2023 Consolidated Non-Financial Statement

pursuant to Legislative Decree 254/2016

VERITAS

Veritas SpA

veneziana energia risorse idriche territorio ambiente servizi

registered office

Santa Croce 489, Venice, Italy

Board of Directors

chairperson

Marco Bordignon

advisors

Michele Bison
Sara Da Lio
Silvia de Pieri
Beatrice Filippi
Francesca Longo
Pier Giorgio Ometto
Luca Schiavon
Emiliano Teso

Board of Statutory Auditors

chairperson

Maria Giovanni Ronconi

standing auditors

Andrea Burlini
Maurizio Interdonato

alternate auditors

Antonio Vitrani
Silvia Scavazzon

Compliance Committee

Fiorella Gottardo
Antonio Matera
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Independent auditors

Deloitte & Touche spa

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Letter to the stakeholders

The year 2023 has seen the stabilization of activities and initiatives started in 2022.

From an environmental perspective, 2023 was a year of low rainfall which, however, did not have consequences on services supply, in particular that of drinking water.

For years, protecting the environment has been central to the Group's operations, which have long been focused on social, environmental, and economic sustainability. This is evident in our projects and investments, both planned and completed, and in the consistency of our services and investments with the objectives of the European Green Deal and the United Nations 2030 Agenda for Sustainable Development.

Gender parity certification according to UNI PdR 125/2022 has been confirmed, demonstrating the importance we attribute to all of our personnel and the value we place on diversity and inclusion. We owe special thanks to each and every employee for their commitment to maintaining high levels of service, through their everyday tasks and frequent extraordinary efforts, and for helping create added value for the community served.

Contents

Introduction

Legislative Decree 254/2016, which implements Directive 95/2014/EU, requires large public interest entities to publish a non-financial statement (NFS) starting with financial year 2017. The statement covers environmental, social, personnel, human rights, and anti-corruption topics that are material to the company in relation to its operations and characteristics, to the extent needed to ensure understanding of its activities, performance, results, and impact. For each of the areas reviewed, the company must describe its organizational model, policies, and principal risks, including how it manages the risks it generates and to which it is exposed, along with the relative performance indicators.

As required by Legislative Decree 254/2016, this document constitutes a separate report pursuant to Article 5 of that decree and provides qualitative and quantitative non-financial information on the Veritas Group.

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THE VERITAS GROUP

The Veritas Group provides waste management, water, and other municipal and plant management services and produces energy from renewable sources.

1.1 Group companies

The expansion and consolidation process began on December 5, 2001, with the merger of Aspiv (which managed the water service for the municipality of Venice) and Amav (the city's municipal waste management utility) into Vesta SpA (Venezia servizi territoriali ambientiali). At the time, Vesta SpA had 1,380 employees and combined the know-how, experience, and technical, human, and economic capacity of these two companies and of the directly managed municipal services they had absorbed.

The drive to improve by leveraging each other's strengths and sharing environmental best practices led to a more group-like dimension: on July 7, 2007, Veritas was born from the merger of Vesta SpA, Acm SpA (Riviera del Brenta and Mirano area), Asp SpA (Chioggia), and Spim SpA (Mogliano Veneto), providers of water, waste management, and gas distribution services, each with its own history. In 2009 Veritas absorbed Cavarzere ambiente Srl, in 2010 Arti SpA (specialized in planning, managing, and conducting plant maintenance), and in 2011 the waste management company Mogliano ambiente Srl.

Additional mergers and acquisitions brought in Veneziana di navigazione (2014), Sls Chioggia (2015), and Datarec and Elios (2016). In 2016 the company embarked on a major new merger plan, carried out in 2017: the absorption of Asi SpA, primarily for the purpose of streamlining the investee companies and creating a single integrated water service operator for the Venetian Lagoon basin.

In 2018 Alisea SpA, already a member of the group, was absorbed with a view to forming a single waste management operator for the Venezia Ambiente basin. With the merger of Alisea, Veritas also took on the management of the municipal landfill in Jesolo. In 2018 the affiliates Depuracque servizi and Lecher became subsidiaries. Depuracque servizi owns a special waste treatment plant, while Lecher is a testing lab.

In 2023 Lecher acquired Euroscavi srl, a company based in Rovigo specialised in construction and maintenance of hydraulic works.

The Group's registered office is at Santa Croce 489, Venice. It is made up of the companies listed below, consolidated on a line-by-line basis. Veritas, the parent, is a publicly owned joint-stock company.

- **Veritas SpA**

  The parent company provides integrated waste management services in the territory covered by the Venezia Ambiente Basin Council, integrated water services in the territory covered by the Venetian Lagoon Basin Council, and various local public services such as cemetery management, lighting system management and heat. For the municipality of Venice, it also manages the wholesale fish market, the laying of gangways for high water, public toilets, and the fire hydrant system. Since July 2020 Veritas has operated the crematorium in Conegliano. In 2022 it acquired part of the Insula business unit that manages public works for the municipal territory of Venice.

- **Asvo SpA**

  Asvo operates the integrated waste management service as the in-house assignee of its 11 municipal shareholders (Annone Veneto, Caorle, Cinto Caomaggiore, Concordia Sagittaria, Fossalta di Portogruaro, Gruaro, Portogruaro, Pramaggiore, San Michele al Tagliamento, San Stino di Livenza, and Teglio Veneto), which are also shareholders of Veritas SpA.
  Since 2018 it has operated its own cemetery services business as the in-house assignee of the municipality of Portogruaro, and since 2019 it has played the same role for the municipalities of San Michele al Tagliamento, San Stino di Livenza, Fossalta di Portogruaro, and Cinto Caomaggiore. It also operates its own public landscaping business, as the in-house assignee

of the municipalities of Portogruaro (since 2019), San Michele al Tagliamento, and Fossalta di Portogruaro (since 2020). In 2023 a business unit rental contract, between Asvo spa and Veritas spa, regarding the integrated waste management services, has been signed. The contract, valid from the 1st of January 2024, it lasts one year being renewable.

Eco+Eco Srl

Sorting, reuse and preparation of municipal and industrial waste and biomass (waste-to-energy) and sorting and treatment of glass, plastic and cans

Eco+Eco was formed in 1998 as Ecoprogetto Venezia Srl to provide integrated options for managing the municipal waste disposal cycle in the Venice area, by developing synergies among the different components of the cycle and ensuring self-sufficiency in the disposal and recycling of materials derived from the processing phases; it specialized in the treatment and conversion into energy of the dry fraction of solid municipal waste.

To create a single company owning two plants that operate in a synergistic, coordinated manner (Ecoprogetto Venezia Srl's waste-to-energy plant and Eco-ricicli Veritas Srl's recyclables sorting plant), in 2022 the two companies' shareholders approved a merger plan for the absorption of Eco-ricicli Veritas into Ecoprogetto Venezia and for a change of name from Ecoprogetto Venezia Srl to Eco+Eco Srl. The merger took place for legal purposes on November 1, 2022, and retroactively on January 1, 2022, for accounting and tax purposes.

The company operates a waste-to-energy system and sorts and treats recyclable waste to produce uniform lots for the recycling market, ensuring self-sufficiency in the treatment, recovery, and disposal of waste from various territories within the region. The goal is to reduce to a minimum the amount of waste that ends up in landfills.

The company operates two solid recovered fuel (SRF) plants for use within its own or other power generation plants, including through co-firing.

Regarding the sorting of recyclables, the various streams of recovered materials are sent for recycling within the landscape of options offered by the Conai packaging waste consortium (plastic and cans). Beyond this, the company collects and transports mixed packaging waste (glass, plastic and cans), jointly and/or separately for third parties.

Located in the Ecodistrict of Porto Marghera, Eco+Eco operates two waste treatment plants less than one kilometer apart in a coordinated, synergistic manner. The waste-to-energy plant is known as "Eco+Eco valorizza" and the recyclables sorting plant as "Eco+Eco ricicla." To prevent the commingling of activities and double counting, figures concerning treated waste are presented separately for each plant.

The fact that operations are centralized, and the plants are close to one another allows for a reduction in territorial impact, operating costs, and negative environmental externalities.

Metalrecycling Venice Srl

Metals recycling plant

This company sorts, treats, and prepares waste and scrap from ferrous and non-ferrous metals and serves as a platform for the Ricrea consortium. It acquires material from wreckers and municipal and national waste collection companies and prepares them in different combinations, in order to provide foundries with low-slag, ready-to-use content for the production of various alloys.

The company was founded in 2013 as a spin-off of Demont Srl. In 2014, Demont sold a 40% stake to Eco-ricicli. As a result of a capital increase to cover the company's losses, Eco-ricicli (now merged into Eco+Eco) acquired 100% and assumed control of the company in 2016 as it represents a critical segment of the recyclable waste management chain.

