.

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

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

The Group economic performance indicators are quantitative indicators that refer to the achievement of the primary targets of the Company and/or the Group (for example, Group of Company EBIT and EBITDA). The indicator is calculated on a scale, using the budget as the benchmark.

Role indicators are specific indicators for each position and role which are defined each year by the direct line manager and confirmed by the Management Committee. These may be structured as:

- Performance targets: these are normally expressed in quantitative terms and indicate personal goals linked to the roles and duties carried out;
- Effectiveness targets: these are normally expressed in quantitative terms and indicate specific goals for the relevant business area; they are used to optimise the resolution of problems arising within that area;
- Efficiency targets: these are normally expressed in quantitative or qualitative-quantitative terms and are mainly linked to product or service quality metrics.

Managerial skills are assessed by individual indicators that consider the conduct of the assessee in the performance of their role within the organisation, with the aim of ensuring a positive organisational climate, collaboration and a trajectory towards achieving targets.

The weightings attributed to the indicators depend on the role in question, with different weightings according to the level of responsibility of the assessee. The indicators are broken down differently according to the position held (General Manager, Executives, Other).

In this process, targets are assigned using a top-down approach, starting with senior management. The Human Resources Service begins the process to assign the targets for the coming year. This is based on a discussion about the targets between the person that sets them (assessor) and the recipient of the MBO (assessee). Specifically, role-specific targets and the relative weightings are set each year and are assigned and approved in a formal meeting, based on the level of responsibility and the role of each assessee. In this phase, as well as the role-specific targets, the pool of MBO recipients and the financial bonuses to be awarded to the assessee are identified.

Within the first six months of each year, the targets for the previous year are certified and assessed at a final meeting between the assessee and assessor, verifying the level of achievement of the assigned targets and relative indicators. During this phase, management skills may be evaluated in a two-stage assessment involving both the direct supervisor and the Manager of the Group Company, in order to reduce the subjectivity associated with the evaluation of soft skills.

In particular, 118 people (equating to 14.2% of total employees, 84 men and 34 women) were assigned MBOs in 2023, which will be disbursed in 2024. Just under half were assigned to office workers (47.5%), followed by middle managers (30.5 %) and executives (22.0 %). The evaluation considers performance and a person's professional growth. Specifically, the assessment looks at adaptability, problem-solving skills, simplification, effective planning of work within established deadlines, leadership, inclusiveness and collaboration in the sense of having an overall view of the organization and pursuing common goals, as well as innovation aptitude and the ability to guarantee results.

Sustainable Development Knowledge on the Governing Bodies

The Directors of Estra S.p.A. are responsible for ensuring that the Non-Financial Statement is prepared and published in compliance with the provisions of Italian Legislative Decree 254/2016. To meet this obligation, the Directors act according to criteria of professionalism and due diligence. The Directors present the Non-Financial Statement to shareholders at a specific Shareholders' Meeting.

The Board of Directors of Estra S.p.A. is therefore responsible for approving the information contained in the Non-Financial Statement. The Board also approves the material topics identified for the purposes of the NFS. The NFS and the material topics are entered onto the Agenda of the Meeting of the Board of Directors and, following a presentation given by the competent function and the resulting discussion, during which requests for clarifications can be made, are approved by the Board. The material topics listed in this NFS are those that emerged from the identification process carried out in early 2023 and approved by the Board of Director at the meeting of 16 February 2023.

The NFS of the Estra Group and the material topics presented over the years have always been approved without objection by the Board of Directors.

As required by law, the audit of the Non-Financial Statement is carried out by a function authorised to carry out this activity, which is specifically designated by the Board of Directors.

It is therefore important to develop the skills and experience of the Boards of Directors of Estra Spa and other Group Companies on matters of sustainable development.

There were numerous opportunities in 2023 to advance the Group's collective knowledge, skills and experience in sustainable development.

Members of the Boards of Directors of Group Companies took part in the *Comunicare la crisi climatica* event on 21 June 2023. The morning discussion opened with the presentation of the 2022 Sustainability Report, followed by the round table moderated by Laura La Posta, Editor-in-Chief of *Il Sole 24 Ore*, attended by Fabiano Ventura, Chair of the Macromicro Association, landscape photographer and project manager of the *Sulle tracce dei ghiacciai* project, Stefano Caserini, Lecturer in Climate Change Mitigation at Milan Polytechnic University, Mauro Buonocore, Director of Communication and Media, CMCC - Euro-Mediterranean Center on Climate Change; Serena Giacomini, Physicist, Climatologist, and Chair of ItalianClimateNetwork.

Estra S.p.A. Board of Directors

The Board of Directors of Estra S.p.A. had the opportunity to explore topics related to sustainability, approving the 2022 NFS and the 2023-2027 Strategic Plan which focuses on three key strategies (Sustainability, Digital, Human).

Other topics discussed at the Group Company Board Meetings included:

- *New Materiality Analysis*. Following the updating of the reporting standard (GRI Standards), the Estra S.p.A. BoD was involved in a meeting during which the main changes and the consequent implications for reporting linked to the definition of the new set of disclosures were discussed. Specifically, the discussion explored the new process of determining material topics (Impact Materiality), aimed at identifying the impacts generated by the organisation along the value chain on the economy, the environment and people, including human rights. The most important innovations concerning the Universal Standards and the process of identifying the organisation's material topics were explained and discussed, and four key concepts underlying the new GRI standards were identified:
 - **IMPACT**: defined as the effect - actual or potential, positive or negative - that an organisation could have on the economy, the environment and on people, including impacts on human rights;
 - **MATERIAL TOPIC**: defined as such on the basis of the significance of the impact (positive/negative, actual/potential) on the economy, the environment, people and human rights;
 - **DUE DILIGENCE**: the process through which the organisation identifies, prevents, mitigates and considers how to confront its negative impacts;
 - **STAKEHOLDER**: individuals or groups with interests which are or could be affected (positively or negatively) by the organisation's activities.

Following the process established by the GRI, 27 impacts were identified and grouped into 17 material topics, of which 14 were deemed to be significant.

- Estra's transformation into a *Società Benefit* (Benefit Corp.) The activities carried out by the Estra Group are pursued through a management approach aimed at balancing the interests of shareholders with the interests of those that may be affected by the Group's activities. As such, through its actions Estra pursues at least one goal of common benefit, operating in a responsible, sustainable and transparent way towards people, communities, regions and the environment.

As such, the decision was made to analyse whether to transform Estra S.p.A. into a *Società Benefit* in accordance with Italian Law 208, sections 376-384, of 28 December 2015. A number of common benefits to be incorporated into the company's Articles of Association were identified, and the matter was brought to the attention of Shareholders at the Shareholders' Meeting of 20 June 2023.

- *The new European Corporate Sustainability Reporting Directive (CSRD)*. As already noted, the new CSRD extends the obligation to report on sustainability performance and disclose ESG information on environmental, social, governance and human rights-related impacts to thousands of companies. The CSRD amends the previous Non-Financial Reporting Directive (NFRD) with the aim of encouraging businesses to be more transparent and to meet non-financial disclosure standards to enable greater comparability. Companies will now have to follow a new set of reporting criteria — the European Sustainability Reporting Standards (ESRS) produced by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission on 31 July 2023. The data collected on environmental performance, governance, social responsibility, working conditions and human rights will be qualitative and quantitative, short-, medium- and long-term, and will have to be included in the Report on Operations section of the annual financial statements and made available in digital format.

Centria S.r.l. Board of Directors

- *Biomethane Grid Reverse Flow System* The company Centria submitted a bid to a call issued by the Italian Energy Authority (ARERA) to develop an innovative project to improve the efficiency of natural gas infrastructure.

The TWIST (Two-Way Inlet STation) pilot project involves the design, construction and operation of a reverse-flow grid system for the recompression of biomethane from the distribution network to the transport network, effectively creating a two-way distribution network for the first time. The system will be installed in the province of Siena along the distribution grid managed by Centria and will be connected to a FORSU biomethane production plant in the coming months. Centria was awarded a € 1,060,864 grant from ARERA to develop the project.

- *Trial of new natural gas and hydrogen standards on the gas networks*. Collaboration agreement aimed at testing new mixing standards of Natural Gas (NG) and hydrogen for the natural gas distribution network. Centria will provide ENEA with access to its Field Testing infrastructure in Arezzo along with the know-how to carry out trials using NG and Hydrogen (H₂) mixtures, contributing to the energy transition with a view to promoting sustainability and environmental protection in Italy. The University of Florence will also take part in the trials as a project partner.

The agreement was signed in January 2024.

3.3 Responsible business management

Management Model and Governance Policies

Management Model

Since their foundation, the Companies of the Estra Group have adopted Organisational, Management and Control Models pursuant to Italian Legislative Decree no. 231/2001 (hereinafter "231 Model") and a Code of

Ethics, which together constitute the key elements of a corporate prevention and control system able to prevent the commission of the crimes mentioned by the Decree. The number of Group Companies to have adopted the 231 Model has increased over the years, and today includes the following Companies: Estra, Estra Energie, Prometeo, Centria, Gergas, Murgia Reti Gas, Edma Reti Gas, Estra Clima, Estracom, Ecolat, Ecos, Gas Marca and Piceno Gas Vendita.⁶

The Supervisory Bodies (SB) constantly monitor the implementation of, and compliance with, the 231 Models, with independent powers of initiative, intervention and control that extend to all company sectors and departments.

In 2023, Estra, Centria, Murgia Reti Gas, Gergas, Edma Reti Gas, Estra Energie, Prometeo, Estracom, and Estra Clima updated their Organisation, Management and Control Models. Ecos updated its Model at the Board of Directors' Meeting of 25 October 2023.

In 2023, the Group Code of Ethics adopted by all Group Companies was updated. The Code was first approved on 15 September 2014, and revisions were therefore deemed necessary to ensure alignment with the Group's organisational changes. As a result, a new Code of Ethics and Conduct was approved, which, as the name suggests, also contains a set of behavioural principles to be adopted by all recipients.

The Code of Ethics and Conduct is the same for all Group companies, regardless if they have adopted a 231 Model. The Code is one of the tools of corporate social responsibility used to implement good behavioural practices and represents a reference point and a guide for people working at Estra and anyone who engages in permanent or temporary relations with Group Companies to ensure that they carry out their activities in full compliance with the principles expressed in the Code.

Please note that, in 2023, the companies Ecocentro, Bisenzio Ambiente, Tegolaia, Cavriglia and Idrogenera approved the Code of Ethics and Conduct for the first time.

As well as the Code of Ethics and Conduct, the first editions of the following policies applying to all Group companies were approved:

- Anti-Corruption Policy, which is inspired by the behavioural principles set out in the Code of Ethics and Conduct, and provides all personnel and anyone working for or on behalf of the Group with the principles and rules to follow to ensure compliance with anti-corruption laws.
- Human Rights Policy, inspired by the Sustainable Development Goals, specifically "Gender Equality" (Goal 5), "Decent Work and Economic Growth" (Goal 8), and "Reduced inequalities" (Goal 10).

The Internal Whistleblowing System

Estra and other Group Companies that have adopted a 231 Model have adopted a digital reporting channel capable of protecting the identity of those who report unlawful conduct relevant to the predicate offences, protecting the entity's integrity, preventing retaliatory or discriminatory acts, whether direct or indirect, and implementing sanctions against those who violate the measures to protect the whistleblower. 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 the identity of the whistleblower is only visible to the Supervisory Bodies, who represent the sole recipients of 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 2023, no reports were received through this platform, which is used by all companies that have adopted a 231 Model.

⁶ With reference to the scope of the NFS, please note that the company Ecocentro Toscana has not yet adopted a 231 Model. The companies Cavriglia, Tegolaia and Idrogenera have also not adopted a 231 Model as they do not have employees and were established exclusively for the purpose of managing renewable energy plants.

Italy transposed EU Directive 2019/1937 on whistleblowing into Italian law on 15 March 2023. According to the new law, whistleblowing reports will no longer only have to concern breaches of the 231 Model but may also concern breaches of EU law such as regulations on public procurement, financial services, product and transport safety, money laundering prevention, personal data protection and environmental protection. The training will therefore be aimed at all Group employees and not only those employed by a company that has adopted a 231 Model.

Italian Legislative Decree 24, which entered into force on 30 March 2023, stated that companies had to align to the new regulation by 17 December 2023. Estra has aligned to the new regulation, approving the new whistleblowing procedure on 18 December 2023. The relative training will be provided to employees in early 2024.

The new Code of Ethics and Conduct also states should an employee be involved in or become aware of a conflict of interest situation, whether actual or potential, they must communicate it to their direct manager, the Organisation and Human Resources Area and/or the Supervisory Board, in order to be informed on how the conflict is to be managed.

The Group also has additional internal channels available to employees, consisting of dedicated e-mail addresses, for reports on specific areas such as data protection, human resources, internal communication (through the corporate Intranet), health and safety (near-misses), the integrated management system, and the Estra training platform for call centre operators and public offices.

Activities of the Supervisory Body

The supervision and control of the 231 Models is entrusted by each Company to a Supervisory Body (SB) granted independent powers of initiative and control, to which periodic reports are submitted. The SBs make their assessment on the basis of the checks carried out during the audit, aiming to monitor compliance with the Model, according to the regulations approved by the same.

The Supervisory Body of Estra is composed of 5 members, 4 of which are external and 1 of which is internal, while the SB of Estra Energie is composed of 4 members, 3 external and 1 internal. The SBs of Estra Clima, Estracom, Prometeo, Centria and Gergas are composed of 3 members, 2 of which are external and one of which is internal.

The SBs of Gas Marca and Piceno Gas Vendita were appointed on a monocratic basis, with the role given to a single internal member. The SB of Edma Reti Gas is composed of 3 external members. The SB of Ecos is composed of 2 external members and 1 internal member. The SBs of Murgia Reti Gas and Ecolat have 2 members, 1 external and 1 internal.

In 2023 the Supervisory Bodies held regular meetings, held at least once a month, and carried out 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".

A total of 34 audits were carried out, divided as follows:

- human resources/training: 10;
- human resources/MBO/selection/disciplinary proceedings/stay permits: 3;
- health, safety and environment: 9;
- health, safety and environment audits: 2;
- compliance with internal regulations and procedures: 4;
- supplier assessment: 2;
- accounting cycle (services/consultancies): 3;
- administration and budget: 1;

In 2023, the SBs were informed of the following external audits:

- Gergas: 1 audit by ARERA
- Estra Energie: 1 audit by ENASARCO

In 2023 there were no records of breaches to the Organisational, Management and Control Model.

Policies and procedures

Many Group Companies⁷ have adopted certified management systems such as ISO 9001, ISO 14001, ISO 45001, SA 8000, ISO 27001, each supported by a specific policy. Furthermore, a Data Protection Policy was defined and can be consulted on <https://www.estra.it/privacy-policy-e-copyright/>.

Policy implementation is the responsibility of the various departmental managers who, according to the organisational chart, are responsible for obtaining, maintaining and implementing the various certifications. Topics related to privacy and, therefore, the implementation of the relative policy are the responsibility of the Privacy function of Estra S.p.A.

Each policy translates into operating procedures and guidelines which transform the indications contained in the documents into concrete actions. 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 Policies are updated to respond to changes to national regulations and to the external context. Training on certifications and data protection is mandatory and is provided on an ongoing basis.

On 13 April 2023, the Estra S.p.A. Board of Directors approved the Related-Party Transactions Procedure. The procedure is based on the CONSOB Regulation on Transactions with Related Parties and adopted on a voluntary basis, there being no binding obligation for Estra S.p.A., as a non-listed company, to do so. As well as the aforementioned CONSOB regulation, the procedure refers to the international accounting standards IAS 24 “Related-Party Disclosures” and the provisions of Article 2427.1(22-bis) of the Italian Civil Code, which requires related-party transactions to be disclosed in the Notes to the Financial Statements, and aims to regulate the execution of transactions with related parties by Estra, directly or through directly or indirectly controlled companies, identifying procedures, and to establish the procedures for fulfilling the relative disclosure obligations, including those provided for by current and applicable laws and regulations.

Related Parties include “Managers with strategic responsibilities”, i.e. with the power and responsibility, directly or indirectly, for the planning, management and control of the company's actions, including the directors (executive and non-executive) of the company itself.

A Related-Party Transaction is defined as any transfer of resources, services or obligations between related parties, regardless if a consideration is agreed upon and includes (i) merger, demerger by incorporation or demerger in the strict non-proportional sense, where carried out with related parties, and (ii) any decision relating to the allocation of remuneration and economic benefits, in any form, to members of the management and control bodies and managers with strategic responsibilities. The definition does not extend to insignificant transactions or negligible transactions, ordinary transactions associated with the company's general business, or transactions with or between Subsidiaries and/or associate companies.

⁷ This extends to the following Companies: Bisenzio Ambiente, Centria, Ecolat, Ecos, Edma Reti Gas, Estra Clima, Estra Energie, Estra, Estracom, Gergas, Murgia Reti Gas, Prometeo, Ecocentro Toscana.

On 26 April 2023, the new Privacy Organisational Model (POM) came into effect for Estra S.p.A. and Group Companies that operate a privacy service through the Estra Group's Privacy Function (the Model was approved by the Board of Directors on 27/12/2022).

With the support of the Privacy Function, the appointed DPO drafted a Privacy Organisational Model (POM) for Estra S.p.A. and the Group Companies. The Model contains the procedures, instructions and models that govern all of the processes that may impact the activities of the organisation solely in the field of privacy and personal data processing.

Subsequently, major changes were made to the corporate context (internal as well as external to the Estra S.p.A. organisation and its investee companies), such as regulatory changes, and the adoption of variations and updating of the measures in the previous version of the POM.

As such, the adoption of the new POM represents a measure of accountability of the Data Controller pursuant to Article 5 of Regulation (EU) 2016/679 (GDPR) in the handling of personal data and therefore is a suitable tool for the organic control and mitigation of business risk, especially for highly complex entities such as the Estra Group. The POM has been adopted by all of the Estra Group's investee companies.

On 30 March 2023, the Estra BoD approved the Reputational Crisis Management Manual. This originated from a point on image and reputational risk highlighted by the Estra Group's Enterprise Risk Management system, which identified the need to "assess the need to formalise a procedure that regulates roles and responsibilities for crisis management at Group level, aimed at ensuring proper internal and external communication during events that could damage the image and reputation of Estra S.p.A."

A situation is considered a crisis when the events affecting the Group, regardless of their "technical" relevance, can negatively influence and/or change the perception that key stakeholders have of the Group, its services and its activities. The crisis can be more effectively managed if management knows how to combine management at a technical and communication level.

The Manual consists of a first part which describes the issues related to the procedure to be followed and the composition of the Crisis Committee, a second part with the relevant contact information, and a third part containing the annexes for managing a number of possible critical cases.

Anti-corruption

The Estra Group's Anti-Corruption Policy is characterised by the principles that underpin the Code of Ethics and Conduct adopted by all Group Companies. The Code 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 2021-2023 period, no cases of corruption were reported nor found.

All new employees receive information about the existence of the Code of Ethics and Conduct and the 231 Model which can be consulted on the employee intranet platform, and receive basic training on the 231 Decree within three months of commencing employment.

Finally, employees are constantly informed of any updates to the 231 Models or changes resulting from organisational and/or regulatory changes, which they can consult in the relevant section of the company Intranet.

The table illustrates the anti-corruption training provided to Estra Group employees by professional level and location.⁸

⁸ Unlike the data published in the 2021 NFS and previous reports, the data for 2022 and 2023 only refer to employees, in line with GRI reporting standards. Agency workers are not included in the data.

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

	2021	2022	2023
Number of employees trained on anti-corruption	166	45	139
Messengers	1	0	0
Manual workers	25	18	27
Clerical workers	85	23	80
Middle managers	34	4	10
Managers*	21	0	22
Percentage of total employees	21.8%	5.5%	16.7%
Geographical distribution			
Arezzo	10.2%	6.7%	5.8%
Prato	47.0%	17.8%	24.5%
Siena	23.5%	4.4%	11.5%
Ancona	2.4%	4.4%	21.6%
Other areas	16.9%	66.7%	36.7%

* The calculation of anti-corruption training hours provided to employees includes managers who are also members of the governance bodies. Specifically, four managers who are also members of the governance bodies received training in 2023.

In 2023, 139 employees (88 men and 51 women) received training on anti-corruption, representing 16.7% of the workforce during the year⁹, including employees who subsequently left the company. In light of the approval of a specific Anti-Corruption Policy, the number increased compared to the previous year, when 45 employees received training.

Anti-corruption training was provided to all employees except messengers. In line with previous years, clerical workers received the most training and represented over half of those trained, or 57.6%. The portion of manual workers who received training fell from 40.0% in 2022 to 19.4%.

As regards geographical distribution, the majority of employees who received anti-corruption training were based at the Group's main offices in Arezzo, Prato, Ancona and Siena. In 2023, anti-corruption training also involved 19 agency workers, 7 more compared to the previous year.

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.

The Policies were distributed at all levels of the company, as well as to suppliers in the form of a contractual clause. Compliance with the Code of Ethics and Conduct is overseen by the Supervisory Body pursuant to Italian Legislative Decree 231/2001 and, for companies that have not established a SB, by the Auditing Function.

The data on anti-corruption training involving members of the governance bodies refer to members of the Boards of Directors and Boards of Statutory Auditors that were present at the time of approval of the updating and/or adoption of the 231 Model (Estra, Centria, Murgia Reti Gas, Gergas, Edma Reti Gas, Ecos, Estra Energie, Prometeo, Estracom and Estra Clima) and are counted not by role but by individual person. Specifically, the adoption of the 231 Model was approved by the Ecos BoD at the meeting of 25 October 2023.

⁹ In line with previous years, the data also includes training hours provided to employees who subsequently left the company.

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

2021			2022			2023		
Total members (no.)	Total members trained (no.)	%	Total members (no.)	Total members trained (no.)	%	Total members (no.)	Total members trained (no.)	%
70	52	74.3%	82	5	6.1%	92	65	70.7%

As regards members of the management bodies who received information on anti-corruption procedures, this data corresponds to the members who were present, counted not by role but by individual person, and approved the Supervisory Body's interim report for the first six months of 2023.

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

2021			2022			2023		
Total members (no.)	Total members informed (no.)	%	Total members (no.)	Total members informed (no.)	%	Total members (no.)	Total members informed (no.)	%
70	49	70.0%	82	60	73.2%	92	62	67.4%

In 2023, the Anti-Corruption Policy and Human Rights Policy was approved by the companies Estra, Centria, Murgia Reti Gas, Gergas, Edma Reti Gas, Estra Energie, Prometeo, Estracom, Estra Clima, Piceno Gas Vendita, Tegolaia, Cavriglia, Ecos, Ecolat, Bisenzio Ambiente and Ecocentro Toscana.

The table below refers to the number of members of the Boards of Directors present at the time of approval of the two Policies, counted not by role but by individual person.

Members of the management bodies who received training on the policies

2023		
Total members (no.)	Total members trained (no.)	%
92	74	80.4%

The table below refers to the number of members of the Boards of Directors informed about the Policies based on receipt of the Agenda containing the item concerning the approval of the two Policies.

Members of the management bodies who have been informed of the policies

2023		
Total members (no.)	Total members informed (no.)	%
92	92	100%

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, as well as all new employees hired by Companies that have adopted a 231 Model. In 2023, the Code of Ethics and Conduct, the Anti-Corruption Policy and the Human

Rights Policy were approved, and all employees of all Group Companies were informed of these important developments.¹⁰

If agency workers are also taken into account, 851 workers received training on the 231 Model and the Code of Ethics and Conduct in 2023.

<i>Employees who were informed of updates to the 231 Model and the Code of Ethics and Conduct</i>	2021	2022	2023
Managers	11	1	26
Middle managers	28	4	45
Clerical workers	377	53	556
Manual workers	152	48	199
Messengers	2	0	4

Although the Estra Group has not adopted a formal procedure to inform suppliers of anti-corruption policies and procedures, all 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 than received orders under contract for the 2020-2022 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.

There was a significant increase (66.8%) in the number of suppliers to sign contract orders from 2022 to 2023, while the number of these suppliers who have acknowledged the Code of Ethics remained essentially the same. As regards purchase orders, the number of suppliers returned to 2021 levels.

Total number of suppliers required to acknowledge the 231/2001 Model and the Code of Ethics			
	Total number of suppliers		
2021	2,405*		
2022	2,520**		
2023	2,311***		
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
2021	831	831	100%
2022	1,031	1,031	100%
2023	843	843	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
2021	736	420	57.1%
2022	742	421	56.7%
2023	1,238	461	37.2%

¹⁰ Unlike the data published in the 2021 NFS and previous reports, the data for 2022 and 2023 only refer to employees, in line with GRI reporting standards. Agency workers are not included in the data.

* Suppliers with trading agreements exclusively with Gas Marca, Piceno Gas Vendita, Ecos and Bisenzio (not managed by the Estra S.p.A. Procurement and Tender Service) and that do not distinguish between purchase orders and contract orders are excluded. There were 136 suppliers who acknowledged the Code of Ethics in view of purchase or contract orders signed in the course of 2022 but for which no payment had been received as at 31/12/2022.

** Suppliers with trading agreements exclusively with Gas Marca, Piceno Gas Vendita, Ecos and Bisenzio (not managed by the Estra S.p.A. Procurement and Tender Service) and that do not distinguish between purchase orders and contract orders are excluded. There were 136 suppliers who acknowledged the Code of Ethics in view of purchase or contract orders signed in the course of 2022 but for which no payment had been received as at 31/12/2022.

*** Suppliers with trading agreements exclusively with Gas Marca, Piceno Gas Vendita, Ecos, Bisenzio and Ecolat (not managed by the Estra S.p.A. Procurement and Tender Service) and that do not distinguish between purchase orders and contract orders are excluded. There were 87 suppliers who acknowledged the Code of Ethics in view of purchase or contract orders signed in the course of 2023 but for which no payment had been received as at 31/12/2023.

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 2023 there were no cases of contract termination or non-renewal with partners due to breaches related to corruption.

3.4 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 ¹¹	2021	2022	2023
ISO 9001 Quality	9	11	13
SA8000 Social accountability	1	1	1
ISO 14001 Environmental management system	9	11	12
ISO 45001 Occupational health and safety management system	10	11	11
ISO/IEC 27001 Information security standard	3	3	3
ISO 55001 Asset management system	1	1	1
ISO50001 and CEI11352 Energy management	1	1	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 ISO IEC 17025 (accreditation of testing laboratories)	4	4	4

The number of certifications increased as Ecos and Edma Reti Gas obtained ISO9001 Quality certification in 2023.

With regard to the regulations, Centria, Edma Reti Gas, Ecos and Ecocentro hold the EMAS certification, Estra Clima holds (CE) 303/2008 certification and Ecocentro holds (CE) 0398 certification. Estracom, Estra Clima and Centria are SOA-certified.

100% of the Group's employees work to quality certification standards (ISO 9001), 96.5% to environmental certification standards (ISO 14001) and, finally, 97.7% to occupational safety standards (ISO 45001). It is worth noting that all Estra Group Companies hold at least two of the three certifications, and 10 out of 13 have all three certifications. Furthermore, 27.2% of employees work to the standards of certification SA8000.

3.5 Risk management

Since 2018, 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 Estra Group is investing in activities to consolidate and develop its ERM model, with the aim of supporting senior management in the identification of the company risks and the methods through which these can be managed, as well as identifying any relative mitigation measures. The ERM was not updated in 2023, but on 02 March 2023 the RM Function presented a report to the Board of Directors of Estra S.p.A. that explained

¹¹ The ISO9001, ISO14001 and ISO45001 certifications are held by Estra S.p.A., Estra Energie, Ecolat, Ecos, Edma Reti Gas, Estra Clima, Estracom, Centria, Gergas and Prometeo. Murgia Reti Gas holds the ISO 9001 and ISO 45001 certifications. Bisenzio Ambiente and Ecocentro Toscana hold certifications ISO9001 and ISO14001. 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 operating phases of the RM process as well as the status of activities and the various risks identified (external and internal).

As such, the Risk Management function aims to protect the Company and explore new opportunities and competitive advantages to promote and facilitate “conscious” and “informed” decision-making at all company levels.

The Risk Management function is called upon to provide assurance on the risks associated with the transformation, but also to advise on how to design or strengthen a potentially “weakened” internal control system by conducting a cost-benefit analysis.

The Risk Management process established by Estra is structured into four phases:

1. Assessment: update of the “Corporate Risk Profile” through the identification and probability assessment of Emerging and Top Risks.
2. Consolidation:
 - a. establishment of Business Cases for the main risks identified, i.e., detailed fact sheets detailing the causes and consequences of the risk;
 - b. development of methodological tools to improve information on risks, especially on cause/consequence, impact dimension and mitigation actions.
3. Monitoring: the analysis of a set of indicators identified in order to dynamically monitor the possible effect of the risk on corporate targets and performance. By analysing several indicators, it is possible to monitor the development of specific risks periodically or on an ongoing basis.
4. Reporting: reporting the information collected during the monitoring and strategic planning phases to Senior Management, Control Bodies and leading Stakeholders. The aim is to establish a continuous reporting stream of the most significant new risks and provide dynamic data on their evolution.