Depuracque servizi Srl

special wastewater treatment plant

This company has operated since 1987 in the recovery and disposal of special and hazardous wastes for third parties and joined the Group in 2018. Its operations are carried out by separate divisions and include the transport and disposal of waste at its plants, the design and realization of environmental remediation works, waste handling at construction sites using mobile treatment systems, and waste brokerage with plants inside and outside the country. Depuracque servizi works with the Salzano platform (plant and headquarters) primarily for waste management in the Veneto and neighboring regions, while its activities in remediation, mobile treatment systems, and waste brokerage extend to all of Italy. The company uses stations built on best available technologies (BAT), some of which it has patented itself.

Lecher ricerche e analisi Srl

testing and research lab

Part of the Depuracque Group, this company was founded in Dolo in 1980 as Istituto Lecher Snc and in 1991 assumed its current configuration. In 2018, with Depuracque servizi, it joined the Veritas Group. The lab takes samples in all environmental spheres, such as waste analysis and characterization; sampling and chemical-physical/microbiological analysis of water; analysis of fuels, oils, and derivatives; sampling and analysis of asbestos and assessment of the state of degradation of materials containing asbestos; and sampling and analysis of emissions and workplace environments.

Rive Srl

special waste treatment plant

This is the special purpose company that holds the concession for the development of the RTN hazardous waste treatment plant and appurtenant area in Fusina Venezia and the relative waste transfer services. It is an indirect holding controlled by Depuracque servizi.

Ecodistretto trasporti Scarl

This is a cooperative nonprofit consortium active mainly in the coordination of certain phases of its founding companies' respective activities in the business of road haulage for third parties. A subsidiary of Eco+Eco, it was founded on November 30, 2022. The company started its activities in 2023.

Veritas Conegliano Srl

This company performs works and services relating to the planning, construction, and financial management of the expansion and the ordinary and extraordinary maintenance of burial niches and facilities at the municipal cemeteries and crematorium in Conegliano. It was formed in 2016 and entered the Veritas Group's scope of reporting in 2022, when Veritas acquired control.

Euroscavi Srl

This company performs, amongst others, construction and maintenance of hydraulic works with innovative and low environmental impact techniques, such as no dig drilling, microtunneling (no dig and laser control underground placement of pipes), pipe ramming and pipe relining.

Consorzio per la gestione dei servizi comuni Fusina

The Consortium was born in 2022 with the aim of reclaiming and urbanizing an area located in Fusina, called ex Alcoa, and realizing the necessary works for the associated companies to establish their activities there. In 2018 the Consortium's assembly decided to dissolve and liquidate the Consortium. Once the urbanization works were completed, with the perspective of the settlement of economic activities and the need of a coordinator, the Associates decided, in June 2023, to annul the liquidation of the Consortium and changed its denomination from "Consorzio per la bonifica e la riconversione produttiva – Fusina" to "Consorzio per la gestione dei servizi comuni – Fusina". Veritas holds 88,23% of company shares.

1.2 Governance model

The Group's corporate structure and governance model are described below for the parent company, Veritas:

- **Chairperson**

  The chairperson is the legal representative responsible for managing the Board of Directors and relations between the shareholders and local entities. He oversees relations with Utilitalia and other entities. The chairperson is elected by the Shareholders' Meeting and is not an employee of Veritas.

- **Coordination and Control Committee for the Exercise of Equivalent Control**

  This committee was set up on the basis of Article 6 of the convention and Article 40 of the by-laws and allows the shareholders to exercise equivalent control over the company and to decide on its cost-cutting policies and strategic decisions.

- **Shareholders' Meeting**

  The Shareholders' Meeting makes the decisions most relevant to the company's life, such as the election and removal of directors and statutory auditors, the approval of the financial statements and allocation of profits to privilege investments, stock grant plans, amendments to the by-laws, and the issue of bonds. The shareholders are the 51 municipalities of the territory served: all municipalities in the metropolitan area of Venice and seven municipalities in the province of Treviso. The majority shareholder is the municipality of Venice. Each municipality has one vote. The ownership structure of the parent company is published and can be consulted in the consolidated annual report and online at www.gruppoveritas.it ("trasparenza").

  The Shareholders' Meeting reviews the Non-Financial Statement pursuant to Legislative Decree 254/2016.

- **Board of Directors**

  The Board of Directors is responsible for managing the company, executing business strategies, and defining the business plan that also contains sustainability objectives. It controls decision-making processes and the handling of the company's impact on the economy, the environment, and people. It is made up of one chairperson and eight directors.

Veritas Board of Directors by gender and age

gender		**%**
women	4	44%
men	5	56%
age		
30 or under	0	0%
31 to 50	4	44%
over 50	5	56%
average age (years)	**51**	

The Board of Directors is elected by majority vote of the Shareholders' Meeting and serves a term of three years. Members are executive and independent. Directors' fees and their performance valuation are determined by the Shareholders' Meeting, as it is also described in Veritas statute. The documents of appointment stating directors' fees, performance bonuses, and expense reimbursements are public and can be consulted online at www.gruppoveritas.it ("trasparenza/organi di indirizzo politico"). That same page of the website shows any other positions held and fees received from public and private entities and publicly funded assignments, the statements and attestations pursuant to Articles 2, 3,

and 4 of Law 441/1982, and statements of ineligibility or incompatibility under Law 190/2012 and Legislative Decree 39/2013. The Board of Directors approves the Non-Financial Statement pursuant to Legislative Decree 254/2016 and the information on material topics. The Board of Directors also approves the Group's Business Plan, which describes the United Nations Sustainable Development Goals (2030 Agenda) and how investments are consistent with those objectives. Relative to the training and development of directors' skills, the company encourages the participation of members of Board of Directors in events dedicated to sustainability.

General Manager

This person is in charge of company operations and executing the business strategies decided by the Board of Directors and the shareholders. He or she makes decisions on the use of funds and human resources on a needs and priorities basis. The General Manager receives from executives/division heads a half-yearly report on their activities, with a particular focus on the main ordinary and extraordinary events during the period. He or she then reports such events to the Board of Directors and the Shareholders' Meeting, along with any critical issues that have arisen. In 2023 there were no particular critical issues.

Independent Auditors

This is the company that audits the annual accounts and consolidated accounts as required by law.

Board of Statutory Auditors

The board oversees compliance with the law and the by-laws and the observance of sound management principles in conducting the business; the financial reporting process; the adequacy of the organizational structure and internal control system; and the independence of the audit firm; finally, it oversees the implementation of corporate governance rules.

Veritas Board of Statutory Auditors by gender and age

gender		**%**
women	2	40%
men	3	60%
age		**%**
30 or under	0	0%
31 to 50	2	40%
over 50	3	60%
average age (years)	**54**	

The Board of Statutory Auditors is elected by majority vote of the Shareholders' Meeting for a term of three years. Statutory auditors' fees are determined by the Shareholders' Meeting. The documents of appointment stating compensation are public and can be consulted online at www.gruppoveritas.it ("trasparenza"). The statements of ineligibility or incompatibility are available on the same page of the website.

Compliance Committee

The Compliance Committee is made up of one chairperson and two other members and oversees the adequacy of the Organizational Model and enforcement of the Code of Ethics.

Veritas Compliance Committee by gender and age

gender		**%**
women	1	33%
men	2	67%
age		
30 or under	0	0%
31 to 50	0	0%
over 50	3	100%
average age (years)	**56**	

The Compliance Committee is appointed after those interested in serving declare their candidacy. The Board of Directors, having assessed the candidacies, appoints the chairperson and the other members and determines their compensation. The documents of appointment stating compensation are public and can be consulted online at www.gruppoveritas.it ("trasparenza").

The **management committees**, coordinated by the General Manager, are occasions for coordination among the Group's companies or departments.

Executive Committee

This is Veritas SpA's most senior managerial body, appointed and chaired by the General Manager. It is where the overall strategies governing the business are advocated, discussed, and coordinated. The Executive Committee is currently made up of the chairperson (permanent member), the General Manager, and the heads of the following divisions: waste management; integrated water service; restructuring of hydric infrastructures; finance, control and IT systems; human resources and organization; energy and real estate.

Group Committee

This committee is chaired by the General Manager of Veritas and made up of Veritas executives. It is where the overall strategies governing Veritas are advocated and coordinated. Junior managers with specific assignments and senior managers of the subsidiaries also participate on this committee.

Safety Task Force

The Safety Task Force is comprised of the head of the joint prevention and protection unit, the prevention and protection officers, the employers, the coordinating physician, and the heads of personnel and training. It is in charge of all aspects of occupational health and safety and of circulating relevant information and interacts routinely with the workers' safety representative to share decisions.

Communication Task Force

Comprised of human resources and the head of communication, this group works on issues and topics related to corporate communication, both external (mass media, social networks, etc.) and internal (bulletins, forms of dissemination, *Acquambiente* newsletter, telegrams, intranet, etc.).

Diversity and Inclusion Task Force

The Diversity and Inclusion Task Force aims to promote an inclusive workplace, including for those with disabilities who have a reduced capacity to interact with the surrounding environment. Working with management, the task force identifies objectives, initiatives, and areas of improvement to foster the process of equality and inclusion, and monitors progress toward these goals. It develops practices and policies to value diversity in the workplace and identify the initiatives needed to develop each individual's potential. It spreads a culture of merit, and in so doing, fosters opportunities for growth within everyone's reach.

Diversity and Disability Manager

The Diversity Manager is a position within the human resources and Group organization department. The role is to determine and advocate for strategies and initiatives that can develop the potential of individuals who have their own unique contribution to make, as fundamental input to overall business performance. The purpose is to make the most of people's diversity, through an ethical process of sharing the values and reputation of Veritas, overcoming differences of gender, age, culture, or ability to interact with the surrounding environment. On this last point, the sub-position of Disability Manager focuses on ensuring and facilitating the proper treatment of personnel with disabilities.

Sustainability Task Force

The Sustainability Task Force monitors the needs and main activities of the plant, infrastructure and services necessary to secure the treatment, valorization and disposal of all waste produced or managed, and develops synergy plans and programs between plants, processes and services, balancing costs against efficiency and reducing environmental costs to a minimum while maintaining high quality and safety standards. The purpose of this task force is to make plants and systems more efficient and upgrade them to better technologies (in keeping with budgets), ensuring the precise, transparent, sustainable planning of the activities of all sectors and business operations by fully exploiting the opportunities of the circular economy.

Consistently with Italy's National Energy and Climate Plan and its forthcoming revisions, the transition to decarbonization is imminent and requires adequate public and private investments, technological innovation, renewable energy infrastructure, energy efficiency and the production of smart grids, urban regeneration, sustainable mobility, prevention and safety measures for the territory, and climate change adaptation plans.

The transition should focus not only on environmental sustainability but social sustainability as well, through the achievement of all of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. This will entail maximizing potential benefits and synergies in terms of full employment, the right to health, economic prosperity, and environmental and social resilience, both national and global.

The IPCC Special Report (Sr15) on climate indicates paths for a sustainable transition but warns of socially or environmentally unsustainable expedients in the fight against climate change.

By analyzing investments in plants and operations and monitoring performance indicators in line with business policies and strategies, the task force is responsible for checking and measuring the Group's energy transition plans and their implementation.

Internal Unit for the Handling of Inside Information

The Internal Unit for the Handling of Inside Information is in charge of managing and implementing the *regulations on inside information and the prevention of market abuse*. It is headed up by the Group Legal and Corporate Affairs manager and also has two other members: the head of Finance and Control and IT Systems and the head of Human Resources and Organization.

Insider Dealing Unit

The Insider Dealing Unit handles insider dealing operations in accordance with the *regulations on inside information and the prevention of market abuse*. It is headed up by the Group Legal and Corporate Affairs manager who relies on a task force set up for this purpose.

Through the parent company or its subsidiaries, the Group is a member of the following associations: Confservizi Veneto, Uni Ente italiano di normazione, Utilitalia, Viveracqua, and Rete ambiente Veneto.

1.3 Aims and values of the Veritas Group

The main objective of the Group's strategy is to design, carry out, and manage environmental public services of outstanding quality for the minimum possible cost. The essential public services provided by the Group are also focused on the demands of a complex territory with multiple needs and with characteristics unique to the world. The company's business and environmental strategy, which originates from its public nature, confirms corporate and industrial objectives that often coincide with the goals of sustainability, protection of the environment, and the proper use of resources.

The Group's main objectives are as follows:

- **the efficient disposal of waste**, in compliance with regulations and using the best available technologies, favoring any necessary integration of industrial facilities or plants and the self-sufficiency of the territory served including from a circular economy perspective;
- **protection of water sources,** together with water saving and reuse policies;
- the functioning, upgrading and **development of the water supply networks**;
- the completion and greater efficiency of the **sewer systems and treatment plants**, for the purposes of both complying with national and local laws on protection of the environment and the Venetian Lagoon and improving overall industrial performance;
- **continuous efficiency gains for services produced and delivered** and the introduction of **suitable organizational systems that offer increasing protections** for the environment and for workers;
- **workplace improvement and reduction in risks** for operators;
- **expansion of personnel skill sets** through instruction, information and training;
- **improvement in personnel welfare** through policies addressing the work-life balance, wellbeing, gender parity and inclusion;
- **reduction in environmental impacts** (emissions, waste production, water use and effluents, energy consumption) **and organizational impacts** (equipment and ergonomics, including through innovation and the transition to reduced-emission vehicles);
- **upgrading of logistics sites**, including through green constructions built according to rational, territory-based planning and the expansion of local services (economies of scale).

These objectives are also pursued through the engagement of all stakeholders affected by sustainability issues, by pursuing the ongoing rationalization of services and the development of organizational models designed to maintain or improve efficiency, empowering the professional growth of personnel and boosting safety in the workplace, and increasing customer satisfaction and their sense of responsibility in terms of the use of resources and environmental services through information and participation campaigns.

The goals can be reached through partnerships, joint ventures, selected providers, and other forms of cooperation and development, even outside the territory served.

In pursuing its aims, including through the rationalizations that flow from the achievement of significant economies of scale, the Veritas Group has begun to standardize models and costs with a view to improving the management of water, energy and environmental issues within its ambits of operation. In the next five years these are the activities that will have the strongest impact on operations, thanks in part to the Group's growing size.

Another mainstay of our strategy is the pursuit of **energy efficiency**, a fundamental component of the environmental transition and the decarbonization of energy consumption, and a key element for increasing awareness and building a culture inclined towards reducing the environmental impact of the activities and services provided by the Veritas Group.

1.4 Sustainability targets

The Veritas Group aims to create value for shareholders and for the entire community served through development and innovation in its various fields, with an eye on sustainability and the circular economy.

In the management of its industrial services and public utilities, the Group makes an active contribution to achieving the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, defining specific actions for reaching these targets.

Through its activities, the Group contributes to the following SDGs:

The Group's 2021-2023 business plan is developed according to five principal strategies: public governance, increasingly streamlined and efficient operations, selective expansion, consolidation of services, and personnel growth and development. Out of these strategies comes the plan of action, which flows into investment plans for the Group's various services and operations. The table below describes the investments and activities planned by the Group in pursuit of the UN SDGs, and how they relate to the European Taxonomy and Arera regulations.

PLANS FOR THE ACHIEVEMENT OF GROUP OBJECTIVES

EU Taxonomy objectives	Taxonomy activities	Veritas plans	UN SDGs	Arera
Climate change mitigation, Pollution prevention and control	7.1, 7.2 Construction of new buildings, renovation of existing buildings	Investments for the construction of new premises and for the conversion and reorganization of existing sites.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Not applicable
Climate change mitigation, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems	Not applicable	Investments in waste-to-energy, reuse of street sweeping debris, sewage sludge management, wastewater treatment and removal of emerging micropollutants, landfill impact reduction, transition to a circular economy.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Not applicable
Climate change mitigation and adaptation, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems	5.5 Collection and transport of non-hazardous waste in source segregated fractions	Investments in recycling centers and transfer stations, waste sorting and preparation for reuse and recycling, new collection bins and equipment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	TQRIF

EU Taxonomy objectives	Taxonomy activities	Veritas plans	UN SDGs	Arera
Climate change mitigation and adaptation, Sustainable use and protection of water and marine resources, Pollution prevention and control	5.1 Construction, extension and operation of water collection, treatment and supply systems	Acquisition of Savec network, new Tronchetto facility, new intake and distribution pipes and water tanks		M1, M2, M3
Climate change adaptation, Sustainable use and protection of water and marine resources, Pollution prevention and control	5.2 Renewal of water collection, treatment and supply systems	Scorzè well field water treatment plant, replacement of intake and distribution pipes, leak search and repair		M2, M3
Climate change adaptation, Sustainable use and protection of water and marine resources, Pollution prevention and control	5.3 Construction, extension and operation of waste water collection and treatment	Investments in sewage network expansion, new storm water retention tanks, new pipelines connecting treatment plants		M4, M6
Climate change adaptation, Sustainable use and protection of water and marine resources, Pollution prevention and control	5.3 Renewal of waste water collection and treatment	Investments in upgrading storm water retention tanks, spillways and treatment plants		M4, M6
Climate change mitigation, Pollution prevention and control	Not applicable	Restructuring and renovation of three crematoriums		Not applicable
Climate change mitigation, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems	Not applicable	Planting of new catchment areas or adoption of trees to help reduce CO_2, including through the engagement of citizens and stakeholders (businesses, public entities, etc.). Quantification and announcement to stakeholders of CO_2 avoided.		Not applicable
Climate change mitigation, Pollution prevention and control	Not applicable	Investments in smart metering, handheld digital devices, digitalization of user services, digitalization for business intelligence development, cybersecurity technology. Digitalization of processes for the waste management service, development of a fleet management platform. Investments in the digital transition.		Not applicable
Not applicable	Not applicable	Digital skills and soft skills training, initiatives and seminars on wellbeing and work-life balance, diversity and inclusion activities		Not applicable