For each risk identified, an action plan is defined aimed at managing/reducing/eliminating the risk, depending on the most appropriate management strategy. The action plan is based on the analysis of the cause and consequences of the risk.

The Group Risk Management function conducts an analysis of all company risks but concentrates in particular on strategic risks with a potential impact on business continuity. Risks of a more operational nature are monitored by the Risk Management function, but managed directly by the relevant functions.

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.

Regarding the risk associated with climate change, it should be noted that for the Estra Group, this is an economic risk, and the main action taken to manage the risk (medium-term diversification of the business in the environmental services sector) has resulted in costs of € 20,173 thousand for the acquisition of companies operating in the waste cycle during the three-year period 2020-2022.

Scope of the Decree	Description of Risk	Management Method
ENVIRONME NT	Changes to climatic conditions and/or extreme weather events with negative impacts in terms of reducing gas/energy demand	<p>CURRENT WASTE TREATMENT ACTIVITIES</p> <ul style="list-style-type: none"> • Business Plan <p>Climate Change is highlighted in the Business Plan as a long-term topic to be tackled by several activities, including the development of renewables and sustainable mobility.</p> <p>This trajectory has been linked to the Sustainable Development Goals:</p>

		<ul style="list-style-type: none"> - 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 Change: Regulating and reducing emissions and promoting renewable energy; <ul style="list-style-type: none"> • Commercial Policies <ul style="list-style-type: none"> - Increasing the fixed component of tariffs to mitigate variability/reduce gas consumption; - Cross-selling strategies, with the aim of reducing dependency on the gas market and increasing the sales portfolio on the electricity market; - Quantitative analyses comparing operating margin trends with gas and electricity consumption. <p>CAUSE OF RISK</p> <p>Climate change is manifesting itself in significant increases in average annual temperatures as a result of CO₂ emissions mainly generated by human activities.</p> <p>In turn, rising temperatures generate extreme weather events, such as increased precipitation, rising sea levels, desertification, heavy snowfall or low solar radiation.</p> <p>CONSEQUENCES</p> <ul style="list-style-type: none"> - Higher operating costs (e.g., insurance costs); - Gradual reduction of gas demand for domestic heating (PNIEC 2019), resulting in tighter business margins; - Need to restructure the business model; - Electrification of consumption and use of renewable resources to replace fossil fuels in the long term (target to achieve carbon neutrality by 2050) (PNIEC 2019); - Need to continue to guarantee adequate supplies from conventional sources by pursuing security and continuity of supply
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		<p>(PNIEC 2019) in the event of extreme weather events.</p> <ul style="list-style-type: none"> - The higher frequency of extreme natural events in places where the Group's distribution companies operate, which may lead to prolonged unavailability or malfunctioning of infrastructure, with possible service outages. <p>TARGET</p> <ul style="list-style-type: none"> - Draw attention to the financial risk associated with climate change in order to focus the Group's strategic decisions on Climate Change; - Provide for, update and monitor 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.
	<p>Failure to comply with environmental legislation and standards (e.g. minimum vital flows, emissions, waste management and associated records, noise levels, etc.)</p>	<ul style="list-style-type: none"> • Certification system: UNI ISO 14001-2015
<p>HUMAN RIGHTS</p>	<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 • Supplies must comply with the ethical principles and code of conduct of the Group, signing a specific clause to declare acceptance of the Code of Ethics and Conduct and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 • Allocation to the "Regulated Market" Area of the consolidated central procurement department for distribution companies • The Code of Ethics and Conduct of the Estra Group upholds the respect for human rights as a fundamental value in dealings with Stakeholders

		<ul style="list-style-type: none"> • Use of certified and regional suppliers in most cases
PERSONNEL	<p>Staff organisational and development model incompatible with the Group's strategic objectives (e.g. Human Centricity)</p> <p>Failure to comply with regulations and standards of Occupational Health and Safety law (Italian Legislative Decree no. 81/2008)</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 • Specific training programmes aimed at management and high-level personnel were carried out • 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 Conduct and the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 • Activities performed by the Supervisory Body • 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.
SOCIAL	<p>Loss of reputation among Stakeholders</p>	<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;

The Board of Directors of Estra S.p.A. identifies the risk/impact management strategies in line with the strategic objectives. The Risk Management function supports the Board of Directors and the Management in making informed decisions which enable the effective management of risks/impacts that can compromise the capacity to achieve the company's strategies and objectives.

The risk identification process conducted by the Estra Group does not involve engagement with Stakeholders. Any critical issues that emerge from feedback from Stakeholders are notified by the relevant functions and may be considered when updating the risk map.

The Risk Management function conducts an analysis of all company risks but concentrates in particular on strategic risks with a potential impact on business continuity. Risks of a more operational nature, including commercial risks, are monitored by the Risk Management function, but managed directly by the relevant functions. Since individual environmental risks are not assessed in detail, the principle of prudence is not applicable.

Impacts are identified by the Risk Management service and are based on the ERM of the Estra Group, also identifying the persons in charge of managing the impacts. The ERM is presented to the Board of Directors of Estra S.p.A. which approves it and delegates the management of impacts to the relevant departments.

The Board of Directors of each company approves the relative organisational structure, which identifies the managers, middle managers, and employees with management responsibilities who, according to their different functions, are required to manage the impacts.

The Board of Directors may also appoint one or more executive committees, determining the number of members and the relative powers, which include impact management.

The Risk Management process also provides for the preparation of a report to be presented to the Board of Directors at least on an annual basis or, where necessary, in response to specific events. Furthermore, each manager tasked with managing a specific impact reports to the Board of Directors when the issue is particularly important or requires a decision from the directors.

In 2023, the critical issues communicated to the Board of Directors of Estra S.p.A. mainly concerned:

- 1) liquidity risk, which is the risk that the financial resources available to the company may not be sufficient to meet its financial and commercial obligations according to the agreed terms and deadlines. This type of risk is mitigated by the way financial requirements and the procurement of financial resources are managed, which is centralised in the parent company in order to optimise their use. In particular, centralised cash flow management allows for the allocation of the available funds at Group level according to the needs that arise from time to time within individual companies;
- 2) the risk of interest rate fluctuations, which exposes the Group to the risk of incurring higher financial charges on its variable-rate debt, compared to those envisaged when activating the short-term and medium/long-term credit lines. The Group's strategy is to limit exposure to interest rate volatility risk, aiming to maintain the right balance of fixed and variable rates while keeping funding costs low and ensuring compliance with the applicable covenants.

With ruling no. 470/2023 of 21 August 2023, the State Council dismissed the appeal presented by Estra S.p.A. against ruling no. 13057 of 13/10/2022 of the Lazio Regional Administrative Court. The events that led Estra to appeal to the State Council were as follows:

- on 27 May 2021, ANAC notified Estra S.p.A. and other parties that it had initiated proceedings with regard to the appointment of Mr Francesco Macri as Chairman of the Company. The proceedings were initiated in order to ascertain whether the appointment of Mr Macri to the Board of Directors was subject to the prescriptions pursuant to Italian Legislative Decree no. 39 of 8 April 2013 referring to appointments with the public administration and entities under public control ("Decree 39"), and if subject to these requirements, whether any non-compliance had occurred. More specifically, the investigation related to Mr Macri's potential ineligibility as a member of the Board of Directors of Estra S.p.A. at the time of his appointment, based on his recent appointment as municipal councillor for the Municipality of Arezzo;
- on 22 November 2021, ANAC notified Estra S.p.A. of its decision to cancel the appointment of Mr Francesco Macri as Chairman of Estra S.p.A. with immediate effect;
- on 26 November 2021, the Board of Directors appointed as its Chairman Mr Alessandro Piazzi, formerly Chief Executive Officer of Estra S.p.A., and passed a resolution to challenge the ANAC decision before the relevant courts. More specifically, the Directors believed that Decree no. 39 should not apply to Group companies. The Decree refers mainly to the appointment of directors and officials, on the assumption that is supported by legal advice received, that Estra S.p.A. does not

qualify as a Company under public control in terms of this legislation. The first hearing relating to Estra's challenge of the ANAC decision was held on 14 June 2022 before the Lazio Regional Administrative Court;

- with ruling no. 13057 of 13/10/2022, the Lazio Regional Administrative Court rejected the appeal brought by Estra S.p.A. against ANAC against Francesco Macrì, Coingas S.p.a. and the Municipality of Arezzo for the annulment of Resolution 744 of 10 November 2021 adopted by ANAC and any other prior or connected acts. Assisted by its legal team, the Company appealed the ruling before the State Council, with the hearing taking place on 4 April 2023. As noted above, the ruling was issued on 21 August 2023.

4. The Environment

4.1 Targets and results

Targets for 2023	Results in 2023
Consumption and Energy efficiency	
Estra Siena office: improve the energy efficiency of the air conditioning system, install LED lighting and complete the installation of photovoltaic panels.	<i>Target partially achieved</i> Installation of photovoltaic panels complete. The remaining works will not be completed in 2024.
Estra Group Introduction of the Mobility Manager role and drafting of the PSCL.	<i>Target partially achieved</i> The feasibility study process was initiated, and a technical firm was appointed to draft the PSCL.
Estra Group 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.	<i>Target partially achieved</i> Activities are underway and will be completed by the end of 2025.
Estra Group 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.	<i>Target not achieved</i> In early stage of study, completion likely by the end of 2026.
Estra Group Digitalisation of one of the Group's main offices.	<i>Target partially achieved</i> In 2023, after Estra selected and purchased the building for the new Ancona offices, preliminary activities began to plan the redevelopment of the building through modelling activities using BIM technology. Estracom was appointed to conduct the Digital Twin part of the project. The model was developed but structural surveys and core drilling works are still required in order to validate the structural model.
Estra S.p.A. Continue the energy efficiency policy at the Arezzo office, with the replacement of windows and vertical insulation panels and the installation of underfloor insulation with hot/cold insulation panels.	<i>Target not achieved</i> The project was not carried out and will not be rescheduled for 2024.
Estra Group Dematerialisation of occupational safety and management system documentation. Feasibility analysis and commissioning.	<i>Target not achieved</i> Contact with the supplier was initiated to define the necessary procurement requirements. The project was halted, as it is not currently a priority until the corporate restructuring linked to the multiutility entity is concluded.
Centria The installation and entry into operation of energy efficiency systems for three M&R stations is planned for 2023.	<i>Target achieved</i> The three systems entered into operation in 2023 at the Rieti3, Marciano della Chiana and Sansepolcro M&R stations. The systems are operating correctly and generating energy savings above expectations, in the region of 40%.

Centria Replacement of 8 asbestos roofs: 5 outside of Tuscany; 1 in Prato; 1 in Arezzo.	<i>Target partially achieved</i> Problems have arisen regarding granting permits and property registrations. The necessary permits and disposal plans have been submitted for the end of the 2023. The work has been awarded and is scheduled for completion in 2024.
Estra Clima Completion of the preliminary revamping of the biomass co-generation plant in Calenzano.	<i>Target not achieved</i> The project was subject to revisions due to the updating the relative EFP.
Estra Clima Completion of the revamping of the co-generation plant in Ancona.	<i>Target achieved</i> The plant was completed and will enter into operation on 15 February.
Gergas Improve the efficiency of the Grosseto M&R thermal power plant with latest-generation boilers and replace heat exchangers to significantly reduce methane gas for self-consumption.	<i>Target achieved</i>
Gergas Installation of photovoltaic panels on the roof of the company premises sized to maximise electricity production, making the building almost energy-independent.	<i>Target achieved</i>
Gergas Replacement and conversion of heat generators installed at the company premises from natural gas to electric.	<i>Target achieved</i>
Estra Clima Completion of the revamping of the co-generation plant in Mattoili.	<i>Target partially achieved</i> Delays relating to site management issues are delaying the completion of the works, currently planned for April 2024.
Estra Group Renovation of the Ancona office according to sustainability, circular economy and digitalisation criteria.	<i>Target not achieved</i> Documents were prepared to issue the tender for the executive design, information and technical and project management specifications for the renovation of the Ancona offices. The process was subsequently stopped following changes to the organisational structure of the ESTR A Group.
Edma Reti Gas Replacement of 2 asbestos roofs.	<i>Target not achieved</i> In progress. The roof replacement works will be rescheduled for the 2024-2026 period.
Estra Clima Development of at least one energy community.	<i>Target partially achieved</i> Deeds of incorporation have been signed with 3 energy communities.
Electric mobility	
Estra Group Private sector e-mobility offer: 200 installations of private charging infrastructure.	<i>Target not achieved</i>

Estra Group E-mobility for local authorities: 50 authorisations for the installation of new public charging stations.	<i>Target partially achieved</i> 30 authorisations have been obtained.
Estra Group Installation of 20 e-vehicle charging stations	<i>Target achieved</i> To date, 39 charging stations have been installed.
Estra Group Improve and guarantee occupational safety, prevention and health and the mobility needs of the Estra Group.	<i>Target achieved</i> A handsfree system has been installed in each vehicle. The order forms of each rental vehicle contain the most stringent safety standards. We are continuing the project to equip the vehicles assigned to Centria's operational staff with high-visibility stripes.
Estra Group Renew the vehicle fleet with the introduction of 100 vehicles with the latest type approval.	<i>Target achieved</i>
Waste	
Ecolat Monitor and optimise the production (qualitative and quantitative) of the new paper and cardboard plant and revamp the multi-material plant.	<i>Target achieved</i> In 2023, the Paper and Cardboard and Light and Heavy Multimaterial processing plants entered into operation. After an initial start-up period, precise product analyses were carried out on incoming and outgoing materials to monitor processing performance.
Ecolat Improve the structural efficiency of the buildings and boundaries owned by Ecolat.	<i>Target partially achieved</i> To achieve this target, steps were taken to purchase an industrial unit on the perimeter of the Ecolat property expand the production site (paper and cardboard) and provide space for employee changing rooms and other facilities. The purchase was successful and will be completed in the first two months of 2024. Additionally, the erection of a 5-metre-high perimeter fence has been authorised to prevent lightweight plastic waste from blowing away. The fence will be completed by March 2024.
Ecolat Conduct feasibility studies for new plants to optimise the processing and storage of other special waste.	<i>Target partially achieved</i> This target was linked to the purchase of the industrial unit mentioned in the previous point and to the removal of the current collection centre in the Municipality of Grosseto, located on Ecolat's premises. While the purchase of the industrial unit will soon be completed and the paper and cardboard plant will be expanded immediately, delays have been encountered in the construction of the new collection centre in the city of Grosseto.

Targets for 2024

Estra Group

Installation of 20/25 e-vehicle charging stations

Centria

Replacement of 8 asbestos roofs:

5 outside of Tuscany;

1 in Prato;

1 in Arezzo.

Centria

Installation and entry into operation of energy efficiency systems for eight M&R stations.

Centria

Installation and entry into operation of renewable energy powered heat generators (absorption heat pumps) for five M&R stations.

Estra Group

Introduction of the Mobility Manager role and drafting of the PSCL

Estra Clima

Launch of the Mattioli co-generator

Estra Clima

Launch of the Ancona co-generator

Estra Clima

Development of energy communities following the issuance of implementing decrees

Estra Group

Completion of the Archive Management Assessment process

Estra Group

Development of a dashboard to monitor Estra Group vehicles

Gergas

Improve the efficiency of the Braccagni M&R thermal power plant with latest-generation boilers

Gergas

Replace the bulbs of the M&R stations managed by the Company with LEDs

Murgia

Review the logistics and rented office spaces to lower energy costs

Estra Group

Digitalisation of one of the Group's main offices

Targets for 2024-2025

Ecolat

Expansion of Paper and Cardboard activities

Ecolat

Expansion of glass/plastic storage activities

Edma Reti Gas
Replacement of 2 asbestos roofs.

Centria
Installation and entry into operation of energy efficiency systems for ten M&R stations.

Centria
Installation and entry into operation of renewable energy powered heat generators (Absorption heat pumps) for eight M&R stations.

Centria
Design, construction and entry into operation of a biomethane grid reverse flow system at the M&R stations in Asciano (SI)

Targets for 2025

Ecolat
Expansion of micro-collection activities

Estra Clima
Completion of the preliminary revamping of the biomass co-generation plant in Calenzano

Estra Group

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

Targets for 2026

Estra Group
Dematerialisation of occupational safety and management system documentation. Feasibility analysis and commissioning

Targets for 2027

Estra Group
Estra Group vehicle fleet of fully electric/plug-in vehicles

4.2 Environmental policy

Much of Estra's core business is represented by purely commercial activities which generally have low direct environmental impacts. However, over the years, the Estra Group has developed not only its gas distribution business but also a waste management business, which has led to the definition of a business line in the "environmental" area. As such, almost all of the companies within the Group's scope of consolidation (12), including the most recent entry, Ecocentro Toscana, acquired in 2023, hold ISO 14001 certification. Furthermore, at a more general level, while Estra does not have a formalised environmental policy it has nonetheless incorporated environmental considerations into an integrated management system which is promoted and shared by all Group companies and personnel. 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 adopted¹² management system such as ISO 14001, ISO 50001, UNI CEI 11352, EMAS and Regulation (CE) 303/2008.

In particular, 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 lowering its overall energy consumption and pursuing the optimisation of its business processes with the aim of achieving economic efficiencies while also lowering emissions, including by adopting energy efficiency practices;
- where possible, aims to reduce the amount of waste produced, particularly hazardous waste, prioritising waste recovery processes over disposal;
- informs and raises awareness among its Stakeholders, in particular its suppliers and contractors, about the Group's environmental management principles, and promotes the adoption of sustainable practices among Estra Group employees and the citizens of the municipalities it serves;
- helps to reduce the use of energy resources per unit of gas introduced into the grid through regular plant maintenance;
- identifies and implements measures able to reduce and prevent environmental incidents and the relative consequences for the environment and for residents.

In 2023, following an ARPAT (the Regional Environmental Protection Agency of Tuscany) audit of the Bisenzio Ambiente office, five sanctions were issued, which came to a total of € 30,133.

4.3 Energy Consumption

The Estra Group's energy consumption, as described in the following paragraphs, can be classified as follows:

- methane gas consumption;
- electricity consumption;
- vehicle fuel consumption.

Overall, consumption from renewable energy sources (the sum of self-consumption from renewable sources and electricity consumption from photovoltaic sites) amounted to 11,470 GJ while consumption from non-renewable sources amounted to 167,194 GJ. for a total of 178,664 GJ.

The energy intensity index, calculated by comparing the Group's total internal energy consumption (methane, electricity, diesel and petrol) and the total number of Estra Group employees, was 215 GJ. The figure stood at 237 gigajoules in 2022, with a sharp reduction of 9.3% resulting mainly from the decrease in methane gas consumption, as discussed in the next section.

4.3.1 Methane consumption

Methane accounts for a significant portion of the Group's total consumption. Much of this is needed to power one of the company's core business activities — gas distribution. Specifically, the need to power the M&R stations, which are essential to the gas distribution process, represents the most significant part of the Group's total methane consumption. The various plants that fall within the Group's scope of consolidation also consume a significant amount of methane, especially the cogeneration plants. Additionally, the Estra Group also uses methane gas to heat its offices, branches, warehouses and retail stores, albeit to a lesser extent.

¹² Specifically, the companies Estra S.p.A., Estra Energie S.r.l., Prometeo S.p.A., Estracom S.p.A., Gergas S.p.A., Estra Clima S.r.l., Centria S.r.l., Ecolat S.r.l., Ecos S.r.l., Bisenzio Ambiente S.r.l., Edma Reti Gas S.r.l. and Ecocentro Toscana S.r.l. hold ISO 14001 certification.

Centria S.r.l. holds ISO 50001 certification.

Estra Clima S.r.l. holds UNI CEI 11352 certification.

Centria S.r.l., Ecos S.r.l., Edma Reti Gas S.r.l. and Ecocentro Toscana S.r.l. hold EMAS Registration.

Estra Clima S.r.l. is certified under Regulation (EC) 303/2008.

However, for a comprehensive overview, in addition to the methane consumption mentioned above, there is one final area of methane consumption that must be considered: methane leaks. Methane leaks fall into two distinct categories: those resulting from environmental accidents, and those resulting from physical losses. The latter category refers to the normal network losses typical of methane gas distribution.

The table shows the summary of total methane gas consumption as described above. The data do not include methane leaks since these do not represent actual consumption but rather a negative external factor, and are therefore discussed separately at the end of the section. An initial analysis shows that all methane consumption decreased over the three-year period, following a clear downward trend for all three macro-categories. Overall, methane consumption fell by 13.6% compared to 2022. The breakdown of gas consumption by category is generally in line with previous years. Plants represent 69% of total methane consumption (compared with 68.5% in 2022), while the remaining third relates to gas distribution to M&R stations (28.2%) and for use of offices, stores and branches (2.8%).

The table below shows the impact of the decrease in consumption on all three macro-categories. Specifically, the data show that good energy efficiency practices led to a considerable reduction in methane consumption at company offices, branches and stores (27%), despite the expansion of the Group's scope. In absolute terms, the biggest reduction was in plant consumption. There was a decrease of 316,842 cubic metres, which is 13.1% less than in 2022. This essentially stemmed from the lower consumption of the co-generation plants broken down at the end of the paragraph. In 2023, the proportion of methane gas consumed at offices, branches and stores associated with green tariffs totalled 36,082 cubic metres or 41.8% of total gas consumption at the Group's offices, branches and stores. Green gas supply tariffs guarantee CO₂ offsetting for gas consumption through funding for international renewable energy projects aimed at combating climate change.

Methane consumption of the Estra Group (net of leaks)

	2021		2022		2023	
	m ³	Gigajoule	m ³	Gigajoule	m ³	Gigajoule
Methane consumption at sites, offices and stores	122,095*	4,308	118,496*	4,252	86,257	3,122
Methane consumption - gas distribution	1,008,813	35,592	994,923	35,703	859,927	31,121
Methane consumption - plants	2,773,716	97,859	2,417,951	86,768	2,101,109	76,039
Total	3,904,624	137,759	3,531,370	126,723	3,047,293	110,282

* 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 is also used to guarantee the complete operation of a number of waste sorting and treatment plants, although only to a residual extent. In fact, in the environmental sector, only the plants owned by the companies Ecolat and Bisenzio Ambiente require methane for their operations. In 2023, total consumption¹³ at these plants amounted to 4,282 cubic metres, compared to 2,669 cubic metres in the previous year. This is due to the increased production of the Bisenzio Ambiente plant during the year.

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. This process uses a significant amount of methane gas.

¹³ Following the approach adopted in previous years, the methane consumption of the Ecolat plant derives from an estimate calculated in line with previous years based on the office/plant employee ratio. Therefore, 85% of Ecolat's consumption refers to actual plant consumption, while the remaining 15% relates to office consumption.

With regard to Bisenzio Ambiente, however, all consumption data relates to the plant, as the office is not powered by methane gas.

Overall, in 2023, methane gas consumption for the gas distribution process operated by the Group's four gas distribution companies (Centria, Gergas, Murgia Reti and Edma Reti) fell by 13.6% compared to the previous year due to consumption optimisation initiatives.

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 decrease in methane consumption of 13.2% compared to 2022: in terms of volume, this fell from 2,415,282 cubic metres in 2022 to 2,096,827 cubic metres in 2023. This decrease is mainly due to the combined effect of two factors. First, lower user demand resulted in less use of the biomass-fuelled plant. Second, the lower production of total energy at the methane-powered plants resulted in slightly lower consumption.

The table below shows the breakdown of this consumption.

Methane consumption of co-generation plants

	2021		2022		2023	
	m ³	Gigajoule	m ³	Gigajoule	m ³	Gigajoule
Plant fuelled by biomass	466,481	16,458	342,818	12,302	274,023	9,917
Plants fuelled by methane	2,305,725	81,348	2,072,464	74,370	1,822,804	65,967
Total	2,772,206	97,806	2,415,282	86,672	2,096,827	75,884

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 the distribution companies Centria and Edma Reti Gas. Murgia Reti Gas and Gergas did not record any methane leaks caused by environmental events. In 2023 there were five environmental events, mainly caused by third parties, which resulted in methane leaks totalling 90,406 cubic metres.

Normal methane leaks, or rather those that are associated with the gas distribution service provided by Centria, Gergas, Murgia Reti Gas and Edma Reti Gas, amount to 2,924,041 cubic metres; when leaks due to environmental events are factored in, the total amounts to 3,014,447 cubic metres.

4.3.2 Electricity consumption

The electricity consumption of the Estra Group can be categorised as follows:

- buildings used for company offices, branches, and retail stores;

- co-generation, photovoltaic, wind and hydroelectric plants and gas distribution systems. Furthermore, the waste treatment plants operating in the environmental sector also use energy, with a new company, Ecocentro, joining the Group in 2023;
- the Arezzo, Prato and Ecocentro Toscana offices, which self-produce a small amount of energy via photovoltaic systems, which then adds to overall demand.

The Estra Group's total electricity consumption increased by 7.3% compared to 2022. This figure does not include the self-consumption of electricity by the plants. The increase is mainly due to including the new waste treatment company Ecocentro Toscana in the scope of consolidation because its waste treatment facility naturally had an impact on the Group's overall energy requirements.

The most significant consumption component concerns sites, offices and stores. In this regard, in 2023, offices, branches and stores consumed a total of 3,477,618 kWh, representing an 8% decrease compared to 2022, following the adoption of energy reduction policies implemented through energy efficiency and consumption optimisation practices. This consumption mainly relates to lighting, power and office air conditioning and includes, in the case of the Prato, Arezzo and Siena sites, the use of four electric vehicles owned by the Estra Group. With regard to electricity consumption at offices, branches and stores, 64.1% (17.9% in 2022) or 2,229,315 kWh (678,349 kWh in 2022) relates to green tariffs, which guarantee the supply of energy from 100% certified and renewable sources.

The offices in Arezzo and Prato and the new company Ecocentro Toscana are partly supplied with renewable energy produced by the photovoltaic systems installed on the roofs of the respective offices. During the three years, consumption from this renewable resource increased exponentially, partly due to favourable weather conditions and but also as a result of the maintenance work carried out which enabled the plants to be used more efficiently.

*Electricity consumption of the Estra Group**

	2021		2022		2023	
	kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
Electricity consumption from the grid	7,059,254	25,413	9,066,584	32,640	9,497,202	34,190
<i>of which and offices, branches and stores</i>	3,549,324	12,778	3,782,440	13,617	3,477,618	12,519
Solar electricity consumption by offices	307,424	1,107	444,520	1,600	710,055	2,556

* 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 section 4.9 "Self consumption of electricity from renewable sources".

In 2022, there was a slight reduction (1.5%) in electricity consumption from the grid by co-generation plants compared to the previous year. There were no significant events in this regard in 2023, and the data is therefore in line with the previous year.

Electricity consumption from the grid - co-generation plants

	2021		2022		2023	
	kWh	GJ	kWh	GJ	kWh	GJ
Plants fuelled by biomass	214,012	770	178,633	643	201,761	726
Plants fuelled by methane	1,297,622	4,671	1,923,513	6,925	1,868,523	6,727
Total	1,511,634	5,442	2,102,146	7,568	2,070,284	7,453

In 2023, electricity consumption from the grid by photovoltaic plants - particularly the main plants at Cavriglia and Tegolaia - increased by 21.7% compared to 2022 due to the increase in electricity production from renewable sources during the year, as discussed in section 4.7.

Electricity consumption from the grid - photovoltaic plants

2021		2022		2023	
kWh	GJ	kWh	GJ	kWh	GJ
281,142	1,012	348,341	1,254	423,916	1,526

Electricity consumption at the Centria, Gergas, Murgia Reti Gas and Edma Reti Gas plants are composed of metering and regulation stations, remote meter reading systems and power supplies for the cathodic protection of pipelines. As shown in the table below, this consumption is in line with the previous year. In 2023, the decommissioned wind generators in Sardinia consumed 13 kWh.

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

2021		2022		2023	
kWh	GJ	kWh	GJ	kWh	GJ
860,481	3,098	945,623	3,404	942,294	3,392

The electricity consumption data for the four waste management companies operating in the environmental services sector is shown below.

Electricity consumption from the grid by plants operated by companies in the environmental services sector¹⁴.

2021		2022		2023	
kWh	GJ	kWh	GJ	kWh	GJ
842,828	3,034	1,887,473	6,795	2,582,681	9,298

As shown by the data, it is difficult to draw direct comparisons because the earlier data refers to the companies Ecolat and Ecos, while later data takes into account the addition of Bisenzio Ambiente in 2022 and Ecocentro Toscana in 2023. That said, the 36.8% increase posted in 2023 is the result of the combined effect of two factors. First, the increase in production (and therefore consumption) of the Ecolat and Bisenzio Ambiente plants, and second, the presence of the new Ecocentro plant.

4.3.3 Vehicle consumption

The Estra Group's vehicle fleet consists of 394 vehicles (9 more than in 2022) and includes trucks for performing operational activities for the engineering teams, cars used for employee travel, and unlicensed vehicles (electric and conventional) for moving goods within the waste management and treatment plants (forklifts, excavators, grapple trucks, etc.).