EU Taxonomy objectives	Taxonomy activities	Veritas plans	UN SDGs	Arera
Climate change mitigation, Pollution prevention and control, Transition to a circular economy	5.5 Collection and transport of non-hazardous waste in source segregated fractions 6.5, 6.6, 6.8, 6.9 Purchase, rental and operation of vehicles for freight and passenger transport by road and water	Investments for gradual conversion of the fleet to less polluting vehicles with the use of biomethane from the treatment of organic waste and electric vehicles		Not applicable
Climate change mitigation, Transition to a circular economy, Protection and restoration of biodiversity and ecosystems	Not applicable	CO_2 capture and production of bio-plastics from biogas; investments in decarbonization.		Not applicable
Climate change mitigation, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems	4.1 Electricity generation using solar photovoltaic technology	Installation of new photovoltaic fields. Investments in energy efficiency, lighting.		Not applicable

1.5 Geographical areas and key assets

The Veritas Group serves 51 municipalities in the metropolitan area of Venice and the province of Treviso. In 45 of these, the Group provides waste management services, while in 36 it provides water services (supply, sewage and treatment). In addition, in 12 municipalities the Group conducts other municipal services including the management of cemeteries and crematoriums, the wholesale fish market in Venice, public lighting and heat management. Since mid-2020 Veritas has also operated the crematorium in Conegliano.

Within this territory, the Veritas Group operates through five main facilities (Eco+Eco "valorizza," Eco+Eco "ricicla," Metalrecycling, Rive, and Depuracque) and counts among its most important physical assets 36 municipal wastewater treatment plants with different capacities, 1 industrial sewage wastewater treatment plant, 39 collection centers and a mobile collection service in 19 municipalities, 9 public offices, 5 landfills, 37 cemeteries and 3 crematoriums, 4 drinking water purifiers, 14 corporate locations, and the waterworks owned by the Group.

Services provided to citizens at December 31, 2023

	Municipality
waste management	Annone Veneto, Caorle, Cavallino-Treporti, Cavarzere, Chioggia, Campagna Lupia, Campolongo Maggiore, Camponogara, Ceggia, Cinto Caomaggiore, Cona, Concordia Sagittaria, Dolo, Eraclea, Fiesso d'Artico, Fossalta di Piave, Fossalta di Portogruaro, Fossò, Gruaro, Jesolo, Marcon, Martellago, Meolo, Mira, Mirano, Mogliano Veneto, Musile di Piave, Noale, Noventa di Piave, Pianiga, Portogruaro, Pramaggiore, Quarto d'Altino, Salzano, San Donà di Piave, San Michele al Tagliamento, San Stino di Livenza, Santa Maria di Sala, Scorzè, Spinea, Stra, Teglio Veneto, Torre di Mosto, Venice, Vigonovo
integrated water service	Caorle, Campagna Lupia, Campolongo Maggiore, Camponogara, Cavallino-Treporti, Ceggia, Cessalto, Chioggia, Dolo, Eraclea, Fiesso d'Artico, Fossalta di Piave, Fossò, Jesolo, Martellago, Mira, Mirano, Mogliano Veneto, Morgano, Noale, Musile di Piave, Noventa di Piave, Pianiga, Preganziol, Quinto di Treviso, Salzano, San Donà di Piave, Santa Maria di Sala, Scorzè, Spinea, Stra, Torre di Mosto, Venice, Vigonovo, Zero Branco, Zenson di Piave
cemetery services and crematorium operation	Cemetery services: Dolo, Spinea, Venezia, Portogruaro, San Michele al Tagliamento, San Stino di Livenza, Fossalta di Portogruaro, Cinto Caomaggiore Crematoriums: Marghera-Venice, Spinea, Conegliano
public lighting	Chioggia, Fiesso d'Artico, Fossalta di Portogruaro
heat	Chioggia, Fossalta di Portogruaro
other public services	In Venice: laying of high-water gangways, public toilets, port services (utilities), management of the wholesale fish market, land reclamation; in Portogruaro, Fossalta di Portogruaro and San Michele al Tagliamento: public landscaping

1.6 Services provided and user accessibility

The Veritas Group provides a wide range of services to citizens and businesses in its territory.

Waste management

Waste management includes the collection of recyclables, non-hazardous municipal waste (domestic trash including bulky items and trash from gardens, parks, and cemetery areas) and hazardous municipal waste (expired medicines, batteries, etc.); street sweeping and cleaning; beach cleaning in coastal municipalities; and other services requested on the basis of individual municipal regulations.

Collection methods are organized to facilitate trash separation by the local population of roughly 870,000 and the numerous tourists who congregate on the territory every year.

The Group integrates the waste management service with a pre-recycling and waste-to-energy business. As a whole, in its current configuration, the waste management system achieves the best scenarios of the circular economy, in which material is constantly reused and remains as long as possible within the economic cycle. Through the separate collection chains, an average 97% of waste is treated at local plants and then re-enters the market and the production cycle as secondary raw materials. General waste, which is now a smaller share than recyclables, is also valorized in the form of solid recovered fuel (SRF).

For the sake of transparency towards users and local entities, the Veritas Group has also traced the entire waste cycle. This means that separately collected materials are traced, followed, measured, and recorded from the time of delivery through treatment and reuse. At the moment, the certified cycles are for glass, plastic, metals, organic waste, clippings and prunings, wood, paper, and residual municipal waste.

Integrated water service

Water is a renewable resource but that does not mean it is limitless. It must therefore be used in a rational, sustainable manner. The Veritas Group manages the integrated water service so as to ensure water of excellent quality, a balanced and fair use, and total compliance with regulations. Its goal is to increase the dependability and efficiency of this service while maintaining a constant focus on the environmental impact and on optimizing costs.

The Group abstracts, purifies, treats, and distributes water for civil and industrial use and collects, lifts, transports, and treats domestic and industrial wastewater. The possibility to use reclaimed water in the Porto Marghera zone is of particular strategic importance.

Other municipal services

The Veritas Group provides a number of services to satisfy collective needs. These include the management of the wholesale fish market in Venice, environmental reclamation, the laying of gangways in case of high water and snow, the integrated management of cemetery and crematorium services, the supply of heat, the operation of public lighting (for certain municipalities), and the management of public toilets. Finally, the Group manages utilities (water, gas and electricity infrastructure and supply) for the Port of Venice.

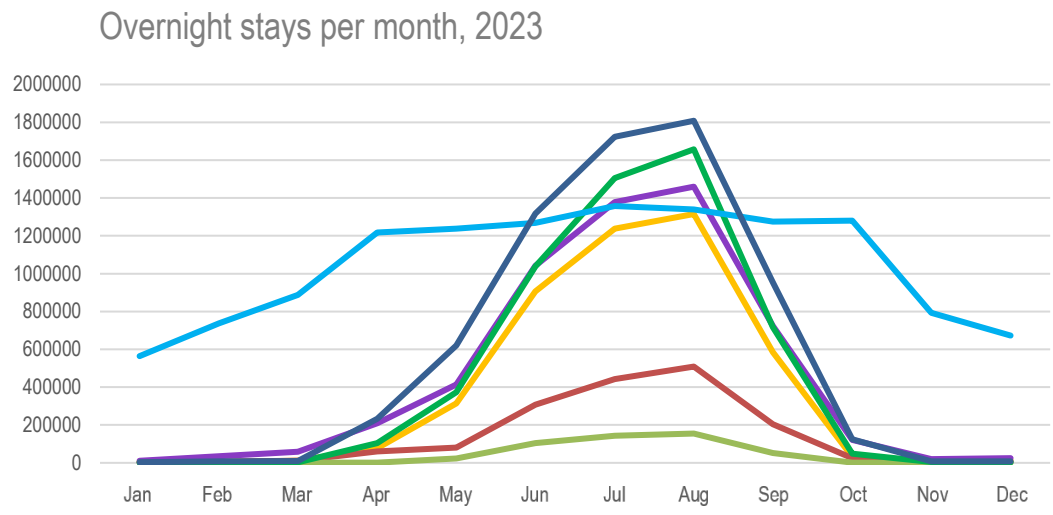
Regarding accessibility, the number of residents (at December 31) who used the services provided by the Group were as follows:

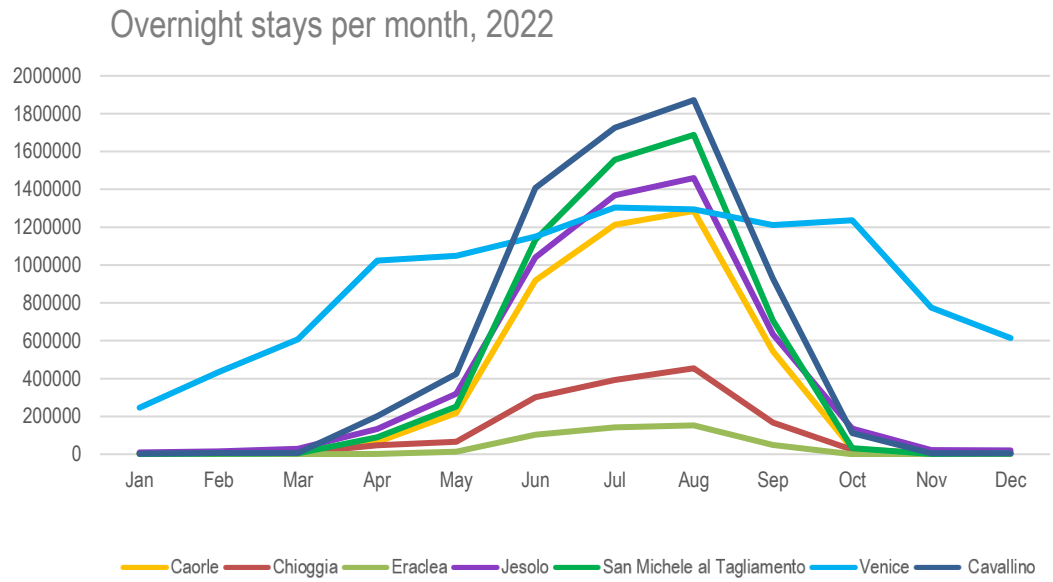
Residents	2023	2022	2021
total served: integrated water service	787,102	787,797	789,146
total served: waste management	867,730	868,645	870,405
total served: other municipal services	415,661	465,109	467,494
total served	916,372	917,187	918,900

In addition to the above are the annual numbers of tourists who stay in the Venetian Lagoon area and the other municipalities served, although in 2021 these numbers were much lower than in previous years due to the health crisis. In 2022 and 2023, tourism returned roughly to pre-Covid levels.

Visitors who stayed in hotels and other tourist accommodations in the municipalities served by the Group numbered around 39 million in 2023, 36 million in 2022, just over 27 million in 2021. The average level before Covid-19 was around 40 million. These numbers do not include same-day tourists, visitors who stay in non-tourist accommodations, and day visitors from nearby provinces. In the whole region Veneto, the number of tourists was 71.5 million in 2023.

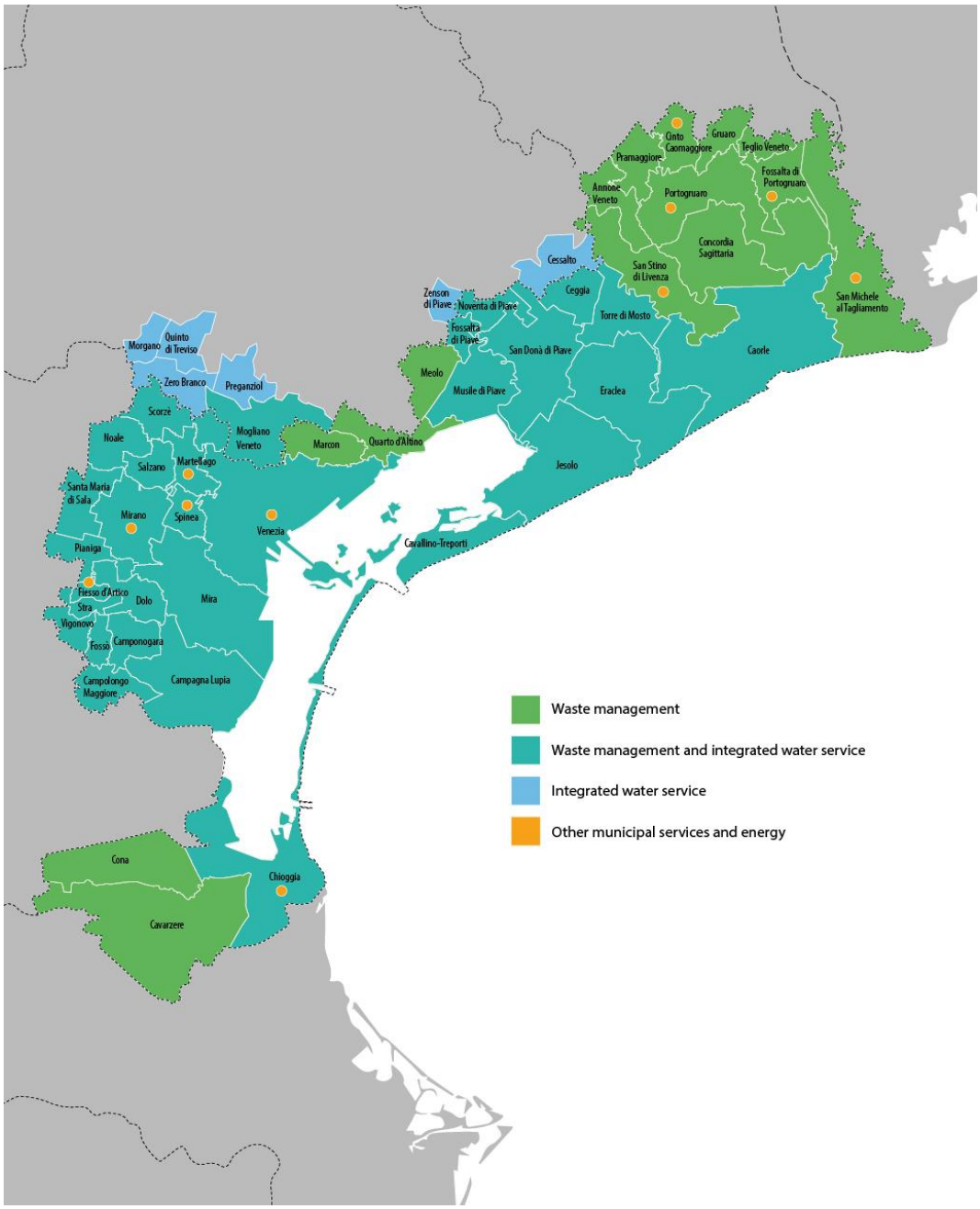
Below graphs of tourists' presence in the coastal municipalities served by the Group, years 2023 and 2022.





The monthly variability, with peaks in the summer, is a steady pattern that has led the Group to redesign and develop its capacity to manage the service flexibly, by intensifying its operations to coincide with peak usage in the various municipalities.

As proof that such efforts are successful, relations with stakeholders and user satisfaction have remained at the highest levels even in such fragmented, uncertain times.



1.7 Group economic value

The economic value, generated and distributed, derives from a reinterpretation of the consolidated balance sheet. Value added evaluation is used to measure the wealth produced by the Group, how it is generated, how it is distributed among main stakeholders and what its direct impacts are.

In 2023 the Group generated, through of its activities management, a gross economic value equal to 517 million euros; one part is retained within the Group as depreciation write downs and reserves and as non-distributed profits (for future investments). The net economic value is then distributed to main stakeholders (85% of generated economic value): suppliers, employees, public administration, local community and providers of capital. The table shows the economic values in thousands of euros:

Economic value generated and distributed

	2023
total generated economic value	**517,035**
economic value retained	**78,285**
- depreciation, write douns and reserves	62,809
- non distributed profits	15,476
economic value distributed	**438,750**
- operating costs	227,824
- employees wages and benefits	176,878
- payments to government	11,492
- community investments	18
- payments to providers of capital	22,538

The value of investments in 2023 increased in total by 85%. Largest increment in the industrial segment. In all sectors the increase has been more than 50%

Investments 2023-2021

	industrial segment	waste management	water service	other services and offices	total
2023	50,588,314	17,971,779	77,359,862	12,029,106	157,949,061
2022	25,850,237	10,800,709	40,990,415	7,887,991	85,529,352
2021	21,021,878	9,026,623	64,020,301	16,226,597	110,295,399

For further details please refer to the Group's 2023 consolidated financial statements.