¹⁴ These companies use a standard electricity meter for their operations and consequently are not able to analytically distinguish between the electricity consumption of their offices and that of their plants. Consequently, specific criteria have been used to estimate the allocation of consumption. Specifically, the estimated figures are:
 Ecolat: 4% for the office, 96% for the plant.
 Ecos: 5% for the office, 95% for the plant.
 Bisenzio Ambiente: this figure is based on previous data on energy consumption collected when the plant was not in use and therefore attributed exclusively to office consumption to isolate plant consumption.
 Ecocentro Toscana: 2% for the office, 98% for the plant.

The increase in the total number of vehicles is mainly due to the inclusion of Ecocentro Toscana in the reporting scope of this document.

The Group's strategy to lease vehicles rather than buy them outright is aimed at rationalising and optimising their use and choosing technologically advanced solutions that meet anti-pollution and safety guidelines whenever possible.

In total, leased vehicles represent 87.8% of the Group's fleet, while only 12.2% are owned outright. Out of the 394 vehicles, 88.1% (347) are diesel powered, 8.1% (32) are petrol powered and 3.8% (15) are electric. Of these, 8 are electric cars (2 more than in 2022) and 7 are unlicensed electric vehicles (mainly forklifts for handling goods at the plants). All of the Group's electric vehicles, both the vehicles and unlicensed electrical machinery, are recharged on the premises, so their consumption is included in the electricity consumption reported in the "Electricity consumption" section of this chapter.

Vehicle fleet

	2021	2022	2023
Number	345	385	394
Distance travelled (km)	7,725,495	7,326,575	7,098,196

	2021		2022		2023	
	L	GJ	L	GJ	L	GJ
Diesel	543,169	19,544	612,406	22,036	600,822	21,383
Petrol	19,689	646	26,431	867.5	41,508	1,339

	2021		2022		2023	
	m ³	GJ	m ³	GJ	m ³	GJ
Methane	0	0	202	7	0	0

While the total number of vehicles increased, the downward trend in distance travelled continued in 2023 (-3.1% compared to 2022), while diesel consumption also fell (-1.9%).

Despite there being two bi-fuel (methane and petrol) vehicles, in 2023, there was no methane consumption recorded, as the sharp increase in the cost of methane led to the decision to fuel the two vehicles exclusively with petrol.

Total diesel consumption data includes the fuel used by the unlicensed vehicles operated by Ecolat (9 unlicensed vehicles), Ecos (3 unlicensed vehicles) and Ecocentro Toscana (4 unlicensed vehicles).

The petrol consumption shown in the table 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. Diesel consumption also includes the consumption of a generator owned by Bisenzio Ambiente and used for the plant's fire protection system.

4.4 NOx and PM10 emissions produced

In 2023, total NOx and PM10 emissions fell, respectively, by 8% and 2% compared to 2022.

The figure refers exclusively to nitrogen oxides and their mixtures (NOx), as emissions of PM10 (particulate matter) were negligible.

NOx and PM10 emissions produced by vehicle use

tonnes	2021		2022		2023	
	NO _x	PM10	NO _x	PM10	NO _x	PM10
Diesel	3.246316	0.2706819	3.360433	0.253207	3.054787	0.2391066
Petrol	0.039948	0.0069983	0.049156	0.008943	0.070458	0.0178545
Methane	N/A	N/A	N/A	N/A	N/A	N/A
Total	3.286264	0.27768	3.409589	0.26215	3.125245	0.256911

4.5 Waste generated

Waste generated in 2023 is characterised by three key aspects. Firstly, the amount of waste generated increased significantly. In fact, in 2023 total waste increased by 40.2% from 749,662 kg in 2022 to 1,050,880 kg in 2023.

This increase is mainly attributable to Centria and Ecos. Centria had to carry out an unplanned disposal of stored waste that was no longer deemed suitable for today's operational needs, while Ecos conducted unscheduled tank cleaning work.

Note that the total waste does not include 1,352,960 kg of refuse produced by the Bisenzio Ambiente Company's processing activities.

The second characteristic to be mentioned is the increase in the volume of hazardous waste. In fact, compared to 2022, hazardous waste increased fourfold, from 55,219 kg in 2022 to 217,688 kg in 2023, while nonetheless still representing a small proportion of total waste in absolute terms. The increase is attributable to the environmental services sector, specifically the waste produced by Bisenzio Ambiente, especially in terms of sludge generated from the separation of emulsions and packaging contaminated by hazardous substances, and to a lesser extent Ecos.

The third characteristic to emerge from the waste analysis regards the percentage of waste sent for recovery, which fell from 81% in 2022 to 67% in 2023. This reduction is partly due to the increase in the amount of hazardous waste, as this category is harder to recover or can only be partly recovered, and consequently must be disposed of. Additionally, a residual portion of non-hazardous waste could not be sent for recovery due to its specific nature.

Paper consumption¹⁵ rose by 27.6% from 8,978 kg in 2022 to 11,461 kg in 2023. This increase is many due to consumption at the Group's internally managed stores, which were required to handle high volumes of customer requests for paper documents, such as contracts and utility bills.

¹⁵ Paper weight was calculated on reams of printed paper and then multiplied by the equivalent weight of a standard ream (500 sheets with a grammage of 80g/m²), and amounted to 2.495 kg.

Unlike in previous years, this year, detailed data of the printouts made by each individual employee of the Group companies was not available; consequently, the data provided by the certificates issued by the printer operator, which are monitored and controlled through a special management system, were considered as a starting value.

The data were then processed further, as:

1. the gross data includes the printouts provided by Estra Group companies and printouts made by external companies that manage stores on behalf of Prometeo and Estra S.p.A. (waste that is not attributable to Estra Group companies), which had to be subtracted from the total value;
2. furthermore, the data did not include some public-facing branches in certain regions (e.g., branches in Sicily, Campania, Calabria, etc.). This value was estimated from the value declared in the previous year, which was derived from an estimate of the number of reams consumed by operators.

Finally, the weight relative to the number of reams consumed by EcoCentro Toscana and Bisenzio Ambiente, which are currently not subject to the monitoring process, was added to the calculation.

Waste generated by the Estra Group

Kg	2021	2022	2023*
Total general waste	795,918	749,662	1,050,880
Total non-hazardous waste	784,684	694,443	833,192
Total hazardous waste	11,234	55,219	217,688
Total waste sent for recovery	746,892	608,874	699,232
Total waste sent to landfill	49,026	140,788	351,648
Total non-hazardous waste sent for recovery	741,377	598,220	672,727
Total non-hazardous waste sent to landfill	43,307	96,223	160,465
Total hazardous waste sent for recovery	5,515	10,654	26,505
Total hazardous waste sent to landfill	5,719	44,565	191,183

*self-produced waste generated by the company Ecocentro Toscana is not included as this data was not monitored during the year.

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 was 26.3% in 2023. During the year, the waste produced by the plant totalled 276,000 kg, compared to 358,000 kg in 2022. Therefore, waste produced by the plant fell by 22.9%. This significant reduction is attributable to the selection of higher quality material used to operate the plant and the fact that, in 2022, ash from the previous years' production processes, which had not yet been fully disposed of, was still present, albeit to a minimal extent.

We printed, we planted

The Estra Group has signed up to the PrintReleaf certification system for several years. PrintReleaf's automated global reforestation platform measures the Group's paper consumption and offsets the number of trees cut down to produce it by the planting the equivalent number of trees through a network of certified reforestation projects around the world (Brazil, Dominican Republic, India, Ireland, Madagascar, Mexico and the USA). These reforestation projects help to reduce the Group's environmental impact, planting trees in parts of the world that need them the most.

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 2023, Estra offset the equivalent of 3,121,095 standard sheets of paper by planting 375 trees through the PrintReleaf system, compared to 4,297,862 pages offset in the previous year. The reduction is a testament to the fact that the Estra Group has significantly reduced its number of printouts in 2023.

4.6 Environmental mitigation

The environmental impact of the Estra Group effectively relates to the consumption of electricity and methane gas to power its offices, branches and stores, as well as the M&R stations for gas distribution, the plants that support the multiutility's various businesses and the consumption deriving from its vehicle fleet.

Lowering the impact that the Group has on the environment is complex and highly challenging. Consequently, there is a heavy focus on energy efficiency, enabling the Group to optimise consumption internally at its offices, externally by improving the energy efficiency of M&R stations, and also indirectly through third parties thanks to the provision of energy efficiency services for businesses, apartment blocks and other residential buildings, delivering energy and cost savings.

In fact, climate change and sustainability represent two strands of the Group's strategy for developing its business with a view to promoting the energy transition and achieving Net Zero.

These two strategies involve activities to provide green gas and electricity tariffs, actions to improve energy efficiency and reduce consumption, incentivising electric mobility to meet decarbonisation targets, and increasing the use of renewable energy sources. Lastly, the Estra Group — specifically its gas distribution companies — is also committed to removing and replacing asbestos roofing at its facilities across Italy.

4.6.1 Energy efficiency of offices

In 2023, the Estra Group continued to pursue energy efficiency measures at its offices. In particular, at the Siena office, all of the photovoltaic panels planned under the original initiative (launched in 2021) have now been installed. Furthermore, at the Gergas location in Grosseto, a series of photovoltaic panels have been installed on the roof at a scale able to optimise electricity production and enable the building to be energy self-sufficient.¹⁶

Furthermore, also at the Gergas office, methane gas heaters have been replaced with electric boilers.

4.6.2 Electric mobility

One of the Group's goals is to monitor and seize the potential opportunities presented by the development of the electric mobility market by managing the charging networks across the region.

In 2023, the Group installed 6 new e-charging stations to support the existing 30, all within Tuscany and, specifically, in the municipality of Montevarchi (AR). As at the end of 2023 the Group has 36 stations in Tuscany and the Marche region.

In 2023 the charging stations supplied 196,183 kWh of electricity, all from certified renewable energy, for a total of 13,444 recharging sessions.

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 Estra charging stations on an interactive map. The service is also available to non-customers.

4.7 Energy production from renewable sources

The production of green energy is an important activity for the Estra Group, which for many years has made investments aimed at diversifying its energy sources and increasing its contribution to the energy transition. Renewable energy largely derives from photovoltaic production which is facilitated thanks to the installation of several plants located in various Italian regions, with the largest photovoltaic plants such as Caviglia and Tegolaia located 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 energy.

The table below provides a summary of the electricity produced from all renewable sources owned by the Group. The breakdown of the various renewable sources follows a consolidated trend in line with the three-year period: 86% of the Group's energy production in 2023 referred to solar, 13.7% to biomass and 0.3% to hydroelectric. Overall, electricity production from renewable sources rose by 5.2% compared to 2022.

¹⁶ The works were concluded in early 2024.

*Total electricity produced from renewable sources**

	2021		2022		2023	
	kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
Photovoltaic	25,976,776	93,516	27,221,629	97,998	29,111,001	104,800
Biomass	4,265,743	15,357	4,869,711	17,531	4,631,845	16,675
Wind	2,184	8	662	2	-	-
Hydroelectric	62,737	226	84,427	304	93,828	338

* The table shows the amount of electricity produced by photovoltaic, biomass, wind and hydroelectric systems; electricity generated from photovoltaic sources and sold was 24,959,831 kWh in 2021, 25,198,438 kWh in 2022 and 27,556,921 kWh in 2023; electricity generated from biomass and sold was 2,963,833 kWh in 2021, 3,306,080 kWh in 2022 and 3,140,726 in 2023; electricity generated from hydroelectric sources and sold was 61,598 kWh in 2021, 83,927 kWh in 2022 and 92,128 kWh in 2023.

Photovoltaic

In 2023, electricity production from photovoltaic systems was 29,111,001 kWh. This has been following an upward trend over the three-year period, with an increase of 6.9% compared to 2022. Like other renewable sources, photovoltaic production is susceptible to general weather trends and therefore can be difficult to predict. 73% of the energy from photovoltaic systems is produced at the Cavriglia and Tegolaia plants, which in 2023 produced 12,498,286 kWh and 8,799,726 kWh respectively.

Wind

The Group's wind plants in Sardinia have been decommissioned and did not produce electricity in 2023.

Hydroelectric

Hydroelectric energy is produced by Idrogena. In 2023, the production of hydroelectric power increased compared to the three-year period. In fact, compared to 2022, production rose by 11.1% as a result of improved maintenance processes, which optimised the plant's operational hours and increased production.

Biomass

The biomass plant in Calenzano generates electricity and thermal energy using an ORC turbine. The energy is mainly used to operate the turbine itself, the biomass boiler and the district heating pumps; any surplus energy is transferred to the national grid.

In 2023, there was a slight reduction (4.9%) in electricity production from biomass systems compared to 2022, as the plant worked fewer hours due to maintenance requirements.

The Calenzano biomass plant produces thermal energy which is used to supply hot water and heating to several public and private buildings. In 2023 production decreased by 9.3% compared to 2022. This reduction is due to lower user demand due to weather conditions, specifically a mild winter.

*Thermal energy produced from the biomass plant**

2021		2022		2023	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
18,562,500	66,825	17,392,650	62,614	15,780,600	56,810

*The thermal energy transferred was 6,365,617 kWh in 2021, 6,897,015 kWh in 2022 and 6,119,658 kWh in 2023.

In 2023, cooling energy produced by the biomass co-generation plant decreased by 7% (-94,080 kWh), while cooling energy transferred increased by 7.2% (+74,024 kWh) compared to the previous year.

Thermal energy produced from the biomass co-generation plant*

2021		2022		2023	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
1,101,570	3,966	1,342,520	4,833	1,248,440	4,494

*The cooling energy transferred was 880,957 kWh in 2021, 1,033,435 kWh in 2022 and 1,107,459 kWh in 2023.

Green energy

In 2019 the Estra Group expanded its range of green products and services, creating gas and electricity tariffs for domestic and business customers to meet the demand of market and consumers who are increasingly conscious of the environment and the responsible management of their energy consumption.

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

For these tariffs, the Estra Group signed an agreement with AzeroCO₂, a company owned by Legambiente and Kyoto Club specialising in sustainability and energy, and launched a structured offsetting programme for CO₂ emissions generated during the combustion phase of the Group's methane gas sales to retail customers and SMEs. The emissions are offset through the purchase of CO₂ credits on the voluntary market from certified Gold Standard international renewable energy projects selected for their exemplary social, environmental and economic characteristics and which comply with the leading internationally recognised auditing standards.

In 2023 the Group launched various promotional and communication campaigns about its green products, which led to a direct rise in the number of people signing up for these tariffs.

At the end of 2023 there were 159,050 active electricity contracts (+62.7% compared to 2022) for a total consumption of 100% renewable GoO-certified energy of over 435 million kWh, an increase of 75.0% compared to the previous year. There were 323,796 active gas contracts at the end of 2023 (-1.2% compared to 2022), for a total consumption of around 229 million cubic metres, up by 20.8% compared to the previous year. Total emissions generated by this consumption were offset through the purchase of carbon credits on the voluntary market.

Mosaico Verde

Since 2020 Estra has supported "Mosaico Verde", a national campaign to redevelop and protect the landscape launched by AzeroCO₂ and Legambiente which provides for the reforestation and restoration of urban and suburban green areas.

Through this initiative, the Estra Group aims to make a concrete contribution to the fight against CO₂ while also protecting the region by developing projects that consider the environmental and social dimension.

By participating in the project, companies such as Estra give back the value they have received from the region in the form of urban regeneration projects, with the aim of increasing the social welfare of the local community and protecting natural resources.

Redevelopment projects are carried out in urban and/or suburban areas, respecting the requirements of environmental sustainability and current regulations on landscape constraints, ensuring the conservation of biodiversity and improving the landscape.

Estra carried out its first reforestation projects in 2020 and 2021 in the municipalities of Civitella in Val di Chiana (AR), Calenzano (FI), Ancona, Arezzo, Follonica (GR) and Macerata. In 2023, projects were also developed in Parco Mediceo in Pratolino (FI), where around 100 ready-to-go plants were planted across a hectare of parkland and in the municipalities of Vasto (CH) and Pesaro (PU), both of which saw the planting of 1,000 plants.

4.8 Energy production from non-renewable sources

The Estra Group supports its renewable energy production with more conventional production methods based on non-renewable sources, via four methane-powered co-generation plants owned by Estra Clima and located in Sesto Fiorentino, Siena and Ancona. The plants contribute to the production of electricity, thermal energy and cooling energy.

The table below shows a 20.4% decrease in electricity production compared to 2022. This is due to the fact that, in 2023, the Ancona plant did not produce any electricity for the entire calendar year (in 2022, production was limited to January due to a fault that halted production for the rest of the year). The plant's return to full operating capacity, initially scheduled for 2023, was subject to delays and consequently the newly installed co-generator only entered into operation in early 2024.

The production of thermal energy also fell by 12.3% compared to the previous year due to lower user demand as a result of a mild winter.

Finally, cooling energy, which is only produced at the Sesto and Calenzano plants, significantly increased by 87.5%. This considerable increase is due to the intensity of the summer season and its continuation into late autumn, resulting in a more intensive use of air conditioning systems.

Total energy transferred increased slightly (5.3%) compared to 2022. In particular, thermal energy transferred was higher than in the previous year despite the fall in production. This was due to the fact that the co-generator plant in Ancona was not operational in 2023, resulting in lower dissipation of the thermal energy produced and the use of boilers to make up for the technical fault. This situation inadvertently led to better performance.

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

	2021		2022		2023	
	kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
Electricity	2,501,692	9,006	841,358	3,029	669,833	2,411
Thermal energy	18,732,062	67,435	18,303,840	65,894	16,054,832	57,797
Cooling energy	743,646	2,677	649,392	2,338	1,217,322	4,382

* The table shows the amount of electricity, thermal energy and cooling energy produced by non-renewable sources; transferred electricity from non-renewable sources was 2,126,986 kWh in 2021, 743,875 kWh in 2022 and 630,199 kWh in 2023; transferred thermal energy from non-renewable sources was 14,810,433 kWh in 2021, 12,673,044 kWh in 2022 and 12,987,488 kWh in 2023; transferred cooling energy from non-renewable sources was 619,705 kWh in 2021, 622,482 kWh in 2022 and 1,166,878 kWh in 2023. Cooling energy was generated and transferred by the Sesto Fiorentino plant only.

4.9 Self-consumption of electricity from renewable sources

To produce electricity, the renewable energy plants are powered using a small part of their own production. This portion is called self-consumption. In 2023, there was a sharp decrease (31.5%) in the consumption from photovoltaic plants compared to 2022. This was the result of the optimisation of the photovoltaic plants, with the more efficient operation enabling reductions in the consumption of ancillary systems while also increasing production, as described in more detail in section 4.7.

Self-consumption of electricity by photovoltaic systems

2021		2022		2023	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
1,016,945	3,661	1,435,087	5,166	983,256	3,540

The biomass power plant recorded a slight decrease (4.6%) in consumption compared to 2022, in line with the slight reduction in electricity production from biomass described in more detail in section 4.7.

Self-consumption of electricity by biomass systems

2021		2022		2023	
kWh	Gigajoule	kWh	Gigajoule	kWh	Gigajoule
1,301,197	4,684	1,563,631	5,629	1,491,119	5,368

Self-consumption of electricity by the hydroelectric plant was estimated at 1,700 kWh (6 GJ).

4.10 Energy efficiency

Through its company Estra Clima, the Estra Group carries out energy efficiency initiatives on behalf of third parties. As shown in the table below, as well as the conventional apartment block renovations and boiler replacement works, in 2023, photovoltaic systems were installed on residential and non-residential buildings. As regards apartment renovations and reconditioning measures, in 2023, the number of initiatives increased exponentially by over 139%, with projects carried out on 67 apartments, compared to 28 in 2022. This type of project is far more complex than a simple boiler replacement, and the significant increase in the number of initiatives is due to the timing of the works, with several projects setting the deadline for completion at the end of the financial year.

The second type of project primarily involved replacing conventional boilers for residential users with condenser boilers equipped with external temperature control sensors. The number of boiler replacements fell drastically from 426 in 2022 to 145 in 2023, mainly due to the end of the IRPEF tax break on condenser boiler purchases.

Number of projects carried out

Type of project	2021	2022	2023
Apartment renovation and reconditioning	22	28	67
Replacement of domestic boilers	379	426	145
Residential photovoltaic systems installed	-	-	7
Non-residential photovoltaic systems installed	-	-	3

4.11 Energy Communities

Like cooperatives and non-profit organisations, renewable energy communities (RECs) are legal entities through which citizens, apartments, commercial enterprises and businesses can collaborate to produce, consume and manage clean energy through one or more local plants. Among the various forms they can take, RECs are a key building block for achieving the 2030 Agenda goals and for Italy's sustainable development.

Estra supports creating renewable energy communities to share clean energy, promote environmental sustainability and provide access to opportunities to diversify the availability of electricity, which is currently mainly supplied by the national electricity grid. Estra Clima has positioned itself as an aggregator, supporting the creation of RECs from drafting the necessary documents (Articles of Association and Regulation) to designing and building the photovoltaic plants, handling all of the technical and administration relations with Italy's Energy Service Operator.

In 2023, the following associations were established and will work with Estra Clima to develop RECs:

- CER.Ca.Ci., a community that brings together six administrative offices in Prato and promotes the creation of RECs in Prato, Montemurlo, Carmignano and Poggio a Caiano. An apartment complex with approximately 7,500 residential units;
- CER.Ca., a community of citizens, businesses, voluntary associations and Circolo ARCI in Calenzano operating in the province of Florence;

- G.E.CO., a community promoted by the municipalities of Vaiano, Cantagallo and Vernio.

4.12 CO₂ emissions

Lowering emissions is a topic that is important to the Estra Group. While the Group hasn't adopted a specific emissions reduction plan, the numbers show how, in practice, Estra has long taken action to facilitate a gradual energy transition. On this basis, the Group aims to strengthen its commitment to the circular economy, renewable energy, creating renewable energy communities, e-mobility, producing alternative renewable energy (hydrogen and biomethane) and energy efficiency.

4.12.1 Emissions produced

The Group's emissions derive from the following:

- methane and electricity consumption for use at sites, offices and plants;
- the consumption of electricity and methane to heat M&R stations for gas distribution, as well as the ancillary systems used in the stations, such as remote meter reading systems and power suppliers for the cathodic protection of pipelines;
- gas leaks;
- vehicle fuel consumption;
- coolant gases.

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.

As regards Scope 3 emissions (indirect emissions deriving from the company's value chain), the Estra Group is launching a project to incorporate them into the reporting process as of next year.

Scope 1 emissions increased slightly (3.1%), from 65,947 tonnes of CO₂ in 2022 to 68,019 tonnes of CO₂ in 2023. Emissions data also include physical 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 2023 was 88.5%.

Meanwhile, combustion emissions (emissions that the Group can manage directly) fell by 10.3% in 2023 compared to the previous year. This is in line with the downward trend seen over the three-year period. All of the main consumption items at the Group's plants and offices contributed to this reduction. Meanwhile, vehicle emissions remained largely unchanged.

In 2023, the use of the refrigerant gas R-32 was recorded for the first time. This was associated with a single 0.5 kg delivery at the Ecolat office, which led to the emission of 0.34 tonnes of CO₂.

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)	2021	2022	2023
Scope 1 emissions - from combustion	9,233	8,701	7,801
Scope 1 emissions - from methane	49,495	57,246	60,218
Scope 1 emissions - from refrigerant gas	-	-	0.3

With regard to Scope 2 emissions, calculated according to the location-based approach, there was a slight increase of 4.8% compared to 2022, following the inclusion of Ecocentro Toscana in the reporting scope.

However, considering Scope 2 emissions calculated according to the market-based approach, there was a significant reduction (13.2%) compared to 2022 due to a significant increase in green tariffs in the Group's contracts, which were not taken into account in the previous year and represented only a marginal share of total electricity consumption.

The table below compares total Scope 2 emissions in the 2021-2023 period, calculated according to the location-based and market-based approaches.

Total Scope 2 emissions

CO ₂ (tonnes)	2021	2022	2023
Scope 2 emissions - Located Based	2,224	2,856	2,992
Scope 2 emissions - Market based	2,918	3,830	3,323

4.12.2 Emissions avoided

Emissions avoided relate to:

- energy efficiency measures;
- energy production from renewable sources (mainly photovoltaic).

Total emissions avoided

Total emissions avoided (tonnes)	CO ₂
2021	13,204
2022	13,961
2023	15,741

The figures derive from the fact that in 2023:

- the amount of CO₂ emissions avoided due to energy efficiency measures increased by 217.9% from 657 tonnes in 2022 to 2,089 tonnes in 2023 thanks to CO₂ savings enabled by apartment renovation and redevelopment projects and, to a lesser extent, the replacement of boilers in domestic residences, as well as the installation of photovoltaic panels on residential and non-residential buildings.
- avoided emissions thanks to the production of renewable energy, which totalled 10,658 tonnes of CO₂, increased by 5.1% compared to 10,136 tonnes in 2022, due to the increase in electricity production from photovoltaic plants.

As highlighted in the table below, the most significant portion of emissions avoided relate to the production of electricity from photovoltaic systems.

Emissions avoided through the production of electricity from renewable sources

Tonnes of CO ₂	2021	2022	2023
	CO ₂	CO ₂	CO ₂
Electricity production from photovoltaic systems	8,183	8,575	9,170
Electricity production from biomass systems	1,344	1,534	1,459
Electricity production from wind systems	0.7	0.2	-
Electricity production from hydroelectric systems	20	27	29

As well as renewable electricity production, the emissions avoided calculation also considers the production of thermal energy from biomass (2,954 tonnes) and cooling energy (41 tonnes).

In total, emissions avoided through energy production from renewable sources stood at 13,653 t of CO₂ in 2023, compared to 13,304 tonnes in 2022. If emissions avoided through energy efficiency measures are also included, this figure rises to 15,741 tonnes of CO₂, as shown in the table.

5. Our people

5.1 Targets and results

Targets for 2023	Results in 2023
<p><i>Estra Group</i> Implementation of <i>Basic Training</i> 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. Continuation of privacy training for personnel that have not yet received it through the delivery of a specific remote-learning course and the completion of the relative learning assessment. Creation and publication of specific content.</p>	<p><i>Target partially achieved</i> The target for Basic Training and the continuous updates on privacy and data protection issues was achieved. In 2023, training was provided to new hires and employees who were absent during the training in 2022.</p>
<p><i>Estra Group</i> 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.</p>	<p><i>Target partially achieved</i> The “manifesto” has been finalised and will be shared with all employees at a specific event to present the work of the work group,</p>
<p><i>Estra Group</i> Restructuring of the MyEstra portal: completion of design and implementation of new portal.</p>	<p><i>Target partially achieved</i> In the first six months of 2023, a supplier was selected to provide the platform for the new portal, and several meetings were held with the Work Group to develop the Intranet. In June, the project was suspended due to changes to the Group's organisation and will not be brought to conclusion.</p>
<p><i>Estra Group</i> 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.</p>	<p><i>Target partially achieved</i> The RE-THINK YOUR JEANS project in collaboration with RIFO was concluded in 2023. Among the 38 companies taking part in the initiative, Estra distinguished itself as a particularly active participant and came second in the number of jeans donated. RE-THINK YOUR JEANS is a circular economy project that allows people to give new life to their old denim clothes as part of a transparent regeneration process. However, the project is currently on hold due to the current corporate restructuring process, and not all of the planned initiatives have been carried out.</p>

<p><i>Estra Group</i> Adoption of a structured “on-boarding” procedure.</p>	<p><i>Target partially achieved</i> Distribution and implementation of a new structured on-boarding procedure as of August 2023 to offer a more efficient orientation experience for new employees.</p>
<p><i>Estra Group</i> Anti-corruption training: 1) Refresher training on corporate responsibility pursuant to Legislative Decree 231/2001 following the update to the 231 Model to incorporate the new offences; 2) Basic training for new employees pursuant to Legislative Decree 231/2001; 3) Training on policies and procedures to governance bodies.</p>	<p><i>Target achieved</i> As regards anti-corruption training, targets 1 and 2 regarding the provision of basic training were successfully achieved. Target 3, which concerns the training of governance bodies, the goal, was also achieved in 2023 as the Group Code of Ethics, Anti-Corruption Policy and Human Rights Policy were approved by the BoDs of all Group Companies.</p>
<p><i>Estra Group</i> Approval of a new early retirement plan through contract expansion, which allows for the stipulation of agreed redundancy plans for workers who are no more than 60 months (5 years) away from the relative retirement age.</p>	<p><i>Target not achieved</i> The project has been shelved.</p>

Targets for 2024

Estra Group

Adoption of a structured “on-boarding” procedure.

Privacy training:

- Definition of a continuous and broad-reaching training plan for employees and collaborators delivered remotely. The Docebo platform will be used for retailers and external operators.
- Continuation of privacy training for personnel that have not yet received it through the delivery of a specific remote-learning course and the completion of the relative learning assessment. The target is set at around 370 employees and includes manual workers yet to receive training, store employees and employees operating in areas such as legal affairs or marketing.
- Creation and publication of specific content for different company departments.

Targets for 2023-2024-2025

Estra Group

Internal work group, established following the Utilitalia Agreement *La diversità fa la differenza*: the drafting of a strategic D&I document following the outcome of the employee survey held in late 2021 — start of an awareness-raising/information campaign aimed initially at employees and then managers; the activities initially planned will be revised in light of the projects that will be developed considering the new multiutility structure.

Targets for 2023-2024

Estra S.p.A., Estra Energie S.r.l., Estra Prometeo S.p.A., Estracom S.p.A., Estra Clima S.r.l.