2

GROUP MATERIALITY ANALYSIS

Through questionnaires sent to key stakeholders, the Group has identified non-financial material topics related to the organization and impact of its activities

Materiality analysis

To assess the materiality of topics related to sustainability, the Veritas Group began by identifying its stakeholders: consumer associations, employees, suppliers, shareholders (municipalities), and controlling authorities such as the Basin Council and the Region. The Group has many ways of including and engaging its stakeholders, using various kinds of communication through a number of channels, such as the company intranet portal, periodic meetings with trade unions representatives, the web site and the various customers' contact instruments.

In the context of its own management systems, the Group has produced a matrix of risks and opportunities associated with its companies' activities. A context analysis is also performed as part of the matrix. The risks and opportunities matrix and the context analysis are assessed and revised constantly and approved every year during the management review.

In accordance with the 2021 GRI standards, a materiality analysis has been conducted, in 2022, in four steps:

- *step 1:* understand the organization's context;
- *step 2:* identify actual and potential impacts;
- *step 3:* assess the significance of the impacts;
- *step 4:* prioritize the most significant impacts for reporting.

The materiality analysis was re-approved by the Board of Directors on May 21, 2024.

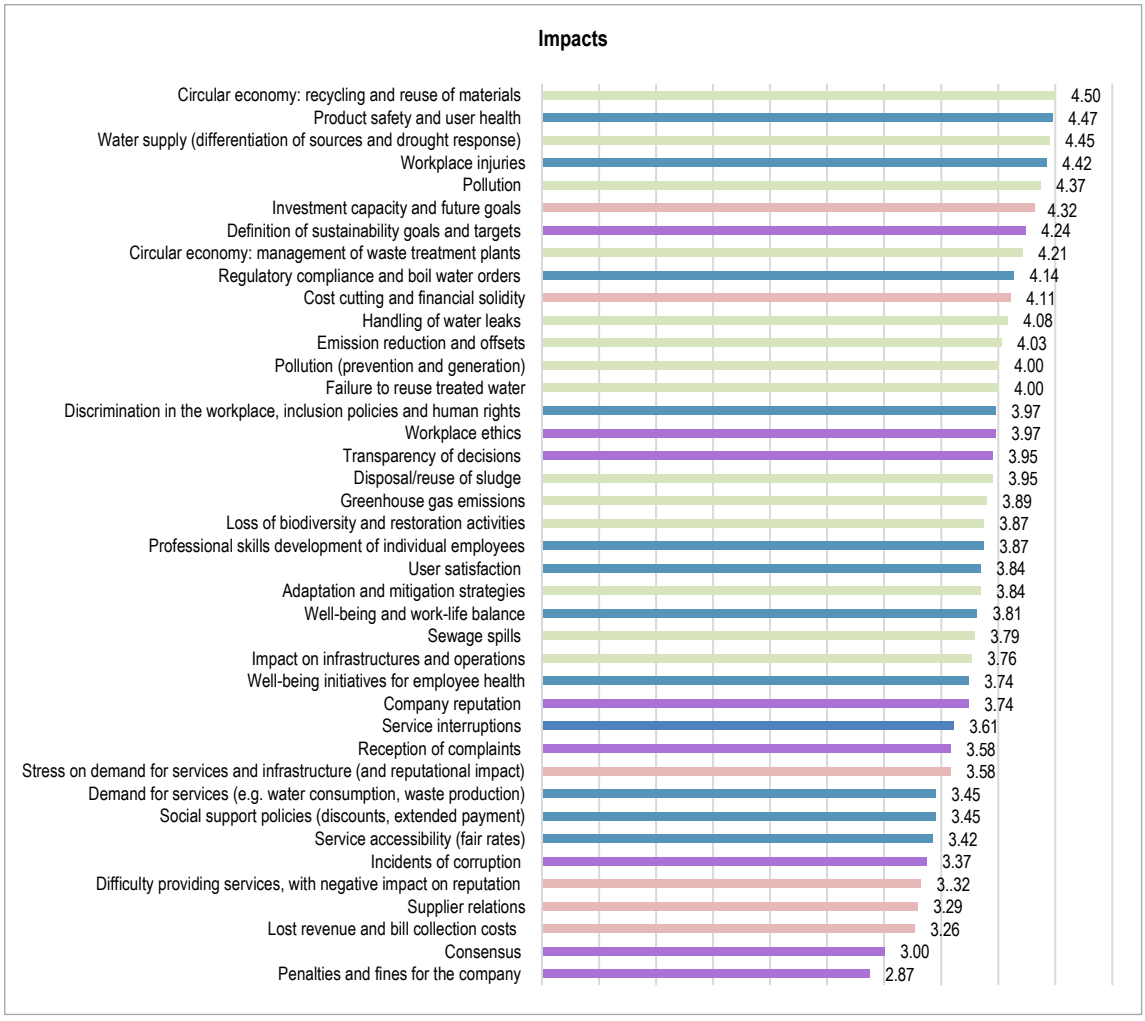
Impacts have been assessed based on the context analysis and the risks and opportunities matrix, and grouped into topics under four main areas:

Area	Material topic	Impacts
Governance aspects	Ethics, anti-corruption and regulatory compliance	Incidents of corruption
		Workplace ethics
		Penalties and fines for the company
		Company reputation
	Dialogue with stakeholders and transparency	Consensus
		Transparency of decisions
		Reception of complaints
	Sustainability innovation and strategies	Definition of sustainability goals and targets
Economic aspects	Operational efficiency and procurement of raw materials	Cost cutting and financial solidity
	Innovation and financing	Investment capacity and future goals
	Late payment or nonpayment by users	Lost revenue and bill collection costs
	Availability of cash and financial resources	Difficulty providing services, with negative impact on reputation
	Economic development and value for the territory	Supplier relations
	Pressure from tourism	Stress on demand for services and infrastructure (and reputational impact)
Social aspects	Employee health and safety	Workplace injuries
		Well-being initiatives for employee health
	Diversity, equal opportunities and welfare	Discrimination in the workplace, inclusion policies and human rights
		Well-being and work-life balance
	Personnel growth	Professional skills development of individual employees
	Demographic aspects and conscientious consumption	Demand for services (e.g. water consumption, waste production)
	Service quality and customer care	Service interruptions
		User satisfaction
	Quality of water delivered	Regulatory compliance and boil water orders
		Product safety and user health
	Social inclusion and fair rates	Social support policies (discounts, extended payment)
		Service accessibility (fair rates)

Area	Topic	Impacts
Environmental aspects	Energy consumption	Greenhouse gas emissions
		Emission reduction and offsets
	Climate change	Impact on infrastructures and operations
		Adaptation and mitigation strategies
	Water management: sustainable water use	Handling of water leaks
		Water supply (differentiation of sources and drought response)
	Water management: quality of water returned to the environment	Pollution
		Failure to reuse treated water
	Sewer management	Sewage spills
	Management of sewage sludge	Disposal/reuse of sludge
	Sustainable waste management	Pollution (prevention and generation)
		Circular economy: recycling and reuse of materials
		Circular economy: management of waste treatment plants
	Protection of biodiversity	Loss of biodiversity and restoration activities

The impacts were quantified by having surveys completed by the Board of Directors and qualified individuals representing all categories of stakeholder (employees, suppliers, consumer associations, controlling authorities, shareholder municipalities). Respondents were asked to score the significance of each specific impact on a scale from 1 to 5.

The survey results are shown in the graph below, where the impacts are shown in priority order (from highest score to lowest):



Legend Governance aspects | Economic aspects | Social aspects | Environmental aspects

To associate impacts with material topics, the following table presents the score for each impact and its level of priority.

Area	Topic	Impacts	Score	Priority
Governance aspects	Ethics, anti-corruption and regulatory compliance	Incidents of corruption	3.37	35
		Workplace ethics	3.97	16
		Penalties and fines for the company	2.87	40
		Company reputation	3.74	28
	Dialogue with stakeholders and transparency	Consensus	3	39
		Transparency of decisions	3.95	17
		Reception of complaints	3.58	30
	Sustainability innovation and strategies	Definition of sustainability goals and targets	4.24	7
Economic aspects	Operational efficiency and procurement of raw materials	Cost cutting and financial solidity	4.11	10
	Innovation and financing	Investment capacity and future goals	4.32	6
	Late payment or nonpayment by users	Lost revenue and bill collection costs	3.26	38
	Availability of cash and financial resources	Difficulty providing services, with negative impact on reputation	3.32	36
	Economic development and value for the territory	Supplier relations	3.29	37
	Pressure from tourism	Stress on demand for services and infrastructure (and reputational impact)	3.58	31
Social aspects	Employee health and safety	Workplace injuries	4.42	4
		Well-being initiatives for employee health	3.74	28
	Diversity, equal opportunities and welfare	Discrimination in the workplace, inclusion policies and human rights	3.97	16
		Well-being and work-life balance	3.81	24
	Personnel growth	Professional skills development of individual employees	3.87	21
	Demographic aspects and conscientious consumption	Demand for services (e.g. water consumption, waste production)	3.45	32
	Service quality and customer care	Service interruptions	3.61	29
		User satisfaction	3.84	22
	Quality of water delivered	Regulatory compliance and boil water orders	4.14	9
		Product safety and user health	4.47	2
	Social inclusion and fair rates	Social support policies (discounts, extended payment)	3.45	33
		Service accessibility (fair rates)	3.42	34
Environmental aspects	Energy consumption	Greenhouse gas emissions	3.89	19
		Emission reduction and offsets	4.03	12
	Climate change	Impact on infrastructures and operations	3.76	26
		Adaptation and mitigation strategies	3.84	23
	Water management: sustainable water use	Handling of water leaks	4.08	11
		Water supply (differentiation of sources and drought response)	4.45	3
	Water management: quality of water returned to the environment	Pollution	4.37	5
		Failure to reuse treated water	4	14
	Sewer management	Sewage spills	3.79	25
	Management of sewage sludge	Disposal/reuse of sludge	3.95	18
	Sustainable waste management	Pollution (prevention and generation)	4	13
		Circular economy: recycling and reuse of materials	4.50	1
		Circular economy: management of waste treatment plants	4.21	8
	Protection of biodiversity	Loss of biodiversity and restoration activities	3.87	20