Development of specific training content on privacy and data protection, focusing in particular on the processing of personal data by store employees. The training will be delivered via the FAD remote-learning platform and will involve approximately 100 employees and/or collaborators.

Targets for 2024-2025

Estra Group

Creation of a single occupational health facility at Group (multiutility) level.

5.2 Responsible HR management

Human resources are the foundations on which the Estra Group is built, determining the Group's added value, its ability to adapt to evolving market conditions, and its continued capacity to grow and develop. Investing in employee recruitment, development and well-being is a priority for the Group. Consequently, Estra focuses great attention on creating and promoting a shared corporate culture in which trust, collaboration and the respect for others are necessary pillars to achieve shared objectives and create a long-term vision.

5.2.1 Employment

In 2023 there were 830 employees working for the Estra Group.¹⁷ Including the 21 agency workers, the total workforce comprises 851 resources. The table below confirms the upward trend in the number of employees in the 2021-2023 three-year period, with a slight increase (1.1%) from 2022 to 2023 and 9.2% over the three years. The number of agency workers fell over the three years from 26 in 2021 to 21 in 2023, with the peak (32 people) in 2022. The overall increase in the number of people working for the Estra Group — from 786 in 2021 to 851 in 2023 — can be attributed to several factors, including the policy to acquire new companies, which has led the Group to operate in new business sectors and grow its personnel, and the new hires made over the three years to meeting operating requirements.

With the exception of agency workers, all employees are hired directly. In 2023, 133 workers were seconded from one Group company to another, up compared to 92 in the previous year.¹⁸ Secondment refers to a temporary assignment from an employee's normal place of work to another site that requires the services of the employee concerned, guaranteeing operational flexibility for the company while providing employees with the opportunity to learn new skills.

As regards contracting agreements, 100% of employees are covered by the reference National Collective Labour Agreement (CCNL); of these, 96.6% are covered by second-level agreements¹⁹, enabling them to operate with greater autonomy and flexibility through the integration and strengthening of various economic and legislative schemes regulated by the CCNL (which constitute first-level agreements). In 2023, the trade

¹⁷ Unlike the data on human resources published in Non-Financial Statements prior to 2022, the indicators included here distinguish between employees and agency workers, in line with the GRI Standards. For comparison and clarity purposes, many of the indicators used in 2021 have been restated.

¹⁸ Please note that in 2023 three employees were legally employed by a company outside the reporting boundary (Viva Servizi and Its) but operated within a company that falls within the boundary of this document.

¹⁹ The remaining 3.4% concerns Ecocentro and Ecos employees who have not signed second-level agreements.

union agreement approved in 2021, which amended the amount of reimbursement allowed for meal expenses during transfers, was confirmed, and a budget was allocated to Directors for the reimbursement of representational expenses.

*Total number of employees**

2021	2022	2023
760	821	830

*Total number of employees and agency workers**

2021	2022	2023
786 (26 agency workers)	853 (32 agency workers)	851 (21 agency workers)

* 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.

In terms of the number of employees per area of activity, in line with the previous year, the number of employees engaged in the sale of gas and electricity fell in 2023. Meanwhile, the number of employees operating in the distribution of gas, methane and LPG remained stable, and the number of employees operating in other areas such as energy, environmental, general or telecommunications services increased. Between 2022 and 2023, the most significant percentage increase was in the energy services sector, while general services — performed by the parent company Estra S.p.A. on behalf of all of the other Group Companies — benefited from an increase of 18 resources. These changes were mainly due to the organisational restructuring process, launched in 2022 and continued in 2023, which led to the creation of the Group Sales Division managed by Estra S.p.A., and resulted in the transfer of a number of employees from the sales companies of the Parent Company to the new unit. The purpose of this new department is to optimise and standardise the Group's sales policies. In 2023, following a corporate restructuring process, certain activities were transferred from the Parent Company to companies operating in the energy and telecommunications sectors. In particular, 38.4% (+0.3% compared to 2022) of employees operated in the gas, methane and LPG sectors, 28.5% (+8.2% compared to 2022) are in general services and 18.3% (-18.7% compared to 2022) are involved in gas and electricity sales. The increase in the number of employees working in the environmental services sector, which rose from 41 to 71 during the three-year period, is attributable to the acquisition of Ecos S.r.l. in 2021, and Bisenzio Ambiente S.r.l. and Ecocentro Toscana S.r.l. in 2022,²⁰ which employ 12 and 7 employees, respectively, and no agency workers. Bisenzio Ambiente S.r.l. owns a treatment facility for hazardous and non-hazardous special waste located in the municipality of Campi Bisenzio (Florence). Ecocentro Toscana S.r.l. operates in the treatment and recovery of non-hazardous waste and specialises in the treatment and recovery of waste from street sweeping, sewage cleaning and desanding processes. It owns a facility in Montemurlo, in the province of Prato.

Gender representation across the Group's various activities is fairly stable. In percentage terms, the gas, methane and LPG distribution service and energy services sectors are dominated by men who represent just under 90% of the workforce (86.5% for gas, methane and LPG distribution, 89.2% for energy services). Men are also the dominant gender in the telecommunications (71.4%) and environmental services sector (66.2%).

²⁰ Ecocentro Toscana S.r.l. was not included in the reporting scope of this document in 2022, as the acquisition was not completed until the end of September. Ecocentro became part of the reported scope in 2023.

The high presence of men in this areas is attributable to the nature of the work, which is traditionally dominated by men. However, in the general services sector, the percentage of women employees has risen since 2022, with over half of the workforce represented by women (55.3%), while the gas and electricity sales sector continues to be staffed predominantly by women (61.2%, in line with the previous year). In essence, almost 1 in 2 women work in the general services sector and 1 in 3 work in the gas and electricity sales sectors, while 1 in 2 men work in the gas, methane and LPG distribution sector and only 1 in 5 work in the general services sector.

Number of employees by sector	2021	2022	2023
Distribution of gas, methane and LPG	275	318	319
Energy services	21	27	37
Gas and/or electricity sales	232	187	152
Telecommunications	13	12	14
General services	180	219	237
Environmental services	41	58	71

The 21 agency workers are stationed in various areas of the Group's activities. The majority are involved in sales (10 people), followed by general services (6 people) and environmental services (4 people). Only one agency worker works in the gas, methane and LPG distribution sector.

Agency workers carry out a range of duties and may be involved in administrative roles, such as issuing utility bills and managing the related print-outs for gas and electricity and handling collections. Others are involved in metering activities, such as the management of gas consumption readings sent by distribution companies, relations with distribution companies, including agreements for unscheduled readings, analysing the consistency of readings against past consumption, managing changes to devices, and operating in the natural gas balancing service. Some are involved in forecasting and portfolio management roles in the gas and electricity sectors. Agency workers operating in the general services sector are responsible for marketing and sales/administrative support.

Compared to 2022, the distribution of employees by professional level remained generally stable. While the number of middle managers fell by 5 resources, and the number of messengers remained unchanged, all other categories recorded small increases in the number of resources. Overall, 67% of employees are clerical workers, and 24% are manual workers.

Number of employees by role	2021	2022	2023
Managers	23	24	26
Middle managers	44	50	45
Clerical workers	524	548	556
Manual workers	165	195	199
Messengers	4	4	4

As regards the gender representation at each professional level, the percentages generally remained stable over the course of the three years. While clerical roles are predominantly held by women, there is an over-representation of men in management roles (23 men and 3 women), middle management roles (34 men and 11 women) and manual roles (189 men and 10 women). In terms of the percentage distribution of men and women by role, 92% of women are clerical workers, compared to 52.9% of men, while 35.6% of men are

manual workers, compared to just over 3% of women. In line with previous years, agency workers are employed in clerical roles (7 women and 10 men) and manual roles (4 men).

Breakdown of employees by qualification and gender	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Managers ²¹	19	4	20	4	23	3
Middle managers	33	11	38	12	34	11
Clerical workers	260	264	278	270	281	275
Manual workers	153	12	184	11	189	10
Messengers	4	0	4	0	4	0

Of the Group's managers, 92.3%, or 24 out of 26, originate from the Estra Group's "native" regions of Tuscany and Marche, consistent with previous years.

In 2021, the Group's offices were expanded to include the office in Florence following the acquisition of Ecos S.r.l.m while in 2022 there were no changes as the new companies acquired in 2022, Edma Reti Gas and Bisenzio Ambiente, operate respectively in Ancona and Florence. The inclusion of EcoCentro Toscana (located in Prato) in the Group in 2023 did not result in any change to the Group's operating offices. The Group's only new operating office in 2023 was the office of the gas and electricity sales company Monte Urano Energia, located in Fermo, acquired by Prometeo in October 2023 by merger by incorporation.

Employees mainly work in the Group's long-established offices in Ancona, Arezzo, Prato and Siena, which account for 79.5% (660 employees) of the total workforce. The geographical distribution of employees remains largely unchanged compared to the previous year, while 2022 was characterised by a significant increase in the number of employees operating at the offices in Ancona and in the province of Florence due to the acquisitions of the companies Edma Reti Gas and Bisenzio Ambiente. An analysis of the data by region confirms the important role played by the Group's "original" offices: 77.7% of employees (77.3% in 2022) work in Tuscany and 13.3% work in the Marche region. In fact, 95.4% of employees are based in Central Italy, while 4.2% work in the South.

The agency workers only work in Tuscany, specifically in Arezzo, Prato, Grosseto (Ecolat) and Siena.

Number of employees by location	2021	2022	2023
Ancona	35	88	88
Arezzo	99	101	102
Ascoli Piceno	18	18	15
Bari	17	14	15
Campobasso	2	2	2
Caserta	3	3	3
Chieti	1	2	2
Cosenza	1	1	1
Fermo	0	0	2
Florence	13	30	32

²¹ The number of managers includes managers who are also members of the BoDs of Group Companies. In 2023, 14 managers were also members of the BoDs.

Foggia	12	11	10
Grosseto	41	39	40
Isernia	15	14	13
L'Aquila	1	1	1
Lucca	2	2	2
Macerata	8	7	6
Modena	5	3	3
Naples	2	2	2
Palermo	1	1	1
Perugia	3	3	3
Prato	276	281	286
Reggio Calabria	3	3	3
Rieti	5	5	5
Siena	189	182	184
Teramo	8	8	9

In 2023, the average seniority of Group employees was 16 years, 2 months, falling to 15 years, 10 months if also taking into account agency workers, who have an average length of service of just over one year. When divided by gender, the average length of service of male employees is 16 years, 8 months, and 15 years, 2 months for women, in line with 2022. If agency workers are also taken into account, the average length of service is 16 years, 4 months for men, and 14 years, 11 months for women. The length of service is a testament to the stability and mutual trust that characterises the relationship between employees and the Group. It also represents a competitive advantage for the Group, which is able to rely on the consolidated skills and experience of its staff.

With regard to education level, the number of employees with a primary or secondary school certificate fell during the three years to 15.7% in 2023. The percentage of employees with high school diplomas, which represent the majority of employees and agency workers, and the percentage of employees with university degrees remained stable from 2021 to 2023. Gender representation remains largely unchanged: 94.5% of women employees hold a high school diploma or above (out of 306 workers, 146 have a high school diploma and 143 have a university degree). Meanwhile, almost half of men have a high school diploma (46.8%, 255 workers) and 28.4% have a degree (155 out of 545). Please note that information on education level was not available for 18 workers (15 employees and 3 agency workers). These related to workers of non-Italian origin employed at Ecolat and Ecos, two of the Group's environmental services companies. The table below shows the percentage distribution of educational level for Estra Group personnel, considering both employees and agency workers.

Level of qualification of employees and agency workers	2021	2022	2023
Primary or secondary school certificate	16.7%	15.8%	15.7%
High school diploma	47.1%	47.5%	47.1%
Degree	34.7%	33.8%	35.0%

5.2.2 Protected categories

In 2023, 50 Estra Group employees belonged to protected categories, 5 more compared to 2022: 44 people with legal disabilities and 6 orphans and/or widows/widowers. There were no agency workers belonging to protected categories. Specifically, these regarded 35 men and 15 women with an average age of around 49 years and 51 years respectively (the general average age is 50 years). As regards roles, the distribution of employees in protected categories remained generally unchanged: in line with the previous two years, most employees in protected categories were employed in clerical roles (76.0%), followed by manual roles (14.0%). Furthermore, 80% of these employees work in the Group's historical sites in Tuscany (Arezzo, Prato and Siena).

	2021	2022	2023
People with legal disabilities	37	39	44
Orphans and/or widows/widowers	5	6	6

	2021	2022	2023
Women	12	13	15
Men	30	32	35

	2021		2022		2023	
Middle managers	1	2.4%	1	2.2%	1	2.0%
Clerical workers	32	76.2%	34	75.6%	38	76.0%
Manual workers	5	11.9%	6	13.3%	7	14.0%
Messengers	4	9.5%	4	8.9%	4	8.0%

5.2.3 Contracts and remuneration

In the Estra Group, one of the most important aspects of human resources management is the desire to provide stable employment. This approach supports employees and the organisation itself, promoting a climate of mutual trust and enabling greater focus and collaboration on the Group's long-term strategies. Considering Group employees only (not including agency workers), 98.9% of workers - 821 out of 830 - are employed on permanent contracts, in line with 2022 and up on the 97.2% recorded in 2021. Only 0.3% of women employees and 1.5% of men employees are employed on fixed-term contracts.

Breakdown of employees by contract type and gender	2021	2022	2023
Permanent	739	812	821
Men	456	516	523
Women	283	296	298
Temporary	21	9	9
Men	13	8	8
Women	8	1	1

As regard agency workers in 2023, two employees were hired on permanent contracts and are all men, while the other 19 are on fixed-term contracts. The table below shows the composition and percentage distribution by contract type considering the entire workforce, confirming a significant and clear preference for permanent contracts.

Breakdown of employees by contract type and gender (employees and agency workers)	2021		2022		2023	
	Permanent	742	94.4%	815	95.5%	823
Temporary	44	5.6%	38	4.5%	28	3.3%

In 2023, like the year before, 20 employees previously employed on a temporary basis were given permanent contacts. These included 6 women and 14 men, with an average age of 31, employed in clerical roles (14) and manual roles (6). More than half of these contract conversions — 11 to be exact — concerns the contracts of agency workers who became employees.

As regards the remuneration policies, the CCNL tables for the relevant sector are applied. The table below shows the data on currently employed workers, not including those whose working relationships were terminated during the year. Specifically, the data refers to the ratio of women's to men's average pay, considering the annual basic salary and the total annual salary, divided by professional level. The indicators remained generally unchanged over the three years. Middle managers have highest level of parity, while the gender pay gap is more pronounced among manual workers. This is mainly due to the lower levels of experience of women compared to men, as well as their shorter length of service. Furthermore, all 10 female manual workers are employed on part-time contracts, while only 4.2% of female manual workers (8 out of 189) do not have a full-time contract.

Annual basic salary*: ratio of remuneration of women to men	2021	2022	2023 ²²
Managers	93%	91%	92%
Middle managers	98%	97%	98%
Clerical workers	92%	92%	92%
Manual workers ²³	-	64%	60%

Annual total gross salary*: ratio of remuneration of women to men	2021	2022	2023
Managers	87%	84%	87%
Middle managers	92%	92%	94%
Clerical workers	89%	90%	90%
Manual workers ¹⁶	-	45%	52%

*For 2021 the table does not include data from the companies Ecolat and Ecos which apply different contracts to those of other Group companies. Data for 2021 and 2022 refer to the entire corporate reporting boundary.

In 2023, the ratio of the annual total remuneration of the highest paid person to the median annual total remuneration of all other employees was 4.82, down from 7.2 in 2022 and 6.5 in 2021. Moreover, the annual total remuneration of the highest paid employee fell by 32.4% compared to 2022, while the median remuneration of other employees increased by 1.5%.

²² In 2023, the ratio of annual basic salary of women to men was calculated by recalculating the basic remuneration based on the monthly salary effectively paid during the year to provide a more correct and accurate representation of the data.

²³ Data for 2021 is not available as the companies Ecos and Ecolat, the only Group companies that employ women in manual roles, were not included in the calculation.

As regards variable incentive remuneration, the Group has adopted a formalised Management by Objectives (MBO) procedure which aims to improve the Group's performance and to encourage personnel to engage in setting targets. This system was implemented in 2020, paying close attention to the strategic guidelines of the Estra Group, and is aimed at managers and other senior roles.

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 on three key principles:

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. The number of employees who were formally assigned targets was consistent in the 2022-2023 period, decreasing from 124 people to 118.²⁴ In 2023, eight employees were assigned sustainability-linked targets, compared to 10 in 2021 and 14 in 2022. The targets mainly concerned environmental performance, such as initiatives to increase renewable energy production, the progressive neutralisation of the Group's carbon footprint, and new product development. Bonuses awarded under the MBO scheme in 2023 totalled € 899,552, down from € 990,684 in 2022. In both years, 108 employees received MBO bonuses.

Furthermore, in June 2022 a second-level agreement was signed on the performance bonus for the 2022-2024 three-year period, aimed at all Group employees except for those employed at environmental services companies, i.e., Ecocentro Toscana, Ecolat, Ecos and Bisenzio Ambiente. This bonus was subject to the achievement of clear and well-defined profitability, productivity, efficiency, quality and sustainability targets. In particular, sustainability targets concerned the reduction of internal energy consumption and the average number of print-outs per employee. In 2023, € 1,522,273 in performance bonuses was disbursed to employees.

5.2.4. New hires and terminations

The employee selection process is extremely important for the Estra Group. In fact, the Group devotes a lot of attention to recruitment and follows a formal procedure that sets out the principles and methods, which can be consulted on the website.

In 2023, 41 resources were hired, a significant drop compared to 2022. This reduction can be attributed to changes at governance level in 2023 and the consequent restructuring of certain organisational units, which in turn required a fresh assessment and reflection on staffing needs and possible new synergies within the Group. In 2022, 64.3%, or 63 new hires, resulted from the acquisition of the companies Edma Reti Gas and Bisenzio Ambiente. In 2023, a new company, Ecocentro Toscana S.r.l., was acquired, which resulted in only 7 new hires. This explains the reduction in the number of new hires. In fact, hiring workers who transferred from temporary contracts to permanent contracts remained generally stable (9 in 2022 and 8 in 2023), while the number of hires resulting from the recruitment and subsequent termination of the employment contract during the year fell by 4 (6 in 2022, 2 in 2023). Furthermore, in 2023, four employees joined the Estra Group

²⁴ The data also includes one employee who has since left the company.

as a result of recalls from posts and the merger of Monte Urano into Prometeo. Twenty employees were hired via an external selection process, the same number as in the previous year.

In more detail, the majority of new hires were men (68.3%), marking an improvement in gender distribution compared to 2022 when 83.7% of all new hires were men. 34.1% of new hires were in the Prato area, followed by Grosseto (19.5%) and Firenze (17.1%). Most new hires took place in Prato, where Ecocentro Toscana, acquired by the Group in 2023, is based, enabling the Group to optimise its environmental services. As regards the professional level of new hires, half entered into clerical roles (22) while the other half were manual workers (18). With regard to women, only one new hire regarded a manual role, while the rest were employed as clerical staff. In terms of educational level, with the exception of rare cases, most new hires (28) held a high school diploma as a minimum. Data on educational level was not available for 4 new hires.

The recruitment rate in 2023 was 0.05. This means that for every 100 employees 5 new employees were hired, compared to 12 in 2022. There was no significant difference between the recruitment rate of women and men.

In 2023, as regards contract agreements, 78% of new hires were covered by the CCNL and also signed second-level agreements, up compared to 71.4% registered in the previous year. In terms of the employment relationship, 33 out of 41 new hires were employed on permanent contracts and only 5 were hired on part-time contracts.

As regards age, over half (56.1%) are between 30-50, and 31.7% are 29 or under, a considerable increase compared to 2022. The average age of new hires was 38. Despite the reduction in new hires, the number of new hires under 29 years of age increased. The trends described above are also perfectly reflected in the recruitment rate by age bracket, as shown below.

New hires (subdivided by gender and age)	2021	2022	2023
Total	50	98	41
Men	31	82	28
Women	19	16	13
New hires by age			
29 or under	13	9	13
Between 30 and 50 (inclusive)	28	49	23
Over 50 years	9	40	5

Recruitment rate*	2021	2022	2023
Total	0.07	0.12	0.05
Men	0.07	0.16	0.05
Women	0.06	0.05	0.04
Recruitment rate by age**			
29 or under	0.34	0.25	0.34
Between 30 and 50 (inclusive)	0.07	0.11	0.05
Over 50 years	0.03	0.12	0.01

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

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

As for the 20 new hires selected through the external recruitment process in 2023, there are 13 men and 7 women, with an average age of around 35 years. These new hires were located in the Group's offices in

Tuscany (Arezzo, Florence, Grosseto, Prato and Siena) and the Ancona office. As regards the breakdown by role, new hires were almost equally divided between clerical workers — 11 resources — and manual workers — 9 resources. However, at least 80% have at least a high school diploma, with an equal split between university and high school graduates. As regards contract type, 13 new hires are employed on permanent contracts, mainly on a full-time basis (80%). The tables below show the key characteristics of new hires and the relative recruitment rate, broken down by age. The recruitment rate was 0.02. This means that, in 2023, for every 100 employees, 2 new employees were hired.

New hires (subdivided by gender and age, not including agency workers)	2023
Total	20
Men	13
Women	7
New hires by age	
29 or under	8
Between 30 and 50 (inclusive)	10
Over 50 years	2

Recruitment rate*	
Total	0.02
Men	0.02
Women	0.02
Recruitment rate by age**	
29 or under	0.21
Between 30 and 50 (inclusive)	0.01
Over 50 years	0.02

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

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

In 2023, 19 agency workers were hired, bringing the total of new hires to 60. Of these, 10 were men and 9 were women, with an average age of 31. The new hires were exclusively in the offices of Arezzo, Florence, Prato and Siena. In 52.6% of cases, they entered the gas and electricity sales sector, while 31.6% joined the general services sector. Agency workers were hired as clerical workers and, to a much lesser extent, manual workers.

To provide a complete and comprehensive picture of new hires in the three years, the table below shows the data for both employees and agency workers.

New hires of employees and agency workers	2021	2022	2023
Total	89	132	60
By gender			
Men	61	102	38
Women	28	30	22
By age			
29 or under	31	28	26
Between 30 and 50 (inclusive)	47	60	27

Over 50 years	11	44	7
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Recruitment rate*	2021	2022	2023
Total	0.11	0.15	0.07
Men	0.12	0.19	0.07
Women	0.09	0.10	0.07
Recruitment rate by age**			
29 or under	0.61	0.55	0.52
Between 30 and 50 (inclusive)	0.11	0.13	0.06
Over 50 years	0.04	0.12	0.02

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

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

The Estra Group devotes considerable attention to onboarding new hires. To this end, in August 2023 a new onboarding procedure was adopted for all new hires, including agency workers. The procedure aims to provide a smoother, more effective and more structured orientation to the company culture. At the same time, it is designed to increase employee engagement and motivation and improve the Group's talent retention. Under the new orientation programme, new hires are assigned a Manager-Mentor within their office. This person then becomes the key contact point throughout the onboarding process and defines the training and induction plans that will enable the new resource to learn important information on business and office activities, their new colleagues, and the company culture. The Manager-Mentor may also appoint an assistant who will be responsible for training the new resource. Under the new procedure, all new hires are provided with a copy of the Onboarding Diary, filled out by the Manager in advance, which contains all the information needed to enable the new resource to feel welcome and find their feet during the first few months at work.

In 2023, there were 31 contract terminations, down on the 38 terminations in 2022 and up on the 26 in 2021. Contract terminations regarded 21 men and 10 women, with an average age of just over 52 (almost 55 for women and 51 for men), mainly employed as clerical workers (15 resources) and manual workers (11 resources), with full-time contracts in most cases (90.3%). In line with the previous two years, many of the contract terminations concerned older age groups, with 54.8% in the 30-50 age group and 38.7% in the over-50 age group. In terms of motivation, 12 employees resigned while 9 employees retired. Four employees were lawfully dismissed.

The general staff turnover rate shows minimal fluctuations over the three-year period and stood at 0.04 in 2023, which means that for every 100 employees there were 4 contract terminations.

Contract terminations (subdivided by gender and age)	2021	2022	2023
Total	26	38	31
Men	22	27	21
Women	4	11	10
Number of contract terminations by age			
29 or under	5	2	2
Between 30 and 50 (inclusive)	7	13	12
Over 50 years	14	23	17

Turnover rate*	2021	2022	2023
Total	0.03	0.05	0.04
Men	0.05	0.05	0.04
Women	0.01	0.04	0.03
Turnover rate by age**			
29 or under	0.13	0.06	0.05
Between 30 and 50 (inclusive)	0.02	0.03	0.03
Over 50 years	0.05	0.07	0.05

* Calculated as number of contract terminations/total employees by gender

** Calculated as number of contract terminations/total employees by age

The table below shows the trend of contract terminations in the 2021-2023 period, considering the entire workforce of the Estra Group, including both employees and agency workers.

In 2023, the contracts of 30 agency workers were terminated.

Contract terminations (subdivided by gender and age)	2021	2022	2023
Total	50	83	61
Men	36	58	37
Women	13	25	24
Number of contract terminations by age			
29 or under	13	19	15
Between 30 and 50 (inclusive)	21	41	21
Over 50 years	16	23	25

Turnover rate*	2021	2022	2023
Total	0.06	0.10	0.07
Men	0.05	0.11	0.07
Women	0.05	0.08	0.08
Turnover rate by age**			
29 or under	0.25	0.37	0.30
Between 30 and 50 (inclusive)	0.05	0.09	0.06
Over 50 years	0.05	0.06	0.06

* Calculated as number of contract terminations of employees and agency workers/total employees and agency workers by gender

** Calculated as number of contract terminations of employees and agency workers/total employees and agency workers by age

5.3 Employee well-being

The Estra Group is committed to enhancing and celebrating its personnel, guaranteeing inclusion and protecting diversity with the aim of promoting employee well-being. This commitment is put into practice through initiatives such as:

- fully complying with regulations to combat discrimination, as established by Italian Legislative Decree 198 of 11 April 2006 “Code of Equal Opportunities for Men and Women”, and to ensure the protection of personal data under Italian Legislative Decree 196 of 30 June 2003.

- striving to implement the most appropriate and innovative methods to enable people to achieve a healthy work-life balance;
- adopting typical company welfare mechanisms (e.g., flexible benefits);
- promoting the corporate culture by adopting organisational and operational models that encourage positive relations and collaboration for mutual growth, and implementing an internal communications system that breaks down functional and information-related barriers by increasing the accessibility and quality of information;
- delivering specific training courses that reflect and optimise employees' aspirations, strengthening their skills and providing better career opportunities.

5.3.1 Diversity, equal opportunities and human rights

Over the years, the Estra Group has shown an active commitment to social inclusion and the promotion of diversity in all its forms. In this regard, in 2019, along with other members of Utilitalia (the Italian Federation of Water, Environment and Energy Companies), the Group signed the Utilitalia Agreement "*La Diversità fa la Differenza*" promoted by the federation with the aim of enhancing and managing diversity in the individual businesses. By signing the agreement, the companies commit to adopting a Diversity&Inclusion approach that includes:

- the implementation of inclusive company policies that, following a top-down logic, start from the top and then radiate to all organisational levels below, permeating the entire organisation;
- the introduction of staff selection and recruitment methods based exclusively on professional and human skills able to meet the Group's needs, thus ensuring an approach that does not discriminate on gender, age, culture or ability grounds;
- the adoption of organisational models that offer the possibility for a healthy work-life balance, while also strengthening and improving company welfare;
- the introduction of more transparent and objective mechanisms in staff appraisal and career advancement processes, as well as in the related incentive and reward schemes;
- engaging staff as much as possible in the processes to define training initiatives to meet specific training needs;
- the implementation of an adequate annual monitoring system able to verify and objectively report on the levels achieved in diversity management;
- reporting of company progress in terms of diversity and the adoption of policies both within and outside the company to raise awareness on the importance of the inclusion measures adopted.

The aim is to create good practices based on the diversity management experiences adopted by the companies that signed the pact, identifying possible improvement measures and new policies in order to incorporate diversity increasingly into company strategies and to enable companies to seize the benefits of good diversity management. With this in mind, the federation is also developing an index that will represent a transparent and unambiguous tool for measuring the performance and improvements achieved by companies in the area of diversity management.

In 2021, the work group of the Estra Group participated in the training course entitled "INCLUSION MANAGEMENT: designing a strategy to promote inclusion in the company". In the same year, following the work of the Utilitalia "Diversity and Inclusion" Commission, which had led to Estra S.p.A., as the Parent Company, signing the "*La diversità fa la differenza*" agreement in 2019, a work group was set up with the aim of promoting Diversity and Inclusion. Furthermore, in November 2021 the company took part in a research project entitled "*Valorizzare le differenze in azienda*", promoted by the MIDA Society in collaboration with the Catholic University of Milan, which asked the company to complete a questionnaire. 268 Group employees filled out the questionnaire and were included in the sample on which the results of the survey were based.

In 2022, a workshop was organised with the members of the Management Committee and the directors of the special-purpose vehicles to identify, based on the mapping carried out by MIDA, the macro-areas on which to focus the Group's D&I project. During the workshop, members of the Diversity&Inclusion work group collaborated with managers to identify key areas of intervention and to prioritise actions. The work group then participated in a second, more operation-oriented workshop, again moderated by MIDA, during which concrete actions to introduce D&I issues within the macro-areas identified in the previous workshop were identified. Moreover, the working group worked in collaboration with MIDA to develop the wording of the Company Diversity & Inclusion Manifesto, a document containing the Estra Group's value statements on diversity management in the company.

The Manifesto was finalised in 2023 and contains statements that summarise the Group's commitment to promote inclusion and value diversity. At present, the project has been suspended pending the redefinition of priority projects following changes to the Estra Group's organisational and governance structures. In the event that the DE&I project continues, the Manifesto will be presented to all of the Group's employees.

During 2023, as in the previous two years, no cases of discrimination occurred within the Estra Group.

Given the types of activities carried out by the Estra Group, the workforce has always been characterised by a pronounced predominance of men, however it is mainly the methane gas distribution sector, rather than other activities such as environmental and energy services, that traditionally tends to attract men rather than women. Meanwhile, women represent the majority of workers in administrative and clerical roles in the general services sector.

The gender balance has remained stable over the three years. In 2023, 64% of the Group's workforce were men and 36% were women, almost identical to 2022 (63.8% men and 36.2% women) and 2021 (61.7% men and 38.3% women).

If the Group's agency workers are also taken into account, in 2023 the workforce comprised 851 people — 545 men and 306 women — in line with the 544 men and 309 women in 2022, and up compared to the 489 men and 297 women in 2021. Specifically, the number of women rose by around 3% between 2021 and 2023, while the number of men rose by just over 13%.

Employees by gender	2021	2022	2023
Men	469	524	531
Women	291	297	299

In terms of employee age, the average age is just below 48. Over the three-year period, approximately 1 employee in 2 is between 30 and 50 years of age. Considering age distribution by gender, 3 out of 5 women are between 30 and 50, while men are equally distributed between the 30-50 and over-50 age groups. As regards agency workers, the majority (12 resources) are 29 or younger. The average age of agency workers is 35.

Employees by age	2021		2022		2023	
29 or under	38	5.0%	36	4.4%	38	4.6%
Between 30 and 50 (inclusive)	424	55.8%	438	53.3%	431	51.9%
Over 50 years	298	39.2%	347	42.3%	361	43.5%

Employee leave requests not only concern compulsory and optional maternity and paternity leave (parental leave) but also the leave provided for by Italian Law 104 for disabled workers and carers of a family member with a serious disability and by Italian Law 53 of 2000, according to which, in the event of serious family reasons (including sickness and serious disability), workers and their employer may discuss and agree on alternative ways of working.

All employees are entitled to parental leave. In 2023, 54 employees (19 men and 35 women) took compulsory and/or optional maternity leave of up to 6 years and obligatory and/or optional paternity leave. Of these, compared to the 53 that were due to return to work in 2023, 51 returned, resulting in a return-to-work rate of 96.2%²⁵ (100% for men, 94.1% for women).

In 2023, 168 employees submitted requests for and were granted leave, up slightly compared to 2022. The number of requests was about the same for men and women, with 89 requests (53.0%) submitted by men.

Employees granted leave by gender	2021	2022	2023
Men	58	76	89
Women	73	81	79

The table below shows the types of leave request and includes data on employees who took optional maternity of between 6 and 12 months. In 2023, 59 employees took advantage of the permissions provided for by Italian Law 104, which protects minors and family members of children suffering from certain illnesses, while 61 requested leave on an hourly basis to meet family healthcare needs. No agency workers requested or took leave in 2023.

Employees who took parental leave (maternity/paternity)	2021	2022	2023
Number of employees who took mandatory maternity leave (including early maternity leave)	12	14	6
Number of employees who took optional maternity leave	47	47	51
Number of employees who took mandatory paternity leave (including early paternity leave)	17	12	8
Number of employees who took optional paternity leave	1	1	13

In 2022, a total of 20,350 hours of leave were taken by employees. In particular, the number of hours of hourly mandatory and optional maternity leave fell, while hourly paternity leave increased. In addition to the categories shown in the table, there were 1,146 hours of hourly leave and 9,102 hours of leave relating to Italian Law 104.

Hours of leave divided by type	2021	2022	2023
Optional maternity	5,070	9,401	4,667
Mandatory maternity (including early maternity)	4,950	9,569	4,322
Optional paternity	76	8	796
Mandatory paternity, including early paternity	931	806	317
COVID-19 parental	66	32	0

²⁵ Given the importance of the topics considered, Estra is currently developing a structured data collection process to provide an overview of employees who took parental leave and remained with the company.

The data on career progression show a decline in absolute terms in 2023 compared to the previous year, with 91 employees (11% of total employees) benefiting from career progression. In 2022, 120 people (14.6% of total employees) benefited from promotion. The decrease mainly affected female staff, who saw their career progressions halved in absolute and percentage terms.

As regards role, three out of four promotions regarded clerical workers, followed by manual workers (16.5%) and managers (5.5%). Of the 91 employees who received promotion, all were on permanent contracts and 8 were employed on a part-time basis. Furthermore, 38.5% hold a degree while 57.1% hold a high school diploma. Two male agency workers were also promoted.

Promotions by gender and % of total employees	2021	2022	2023
Men	78	64	63
% of total employees (men)	16.6%	12.2%	11.9%
Women	77	56	28
% of total employees (women)	26.5%	18.9%	9.4%
Total promotions	155	120	91
% of total employees	20.4%	14.6%	11.0%

In May 2023, the BoD of Estra S.p.A. approved the Human Rights Policy, which applies to all Group Companies. Respect for human rights is already enshrined as a fundamental value in the Group's relations with Stakeholders in Estra's Code of Ethics and Conduct.

The Human Rights Policy is addressed to all members of the Boards of Directors, employees and workers of the Group, all of the Group's collaborators, and all other people and companies who act, operate or collaborate in the name and on behalf of the Group. Estra is committed to promoting and applying international, European and domestic regulations, as well as the internal governance and reporting tools adopted by the Group (such as the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Code of Ethics, Certifications and Sustainability Reporting). Specifically, the Human Rights Policy provides details on:

- the commitment to combat workplace bullying and harassment
- the rejection of the use of child labour and all forms of labour abuse and violence
- the respect for freedom of association and collective bargaining
- the protection of occupational health and safety
- the link with the region and communities
- respect for privacy and confidentiality

All recipients of the Policy are expressly required to report, within their area of competence, any violations or instances of non-compliance, including via the internal Whistleblowing platform which maintains the anonymity of the whistleblower.

5.3.2 Work-life balance

In 2023, 90.8% of employees were on full-time contracts. The remaining 9.2% were employed on a part-time basis, with an average of around 31 hours per week. This figure was slightly higher for men than for women. The table shows that the number of staff on part-time contracts has remained consistent, while the number of employees on full-time contracts has constantly increased. With regards the gender, in line with the previous year men are mainly on full-time contracts (97.7%), while 21.4% of women are on part-time contracts. No agency workers were on part-time contracts in 2023.

In 2023, 7 employees successfully requested to transfer from part-time to full-time contracts (5 women and 2 men, all clerical workers), while 5 clerical workers (4 women and 1 man) requested a reduction in working hours and transferred from full-time to part-time contracts.

Employees by contract type	2021	2022	2023
Full-time	679	741	754
<i>Men</i>	458	512	519
<i>Women</i>	221	229	235
Part-time	81	80	76
<i>Men</i>	11	12	12
<i>Women</i>	70	68	64

In 2023, employees and agency workers continued to take advantage of remote working opportunities. As well as improving employee well-being, this working method delivers positive environmental benefits by reducing commutes. On 20 June 2022, a trade union agreement on agile working was signed, according to which, as of 01 September 2022, all Group employees, regardless of contract type, may work remotely provided that it is compatible with the company's organisation. The document provides for the option to sign individual voluntary agreements to meet workers' personal needs. This option, which was extended to 31 August 2024, also stipulates that those who opt for this method can or must carry out 20% to 60% of their monthly working hours remotely. In specific and/or sensitive situations, this percentage may increase up to 100%. In 2023, 436 Group employees (including some who ceased working for the company during the year) signed such voluntary agreements.

In 2023, 451 employees took advantage of remote working opportunities (52.4%). This figure also includes some employees who ceased working for the company during the year. Of these, 229 were women and 222 were men. Most of these (268) were between 30 and 50 years of age, performed clerical roles (90.9%), and employed on permanent contracts on a full-time basis (89.4%). Lastly, as regards the number of hours worked remotely, in 2023, 254,969 hours were worked over 34,036 days, down on the previous year (278,643 hours and 37,350 days in 2022). 9 agency workers were offered the possibility of working remotely, resulting in a total of 3,426 hours and 445 days of remote working.

To promote a healthy work-life balance, the Group has used the Cisco Webex video conferencing system for a number of years. The platform can host meetings and video calls for internal and external personnel in various locations. While predominantly a video conferencing tool, Cisco Webex also serves as a group management platform with file sharing and chat functions aimed at specific work groups. The software guarantees high privacy and data security standards thanks to advanced encryption systems. Each update to the central cloud platform is instantly available to all users. Users may access to Cisco Webex platform from company computers or remotely. Furthermore, there are 30 meeting rooms located across the offices in Ancona, Arezzo, Prato, Osimo and Siena. In particular, 679 video conferences were held in 2023, for a total of 1,851 hours.

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.

5.3.3. Welfare

Over the years the Estra Group has implemented a range of mechanisms that now characterise the company welfare system. These mechanisms have evolved over time, with the aim of supporting people and meeting their needs, making a positive impact on their quality of life and on their general well-being beyond the work environment. This has enabled the Group to translate its values into tangible actions that support the needs and aspirations of every single member of the Estra community. Consequently, these mechanisms go far beyond the parental leave, life insurance policies and pension contributions required by law.

The first company welfare initiative, which dates back to Estra's very foundation, is the presence of a company canteen in each of the three main offices of the Group in Prato, Siena and Arezzo. At the Arezzo office, the canteen was not operational in 2023 due to renovation works.

Subsequently, as of 2019 employees have able to convert all or part of their annual performance bonus into the following flexible benefits available on the AON platform:

- allocation of percentage to the Pegaso Supplementary Fund;
- reimbursement of medical fees;
- reimbursement of care fees;
- reimbursement of school fees;
- vouchers;
- recreation and sport.

Also since 2019, thanks to the agreement reached with trade unions on “solidarity leave” (art. 24 of Legislative Decree no. 151/2015), workers have been able 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 sum of the transferred holidays goes into an “ethical bank” and the amount is based on the basic salary of each donor.

As of 2019, through the signing of a special agreement between Utilitalia and Generali S.p.A., a premature death and permanent disability policy has been established for all the company's workers for an annual contribution of €60.00 per person.

In addition, Estra gives its employees²⁶ the option to enrol in the Pegaso pension plan, which is a voluntary defined contribution plan. This is a supplementary pension fund for employees of utility companies. The future value of the participant's benefits is dependent upon the contributions made by Estra, as the employer, and the participant, as well as the fund's management and investment performance. The plan only applies to employees and excludes managers and employees of Environmental Services Companies (Ecolat, Ecos, Bisenzio Ambiente and EcoCentro Toscana). The employer pays a quarterly payment equivalent to 1.20 percent of the salary beneficial for employee severance indemnity (TFR) purposes for each employee who has chosen to join the Fund. Depending on their duration of service, employees are required to pay a portion of their accrued severance pay at the same rate (though they are free to choose a higher rate). In 2023, the company allocated about € 233,102 to pay contributions for employees who joined the scheme, in line with the € 240,514 paid in the previous year, while the total amount paid by employees was € 215,285, just below the € 217,402 contributed in 2022. It should be noted that Estra does not utilize a distinct fund to pay pension plan obligations.

5.3.4. Internal communications

MyEstra is the Group's Intranet portal used for most internal communications and daily employee interaction. It is an important training and information that enables documents to be filed and accessed with ease and is constantly updated with news and information about the initiatives of Group Companies in various fields, as

²⁶ Contributions were also factored into the calculation of contributions to and on behalf of terminated employees during 2023.

well as guaranteeing improvements in organisational and operational efficiency, optimising processes and saving time. The portal is also used to publish news, updates, information on new procedures and press releases. As of 2021 all Group workers have access to MyEstra. In 2023, 85 news articles and 64 press releases were published on the platform.²⁷

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. In 2022 a project was launched to design the new Intranet portal, and two co-design workshops and a final presentation event on the results were held in May and June. Between September and December a technical analysis of the requirements of the new portal was carried out and preliminary work to select the platform provider began. In 2023, a supplier was selected to provide the platform and co-design workshops were held. The works were brought to a stop halfway through the year due to changes to the Group's governance structure and considering the likely adoption of a future portal for the entire multiutility.

To improve and support internal communications, in June 2023, Ecolat opened a multimedia lounge open to all of its employees, as part of a broader project to promote the reuse of disused hardware and software and re-purpose furniture for use in workstations and meeting rooms. In the lounge, employees can read their email, take online courses, join or host video conferences, print or scan documents, and interact with their colleagues. On this point, employee interaction is particularly important to Ecolat, whose workforce includes people from 6 different nationalities other than Italian.

5.4 The development of human capital

Given the current economic context characterised by rapid technological evolution and global competitiveness, the Estra Group recognises that investing in employee training is becoming increasingly essential in order to guarantee the Group's continued long-term success. Consequently, aware of the fundamental role that training plays in developing human capital and promoting professional growth, the Group offers employees the opportunity to access a broad range of training programmes in addition to mandatory training.

The Estra Group's investments in developing its human capital include the adoption of the Talentia HR data management software.

Talentia is a software used to monitor training courses 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. Thanks to this software, it is possible to keep track of the course title, the date it was held, and the details of the participants. 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.

For each in-house training course (i.e., those organised at the company premises), a special register is produced which records the name of the trainer and the attending participants, as well as specific information on the course content and the means of verification. The selection of training programmes is strictly based on specific staff needs and follows a defined procedure. This process involves a meeting between the Department

²⁷ Unlike in previous years, it is not possible to publish detailed data on MyEstra for 2023 as due to a system malfunction data could not be collected.

or Area Manager and the HR department, which usually takes place in January. The Managers outline the training required to enable their staff to acquire the skills to perform their assigned tasks, to grow professionally, and to consolidate a culture of quality. They also set the targets and choose the recipients of the training course. The training requests resulting from the interview are collated and transcribed in a special form. Training requests are analysed by the Manager and/or Director, who reviews the proposals and approves the training.

5.4.1. Skills development and enhancement of human capital

In 2023, 765²⁸ employees (88.9%) took part in training programmes, compared to 712 in 2022 and 716 in 2021. Of these, 507 were men and 258 were women. Furthermore, 29 agency workers (12 women and 17 men) took part in at least one training programme, bringing the total number of workers who received training to 794. In total, 26,983 hours of training were provided, down by 7.8% compared to the previous year (29,274 hours), 26,764 hours of which were to employees and 219 to agency workers. Specifically, considering the number of hours of training provided to staff, 24.6% of all training was delivered to women, in line with 2022. In 2023 an average of 31 hours of training per employee was offered (37 for men, 21 for women).

Total number and average number of training hours per employee	2021	2022	2023
Total number of training hours	29,121	28,953	26,764
Average number of training hours per employee	37	34	31

Considering the professional level and gender of employees who received training, clerical workers were involved in more than three out of five hours of training (56.7%), following by manual workers (28.4%), middle managers (10.1%) and managers (4.8%). Unlike in 2022, two messengers took part in training programmes.

The Group's training programmes are aimed at ensuring the upkeep and consolidation of the necessary skills for ordinary operations and to tackle emerging challenges. By providing training on specific and general topics, and by fostering a corporate culture that values professional development, the Group aims to guarantee employee well-being and job satisfaction, improve performance and competitiveness, and attract and retain talented resources.

To meet these goals, the training provided by the Estra Group includes varied and rich content, as shown by the number of training hours provided and the number of people involved. The main topics covered by the Group's training courses are:

- occupational health and safety (general and sector-specific): 503 employees received training on this topic, for a total of 6,566 hours;
- technical and professional training aimed at developing specific skills required for certain roles (e.g., plant management, steel welder, HR management, contracts, etc.);
- management of risks and responsibilities;
- digital skills and management software for accounting, data management and non-financial reporting;
- employment, accounting and tax;
- management (including facility management, project management, risk management);
- data protection and transparency;

²⁸ Thanks 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 785 employees for 2021, 859 in 2022 and 861 for 2023.

- soft skills, particularly team building, problem solving and communication.

In 2023, in line with previous years, individual training programmes were defined to promote personal growth. Specifically, 40 employees (19 women and 21 men) had the opportunity to pursue a master’s degree to gain advanced management skills that can be applied to various corporate functions and roles. Managers, middle managers and clerical workers participated in the course, for a total of 3,872 hours of training. Furthermore, two male employees attended a master's programme in financial markets analysis, for a total of 224 hours. Furthermore, in 2023 a training course was held for Estra Group managers on strategic planning activities and employees involved in sustainability reporting activities to explain the new European Directive on sustainability reporting, for a total of 376 hours.

The vast majority of training hours to employees (95.5%) were delivered in person, but to guarantee greater flexibility and boost attendance, employees were also given the opportunity to take online courses. In contrast, in 2022, only 53.8% of training hours were provided in person.

Training was mainly provided by external consultants. However, certain types of courses are taught by Estra Group employees who share their skills and experience with their colleagues, focusing on specific and more general topics. A total of 4,834 hours of training was given by employees of the Group to their colleagues. As regards the number of training hours delivered by professional level, in 2023 there was a significant increase in training to managers of both genders compared to 2022, while the data for the other levels remained more or less the same.

Average hours of employee training by role and gender	2021	2022	2023
Managers			
Men	132	20	45
Women	101	7	30
Middle managers			
Men	80	64	56
Women	70	74	65
Clerical workers			
Men	35	37	33
Women	28	22	20
Manual workers			
Men	35	41	38
Women	3	16	6
Messengers			
Men	9	-	6
Women	-	-	-
Total			
Men	42	39	37
Women	29	23	21

With regard to end-of-career support, such as programmes to facilitate the possible continuation of employment and/or to help manage the end of employment due to retirement or contract termination, Estra pays employee severance indemnity in line with its legal requirements. In 2023 no early retirement plans for employees who intend to retire or retraining paths for those who intend to continue working were established.

The Estra Group constantly strives to find innovative training models that are effective and stimulating for participants. One example of this commitment is the Estra Training project. Launched in 2020, the project aims to introduce innovative customer management techniques to all employees who work in customer case or customer-facing roles. As well as more traditional training, the programme also includes value-added content, offering employees the opportunity to co-author training materials and promoting the active and direct involvement of all participants. The result is a genuine community characterised by a collaborative atmosphere that feeds a new culture of training that goes beyond technical content and promotes diverse skills and collaborations. This enriches the distance-learning programmes offered to call centre, branch and store operators with interactive and dynamic content that promotes continuous learning.

This new training approach is based simultaneously on a top down and bottom up model, where learning is circular and involves the active and direct involvement of all participants, where all knowledge, including experiential knowledge, is an important asset of an effective customer management approach. In this spirit, area experts are appointed in various company departments, recognising those with strong sector know-how. These area experts participate in the customer service training process by writing, reviewing and validating content and participating in networks and webinars. Meanwhile, customer services operators provide essential and valuable feedback about their experiences to the company through forums, surveys and questionnaires. Finally, mistakes are reviewed through an editorial plan and a reporting system, enabling the implementation of increasingly effective planning processes and promoting progressive and continuous self-learning over time.

The Estra Training project is an example of the successful creation of a community characterised by a collaborative atmosphere that feeds a new culture of training, based on the concept of collective responsibility towards customers and the valuable asset that they represent.

In 2023, a total of 617²⁹ call centre, branch and store representatives received training, up on the previous two years (573 and 527). This increase is due to the optimisation of the number of call centre operators. These operators worked in the following sectors: customer service (394), agencies (94) and academies (129). Training is delivered through e-learning courses, webinars, test audits and various other types of content. In 2023, 36 hours of training were provided in total, down on the 63 hours provided in 2022. Specifically, the Estra Training project produced 93 e-learning courses and 12 webinars.

As regards e-learning programmes, there were 18,435 registered users (16,016 in 2022); the average number of registered users for each course was 198 (120 in 2022), while the average number of registered users per customer services operator was 47 (48 in 2022). Finally, the average completion rate was 81%, an improvement on the 74% achieved the previous year.

The webinars recorded a total of 818 registrations (605 in the previous year) and the average number of attendees was 68 (28 in 2022).

5.4.2. Internships

The Estra Group uses internships to broaden its talent development policy beyond the company perimeter. The initiative is an opportunity for senior high school students, undergraduates and new graduates to acquire work experience in the Group's various areas of business. Internships can be curricular or extra-curricular. The main difference between the two is that curricular internships are incorporated into a study programme and involve a stint at the company for a predetermined period of time as part of the programme itself. In contrast, extracurricular internships are not linked to study programmes and instead enable participants to choose a company internship that lies outside the scope of their academic study.

²⁹ 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.

In 2023, the number of internships increased. Compared to the 21 internships in 2021 and the 9 in 2022, there were 35 internships in 2023. Of these, 31 were given to young male high school students, undergraduates and graduates. The 35 internships totalled 29,267 hours.

As noted in the table below, there were 19 extracurricular internship (one of which began in 2022). The majority of interns hold a university decree, particularly in engineering or economics, and only 4 interns were high school students. The internships were held in the offices of Arezzo, Prato and Siena and totalled 3,180 days, or around 106 months, and involved young graduates with an average age of 27. The interns worked in grid management, administration, energy saving and the press office.

Extracurricular internships	2021		2022		2023	
	No.	%	No.	%	No.	%
Women	3	30.0	1	33.3	1	5.3
Men	7	70.0	2	66.7	18	94.7
Total	10	100	3	100	19	100

Centria launched a six-month extracurricular internship programme for 16 selected young people with a diploma from a technical institute and a degree in engineering and economics. The programme involves 244 hours of technical training provided by Centria personnel via in-person lectures or online webinars (with 36 internal teaching staff involved), and 673 hours of mentoring.

The number of curricular internships also increased from 11 in 2021 and 6 in 2022 to 16 in 2023. These were held at Arezzo, Prato and Siena offices and involved high school students and undergraduate, graduate and PhD students (13 men and 3 women), with an average age of just over 20. Collectively, the internships lasted for 775 days, or around 26 months. The internships were supported by senior high schools and universities. The internships were mainly technical and focused on systems management and IT.

Curricular internships	2021		2022		2023	
	No.	%	No.	%	No.	%
Women	3	27.3	0	0.0	3	18.8
Men	8	72.7	6	100.0	13	81.2
Total	11	100	6	100	16	100

5.5 Workers' rights and protections

The protection of workers' health and safety is absolutely essential to the continuity and sustainability of any business. It is more than a legal obligation; it is an ethical duty linked to a sense of responsibility to guarantee the full and continuous respect of workers' rights to a healthy, safe and compliant working environment.

Workers' risk exposure varies according to the activities and duties they carry out. Consequently, the Group has always adopted a robust policy aimed at preventing and avoiding exposure to potential hazards. This policy has thus far successfully safeguarded these fundamental rights. One of the cornerstones of this policy is the structured system of certifications that have been acquired and monitored over time. Specifically, Estra, Estracom, Estra Clima, Estra Energie, Gergas, Centria, Prometeo, Murgia Reti Gas, Ecolat, Ecos and Edma Reti Gas hold the ISO 45001 certification. This certification concerns OH&S management systems and aims to reduce occupational risks and improve workers' safety, health and well-being.

Through both the certification system and the creation, maintenance and continuous updating of an appropriate management and control system that goes beyond mere legal compliance, the Estra Group oversees all aspects related to safety by promoting the adoption of responsible and safe practices by all those

who work in the organisation, and encouraging employees to participate in risk prevention and health and safety protection protocols to protect their colleagues and third parties. To this end, a system has been adopted that enables workers to report any cases of non-compliance. Specifically, the system includes:

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 - Specific occupational health and safety procedures integrated in a workplace Quality-Environment-Safety management system - Occupational HSE management system certified according to ISO 45001 	<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 - Updating of plans according to current fire prevention regulations - 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.)

2) the description of the tools available to Estra personnel to report actual or potential hazards in the working environment, as well as the safeguards necessary to protect these workers from retaliation after making a report. Reports must be submitted to the competent managers and management personnel responsible for occupational health and safety and the company HSE officer, 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). In fact, information is provided regularly to all workers on occupational health and safety aspects, including current regulations and the tools that the Group makes available to its workers;

3) the description of the processes by which employees may justify their removal from potentially harmful work situations, as well as an explanation of how they are protected from retaliation. In this regard, the Group policy establishes the relative procedures, operating instructions and contingency plans;

4) the description of the processes used to investigate any occupational accidents, including those to identify their circumstances and causes, in order to identify the hazards and assess the risks relative to accidents, and identify corrective and preventive actions based on a hierarchy of controls, processes and actions. This analysis also aims to highlight any improvements to be made to 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 measures implemented to reduce their likelihood and the severity of the consequences are constantly monitored, with the support of the HR Service.

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.

As regards extraordinary operations involving the Estra Group, such as mergers, demergers or business unit transfers, the company applies a minimum notice period within which employees and their representatives must be informed of 25 days, in line with current legislation.

5.5.1 Employee participation and consultation on occupational health and safety

The occupational health and safety management system of the Estra Group provides for a series of initiatives aimed at improving workers' engagement, which include the following:

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

This system encompasses all employees and non-employees. The Group's four primary locations (Ancona, Arezzo, Prato, and Siena) are certified for their environmental and safety performance. All locations are subject to annual internal audits, conducted on a random basis. Audits are conducted remotely, in-person, or via document examination. However, documents are examined as part of remote and in-person evaluations as well. In 2023, internal audit controls covered 671 employees (80.8% of total employees). No internal audits were limited to document control, and the majority of audits were conducted on-site, i.e., in the presence of the auditee. Both remote and on-site audits include substantiation of safety devices, their maintenance, and health and safety training activities. Moreover, with the exception of Bisenzio Ambiente and Ecocentro Toscana, all of the companies have UNI EN ISO 45001:2018 certification for Occupational Health and Safety Management Systems, this covers a total of 811 employees, or 97.7% of all employees.

The topic of safety is also covered by the "*Sicurezza in Estra*" newsletter which is emailed every three months to all employees of Estra S.p.A., Estra Energie, Estracom and Prometeo, and made available to all other employees on the company Intranet "MyEstra". The newsletter focuses on various aspects of occupational health and safety and the integrated management system, and is designed to inform and update workers.

As provided for by law, each year the Group Companies hold an annual prevention and safety meeting attended by the workers' safety representative, company doctor, trade union representative, legal representative and appointed proxies.

Employees at the gas distribution companies are undoubtedly the most exposed to occupational health and safety risks. In particular, Centria, the Group's largest distribution company, adopts employee engagement practices, which are summarised below:

- surveys distributed via digital platforms, aimed at improving company safety systems;
- reporting of near misses using the digital platform;
- organisation of an annual meeting, attended by workers' representatives and company doctors, pursuant to Legislative Decree 81/08;
- 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;
- emailing, publication on the company Intranet and saving to the company disk drive of the quarterly newsletter “Centria4Safety”, containing news and information on occupational health and safety, corporate responsibility and cyber security.

Meanwhile, Murgia Reti Gas, another gas distribution company, launches an active consultation programme with workers via a specially dedicated network folder which is used to convey safety information and directives. Gergas has implemented a regular training and information plan on safety issues that is much more stringent than the state-region agreement.

As far as occupational safety committees are concerned, Gergas has established the QSE Committee which receives any reports made by the Workers’ Safety Representatives. Moreover, having obtained SA8000 certification, Centria has implemented a Social Performance Team (SPT) which organises regular meetings between Workers’ Representatives and the QSE Committee focused on the Corporate Responsibility and Occupational Health and Safety Management System. Gergas, Murgia and Edma Reti Gas have not established formal Safety Committees. In 2022 the Estra Group Covid-19 Management Committee (composed of the HSE, Workers’ Safety and Trade Union representatives of all Group Companies and the Management representative) continued its work to manage the pandemic emergency in the workplace and to share occupational safety procedures. This Committee has been extended until 30/06/2023 in order to establish and maintain a coordination team linked not only to the Covid-19 emergency but also more generally to align HSE procedures and actions at Group level. As the health emergency is now over, the Committee is not currently operational.

5.5.2. Employee health

The Estra Group protects the health of its employees in several ways:

- signing of special agreements for access to health care services, such as agreements with local medical practices for the use of specialist medical services at a discounted price for employees;
- 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.

For employees on permanent CCNL Multiservizi contracts, Ecolat has joined the supplementary health care fund ASIM, through the payment of a monthly fee of €6 per employee. Membership of the fund is marked under a separate entry on the pay slip delivered each month to employees.

The Estra Group is committed to protecting the confidentiality of its workers’ healthcare data. In fact, sensitive data on employee health is a private matter and is processed exclusively by the company doctor. 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.

5.5.3. 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. The Group pays particular attention to training and awareness-raising on occupational health and safety, as well as specific coaching, where necessary. 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.