Description and management of material topics

The material topics are reported in decreasing order of significance, according to the above materiality analysis.

1. Sustainable waste management (positive impacts on the circular economy/recycling and reuse of materials, management of waste treatment plants, positive impacts in terms of pollution prevention/reduction): this is one of the Group's main activities and involves all Group companies (including sectors not directly involved in waste management). Its strength is an integrated waste management apparatus, where plants located in the Ecodistrict can easily exploit synergies among companies dealing with different phases of collection, selection and treatment. The Veritas Group's waste tracing system, certified by a third party, was instrumental to the definition of standard UNI PDR 132:2022. Among other aspects, this system meets the need for total transparency in the flow of municipal waste. Traceability has also been implemented for treatment operations. Waste management reporting is set out in the relevant section of this statement.
2. Quality of water delivered (positive impacts on product safety and user health, regulatory compliance and boil water orders; negative impacts if water quality is substandard): water quality is assured by numerous tests on the water abstracted and pumped into the network. Water quality is extremely important and affects the entire catchment area served; it is monitored by outside entities (namely, the local health authority). In addition, the compliance of samples and parameters is a variable monitored constantly by the regulatory authority and associated with targets for improvement or maintenance. For this topic, as well as all those relating to the management of water resources and other related issues, reference should be made to the relevant section of this statement.
3. Water management - sustainable water use (positive impacts on water supply and handling of leaks): the sustainable use of water is increasingly important and the Veritas Group is ever more committed to water conservation policies and to finding leaks in a timely manner. The leaks factor is constantly monitored and constitutes one of the regulatory targets for improvement or maintenance.
4. Employee health and safety (workplace injuries, wellbeing initiatives for employee health): the Group's employees are an asset and a source of wealth. Accidents and illness have negative impacts not only because they create problems for service delivery but because they are unwelcome in absolute terms. Therefore, the Group puts a strong emphasis on health and safety training, going far beyond what is mandatory and offering a number of special courses described in the relevant section, and on wellbeing initiatives to foster employee health (e.g. "Pink Camper" and "Blue Days"). See the section on human resources for details of these topics (health and safety, welfare, training).
5. Water management – quality of water returned to the environment (positive or negative impacts in terms of pollution, negative impacts for the failure to reuse treated water): the quality of water returned to the environment is also a factor emphasized through numerous tests on the treated water. As mentioned above for drinking water, it is not only Veritas that tests the treated water but also the competent authorities (in this case Arpav), who can levy fines if the results are substandard. The quality of treated wastewater is a regulatory indicator and is monitored constantly. Currently, the reuse of wastewater is also legislated by the European Union.

6. Innovation and financing (positive impacts on investment capacity and future goals): Future objectives and the financing needed to achieve them are defined in the Group's business plan. The Green Propulsion Laboratory conducts research in the circular economy and innovative environmental technologies. Investment capacity depends in part on the ability to raise funds in the market. These aspects are discussed in the consolidated financial statements.

7. Sustainability innovation and strategies (positive impacts from the setting of sustainability goals and targets): sustainability goals and targets are defined in the business plan. The plan lays out environmental objectives within four environmental themes (protecting and conserving water, reducing greenhouse gas emissions, protecting biodiversity, and preventing pollution), and social objectives (pursued through employee training, diversity and inclusion policies, and employee welfare programs). A description of the specific sustainability targets can be found in the dedicated section.

8. Operational efficiency and procurement of raw materials (positive impact on cost cutting and financial solidity): this topic has become highly significant in recent years; first because of Covid and then the war in Ukraine, many raw materials have become more expensive and difficult to find. The Group's capacity to influence this topic is very limited. Economic and financial data are reported in the consolidated financial statements.

9. Energy consumption (emission reduction and offsets, greenhouse gas emissions): energy consumption (electricity, gas and fuel) is dependent on the companies' operations (e.g. fuel to collect waste, electricity to run plants, natural gas to operate other plants and heat buildings) and generates negative impacts in terms of emissions. Consumption and emissions are monitored constantly. Investments aim to improve energy efficiency and produce energy from alternative non-fossil sources, thereby decreasing greenhouse gas emissions, and to offset the emissions produced. The Group's CO_2 footprint has been mapped, along with its shortfall from the SBTi net-zero criteria and possible actions for meeting that standard. For energy consumption and emissions, please refer to the dedicated section of this statement.

10. Diversity, equal opportunities and welfare (positive impacts on discrimination in the workplace, diversity and inclusion policies and human rights, employee welfare and work-life balance): diversity is a strength. Veritas has obtained UNI PDR 125/2022 certification on gender parity, as well as GEEIS (Gender Equality European & International Standard). Many efforts are made to value diversity and give all employees the same employment opportunities, including through work-life balance programs.

11. Ethics, anti-corruption and regulatory compliance (workplace ethics, company reputation, possible negative impacts due to incidents of corruption and penalties and fines for the company with repercussions on reputation, positive impacts from Group policies and programs fostering integrity): the Group is highly sensitive to the topics of integrity, transparency and fairness. Among the many actions it has taken in this regard, the Group companies have included transparency pages on their websites, adopted "231 Organizational Models" for legal compliance, and drawn up a code of ethics binding on employees and communicated to suppliers. Veritas and Eco+Eco are certified to the anti-bribery standard UNI ISO 37001:2016 and prepare three-year plans for preventing corruption. Reporting in the dedicated section.

12. Management of sewage sludge (negative/positive impact from disposal/reuse of sludge): handling of the sludge produced by municipal wastewater treatment depends on legislation (which defines the characteristics by which sludge can be reused or has to be sent for disposal) and on the reception capacity of the reuse/disposal plants. The topic is environmentally and economically significant. The disposal/reuse process is mapped to one of the regulatory targets.

13. Dialogue with stakeholders and transparency (positive impact on transparency of decisions, reception of complaints, consensus): dialogue with the various stakeholders takes different forms depending on the parties involved. For personnel, these forms may include an ombudsman's office where employees can voice concerns, meetings with workers' representatives, and round tables for industrial relations. With consumer associations, round tables are held and there are regulations for consumer arbitration. With local communities and citizens, ad hoc meetings are organized on various subjects. With the controlling authorities and shareholder municipalities, dialogue is constant and two-way.

14. Protection of biodiversity (potential negative impact due to loss of biodiversity, positive impact from restoration activities): the territory served by the Group has a high intensity of biodiversity. The impacts of its operations on biodiversity are therefore considered closely, in some cases through ad hoc studies and in other cases through environmental impact assessments required by the local authorities during the authorization phase. This statement contains a description of the territory in terms of special protection areas and Natura 2000 sites.

15. Personnel growth (professional skills development of individual employees): the development of individual skill sets is a positive impact produced by company policies that favor and incentivize the training of individual employees. Such policies make the Group more innovative and competitive, as well as attractive to future employees.

16. Climate change (adaptation and mitigation strategies, impact on infrastructures and operations): the negative impacts of climate change on the Group's operations and infrastructures and vice versa are increasingly front and center. The Group is implementing various adaptation and mitigation strategies to counter these impacts. Many investments, as described in the Group's business plan, address this topic. Veritas and Consorzio Viveracqua are assessing the impacts of climate change in collaboration with the local entities.