Reducing the risk of accidents and professional illnesses are the primary goals of the Group's occupational health and safety policy. Several measures are taken to achieve these goals, including the assessment of all risks, the analysis of accidents that have occurred in the past, the analysis of near-misses reported by staff, the definition and implementation of technical, organisational and behavioural safety measures including personal protective equipment, and the verification of the implementation and effectiveness of the defined safety measures.

As well as the dangers associated with work-related stress and the prolonged use of video terminal equipment and the risks of accidents (collisions, slips, cuts, boarding and disembarking vehicles, falls, etc.) common to all Group companies, companies operating in the gas distribution, environmental services and energy sectors face specific hazards. These include: exposure to noise, methane and LPG (fire, explosion, asphyxiation), the use of work equipment (injuries, amputations), the use of electricity (electrocution), working at heights (fall from heights), mechanical material handling (falling materials from heights, crushing) and manual load handling (injuries to the musculoskeletal system), exposure to vehicle traffic (being run over), driving company vehicles (traffic accident), use of hazardous substances (intoxication, asphyxiation), the presence of several companies on the same site (interference), environments thought to be contaminated or near to contaminated areas (underground gas valve chambers), and infection from Covid-19.

To make the above process more systematic and effective, Centria has voluntarily adopted the specific occupational health and safety certification schemes UNI ISO 45001 and SA 8000. The risk assessment process is systematised in an integrated quality, safety and environment management system procedure. Based on this procedure, each risk is analysed and quantitatively assessed, starting with the initial risk with no security measures, and then introducing the level of mitigation achieved with the security measures defined for each risk, and finally arriving at the residual risk, which must be low.

Furthermore, in 2021 Centria introduced a mobile app installed on employees' devices to prevent the risk arising from isolated work situations, through a feature that enables users to activate a rescue procedure in the event of emergency.

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 Estra Group companies responsible for environmental services, 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 2023, there were 9 occupational accidents, up on the 4 recorded in 2022. In line with previous years, none of the accidents affected workers on agency contracts. Consequently, the summary table below only considers accidents that affected Estra Group employees. The accident rate and severity rate both increased compared to 2022 and were in line with 2021 levels. Hours worked in 2023 amounted to 1,400,553 for employees and 54,965 for agency workers, a total of 1,455,518.

Total number of accidents (total and by gender)	2021	2022	2023
Total number of accidents	7	4	9
Men	4	3	6
Women	3	1	3

Accident rate (total and by gender)	2021	2022	2023
Accident rate*	5.59	3.02	6.43
Men	5.08	3.47	6.59
Women	6.45	2.18	6.12

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

Accident severity rate (overall and by gender)	2021	2022	2023
Accident severity rate*	0.07	0.02	0.07
Men	0.10	0.02	0.06
Women	0.03	0.01	0.07

* Calculated as (Calendar days lost due to accidents minus the day of the accident/workable hours)*1,000

Accidents involved 1 clerical worker and 7 manual workers (one manual worker was involved in two accidents), for a total of 93 days of convalescence (35 for women and 58 for men). 33% of these accidents involved women. As for the type of accident, the recorded accidents regarded bruising to legs, mainly due to slips/trips and road traffic incidents, as well as injuries or wounds sustained during working activities.

No accidents with serious consequences (the rate of occurrence of which is, therefore, zero), or work-related deaths involving serious or very serious injuries of personnel enrolled on the company books and for which the company's liability has been definitively established were recorded in the three-year period. The fatality rate is therefore zero.

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.), Centria monitors the number of events and, as a severity index, the number of days of absence. In 2023, there were 2 accidents involving workers not employed by Centria which occurred in workplaces under its control.

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. The term “near miss” refers to a potentially dangerous situation in the workplace that fortunately did not result in any personal injury or harm. The process of reporting and analysing near misses is an important tool to improve occupational safety, enabling risk factors to be identified and corrected before an accident occurs, allowing

the causes of the accident to be understood and thus minimising the likelihood of the situation occurring again in the future.

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. To prevent these situations from recurring in the future, for each near miss a detailed analysis of the event and the associated risk is carried out and specific improvement actions are taken, such as the adoption of specific measures or equipment. Estra, Estra Energie, Estracom, Prometeo and Bisenzio Ambiente encourage the reporting of near misses through online questionnaires that can be filled out using QR-codes.

In 2023, 21 near misses were reported (8 more than in 2022). These occurred in four Companies: Ecolat (12), Estra (5), Centria (3) and Estra Energia (1). The reports regarded potential injuries associated with impact, slips, a fire, collisions and road accidents, failure to comply with HSE procedures and smoke leaks.

In the 2021-2023 three-year period no occupational illnesses of employees or former employees for which the company was declared ultimately responsible were recorded. However, a report was filed in late 2023 regarding an occupational illness and the case is currently being reviewed by INAIL. For service companies, the potential professional illnesses are mainly linked to posture, video terminal use and, in certain cases, repeated use of company vehicles. In the case of operating companies, workers are divided into Administrative, Technical and Operational staff to enable the implementation of appropriate actions to mitigate the risk of professional illnesses associated with their specific role.

Several actions are taken to reduce the risk of professional illnesses. These include:

- the use of CE-certified equipment;
- anti-glare work surfaces and monitors;
- adoption of ergonomic furniture;
- position of work stations away from direct sources of heat and direct and artificial light;
- staff training and information;
- procedures for the use of company vehicles and rigorous ordinary and extraordinary maintenance plans for vehicles and equipment;
- replacement of obsolete technology;
- staff training and information.

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;
- possible illnesses resulting from exposure to chemical agents.

All risks are determined according to the risk assessment procedure and analysed in the Risk Assessment Document. In 2023, Estra, Prometeo, Estraclima, Centria, Murgia and Ecos updated their Risk Assessment

Documents. For example, in 2022, Murgia's Risk Assessment Document was revised to remove the risk of asbestos exposure following the removal of asbestos roofs on three M&R stations, while in 2023, the company renovated the operating facilities referred to in the document.

In addition to those mentioned above, other 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.

5.5.3 Freedom of Association

At the end of 2023, a total of 252 employees were members of trade unions, equating to 30.4% of the workforce. In absolute terms, there was a slight decrease (-7 resources) compared to the previous year, but the percentage remained more or less the same. In 2022 no agency workers were members of a trade union. In terms of gender, during the three years, the rate of trade union membership among men was consistently almost three times higher than among women.

Number of workers who are trade union members, subdivided by gender	2021	2022	2023
Total	242	259	252
Men	176	199	193
Women	66	60	59

6. Customers and the Community

6.1 Targets and results

Targets for 2023	Results in 2023
<p>Estra</p> <p>Completion of Urban Jungle project at Estra's Prato office.</p>	<p><i>Target not achieved</i></p> <p>The project at Estra's Prato office (which was excluded from the EU funded project) was not completed, as the ownership of the office was transferred to Alia Servizi Ambientali, which, having carefully reviewed the project analysis, decided to review its continuation, together with Estra, at a later date after the restructuring of the Tuscany Multiutility.</p>
<p>Centria</p> <p>Average arrival time for emergency gas call-outs ≤ 35 minutes</p>	<p><i>Target not achieved</i></p> <p>The average time was 39 minutes. The failure to achieve the target may be due to the activities that occurred after the flood emergency in Prato in November 2023.</p>
<p>Centria</p> <p>Average time for gas supply activation ≤ 3.5 days</p>	<p><i>Target achieved</i></p> <p>ARERA ≤ 10 days</p> <p>Average time for gas supply activation of 3.46 days.</p>
<p>Estracom</p> <p>Improve air quality: implement a digitalisation project in industrial areas to manage environmental conditions and vehicle traffic.</p>	<p><i>Target not achieved</i></p>
<p>Estracom</p> <p>Building energy efficiency: digitalisation of urban areas to improve the energy efficiency of buildings.</p>	<p><i>Target achieved</i></p> <p>In 2023, the works to plan the redevelopment of the building earmarked to become Estra's new Ancona office were completed. The digital modelling of the building was completed using BIM technology.</p>
<p>Estra Group</p> <p>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.</p>	<p><i>Target not achieved</i></p> <p>In 2021, offers of stakeholder engagement initiatives were requested from several specialist companies but no contracts were awarded and the activity was not pursued.</p>
<p>Estra</p> <p>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</p>	<p><i>Target achieved</i></p> <p>The initiative to increase the number of instalments for deferred bill payments began in February 2023.</p>

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.	
Edma Reti Gas Average arrival time for emergency gas call-outs ≤ 35 minutes.	<i>Target achieved</i> Average 26.84 minutes
Edma Reti Gas Average time for gas supply activation ≤ 3.5 days.	<i>Target achieved</i> Average 2.78 days

Targets for 2023/2024

Estra Group

Launch of the cyber security management project to study the vulnerability of the ESTRA Group's IT system, leading to the subsequent definition of a set of security measures aimed at protecting against fraudulent attempts to commit data breaches through cyber attacks. The project also involves the research and implementation of remediation measures. In 2023, the Cyber Security project underwent a detailed review by the Group, and an operational unit was created with the task of defining the guidelines, the deadlines and the methods to improve data protection practices at the various companies. Work has begun on the first phase with the acquisition of the equipment necessary for the implementation of NET SECURITY systems.

Targets for 2024

Edma Reti Gas and Centria

Average arrival time for emergency gas call-outs ≤ 35 minutes.

Edma Reti Gas and Centria

Average time for gas supply activation ≤ 3.5 days.

Edma Reti Gas

Replacement of 8 gas regulation units.

6.2 Relations with customers

The Estra Group offers its customers a complete range of services which, starting from its traditional gas and electricity sales business also integrate new solutions and technologies such as fibre optic networks, energy efficient boilers, solutions to improve household energy efficiency and photovoltaic panels, to meet the ever-evolving demands of efficient energy management and well-being for citizens, businesses and public authorities.

Through the companies Estra Energie and Prometeo, the Group addresses all areas of the market - residential, small and medium-sized enterprises, large industrial customers and public administrations - offering tailor-made services and solutions for the supply of electricity and gas as well as value-added services, also relying on the support of external partners to manage contracts, through a multi-channel model centred on both physical and digital channels. These services are marketed to customers through a sales network of stores and branches (83 in 2023), call centres, digital channels such as the app and customer area, and specialists devoted to large corporations, combining energy supply services with consultancy and support on tariffs and contractual matters. These tools and channels enable customers to easily manage their supply, providing assistance and information on products and services and helping them to make conscious and transparent energy decisions.

To ensure all customers receive maximum protection and in compliance with the competition laws, Estra and Estra Prometeo launched a joint process in collaboration with Consumers' Associations which, in 2019, 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 2023, the Control Authority held two meetings under the Voluntary Self-Regulation Protocol on Unsolicited Contracts and Activations, one for Estra and one for Estra Prometeo, with the aim of analysing the trend of complaints and resolutions shown in specific reports. These online events were attended by representatives from leading consumer associations who had the opportunity to engage with the company on topics of interest to their members, such as price trends and the approaching end of the protected market and the liberalisation of the energy market.

In order to further consolidate the dialogue with Consumers' Associations, in 2021 the Charter of Responsibilities of the Estra Group was created, a digital tool available on the company's website which provides extensive, clear and detailed information on the methods and procedures that regulate the sale and distribution of gas and electricity by the Estra Group. The Charter of Responsibilities has become an extra tool to enable consumers to make free, conscious decisions and access all of the useful information in a clearly presented way. An email channel was also created to enable the direct submission of reports by Consumer Associations to a specific inbox to ensure that complaints are handled and resolved quickly.

In 2023, there are no reported cases of non-compliance with marketing communication regulations and self-regulatory codes and no new legal actions regarding anticollusive behavior and antitrust and monopoly law violations against the Group.

6.2.1 Our customers in figures

The Estra Group is one of the leading energy operators in Italy, with a particularly significant presence in central Italy. This can be seen by the geographic distribution of its gas and electricity customers:

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

In 2023, there was a slight reduction in the total number of gas customers (-0.6%) compared to 2022, in contrast to a significant increase in the number of electricity customers (+74.1%) compared to 2022. This increase is mainly due to the fact that as of 1 April 2023, following a tender procedure, Estra Energie has

become the electricity supplier of the Gradual Standard Tariff Service (*Servizio a Tutele Graduali*) for all micro-enterprises that have not yet chosen a Free Market tariff, in the following regions: Calabria, Basilicata, province of Bari and Taranto. The Gradual Standard Tariff Service is the service introduced by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA), with Resolution 208/2022/R/eel, aimed at supporting the transition to the Free Electricity Market after price protection is lifted (protected market), guaranteeing continuity in the supply of electricity for all micro-businesses that, to date, have not signed a supply contract on the Free Energy Market. The Gradual Standard Tariff Service will be provided by retailers selected by specific tender procedures, managed by ARERA, in December 2022. The selected suppliers will then be awarded the contract for the Service for the period from 01 April 2023 to 31 March 2027 in various regional areas.

	2021	2022	2023
Number of gas PODs			
End market - Free	384,023	373,203	393,146
End market - Regulated	209,647	186,031	162,496
Total	593,670	559,234	555,642
Number of electricity PODs			
End market - Free	181,666	182,671	247,827
End market - Regulated	14,134	12,651	92,250
Total	195,800	195,322	340,077

The volume of gas and electricity sold in 2023 reflects the trend in customer numbers and fell by 29.8% for gas and increased by 31.2% for electricity.

The decline in gas consumption in 2023 was due to a mild winter and more conservative energy usage by customers concerned by the high cost of energy.

	2021	2022	2023
Gas volumes sold (million m³)			
End market - Free	1,319	1,033	739
End market - Regulated	183	134	81
Total	1,502	1,167	819
Electricity volumes sold (GWh)			
End market - Free	781	693	806
End market - Regulated	35	25	136
Total	816	718	942

As regards telecommunications customers, who are mainly located in Tuscany and specifically in Prato and Florence, and customers served by the district heating system, the slow but steady upwards trend continued in 2023, as shown in the table below.

Number of customers	2021	2022	2023
District heating	1,446	1,446	1,508
Telecommunications	4,359	4,565	4,717

The number of kilometres of fibre optic cable laid in 2023 also increased (+6.1%), confirming the gradual but continuous expansion of the infrastructure managed by Estracom, the Group company responsible for fibre optic cabling works across the region in collaboration with Open Fiber. The installation of fibre optic cables is aimed

at digitalising urban areas in the municipalities located in the Group's closest regions, mainly the metropolitan areas of Florence, Prato and Pistoia, to provide users (businesses and local authorities) with high-speed connections to enable them to access the new value-added digital services facilitated by the technology. For these projects, Estracom focuses on the installation of FTTB (Fiber to the Building) and FTTH (Fiber to the Home) infrastructure, guaranteeing connection speeds of at least 100 Mbps for every user.

Fibre optic infrastructure	2021	2022	2023
Fibre optic infrastructure (km of cable)	1,250	1,380	1,464

Four Group companies operate in the natural gas distribution sector: Centria Reti Gas, Gergas, Murgia Reti Gas and Edma Reti Gas. These four companies 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.

As regards the Group's gas distribution service, there was an increase in the number of active PODs and in the total length of the grid, while the amount of gas fed into the network reduced.

Methane gas distribution service users (thousands)

	2021	2022	2023
No. of active PODS	517	634	635

Gas input into the network (million m³)

2021	2022	2023
601	790	695

Natural gas network length (km)

2021	2022	2023
7,038	8,383	8,421

Centria Reti Gas and Gergas also handle the distribution and sale of mains LPG in the provinces of Arezzo, Grosseto, Livorno, Prato, Siena and Rimini, offering a valid alternative for households, businesses and communities in areas not connected to the methane gas grid via a safe and convenient service.

LPG distribution and sales customers

	2021	2022	2023
No. of active PODS	5,511	5,205	5,183

LPG volumes sold (million m³)

2021	2022	2023
0.840	0.756	0.706

LPG network length (km)

2021	2022	2023
150	149	147

6.2.2 Privacy

In line with the activities they perform, Group companies also process the personal data of employees, customers, suppliers, customers who have filed complaints, etc. As such, it is of paramount importance to protect such data in accordance with the provisions of the relevant laws in force (e.g. Privacy Regulation (EU) 679/2016 and Legislative Decree 196/2003, as amended).

To guarantee compliance with the relevant legislation, the proper processing of data, the security of customer, supplier and employee data, and the protection of company know-how, the Estra Group has set up a procedural system to regulate the main privacy issues: the Privacy Organisational Model.

The Privacy Organisational Model is an important tool that enables the Data Controller(s) of Group Companies to responsibly and independently manage compliance with data protection regulations. Furthermore, it allows users, at any time:

- to document and demonstrate compliance with GDPR processing regulations;
- to document and demonstrate the effectiveness of the adopted processing methods;
- to ensure continuity over time of any changes made, even in the event of changes to the company's organisational structure;
- to engage with the audit authorities to ensure a well-structured and defined privacy compliance procedure, which can also provide the authorities with reference points when conducting audits or investigations.

The adoption of the Privacy Organisational Model also allows the Group to meet its requirement to collaborate with the audit authorities in inspections and the performance of their duties, when required, as established in articles 30, section 4, and 31 of the GDPR. In fact, together with the “register of data processing activities”, the “record of data breaches” and the other safeguards provided for by the legislation (such as the external controllers register, privacy organisational chart, management of appointments, training, management of disclosures, etc.), the Model represents a fundamental tool for achieving GDPR compliance.

To guarantee the implementation of the Model within the Group, a dedicated structure was established, which in 2023 performed the following activities to maintain and strengthen compliance with privacy and data protection regulations:

- Group DPO and Privacy Function: in line with the GDPR model adopted to date, the parent company renewed the appointment of the Data Protection Officer for the years 2024 and 2025, and confirmed the internal specialist structure identified as the Holding Company's Privacy Function. This structure cooperates and engages with the DPO to develop a single Group-wide strategy on personal data protection.
- Data Mapping of Estra's IT Assets: working in cooperation with the Data Controller's Information Systems, a new database was defined for mapping the Group's assets. This update is essential to ensuring the effective and safe management of the Group's information and IT resources.
- New Privacy Perimeter: in 2023, the Group expanded the privacy scope to include the environmental services company ECOCENTRO. As a result of the expansion, the privacy policies and procedures were updated to guarantee compliance with the application regulations.
- Second Level Supplier Audit: second level audits were continued to verify compliance with GDPR among certain suppliers deemed to represent a high privacy risk. These audits are essential to ensuring that suppliers meet the privacy and data protection standards required by the Group.

- Audit Certifications, SB, Board of Statutory Auditors: the Privacy Function attended Audit sessions to maintain the ISO certifications of Group companies, and provided the necessary documentation to the supervisory and certification bodies, confirming the Data Controller's compliance with privacy regulations.
- Updating of Data Processing Officers: data processing appointments were updated for several key figures within the Group in response to changes to the corporate structures. These updates are crucial to ensuring the continued clarity of responsibilities for the processing of personal data.
- Development of the Privacy Organisational Chart: new privacy organisational charts were drafted and published on the company intranet to reflect organisational changes and ensure that all employees are informed of privacy procedures.
- Updating of Privacy Officers: the names of the privacy officers included in the service contracts of the Data Controller and Estra Group companies were updated to ensure that all contracts comply with privacy regulations.
- Updating of the Data Controller's Activity Register: the monitoring and updating of the Data Controller's Activity Registers continued, optimising the management and adaptation of corporate privacy documentation to meet GDPR requirements.
- Updating of the Register of Third Party Processing Activities: the processing activities included in the Register of the Data Processor on behalf of the Data Controller and the Group Companies were updated to reflect changes to the Group's structure and organisation.
- Management of Privacy Prequalification Process: the pre-contractual verification process, which follows the assessment procedures defined in the Privacy Organisational Model, was revised and updated in 2023, improving the organisation of the process and its compliance with the relevant regulations. This process is optimising the management and monitoring of the Group's suppliers.
- Management of Privacy Complaints: during the year several complaints were handled and responded to, demonstrating the Group's commitment to protecting privacy and effectively managing complaints from data subjects. Specifically, responses were drafted for 89 privacy complaints regarding the retail company Estra Energia, 8 complaints regarding Prometeo, 1 complaint regarding Centria, and 1 complaint regarding Estra Clima.

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.

In 2023, no complaints or requests for investigation regarding breaches of customer privacy were received, and there were no instances of theft or loss of customer data.

6.2.3 Social bonus and instalments

The social bonus is a mechanism established by ARERA (the Italian Energy Authority) that applies a discount to the electricity and gas bills of domestic customers who have an ISEE indicator below a certain threshold.

In particular, the electricity bonus was designed to provide savings on annual electricity spending for two types of household: those in economic difficulty, and households that include someone with a serious health condition whose life is supported by domestic electromedical equipment. The gas bonus, on the other hand, is determined based on weather zones.

As of 2021 customers no longer have to apply for the subsidies which are instead applied automatically on the presentation of the DSU for the ISEE for INPS, which provides the data directly to the relevant authorities.

Compared to 2022, in 2023, there was a reduction in the amount disbursed, while the number of subsidised PODs increased. The difference in the amount, which was particularly significant in the gas sector, was due to the considerable decline in the value of the supplementary bonuses applied from the second quarter of 2023 onwards. The supplementary bonuses in the gas sector for Q1 and Q4 of 2022 were in fact significantly higher than the amounts for the same periods in 2023.

The increase in subsidised PODs was due to the expansion of the pool of eligible customers, which was determined by the increase of the ISEE threshold announced by the authority for 2023.

The tables below show the data regarding the allocation of gas and electricity bonuses by Estra Energie and Prometeo in 2021-2023.

Gas bonuses allocated by the Group's sales companies

	2021	2022	2023
No. of bonuses allocated	36,186	58,019	72,888
Value of bonuses allocated (€)	4,174,612.89	36,593,259.77	15,964,180

Electricity bonuses allocated by the Group's sales companies

	2021	2022	2023
No. of bonuses allocated	21,187	33,888	47,148
Value of bonuses allocated (€)	3,174,366.91	17,834,250.05	12,806,727

Other incentives provided by law and applied in 2023 concern utility bill payment holidays following exceptional weather events, such as the flooding in Emilia Romagna in May 2023 (ARERA decision 216/2023/R/com of 19/05/2023) and Tuscany in November 2023 (ARERA decision 519/2023/R/com of 09/11/2023).

After a significant increase in requests to pay gas and electricity bills in instalments in 2022 (for a total of 65,684 bills), in 2023 the number of bills paid in instalments was 47,256.

6.2.4 Online utility bills, customer area and app

In 2023, the number of gas, electricity and telecommunications customers who opt to receive their bill electronically via email continued to rise, confirming the trend seen in 2021-2023. This decision reflects customers' increasing awareness of environmental issues and paper consumption as well as their need to access their bills more quickly, easily and at any time or place.

Methane gas customers

	2021	2022	2023
Online billing	16%	17.2%	21.1%
Total customers	95,008	95,521	117,437

Electricity customers

	2021	2022	2023
Online billing	28.5%	27.2%	31.5%
Total customers	55,820	54,211	106,907

Telecommunications customers

	2021	2022	2023
Online billing	18.4%	14.58%	17.2%
Total customers	326	334	266

To manage their gas and electricity supply, customers have access to two digital channels, the customer web area and the Estra app, both designed to improve and simplify the customer experience and increase customer satisfaction. Using these two channels, customers can pay their bills quickly and easily, monitor their spending, view payment history and status, review their consumption, and submit meter readings.

The 2023 data regarding members of the customer area has been adjusted to exclude members who did not logged into the customer area from 1 June 2022 to 31 December 2023.

Customer web area	2021	2022	2023
Number of registered customers	243,753	298,297	255,870

The Estra App	2021	2022	2023
Customers who have downloaded the Estra App in the relative years (Android/iOS)	33,167	66,444	147,250

As in 2022, in 2023, an email survey was sent to customers to evaluate how clear the information on utility bills is. The question on the readability of utility bills was added to the survey sent out by email as part of the “Understanding your utility bill” campaign, which is sent to new customers after the payment of their first bill. In general the results of the survey were positive: 83% of the sample (848 respondents) gave a score of 3 or more (on a scale of 1 to 5). The elements most frequently highlighted as less clear included “Cost of energy raw materials”, “Invoiced consumption” and “Invoiced amounts”

6.3 Quality, security and service continuity

6.3.1 Customers served in branch and by call centres

In order to ensure greater proximity and support to customers, the Group has always adopted a strategy characterised by a strong local presence. There are over 80 stores, mainly located in central and southern Italy, that provide assistance and information about products and services, guiding customers towards more conscious energy decisions. In 2022, the Estra Group opened three new stores, all in Tuscany, and renovated two offices in Campania.

Number of stores	2021	2022	2023
	73	82	83

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), obtain advice and all other services (activations, transfers, queries regarding bills, takeovers, information, etc.).

Many stores also feature a smart queue-busting system that simplifies and speeds up branch activities, as well as a waiting room with a screen that broadcasts Estra TV, the channel that displays news from the Estra world, useful information, updates and details of commercial offers.

In 2023, the number of customers visiting the Group's stores and branches increased, returning to pre-pandemic levels. This increase (+20.7%) led to an increase in branch wait times (from 17 minutes in 2022 to 22 in 2023).

Number of customers served in branch ³⁰	2021	2022	2023
		168,259	245,013

Average waiting time in branch (minutes) ³⁰	2021	2022	2023
		8	17

In addition to the Group's stores and branches, customers and potential customers also have access to a third direct communication channel with the Group: the call centre.

Estra Energie and Prometeo, the two Group Companies that operate in the gas and electricity sales sector, have a call centre where callers can receive information about their supply, manage their account and file complaints. Calls are managed by specialist personnel from external companies that have their own registered offices and headquarters in Italy.

As shown in the table below, in 2023, the number of calls handled by the call centre increased by 4.8%. Despite this increase, the waiting time to speak to an operator (which also includes the time taken by the customer to listen to the menu and select a service) fell from 118 seconds in 2022 to 85 seconds in 2023.

The increase in the number of customer contacts, both in terms of visits to stores and branches and calls to the call centre, was mainly due to two events.

The first concerned the change of the reference index of gas tariffs from PFOR (Supply Price) to PSV (Virtual Trading Point Price) to calculate the price of the raw material, defined by ARERA and subsequently applied to customer tariffs. This change, which was made in response to a sharp rise in the PFOR indicator, resulted in many requests for information for customers on the applied tariffs and possible alternatives. Furthermore, the significant price hike caused by the reduction in supplies from Russia also triggered an increase in the number of requests for information at the Group's branches and at the call centre.

This second major event in 2023 was the confirmation of the end of the protected gas market for domestic customers as of 01 January 2024 and the subsequent management of the so-called "vulnerability requirements" defined by ARERA.

Moreover, as of 01 April 2023 Estra Energie, which won Lot 9 of the Tender called by the Single Buyer for the Gradual Protection Service for micro-enterprises in the electricity sector, began to supply around 120,000 electricity customers in Calabria and Basilicata and in the provinces of Bari and Taranto. This award resulted in 103,953 calls to the call centre regarding the Gradual Protection Service, amounting to 9.5% of all calls received in the year.

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

2021		2022		2023	
Received	Answered	Received	Answered	Received	Answered
620,091	594,111	1,040,625	685,170	1,090,506	944,275

³⁰ The number of customers served in branch and the average waiting time in branch in 2023 refers to Estra Energie and Prometeo.

6.3.2 Complaints and queries

In 2022, deeply unstable costs of raw materials and, consequently, higher utility bill costs resulted in a significant increase in the number of written complaints received by the Group's gas and electricity sales companies (Estra Energie and Prometeo). This upwards trend continued in 2023, with total complaints rising from 2,460 in 2022 to 3,584 in 2023. Of these, 3,441 (96%) regarded gas and electricity sales companies, while the remaining 143 (4%) were directed to the four gas distribution companies operated by the Group (Centria, Gergas, Murgia Reti Gas and Edma Reti Gas).

	Written complaints	Cases pending a response as at 31/12	Responses processed within the maximum time period
2021	725	33	690
2022	2,460	128	2,317
2023	3,584	155	3,374

However, there was a substantial reduction in the number of complaints about unsolicited gas and electricity contracts or activations by Estra Energie and Prometeo. Complaints in this field fell from 272 in 2022 to 9 in 2023, a clear demonstration of the Group's deep commitment to engaging in clear, proper and transparent customer acquisition practices.

As regards written requests for information received by Estra Energie and Prometeo in 2023, there was an upwards trend with an increase of 17.9% compared to 2022.

Written complaints and requests for information by customers mainly regarded the increased raw materials cost and the change of the reference index of gas tariffs implemented by ARERA, as described in the previous sections on contacts handled by the Group's call centre, stores and branches.

Furthermore, many requests for information submitted by customers in 2023 regarded requests for clarification and changes to the thresholds and amounts of the social bonus made during the year.

	Written requests for information	Cases pending a response as at 31/12	Responses processed within the maximum time period
2021	3,375	42	3,331
2022	3,901	38	3,871
2023	4,598	194	4,396

In contrast to upwards trend of written complaints and requests for information, the Group's digital channels saw a reduction in use. In fact, the chat function, website and Facebook were all used less in 2023.

Other communications channels

	Chat	Website	Facebook
2021	31,317	7,555	946
2022	47,467	21,770	4,317
2023	40,329	17,998	3,796

2023	
Number of press releases	77
Number of news articles and press releases published on the website	87
Posts published on the LinkedIn page	62
Number of LinkedIn followers	6,498
Tweets published on X/Twitter	35
Number of X/Twitter followers	70
Number of Instagram posts	71
Number of Instagram followers	1,517

6.3.4 Settlements

Alternative Dispute Resolution (ADR)³¹ procedures represent a tool available to gas and electricity end customers to manage and resolve any dispute with operators and managers quickly and easily, without the need to enter into ordinary legal proceedings. The tool continues to meet the satisfaction of those who use it: 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.

In 2023, the number of settlements through both the Chamber of Commerce and the Single Buyer Service continued to grow. The increase in the number of settlement requests can be attributed to higher utility bills associated with changes to the price of raw materials and incorrect estimates made by the distribution companies, as well as a number of disputes with customers about their renewal contracts.

Number of settlements through the Chamber of Commerce

	2021	2022	2023
Closed positively	3	0	1
Closed negatively	0	0	4
Pending	1	0	1
Total	4	0	6

Number of settlements through the Sportello del Consumatore Acquirente Unico

	2021	2022	2023
Closed positively	60	71	429
Closed negatively	15	40	112
Pending	16	33	33
Total	91	144	574

³¹ Settlements refer to Estra Energie and Prometeo.

6.3.5 Disputes with customers

Legal action³² brought by customers against Estra Group companies mainly regards the Group's sales companies and concerns unilateral changes to the terms and conditions of the supply contract, supply fees, technical failures and delays in service activation.

At year-end 2023, there were 24 open legal proceedings, mainly against Estra Energie, and 9 out-of-court disputes filed by customers.

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

	2021	2022	2023
Judicial cases brought by customers against Group companies that were open at year-end	68	33	24
Judicial cases brought by customers against Group companies that were concluded during the year	17	57	18
Extra-judicial cases brought by customers against Group companies that were open at year-end	1	4	9
Extra-judicial cases brought by customers against Group companies that were open at year-end	8	12	1

6.3.6 Quality of the gas distribution service

6.3.6.1 Standards

The Estra Group manages the gas distribution service through four companies, Centria, Edma Reti Gas, Gergas and Murgia Reti Gas, with the aim of guaranteeing high safety standards and service continuity thanks to remotely controlled systems, a 24/7 emergency call-out service, cathodic protection of steel pipes, the use of odorous gas, and systematic and scheduled network inspection.

The gas distribution companies operate a call centre that customers can contact to receive technical support, information on 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, to be called in the event of a gas leak. This service is of paramount importance to guarantee the safety of citizens and communities.

ARERA Resolution 569/2019 "Consolidated Text on the regulation of the quality and tariffs of the gas distribution and metering services for the 2020-2025 regulatory period" (TUDG) requires distribution companies to meet a minimum annual percentage service level (i.e. 60 minutes response time to site of the call) in 90% of cases. In this regard, in 2023 all four Group Companies operating in this field consistently performed above the standard set by ARERA, as shown in the table below. This positive trend is also reflected by the level of compliance with the maximum response time, which for all four companies was well over 99%.

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

Company	Type of project	Average time (in minutes)		
		2021	2022	2023
Centria	On the distribution plant	32.71	37.13	39.10

³² There were no significant claims for compensation made by customers.

	Downstream of the POD	32.09	36.86	38.90
Gergas	On the distribution plant	28.28	29.03	29.59
	Downstream of the POD	27.51	24.30	39.58
Murgia Reti Gas	On the distribution plant	34.91	37.53	34.04
	Downstream of the POD	37.22	36.05	38.50
Edma Reti Gas	On the distribution plant	-	28.5	27.24
	Upstream of the POD	-	25.75	25.11

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 2023, all four of the Group's gas distribution companies posted levels of compliance above the standard, with an average wait time before speaking to an operator of 40 seconds.

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

Number of calls		
2021	2022	2023
23,771	21,740	22,583

Average waiting time before speaking to an operator (seconds)		
2021	2022	2023
56.79	37.67	39.22

In 2023, the installation of smart meters continued. In addition to providing real-time data that allows utility bills to reflect actual usage and accelerating certain activities (activation or deactivation of a supply, transfer, etc.), these devices also help citizens become more aware of their energy consumption, promoting practices to reduce or optimise gas use and, consequently, benefiting the environment.

Electronic meters³³

	2021	2022	2023
Number of electronic meters installed in the year	22,880	33,502	25,076
Total number of electronic meters in operation	408,173	536,434	575,635

³³ The data refer to the gas distribution companies only: Centria, Gergas, Murgia and Edma Reti Gas.

The number of failures to meet the gas distribution commercial quality standard with right to automatic compensation fell compared to 2022 (-12%).

Number of failures to meet the gas distribution commercial quality standard with right to automatic compensation		
2021	2022	2023
135	450	396

With a view to constant improvement, in 2023 Gergas held a customer satisfaction survey to assess the quality of its services and highlight potential areas for improvement. The survey was conducted through 78 telephone interviews.

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 overall rating of the services provided by Gergas is 3.63 (on a scale of 1 to 4).

Some of the main results of the survey are described below (scores are given on a scale of 1 to 4):

- satisfaction regarding waiting times for technical works was 3.72;
- satisfaction regarding staff courtesy was 3.68;
- satisfaction regarding case handling was 3.76;
- satisfaction regarding the resolution of technical issues was 3.73.

The main verbal comments given by end customers were also analysed.

The overall assessment was “very good”, in line with targets. In consideration of this, no critical aspects were detected and the survey will be repeated in the future to continue to monitor user satisfaction.

6.3.6.2 Inspections

The safety and security of gas distribution personnel is extremely important. The use of competent and appropriately trained staff, along with continuous network monitoring, together represent elements that contribute to accident prevention and are subject to continuous analysis and improvement.

Consequently, in 2023, through its gas distribution companies, the Estra Group continued to plan and carry out grid inspections to prevent potential negative impacts on customers.

In compliance with the provisions of the Italian Gas Committee's guidelines and ARERA resolutions, inspections are carried out on high, medium and low pressure networks using suitable instruments to identify any leaks that cannot be detected by smell in order to quickly eliminate the leak and prevent the risk of accidents. The inspections require specialised and modern equipment and the very specific expertise and skills of the human resources employed by the gas distribution companies.

ARERA establishes minimum standards for gas distribution network inspections that must be observed, and the Group Companies that conduct the inspections not only comply with all regulatory provisions but also aim to achieve an even higher standard.

In fact, Centria, Gergas, Murgia Reti Gas and Edma Reti Gas conduct ongoing, scheduled inspections using specialist equipment. In particular, monitoring is 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.

The table below shows the data for gas distribution grid inspections conducted by Centria, Gergas, Murgia Reti Gas and Edma Reti Gas, which are in line with 2022.

Gas distribution network inspections	2021	2022	2023
Total metres of high- and low-pressure network	3,119,216	3,823,712	3,809,838
Metres of high- and low-pressure network inspected	3,082,940	3,689,550	3,719,572
Total metres of low-pressure network	3,919,695	4,558,200	4,559,759
Metres of low-pressure network inspected	3,910,547	4,428,578	4,471,221
Number of repairs	39	100	74

Overhead connection inspections in 2023 were also in line with 2022. The overhead connection inspection data refer to Centria, Gergas and Edma reti Gas (Murgia Reti Gas did not carry out overhead connection inspections).

Overhead connection inspections	2021	2022	2023
Metres of high- and low-pressure network inspected	503.53	777	640
Metres of low-pressure network inspected	2,851.45	11,658.1	13,230
Number of high- and medium-pressure connections	71	257	164
Number of low-pressure connections	822	3,427	2,342
Number of repairs	29	64	74

Underground connection inspections in 2023 increased in terms of number of metres and number of connections inspected.

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

Underground connection inspections	2021	2022	2023
Metres of high- and low-pressure network inspected	20,106.80	7,740	13,244
Metres of low-pressure network inspected	208,909.30	156,583	185,638
Number of high and medium connections inspected	2,538	1,252	1,837
Number of low-pressure connections inspected	23,816	19,559	20,805
Number of repairs	26	33	32

Finally, the data on the number of metering devices inspected in 2021-2023 is given below. In 2023, the number of high, medium and low pressure POD inspections conducted by Centria and Gergas fell. This is due to the area chosen for the inspection, as the number of metering devices can vary by region. 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.

Metering devices inspected					
Number of high- and medium-pressure POD			Number of low pressure POD		
2021	2022	2023	2021	2022	2023
66	1,159	613	4,943	10,497	8,756

6.4 Relations with institutions, the community and the region

The Estra Group has always devoted particular care to its dialogue and relations with reference institutions and stakeholders, with the aim of managing its activities in the interests of everyone involved. Since its foundation, the Group has maintained deep roots in its native region, a link consolidated by the value

generated by its operations, not only in terms of economic and employment benefits but social and cultural ones as well.

All of the Group's activities are planned and performed conscious of the responsibility towards the community and the region, with the goal of generating wealth, protecting the environment and meeting stakeholder expectations and needs.

The Estra Group aims to act as an important partner for the community, not only by expanding its range of services but also through the projects, initiatives and communication campaigns it organises each year in the regions in which it operates, with the goal of improving and developing the local communities and the society in which we live.

6.4.1 Dialogue with local and national institutions

The Estra Group engages in constant dialogue and discussion with the National Institutions, with Regions, Municipalities, Local Authorities and with all relevant Stakeholders, in order to develop transparent communication, dialogue and collaboration, and to participate in round tables with Bodies and Institutions, local and national economic categories, and consumers' associations, in order to identify effective responses and solutions to Stakeholder needs.

Through its Companies, the Group is a member of several bodies at a regional level (such as Confindustria Toscana Nord, Confindustria Toscana Sud, Confservizi Cispel Toscana) and at a national level (Utilitalia and APCE Associazione per la Protezione delle Corrosioni Elettrolitiche, among others).

Estra has also cultivated a collaborative relationship with the higher education sector, particularly through agreements with universities such as the University of Florence and the University of Siena, and the partnership with the ITS Energia e Ambiente Foundation at Colle Val d'Elsa (SI).

All of these engagement activities pursued by the Group 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 2023 1,663 articles were published in the local and national media and 4,434 articles about the Group were posted on local and national websites. 98% of the articles were positive or neutral in tone.

6.4.2 Local community development initiatives

The Estra Group has always been committed to designing and implementing social, cultural and environmental projects and initiatives aimed at community and regional development, with the aim of raising awareness and promoting a culture of sustainability and the adoption of lifestyles consistent with the responsible and sensible use of natural resources.

Scuole Viaggianti AS 2022/2023 and AS 2023/2024

Scuole Viaggianti is the project launched by Estra for preschools, primary and secondary schools in Abruzzo, Marche, Molise, Tuscany and Umbria to encourage young people to adopt a culture of sustainability by promoting responsible practices. The project was inspired by Italo Calvino's book *Le Città Invisibili* (published in English as *Invisible Cities*) to celebrate the centenary of the author's birth in 2023 and is structured as a journey that introduces students and teachers to the main topics related to the SDGs included in the Civic Education curriculum: waste, energy, mobility, land consumption, and smart cities.

The project includes a range of initiatives and activities throughout the school year: live streaming, podcasts, video calls between classes, competitions, digital theatre reviews, and a Traveller's Kit to support and guide the journey, containing videos and activity sheets that address the topic using one of the proposed teaching methodologies: gamification, reality-based learning, coding, tinkering and storytelling.

The winning classes are awarded vouchers for educational material and *Il Grande Sconquasso*, a low-consumption, zero-impact live theatre performance produced by Estra and performed by the Straligut theatre company.

Forty thousand students took part in the first edition of the project (2022-23 school year), involving over 833 preschools, primary schools and junior high schools from the five participating regions, and 1,700 teachers. The theatre show was staged in the winning schools in 15 cities, with 18 performances and an audience of over 1,700 people.

Moreover, two panels of expert judges, including representatives from Anci and Nana Bianca, awarded prizes consisting of vouchers for educational material to participants in the “smart city” contest.

Estra's *Scuole Viaggianti* project was also recognised by ASviS - Italian Alliance for Sustainable Development and was included among the projects promoted by the Festival of Sustainable Development.

After the success of the project's first year, Estra's journey with schools to incentive young people to adopt a culture of sustainability by promoting responsible practices is continuing, with the second edition of the *Scuole Viaggianti* project being held in 2023-24.

This year's edition will feature closer collaboration with ASviS which, along with representatives from Anci and the community, will be part of the panel of judges to award the prizes for the contest (Teamwork Award, Active Citizenship Award and Innovation Award) for the best smart cities created by the three categories of school. The results will be announced at a live-streamed screening of one of the digital plays.

The table below shows the number of subscriptions to the second edition of the project as at 31/12/2023.

Scuole Viaggianti 2023/2024

Participating schools	Participating teachers	Participating students
718	1,400	22,500

Transferable Skills and Orientation Programmes SY 2022/2023 and SY 2023/2024

In 2022 Estra created a series of Transferable Skills and Orientation Programmes (*TSOPs*) under the banner *La transizione energetica che fa scuola*, confirming the Group's commitment to developing training projects aimed at the younger generation.

The energy transition is the evolution towards a new approach to producing and using energy. It represents a fundamental shift necessary to support Italy's sustainable development and is a crucial topic for the future. Consequently, Estra is deeply committed to approaching it considering the educational and professional opportunities available for young people who are deciding on their next steps after gaining their high school diploma.

The project is developed in collaboration with ITS Energia e Ambiente in Colle Val d'Elsa and implemented by WonderWhat - *Orientarsi nel futuro*, the school orientation platform aimed at third-year senior high school students across Italy.

The programme is divided into modules that explore the concept of sustainable development and the UN 2030 Agenda, tackling topics such as the energy sources and vectors that represent the current energy scenario in Italy and across the world, CO₂ and best practices for decarbonisation, and the circular economy. Furthermore, the new edition also features an enhanced focus on the world of work in the energy sector, exploring skills, training courses and professions.

The project is available online as a 40-hour certified course, with the option to certify additional hours through project work. The syllabus includes five theoretical modules with interactive exercises to encourage students to play an active role in the learning experience, to explore professional careers, to immerse themselves into the world of work, and to acquire the skills required to enter it.

The table below shows the number of subscriptions to the second edition of the project as at 31/12/2023.

TSOP 2023/2024

Participating schools	Registered students
34	394

Ecup competition

Ecup is a digital competition launched by Estra in 2021 to support Sports Associations with non-professional or semi-professional youth activities in Italy and to promote sports culture. The digital initiative aims to engage 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.

In the second edition of the contest, associations from across Italy competed against each other for likes on the website www.estra.it/ecup in 10 selected sports categories: Football, Swimming/Water Sports, Dance, Gymnastics, Volleyball, Martial Arts, Athletics, Basketball, Tennis/Padel, Other.

The winners were awarded ten prizes worth € 5,000 each and a special Winner's Kit containing sportswear and equipment: T-shirt, backpack, baseball cap and banner.

ECUP competition 2023

Registrations	Number of votes	Regions	Sporting disciplines
171	32,803	15	10

Estra for Sport: The Energy of Good News Journalism Awards and Call to Action

For several years the Group has promoted sport through the Estra for Sport: The Energy of Good News journalism awards, now in its sixth year, and the 3rd edition of the Estra for Sport: The Energy of Good Practices Call to Action.

The sixth Journalism Awards aims to identify the best sport journalism articles and/or contributions that highlight the value of sport as an educational and social platform by confirming its best attributes.

While based on the same values and principles and maintaining the same categories as previous editions, in order to broaden the scope of the awards by increasing the number of proposals brought to the jury's attention, the new edition will collect all news reports on the relevant topics published between 1 October 2022 and 30 November 2023 for consideration by the panel of judges. The awards ceremony will be held in Spring 2024 and prizes will be awarded in the following categories:

- Printed Press Category;
- Web and Blog Category;
- Television and Radio Category.

Special Awards:

- Woman of Sport Special Award;
- Lifetime Achievement Special Award;
- Daniele Redaelli Special Award for under-30s, master's degree students, journalism schools and collaborators;
- Estra per il territorio Special Award.

The third edition of the Estra for Sport: The Energy of Good Practices call to action aims to recognise associations that promote and incentives sport in the regions where Estra concentrates its activities: Tuscany, Marche, Abruzzo, Umbria, and Molise.

Through this project, Estra will select one winner from each region to receive a donation of € 4,000 with a view to supporting associations that promote projects highlighting the central role of sport as a tool for developing social policies and regional growth, driving a more open and inclusive model of community life.

Specifically, the initiatives must:

- be developed in regions with a high risk of social degradation;

- aim to meet inclusion and integration objectives (aimed at people with disabilities, from migrant backgrounds, etc.);
- reject all forms of gender discrimination;
- be aimed at vulnerable categories at risk of being marginalised (the elderly, prison inmates, residents of recovery institutions, etc.);
- aim to reduce sport drop-out;
- discourage a sedentary lifestyle and online dependence among young people;
- prevent eating disorders;
- combat bullying and violence against women.

A total of 158 businesses took part in the third Estra for Sport: The Energy of Good Practices call to action, an increase of 27 compared to the previous year, from the following regions:

- 19 from Abruzzo
- 32 from Marche
- 8 from Molise
- 74 from Tuscany
- 25 from Umbria.

Art Bonus and sponsorships

The Estra Group also promotes the social and economic development of the regions in which it operates by supporting cultural, social and sports initiatives, focusing in particular on unique events and projects rooted in the traditions of the local regions, and initiatives that relate to the company's values.

In 2023, the Group dedicated over €1.6 million to these types of projects and initiatives (+16.5% compared to the previous year).

Sponsorships

2021	2022	2023
€ 1,370,216	€ 1,450,418	€ 1,690,450

In addition to the sponsorships, donations represent another opportunity to support and promote the principles of solidarity and social inclusion, and spread the culture of participation and social cohesion. In 2023, the Group's donations and charitable giving totalled € 275,260. Some of these grants were donated through the Art Bonus scheme.

7. Suppliers

7.1. Targets and results

Targets for 2023	Results in 2023
<p>Estra Group</p> <p>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.</p>	<p><i>Target achieved</i></p> <p>Regulation adopted in July 2023.</p>
<p>Estra Group</p> <p>Definition of a procedure for the identification and management of contracts not covered by the Procurement Code.</p>	<p><i>Target achieved</i></p> <p>Procedure adopted in July 2023.</p>
<p>Estra Group</p> <p>Update the Supplier Register due to expire in January 2023 and entry into force of the new Group Supplier Register.</p>	<p><i>Target achieved</i></p> <p>New Supplier Register entered into force in July 2023.</p>
<p>Estra Group</p> <p>Submission of a request for quotation for the purchase of paper for the Prato, Siena, Arezzo and Ancona sites.</p>	<p><i>Target achieved</i></p> <p>A special tender for the annual supply of non-recycled paper for printing and photocopying at the Group's offices in Prato, Siena, Arezzo and Ancona was drafted and subjected to a procurement procedure. The tender conforms with the Decree of the Ministry of the Environment of 04/04/2013 (Official Gazette no. 102 of 3 May 2013) on Minimum Environmental Criteria. The tender was awarded and the supply contract is in effect as of June 2023. The paper is EU Ecolabel and PEFC certified.</p>
<p>Estra S.p.A.</p> <p>Maintain the "Tender Specialist" voluntary certification for two resources.</p>	<p><i>Target achieved</i></p> <p>Certification maintained in 2023.</p>

Targets for 2024

Estra S.p.A.

Maintain the "Tender Specialist" voluntary certification for two resources.

7.2 Sustainable supply chain management

The Estra Group values its suppliers as strategic partners and aims to forge relationships based on respect and collaboration. The changing dynamics of today's economic and social context make supplier relations a vital aspect in pursuing the goal of sustainable value creation over time. The role that suppliers play in the company's dynamics goes far beyond the mere supply of materials or services, and is fundamental to ensuring business continuity and the continued quality of the services offered. For this reason, monitoring and interacting with its supply chain in a proactive and consistent way is a key priority for the Estra Group, which aims to maintain stable, long-lasting and trusting relations with its suppliers.

The Group purchases products and services from its suppliers which are used to deliver services to its customers, and also relies on external suppliers to highly-specialised activities. Suppliers who collaborate with the Group's gas distribution companies are mainly involved in maintenance work on methane gas networks, the supply and installation of gas meters and the maintenance of quality certifications. The majority of suppliers that serve the sales companies (Estra Energie and Prometeo) offer customer care and store/branch management services.

This chapter contains supply data for the 2021-2023 three-year period. The figures do 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.

The Group has implemented the Single Central Commission tool for companies operating in the gas distribution sector since 2019. Estra S.p.A. acts as Contracting Authority, and operates in the name and on behalf of all investee companies in this sector. This approach allows for a centralised procurement system that optimises the purchasing process by making it more efficient, standardised, and easier to monitor.

In 2023 the supply chain did not undergo any structure changes of note, and consequently the procurement and supplier monitoring procedures remain unchanged. In the last two years the supply chain has expanded due to the acquisition of new companies. Specifically, in May 2022, Bisenzio Ambiente was acquired, a company operating in the environmental services sector which specialises in the management of special, hazardous and non-hazardous waste. Edma Reti Gas S.r.l., which manages the natural gas infrastructure in the Marche region, also entered the reporting boundary. Finally, in 2023 Ecocentro Toscana joined the Group. The company, based in Prato, operates in the treatment and recovery of non-hazardous waste and owns a specialist plant for the treatment and recovery of waste from street sweeping, sewage cleaning and desanding processes. The acquisition of these three companies did not result in any changes to the supply chain or its management, as the Estra Group already had active supply contracts in the waste management and gas distribution sectors.

In 2023 the critical issues that could have a negative impact on customers and suppliers which were notified to the Board of Directors of Estra S.p.A. mainly concerned the liquidity risk associated with the company's ability to meet its financial and commercial obligations according to the established terms and deadlines. This risk is closely monitored and mitigated with specific strategies and actions aimed at guaranteeing the sound management of financial resources through a centralised process conducted by the parent company to optimise their use.

7.2.1. Supplier assessment and monitoring

All Group Companies adopt supplier assessment systems that consider a range of criteria in order to evaluate the performance and reliability of each supplier. The assessment considers every single service provided by the supplier, who is then awarded an overall performance score. The assessment includes different criteria for supplies, services and works. The criteria taken into consideration for each category are as follows: for supplies, compliance with delivery times, quality, consistency between the quantity ordered and the quantity delivered; for services, compliance with contractual conditions, competence and speed of intervention; and for works, compliance with delivery schedules, quality and environmental aspects. Unlike the other Group Companies, in 2022 Centria, Prometeo and Estra Energie adopted management software that allows other evaluation criteria to be incorporated if required by the type of supply. For services, this includes environmental and occupational safety aspects, the latter of which may also be taken into consideration for works contracts. The software can also produce a questionnaire to collect information to be incorporated into the supplier assessment once the service has been delivered. In the case of Estracom, the assessment establishes specific criteria for construction site operators. In February 2022 Murgia updated its supplier assessment process. The new process is based on a list of suppliers that is updated regularly with the addition of new suppliers. Suppliers are classified as “critical” or “non-critical” based on the company's core activities. Once delivery is complete, each activity comprising the service is evaluated. The score ranges from poor to excellent according to a scale from 3 to 10. The parameters monitored are similar to those indicated above for the other Group companies. Gergas has adopted its own list of certified suppliers and conducts annual checks to ensure that certain requirements are met. The evaluation considers any cases of non-compliance and devotes particular attention to the maintenance and consolidation of certifications. Ecos evaluates suppliers offering environmental services by considering various parameters, including cost-effectiveness, the adequacy of the supply and/or work performed, and the conduct during the business relationship, assigning a score from 1 to 100. Ecocentro Toscana, which joined the Estra Group in 2023, uses an evaluation table of strategic suppliers that includes both facilities and services. Certifications are among the analysed criteria. In the final assessment, each supplier is awarded the status of “certified” or “not certified”.

The commercial partners considered obtained an average score of 93.7 out of 100³⁴, in line with the previous year (93.1).

EstraClima, the Estra Group company responsible for energy services, has adopted the JSB portal to manage the safety documents of its suppliers. Suppliers are required to access the portal and to upload their safety documents, such as the interference risk assessment report (DUVRI), professional training certificates, etc. The system automatically flags expired documents, in which case the suppliers are asked to update them. The system makes it possible to promptly and effectively monitor suppliers' compliance on all aspects related to safety.

In order to monitor the safety procedures implemented by suppliers, the gas distribution companies and Estracom carry out inspections to roadwork sites. In 2023 a total of 295 inspections were carried out, up by 26% on the 234 conducted in the previous year. The inspections were split between contractors and subcontractors. Out of all Group Companies, Centria has the most active construction sites and represented 86.1% of the inspections carried out by the Group. Gergas and Estracom inspected 100% of their active sites,

³⁴ This score is the weighted average of the percentages of the supplier assessment, considering quality, environment and safety. As noted above, the data refer to the suppliers of all Group Companies.

while Centria inspected 42% and Murgia inspected 15%. None of the inspections detected any compliance issues and consequently no corrective action was taken. The sites operated by Estra Clima and Edma Reti Gas were not inspected, while the activities conducted by Estra and the gas and electricity sales companies do not involve any roadworks.

Centria is the main Estra Group company that operates in the methane distribution sector. As of 2015, the company has been certified according to SA 8000, which certifies aspects of corporate social responsibility such as respect for human rights; respect for labour law; protection against child exploitation; and compliance with occupational health and safety standards. It is a voluntary standard that is verified by third-party audits.

Centria's management body has long adopted an integrated company policy aimed at expressing its firm commitment to a corporate management approach that aims to make continuous improvements on aspects such as quality, occupational health and safety, the environment, energy, social responsibility and information security. In line with the law, Centria also monitors the corporate risk of its suppliers. Specifically, the Company 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. Each level identified corresponds to a specific monitoring procedure that becomes progressively more stringent as the risk increases. Centria decided to adopt this assessment procedure as its methane gas distribution activities, particularly the execution of works, may represent a greater corporate risk in the supplier selection process compared to other activities performed by the Estra Group.

According to the current risk assessment, suppliers with a risk level of 0 are sent information informing them of Centria's SA8000 certification and the main objectives of its CSR policy. Centria's Integrated Management System Policy is published on the website centria.it.

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 standard SA8000. Suppliers with a risk level of 2 are required to declare in writing that they will comply with, implement and pursue the principles of corporate social responsibility envisaged by standard SA8000, and are prepared to complete 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 will be audited by Centria. In a nutshell, Centria's supplier social assessment analysed 270³⁵ suppliers, compared to 244 in 2022. The results are described below.

- 185 suppliers (68.5%) have a risk level of 0;
- 54 suppliers (20%) have a risk level of 1;
- 27 suppliers (10%) have a risk level of 2;
- 4 suppliers (1.5%) have a risk level of 3.

The number of suppliers in the highest risk category (level 3) fell from 6 in 2022 to 4 in 2023. This category mainly includes suppliers who are involved in procurement and as such have a very high level of risk inherent in the business. The reduction is due to the fact that the number of suppliers with SA8000 certification is increasingly, which results in a lower risk level. In fact, the number of suppliers in the risk level 0 category increased from 165 in 2022 to 185 in 2023.

Finally, suppliers whose activities are characterised by significant environmental impacts are also required to hold adequate environmental certifications such as ISO 14001, which certifies the environmental management systems adopted by businesses.

³⁵ This assessment was estimated on the results of the 2022 social risk assessment, considering suppliers that hold SA8000 certification. Assuming a 10% increase in suppliers, it is estimated that 270 suppliers were assessed in 2023.

7.2.2 Supplier Register

The Supplier Register is officially adopted by the Parent Company, Estra S.p.A., but is available to and used by all other Group Companies thanks to an internal regulation that explicitly extends its use to the entire Estra Group.

On 1 July 2023 the Supplier Register underwent significant modification. The new Register is divided into three distinct sections: services and suppliers, works, and technical consultants. To enrol on the new Register, suppliers must complete the registration on the portal, which is valid for any Register managed by the supplier company, to gain access to the Estra Register.

The table below shows the number of accepted suppliers, rejected suppliers, new suppliers, and suppliers that have submitted updates. The data refers to the second half of 2023. If further information is required, the registration will be rejected. Suppliers may provide regular updates on the documentation submitted and/or their range of services.

245 suppliers are listed on the Register. Based on their level of competence and areas of expertise, suppliers may register in more than one section, e.g., in services and supplies and in works to access a broader range of potential collaborations. The number of suppliers accepted onto the platform, including those subject to updating, is 271, divided into services and supplies (141), works (86) and technical consultants (44). A notification was sent to all suppliers enrolled on the previous Register to invite them to sign up to the new one. This transition process is still ongoing.

	SERVICES AND SUPPLIES REGISTER	WORK REGISTER	TECHNICAL CONSULTANTS REGISTER
ACCEPTED SUPPLIERS	138	81	44
REJECTED SUPPLIERS	36	33	7
NEW SUPPLIERS	14	11	-
SUPPLIERS SUBJECT TO UPDATING	3	5	-

The Supplier Register also records the number and type of certifications held by the operators. In addition to the EMAS Certification, the Environmental Product Declaration and SOA Certification, suppliers are also asked about the following certifications (the number of suppliers who hold each certification is also provided):

- ISO 9001: 94 suppliers;
- ISO 14001: 55 suppliers;
- SA8000: 25 suppliers;
- ISO 45001: 41 suppliers;
- ISO IEC 27001: 10 suppliers.

Furthermore, the Supplier Register also provides information on potential conflicts of interest. Suppliers are asked to declare the existence of any past or present relationships of kinship, marriage, cohabitation or affinity with employees (including managers), owners, directors or shareholders of Estra S.p.A. or other Group Companies (2 suppliers), or collaborative and/or corporate relations with the same (3 suppliers), whether they had performed roles and/or provided consultancy services in the last three years for competitors of the Estra Group (21 suppliers), whether they have held offices in local authorities, whether they have had dealings with the public administration, public concession holders or their representatives (47 suppliers), and if they are politically exposed. None of the suppliers declared to have held office in local authorities or to be politically exposed.

In the field of sustainability, suppliers of services, supplies and works are also asked:

- if they prepare a Sustainability Report; 26 suppliers;

- if they have adopted a 231 Organisational Model: 79 suppliers;
- if they are enrolled on the Regional Register of social cooperatives: 3 suppliers;
- if they are enrolled on the National Register of environmental operators: 93 suppliers;
- if they have adopted an anti-corruption policy: 123 suppliers;
- if they have adopted a human rights policy: 129 suppliers;

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. The new operating methods were subsequently adopted by the other Group Companies. The procedure states that mandates may only be appointed to professionals and consultants who are registered on the Supplier Register. 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. The Function Manager is responsible for reporting any conflicts of interest to their superior to ensure that the proper investigations are made.

Disputes with suppliers

The table below shows the trend in the number of legal and out-of-court proceedings brought by suppliers against Group Companies. In fact, the extent of these disputes is negligible and is the result of the Group's willingness and policies to avoid disputes with suppliers and to forge relationships founded on collaboration and trust. Only one legal dispute is open as at the end of 2023, with two disputes settled during the year. As regards out-of-court proceedings, four cases were opened in 2023 and none were concluded.

The proceedings concern disputes over bills and contracts signed with suppliers, and the termination of contracts for just cause. There were no significant requests for compensation by suppliers.

Number of disputes with suppliers by type	2021	2022	2023
Judicial cases brought by suppliers against Group companies that were open at year-end (regardless of start date)	2	2	1
Judicial cases brought by suppliers against Group companies that were concluded during the year (regardless of start date)	1	1	2
Extra-judicial cases brought by supplier against Group companies that were open at year-end (regardless of start date)	0	0	4
Extra-judicial cases brought by suppliers against Group companies that were concluded during the year (regardless of start date)	2	0	0

7.2.3 Tender procedures

In 2023 the Estra Group held 16 tender procedures for supplies totalling over €15 million. Compared to the previous year, the number of tender procedures increased but the total amount of the tenders fell slightly. In particular, in 2023 there were 5 public tender procedures (of which 1 began in 2022), in line with the previous year, and 11 negotiated procedures (of which 3 were launched in 2022) for the award of works, supply and service contracts.

To be eligible to participate in both types of tender procedure, suppliers were required to hold specific certifications, with the dual purpose of ensuring that the technical competency requirements necessary to complete the supply were met, and to assess and evaluate environmental and social criteria. As shown in the table below, the certifications concern social, environmental and quality performance. In particular:

- In terms of social criteria, suppliers were required to hold certification ISO 45001 and to comply with the standards of SA 8000. 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. The ISO 45001 certification concerns occupational health and safety and requires compliance with criteria aimed at reducing occupational risks and improving workers' health and well-being.

- As regards quality, ISO 9001, which evaluates quality management systems, was required.
- In terms of environmental performance, suppliers were required to hold ISO 14001, which certifies the environmental management system of an organisation.

Public works contracts are also subject to SOA certificates, which are required for participation in tenders for the execution of public works contracts in order to prove that the company meets all the requirements laid down in the current regulations for Public Works Contracts. Furthermore, suppliers were required to hold specific certifications (e.g., welding standards) to guarantee appropriate safety and quality levels for certain processes, as opposed to product safety certifications (for gas meters, for example). This is a testament to the fact that the Group does not merely verify compliance with the standards required by public procurement regulations, but strives to identify highly specialised service and supply providers and operators to ensure the selection of the optimal and most competent partners.

In these tenders, Estra does not ask for specific certifications but rather requires that the performance standards defined by them are met. Not only does this guarantee the selection of high-quality, reliable suppliers, it also extends the Group's pool of partners by allowing smaller companies to compete for contracts. Negotiated procedures are all carried out with monitored suppliers. Furthermore, a regulation has been drawn up for amounts below certain thresholds which specifies that all suppliers - including service providers - must be enrolled on the Supplier Register in order to participate in the procurement selection processes.

The introduction of the New Procurement Code, which came into force on 1 April 2023 but whose provisions and annexes will be effectively applied as of 1 July 2023, represents an important change to the tender process. The new legislation aims to digitalise the entire procurement process, as well as to simplify award procedures and set higher limits for direct awards. Furthermore, the new legislation, and specifically art. 11 of Italian Legislative Decree 36/2023, focuses on social sustainability and the workforce used by suppliers. In fact, the regulation governs the application of nationwide and sector-specific collective bargaining agreements and sets the minimum contractual conditions that the tenderer must apply to all workers employed by the supplier companies. Through this regulation, the legislator aims to increase the level of social sustainability, protecting the workforce required to perform a given service and ensuring a fair salary. Labour costs are deducted from the basic contract amount (as are costs related to health and safety), making it harder for operators to undercut salaries.

In compliance with the new legislation, the Estra Group conducts a formal audit, requesting economic operators to declare the personnel who will be employed in the contract and their contractual status. This documentation must then align with the information contained in the UNILAV certification, a digital form that enables the user to check the actual contractual type applied by the supplier to its employees. If the contracts types are different, the supplier must declare that workers are afforded the same levels of protections and pay conditions. If they are unable to do so, an alert is raised and, in the absence of justification, the supplier loses the contract. When conducting its audits, the Estra Group uses the Regional Price List, which contains the prices for each specific category of work, as the reference parameter for the assessment of tender bids. The fact that employers must apply collective bargaining agreements is not in itself a new development. Instead, the novelty lies in the fact that the employer must apply the employment contracts in force for the sector and the area where the services are performed that have been concluded by the most representative employers' and employees' associations at a national level, in order to discourage the adoption of so-called "pirate collective agreements".

In 2023, the total amount of public tenders came to € 9.4 million, a major decrease compared to the € 42.2 million in the previous year. The 2023 tender procedures were all launched by the gas distribution companies and concerned ordinary and extraordinary maintenance works on methane gas networks, their upgrading, and plant renovation.

This increase recorded in 2022 is mainly due to tenders for gas network maintenance works that were contracted in the same year, thanks to the implementation of restricted procedures for framework agreements. These agreements have a duration of 4 years, as recommended by the regulations in force, and a specific amount of work is estimated for each tender, which will be allocated through specific implementation contracts. Framework agreements represent 53.9% of the total value of public tender procedures held in 2023, compared to 95.7% in 2022. The public tender procedures mainly concerned the supply of electronic gas meters with remote reading and remote management capabilities, ordinary and extraordinary maintenance of gas distribution networks, and support for emergency call-outs and related activities in the Arezzo, Prato and Siena areas.

The total value of negotiated procedures, involving operators listed on the Supplier Register, increased by 47.6% compared to the previous year, going from €3.8 million to €5.6 million. Two of the procedures held in 2023 were based on framework agreements that are normally signed with a single supplier, which has consequently benefited from a long-term collaboration with the Estra Group (as opposed to the traditional award of contracts for specific annual amounts), and which often performs several activities on behalf of the Group.

The negotiated procedures mainly concerned the extension of the water and methane networks, plant redevelopment, supply and installation of gas odourisation tanks in the M&R stations, the award of contracts for ordinary and extraordinary maintenance work on the methane gas network, as well as support for emergency call-outs and related activities.

Public tender procedures	2021	2022	2023
Total amount (€ thousands)	7,772	42,216	9,399
Number of procedures	5 (of which 1 launched in 2020)	5 (of which 3 launched in 2021)	5 (of which 1 launched in 2022)

Certifications required	<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>	<p>ISO 9001 (5 procedures)</p> <p>ISO 14001 (3 procedures)</p> <p>ISO 45001 (3 procedures)</p> <p>SA 8000 (5 procedures - request for compliance)</p> <p>SOA Statements (3 procedures)</p> <p>Other certifications (specific certifications of conformity to international directives and UNI standards for the products supplied)</p> <p>Certifications for specific workers (UNI 9737:2016, UNI 13067:2013, UNI 9606-1, UNI 11632)</p>	<p>ISO 9001 (5 procedures)</p> <p>ISO 14001 (4 procedures)</p> <p>ISO 45001 (2 procedures)</p> <p>SA 8000 (3 procedures - request for compliance)</p> <p>SOA Statements (4 procedures)</p> <p>Certifications for specific works: UNI 9737:2016, UNI 13067:2013, UNI 9606-1; UNI 9737:2016, UNI 13067:2013, UNI 9606-1, UNI 11632 (2 procedures)</p> <p>Other certifications (specific certifications of conformity to international directives and UNI standards for the products supplied - 1 procedure)</p>
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Negotiated procedures	2021	2022	2023
Total amount (€ thousands)	4,951	3,804	5,616
Number of procedures	14 (of which 4 launched in 2020)	9	11 (of which 3 launched in 2020)
Certifications required	<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 personnel</p>	<p>SA 8000 (7 procedures - request for compliance)</p> <p>ISO 9001 (2 procedures)</p> <p>ISO 14001 (2 procedures)</p> <p>ISO 45001 (2 procedures)</p> <p>SOA Statements - Required for works of under 150,000.00 (3 procedures)</p> <p>Certifications for specific works (UNI 9737:2016, UNI 13067:2013, UNI 9606-1; UNI 9737:2016,</p>	<p>SA 8000 (8 procedures - request for compliance)</p> <p>ISO 9001 (4 procedures)</p> <p>ISO 14001 (4 procedures)</p> <p>ISO 45001 (4 procedures)</p> <p>SOA Statements - Required for works of under 150,000.00 (6 procedures)</p> <p>Certifications for specific works, UNI 9737:2016, UNI 13067:2013, UNI 9606-1; UNI 9737:2016, UNI 13067:2013, UNI 9606-1, UNI 11632; UNI 9737:2016, UNI</p>

	<p>pursuant to standards UNI 9737:2016; UNI EN 13067:2013; UNI EN ISO 9606-1 (2 procedures) 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>	<p>UNI 13067:2013, UNI 9606-1, UNI 11632; UNI 9737:2016, UNI 13067:2013, UNI 9606-1, UNI 11632 (3 procedures) Other certifications (specific certifications of conformity to international directives and UNI standards for the products supplied - 4 procedures)</p>	<p>13067:2013, UNI 9606-1, UNI 11632 (7 procedures) Other certifications (specific certifications of conformity to international directives and UNI standards for the products supplied - 4 procedures)</p>
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The increase in the number of negotiated procedures in the three-year period is due to the entry into force of the new Public Procurement Code which, in continuity with the previous simplification decrees (Law 108/21 converting Decree-Law 77/21) simplified the tender procedures and accelerated the selection mechanisms. In fact, the new legislation raised the maximum amount permissible for negotiated procedures and lowered the number of operators that can be contacted. The new 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. Estra nonetheless requests one or three quotes and conducts this process like a negotiated procedure in order to ensure transparency and quality, as well as to optimise the selection process.

The Code 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 up to a limit set at EU level, and between € 150,000 and € 1 million for works, while in the case of works of values in excess of € 1 million, at least ten operators must be consulted.

7.3 Value of supplies

7.3.1 Our suppliers in figures

The number of suppliers is consistent with the data recorded in the previous year: the Estra Group interacted with 2,607 suppliers in 2023, compared to 2,634 in 2022.

Number of suppliers

2021	2022	2023
2,549	2,634	2,607

As regards business type, 68 suppliers (2.6%) are cooperatives or consortia. The remainder are a mix of legal entities such as partnerships and corporations, as well as associations, freelancers and associated firms. In line with the data of the previous years, 97.6% of suppliers (2,545 out of 2,607) are Italian companies, while the rest are registered abroad, mainly in Europe.

The suppliers offer an array of services in line with the various business areas of the Estra Group. The majority specialise in distribution and sales services. 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 the sales sector, suppliers mainly offer customer care and customer acquisition services, including store and branch management services. The services offered by trade partners of Estracom, the Group's telecommunications company, include connections, customer care (both for end users and municipal authorities), and the supply and maintenance of hardware and software. Estra Clima, which operates in the energy services sector, deals with construction firms (such as works at the 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, consultancy, sponsorships, communication, marketing and CSR projects. Ecolat mainly deals with suppliers of transport services, electromechanical plant maintenance, and hardware supplies. Ecos' main suppliers are businesses operating in the management and recovery of industrial waste, service providers and transportation firms. Bisenzio Ambiente collaborates with suppliers specialising in the treatment of hazardous and non-hazardous special waste and plant maintenance. Finally, the suppliers of Ecocentro Toscana mainly operate in the treatment, management and transportation of waste.

As regards the geographical distribution of Italian suppliers, as shown in the table below the distribution was generally stable over the three-year period, with 65% of suppliers (1,692) located in the regions of Central Italy.

Once again Tuscany firmly remains the region where most of the Group's trade partners are located, with 1,212 out of 2,545 Italian businesses based in Tuscany. Considering Italian companies only, 47.6% of suppliers are in Tuscany, followed by Lombardy (16.2%) and Marche (8.9%).

The Estra Group devotes considerable attention to its relations with its local suppliers based in the regions of central Italy. The total number of suppliers located in Central Italy increased slightly but consistently over the three years (+1.9%). In percentage terms, there was an increase in partners located in Tuscany (66.6% in 2022 to 71.6% in 2023), while suppliers in the Marche region represented 13.4%, compared to 16% in the previous year.

Breakdown of suppliers in the different regions of Central Italy (%)

	2021	2022	2023
Abruzzo	4.3%	4.4%	3.0%
Lazio	7.9%	8.0%	8.3%
Marche	13.5%	16.0%	13.4%
Molise	2.6%	2.3%	1.6%
Tuscany	68.5%	66.6%	71.6%
Umbria	3.1%	2.7%	2.1%
Total suppliers in Central Italy	1,661	1,686	1,692

In 2023, the total value of the Estra Group's suppliers was € 223.6 million, marking a reduction of 30.8% compared to the previous year. This significant decline in the overall value of supplies is essentially due to

lower gas distribution costs associated with the lower volume of gas effectively sold, and the consequent reduction in trading costs.

Total value of supplies (€ thousands)	2021	2022	2023
		270,815	323,107

In monetary terms, Italian suppliers represented 96.4% of the total. The value of supplies directed to Cooperatives and Consortia was € 13,552 thousand. With regard to the value of supplies for individual Group Companies, Estra Energie, the Group's main sales company, represents 42.6% of the total, followed by Estra Clima (19.1%), Centria (12.2%) and Estra (8.1%).

65.4% of the value of the Group's Italian supplies is concentrated in Central Italy (€ 141,011 thousand), while the figures for the Islands were generally stable. Meanwhile, the percentage of supplies in the North of Italy fell, resulting in a percentage increase in the regions of Central Italy and the South.

Geographical distribution of Italian supply value in percentage terms	2021	2022	2023
North	41.7%	36.5%	28.5%
Central	55.8%	60.3%	65.4%
South	2.0%	2.6%	5.4%
Islands	0.5%	0.6%	0.7%

At the regional level, Tuscany remained the region with the highest supply value at €118,393 thousand, or 54.9% of Italian supply value, recording a sharp increase of over 19 percentage points compared to 2022. The higher concentration of value in the region of Tuscany was mainly at the expense of suppliers from regions in the North such as Lombardy (-3.4 points) and Piedmont (-5.4 points) and in Central Italy such as Lazio (-6.8 points) and Marche (-4.7 points). However, the amount of suppliers of Campania grew by +3.2 compared to the 2022.

Distribution of Italian supplies by region (%)	2021	2022	2023
Abruzzo	1.3%	2.0%	0.3%
Basilicata	0.0%	0.1%	0.0%
Calabria	0.5%	0.2%	0.2%
Campania	0.6%	1.1%	4.3%
Emilia Romagna	4.7%	4.2%	3.1%
Friuli Venezia Giulia	0.1%	1.7%	2.8%
Lazio	4.5%	14.0%	7.2%
Liguria	0.5%	0.6%	0.7%
Lombardy	21.0%	20.6%	17.2%
Marche	5.1%	6.3%	1.6%
Molise	0.4%	0.4%	0.6%
Piedmont	13.0%	6.8%	1.4%
Apulia	0.8%	1.1%	0.9%
Sardinia	0.1%	0.0%	0.0%
Sicily	0.4%	0.6%	0.6%

Tuscany	43.8%	35.8%	54.9%
Trentino-South Tyrol	0.2%	0.3%	0.3%
Umbria	0.8%	1.8%	0.8%
Valle d'Aosta	0.0%	0.0%	0.0%
Veneto	2.2%	2.4%	2.9%
Total value of Italian supplies (€ thousands)	270,334	267,544	215,525

The analysis of the value of the supplies in Central Italy, amounting to € 141,010, shows that supplies are heavily concentrated in Tuscany. In fact, not only did the value of supplies in Tuscany increase by 24.6 percentage points, the region also recorded the highest concentration of supplies - 84.0% - of any region in the entire three-year period.

Meanwhile, Marche and Lazio suffered an abrupt slowdown with a sharp drop in the value of supplies of respectively -8.1 and -12.2 percentage points compared to the previous year.

Supply value in Central Italy	2021	2022	2023
Abruzzo	2.2%	3.4%	0.4%
Lazio	8.0%	23.2%	11.0%
Marche	9.1%	10.5%	2.4%
Molise	0.8%	0.7%	0.9%
Tuscany	78.5%	59.3%	84.0%
Umbria	1.4%	2.9%	1.3%

7.3.2 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).

As shown in the table below, in 2023 supplies via orders under contract, authorised procurements and rapid authorised procurements amounted to € 199,818 thousand, a significant reduction on the € 306,899 million recorded in the previous year, and reflective of the trend seen in the value of supplies more generally. As such, these types of purchases represented around 89.4% of the total supply value.

Authorised procurements and rapid authorised procurements only represent a small portion of total supply value. This is the result of a specific company transparency policy that has resulted in a general reduction in the use of this type of procurement and has led the companies Gergas and Murgia to cease the use of rapid authorised procurements entirely. Finally, the new management system adopted by Centria, Prometeo and Estra Energia on 01 June 2022 includes the facility to process pre-invoices which allow work orders to be reported monthly, reducing the time required for reporting and closing work orders. In 2023 pre-invoices concerned only Centria and amounted to €953 thousand.

*Orders under contract (thousands, €)**

2021	2022	2023
247,673	290,031	186,683

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

2021	2022	2023
11,156	16,867	13,135

* The data do not include Piceno Gas Vendita, Gas Marca, Ecos, Bisenzio Ambiente and EcoCentro as it was not possible to subdivide orders under contract, authorised procurements and rapid authorised procurements. In 2023 their total combined procurement value was € 16,259 thousand.

Note on methodology

The reporting period for this Non-Financial Statement, published on an annual basis, is from 01/01/2023 to 31/12/2023. The reporting boundary includes all companies consolidated on a line-by-line basis referred to in the Consolidated Financial Statements of the Group.

This document has been prepared “in accordance” with the GRI Standards. Quantitative indicators that do not refer to any general or topic-specific disclosure of the GRI Standards, which are reported on the pages indicated in the Content Index, are not subject to limited review by EY S.p.A.

The reporting standards

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

The GRI Standards used refer to the 2021 edition for GRI 1, GRI 2 and GRI 3, while the others refer to the 2016 edition except the following standards: “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.

Topics	GRI indicator	Internal impact	External impact
Infrastructure, networks and business continuity	203 – Indirect economic impacts 2016	X	
Data protection and cyber security	418 – Customer privacy 2016	X	
Employment, development and enhancement of human capital	202 – Market presence 401 – Employment 404 – Training and education	X	
Region, community, and creation of sustainable economic and financial value	201 – Economic performance 204 – Procurement practices 413 – Local communities	X	
Quality, competitive prices and customer-oriented approach	416 – Customer health and safety	X	

Protection of the rights, health and safety of employees	403 – Occupational Health and Safety	X	Suppliers*
Responsible supply chain management	308 – Supplier Environmental Assessment 414 – Supplier Social Assessment	X	Suppliers*
Promotion of diversity and inclusion	405 – Diversity and Equal Opportunity 406 – Non-discrimination	X	Suppliers*
Energy transition and climate action	302 – Energy 305 – Emissions	X	
Ethics, integrity and anti-corruption	205 – Anti-corruption	X	Suppliers*
Transparent, clear and truthful communication and marketing strategies	417 – Marketing and Labeling	X	
Digital transformation, innovation and smart cities	There are no GRI indicators associated with this topic	X	
Circular economy, waste reduction and recovery	306 – Waste	X	

* 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.
- With regards to remuneration, in 2023 the ratio of annual basic salary of women to men was calculated by recalculating the basic remuneration based on the monthly salary effectively paid during the year in order to provide a more correct and accurate representation of the data. However, as regards the ratio between the average annual total remuneration for women and men, the figure was not recalculated on the basis of the monthly salary effectively paid, but rather the actual total remuneration was taken into account in order to avoid under- or over-estimating the amount of variable allowances such as, for example, overtime or travel allowances.
- To improve the accuracy of this data, the number of hours worked by employees was calculated by subtracting any hours of absence from total workable hours and adding any overtime and leave accrued but not taken. For agency workers, the number of hours worked was calculated by subtracting any hours of absence from total workable hours and adding any overtime.

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 the most recent update by DEFRA in 2023. Methane emissions are calculated with a methane GWP of 27.9, as indicated by the scientific paper of the Intergovernmental Panel on Climate Change (IPCC) “Fifth Assessment Report IPCC”. Furthermore, the quantity of methane is based on an estimate of gas leaks relating to incidents recorded by Centria and Edma Reti Gas, while Gergas and Murgia Reti Gas did not record any incidents. Finally, to calculate emissions resulting from physical gas leaks along the distribution network the Group used ARERA Resolution 39/2020/R/GAS, which refers to the documents published by the Technical Association of the European Gas Industry (Marcogaz), specifically “Assessment of methane emissions for Gas Transmission & Distribution System Operators” and “Survey Methane Emissions for Gas Distribution in Europe.”
- 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 (2020 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 green tariff) by the residual mix emissions factor for Italy according to the European Residual Mixes, AIB (2022 data).

Emissions of NO_x and PM₁₀ were calculated according to the most recent emission factors published by Ispra Ambiente in 2021.

Estimates of consumption at the Group's offices, stores and branches were as follows:

- For electricity, the consumption of the month of December was estimated, and in two cases the consumption of November was also estimated, averaged based on actual data from the three-year period 2020-2022 (where available);
- As regards methane gas, the last two months (November and December) were estimated using the same method for estimating electricity consumption, averaging the actual methane gas data from the three-year period 2020-2022 (where available).

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 (2020 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: 0.0396324 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.

GRI Content Index

Statement of use	Estra S.p.A. has reported in accordance with the GRI Standards for the period 01/01/2023 to 31/12/2023.
GRI 1 used	GRI 1: Foundation 2021
Relevant GRI Sector Standards	There are no relevant GRI Sector Standards

GRI Standard	Disclosure	Page	Omission	
General Disclosures				
GRI 2: General Disclosures – 2021	The organization and its reporting practices			
	2-1 Organizational details	Pages 1; 6		
	2-2 Entities included in the organization’s sustainability reporting	Pages 7; 9		
	2-3 Reporting period, frequency and contact point	Page 179		
	2-4 Restatements of information			
	2-5 External assurance			
	Activities and workers			
	2-6 Activities, value chain and other business relationships	Pages 6-7; 171-173		
	2-7 Employees	Pages 111-113; 117; 125		
	2-8 Workers who are not employees	Pages 111-113		
	Governance			
	2-9 Governance structure and composition	Pages 8; 67-68		
	2-10 Nomination and selection of the highest governance body	Pages 67-68		
	2-11 Chair of the highest governance body	Pages 67-68		
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 67-68; 85		

	2-13 Delegation of responsibility for managing impacts	Pages 67-68; 85	
	2-14 Role of the highest governance body in sustainability reporting	Page 70	
	2-15 Conflicts of interest	Page 68	
	2-16 Communication of critical concerns	Pages 73-74; 85-86; 166	
	2-17 Collective knowledge of the highest governance body	Page 70	
	2-18 Evaluation of the performance of the highest governance body	Pages 68-69	
	2-19 Remuneration policies	Pages 68-69	
	2-20 Process to determine remuneration	Pages 68-69	
	2-21 Annual total compensation ratio	Page 118	
Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	Page 5	
	2-23 Policy commitments	Pages 26-27; 72; 74-81; 91-92; 124; 135-136; 150;	
	2-24 Embedding policy commitments	Pages 26-27; 72; 74-81; 91-92; 124; 135-136; 150	
	2-25 Processes to remediate negative impacts	Pages 11-18	
	2-26 Mechanisms for seeking advice and raising concerns	Pages 73-74	
	2-27 Compliance with laws and regulations	Pages 92	
	2-28 Membership associations	Pages 160-161	
Stakeholder Engagement			
	2-29 Approach to stakeholder engagement	Pages 10-11	

	2-30 Collective bargaining agreements	Pages 112	
Material Topics			
GRI 3: Material Topics – 2021	Disclosures on material topics		
	3-1 Process to determine material topics	Pages 11-18	
	3-2 List of material topics	Pages 12-18	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 21-22; 82-84; 129-130	
201- Economic performance	201-1 Direct economic value generated and distributed	Pages 21-22	
	201-2 Financial implications and other risks and opportunities due to climate change	Pages 82-84	
	201-3 Defined benefit plan obligations and other retirement plans	Pages 129-130	
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 114	
202- Market presence	202-2 Proportion of senior management hired from the local community	Page 114	
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 22-23	
203- Indirect economic impacts	203-1 Infrastructure, investments and services supported	Pages 22-23	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 175-177	
204- Procurement practices	204-1 Proportion of spending on local suppliers	Pages 175-177	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 75-80	
205-Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Pages 75-80	
	205-3 Confirmed incidents of corruption and actions taken	Page 76	

Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 92-98	
302-Energy	302-1 Energy consumption within the organization	Pages 92-98	
	302-3 Energy intensity	Page 92	
Emission			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 106-107	
305-Emissions	305-1 Direct (Scope 1) GHG emissions	Page 106	
	305-2 Energy indirect (Scope 2) GHG emissions	Page 107	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 91-92; 98-99	
306-Waste	306-1 Waste generation and significant waste-related impacts	Pages 98-99	
	306-2 Management of significant waste-related impacts	Pages 91-92; 98-99	
	306-3 Waste by type and disposal method	Pages 98-99	
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 168-169	
308- Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	Pages 168-169 <i>In 2023, the Group developed a new Supplier Register which collects information on sustainability topics; however, a specific assessment of environmental criteria is not conducted.</i>	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 119-123; 125-126	
401-Employment	401-1 New employee hires and employee turnover	Pages 119-123	
	401-3 Parental leave	Pages 125-126	
Labor/management relations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 137	
402 - Labor/management relations	402-1 Minimum notice periods regarding operational changes	Page 137	
Occupational health and safety			

GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 132; 135-142	
403- Occupational health and safety	403-1 Occupational health and safety management system	Pages 135-137	
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 135-137; 139-142	
	403-3 Occupational health services	Page 138	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 137-138	
	403-5 Worker training on occupational health and safety	Page 132	
	403-6 Promotion of worker health	Pages 138	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 135-141	
	403-8 Workers covered by an occupational health and safety management system	Page 137	
	403-9 Work-related injuries	Pages 140-141	
	403-10 Work-related ill health	Pages 141-142	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 69-70; 118-119; 130-134	
404-Training and education	404-1 Average hours of training per year per employee	Pages 131-133	
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 130-134	
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 69-70; 118-119	
Diversity and equal opportunity			

GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 67; 114; 124; 117-118; 125	
405- Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	Pages 67; 114; 125	
	405-2 Ratio of basic salary and remuneration of women to men	Pages 117-118	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 123-125	
406- Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Page 125	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 10-11; 161-164	
413-Local communities	413-2 Operations with significant actual and potential negative impacts on local communities	Pages 10-11; 161-164	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 168-169	
414- Supplier social assessment	414-1 New suppliers that were screened using social criteria	Pages 168-169 <i>In 2023, the Group developed a new Supplier Register which collects information on sustainability topics; however, a specific assessment of social criteria is not conducted.</i>	
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 156-160	
416- Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	Pages 156-160	
Marketing and labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 146	
417-Marketing and labeling	417-3 Incidents of non-compliance concerning marketing communications	Page 146	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 149-150	

418- Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 149-150	
Digital transformation, innovation and smart cities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 23-24; 161	
This is a non-GRI disclosure	Digital transformation, innovation and smart cities	Pages 23-24; 161	