17. Service quality and customer care (positive impacts on user satisfaction, possible negative impacts due to service interruption): the Group and its employees are aware of the role it plays within the community. Its nature as a public provider of essential services is always central to its actions and activities. User satisfaction is monitored through annual surveys, while customer care takes the form of various feedback channels (call center, local offices, complaints management system) and constant efforts to provide quality services. The Group companies are also certified to the standard UNI EN ISO 9001:2015. The dedicated section reports the results of the user satisfaction surveys and other indicators concerning relations with users and the local community (including data on bonuses and rates).

18. Sewer management (sewage spills): sewage spills are negative impacts of sewage system damage. One of the main activities of the Veritas Group's integrated water service is to manage and maintain the sewer systems. This impact is also monitored constantly through one of the national regulatory targets. Investments are carried out to reduce this impact.

19. Pressure from tourism (stress on the demand for services and infrastructure and reputational impact): the territory served by the Group is tourism-heavy, especially in the summer (from May to September), except for central Venice where tourism is intense year-round. This pressure generates negative impacts on the demand for services (more waste and greater demand for water), the need to hire extra personnel to cover this demand while allowing employees to take vacations, and insufficient infrastructure capacity during these summertime peaks.

20. Social inclusion and fair rates (positive impacts on social support policies such as discounts and extended payment, service accessibility through fair rates): the rates charged for services meet various criteria. One of these is the consideration that these are essential services and must therefore be accessible to all in an equitable manner. The "bonus sociale" discounts help disadvantaged households pay their water bills, while for the waste management service the individual municipalities can provide for various forms of fee exemption/assistance.

21. Demographic aspects and conscientious consumption (demand for services, e.g. water consumption and production of waste): this impact (positive or negative depending on consumption choices) is managed through constant information campaigns within the territory, using various channels of contact (internet portals, Instagram, Facebook, bill enclosures, etc.). The campaigns are designed to encourage conscientious consumption of tap water and explain how to properly separate waste. Despite the Group's efforts, this topic is not wholly within its control.

22. Availability of cash and financial resources (difficulty providing services, with negative impact on reputation): it is fundamental to have enough money to provide services. This topic is addressed at length in the consolidated financial statements.

23. Economic development and value for the territory (positive impact on supplier relations, potential negative impacts regarding respect for human rights by suppliers): the value passed on to suppliers is a significant share of the economic value generated by the Group's activities. The procurement of goods and services and the tendering process are therefore managed to best ensure the delivery of high-quality services; where necessary or relevant, suppliers have to qualify by meeting minimum environmental or other requirements. Efforts are currently underway to engage suppliers in sustainability-related issues.

24. Late payment or nonpayment by users (lost revenue and bill collection costs): negative impacts with repercussions on company finances and possible indirect effects on the provision of services. This impact only applies to Veritas and Asvo, which are in direct contact with users. The impact is absorbed by the companies.

3

MANAGEMENT OF NATURAL RESOURCES

The Veritas Group is committed to operating with special care for the environment, especially given its strategic role in ensuring the good health of the territory.

3.1 Organizational model, policies and risks

At the strategic level, the Group has worked to define improvement targets regarding the management of significant environmental risks and the provision of services that reduce direct and indirect environmental impacts to a minimum. Specifically, these targets concern the protection of water sources and the development of the water distribution networks to minimize losses; the management of the sewage systems and treatment plants, which already operate in compliance with national and local laws for protection of the environment and the Venetian Lagoon; and the reduction of waste discarded in landfills in favor of maximum reuse.

At the organizational level, based on the characteristics of its individual plants, the Group has adopted a Management System for Quality and the Environment drawn up in accordance with the standards UNI EN ISO 9001/2015 and UNI EN ISO 14001/2015. All of the Group's services and plants are certified to UNI EN ISO 9001:2015. Sites (plants and offices) with significant environmental impacts, mainly in terms of energy consumption or because of their location in highly sensitive areas like the Venetian Lagoon, are certified to UNI EN ISO 14001:2015. The aims of the operational model include compliance with environmental regulations, the prevention and reduction of impacts on the environment and on the exploitation of natural resources, and the constant monitoring of the Group's environmental performance. In 2019 the parent company, Veritas, and Eco+Eco adopted a management system according to UNI ISO 37001:2016 *Anti-bribery management systems – Requirements with guidance for use;* the system was certified in 2020. In 2023, 2022 and 2021 periodic inspections took place for all of the Group's certifications.

The parent company's organizational structure consists of a general management team in charge of two operational divisions and an operational unit (integrated water service division, waste management division, and cemetery services unit) as well as five staff units. Within the first-level divisions and units there may be other functional or specialized units and departments. The operational divisions/units are further divided by catchment area.

Each of the Group's areas of operation aims to manage business lines entailing specific environmental aspects and impacts. Each managerial department oversees specific environmental issues, which also have particular social impacts depending on the territory served.

The integrated water service division consists of a supply unit and a sewage and treatment unit, which manage water supply and distribution and the treatment of wastewater. The waste management division coordinates street sweeping and street cleaning, as well as the entire municipal waste treatment cycle, from collection to delivery at recycling and disposal plants. The cemetery services unit manages local cemeteries and crematoriums.

By virtue of its own aims, the Group has a duty to practice policies that protect and care for natural resources at every phase of its operations. To foster coordination among different initiatives, the Group has adopted a strategy of defining its main objectives, which – in light of the services it provides – have a strong environmental component. As mentioned above, its main strategic goals include protecting water sources, achieving constant efficiency gains for the services produced and delivered, and introducing suitable organizational systems that offer increasing protections for the environment. In addition, the strategic horizon of the metropolitan companies operating within the waste management service has led the Group to promote innovative policies for the gradual reduction of waste brought to landfills in favor of the maximum recovery of materials and energy.

With the public entities in its sphere, the Group shares a vision of environmentally sustainable towns and cities (linked to ambitious targets defined by European waste prevention directives)

and recycling to the greatest possible extent. This has made it necessary to build a waste treatment network for the recovery of secondary raw materials. In this regard, the Veritas Group has recently embarked on several projects for the use of innovative, transparent tools to control the flow of municipal waste collected throughout the territory. These tools can precisely define the industrial works needed to make sure public infrastructure stays apace with the evolving flows of urban metabolism. This way, objectives not only adapt to national strategic energy policies but are centered on maximizing the recovery of regenerable materials, in the conviction that the "Venice system" can live up to the ambitious values promoted by the European Commission by strengthening and improving on the results achieved in recent years.

The Group's Code of Ethics lays down its ethical commitments and responsibilities and promotes good conduct in the pursuit of business goals, with the utmost respect for all stakeholders and the environment.

Each Group company with a significant environmental impact has adopted a specific environmental policy, based on Group strategies, that sets out goals in terms of environmental sustainability, safety, and energy as well as the main strategic elements of the service.

An analytical methodology has been used to map and evaluate the Group's risk/opportunity profile. The methodology defines the process for analyzing risks and context scenarios. It also defines the evaluation criteria for risks (on the basis of frequency, impact, control) and catalogs them in a specific database. The risk scenarios are mapped according to a document review and the outcomes of field tests, and finally, a risk map is produced for each company. The risk analysis has generated the organizational, procedural, contractual, and/or technical solutions for managing the risks assigned the highest priority. Risks and opportunities are remapped every year and the output is approved by all interested parties during the management review.

Regarding the protection of natural resources, the Group has identified the main risk areas with potential environmental impacts as follows:

- **non-compliance with environmental regulations**
  proper waste treatment; emissions monitoring; handling of wastewater with particular reference to emerging contaminants; protection of biodiversity; problems with the disposal of various waste fractions due to deadlock in the materials recovery market and decarbonization process that has made it impossible to use dry waste converted into solid recovered fuel at the Enel power plant;
- **pollution incidents**
  incidents affecting the local population and causing reputational risks for the company;
- **water service risks**
  delivery of substandard water; water shortages; groundwater pollution; troubled relations with local communities during construction and repairs; increased numbers of visitors, especially during the summer, making it difficult to meet the demand for drinking water and to handle wastewater volumes;
- **waste management risks**
  increased numbers of visitors, especially during the summer, leading to greater quantities of waste; difficulties with the manual hauling of loads during door-to-door collection and consequences for worker health and safety.

The 2021-2023 Business Plan updates the 2017-2021 version approved by the Board of Directors and extends planning to the next three years. The new plan reflects the changed regulatory context and the economic conditions brought about by the Covid-19 pandemic. It was written before the Russian invasion of Ukraine and therefore does not consider the potential economic consequences of that conflict.

The business plan puts a spotlight on all of the risk topics mentioned above and ties them to planned investments by area of activity. Specifically, the Group has devised and continues to develop operational and permitting strategies so it can handle the waste cycle autonomously. It will be investing in its purification and treatment plants to deal with emerging contaminants and developing the new laboratory to conduct specific tests that are already compliant with the latest drinking water regulations. Veritas has also proposed launching a structural experimentation phase for PFAS removal, first of all in the leachates that enter the industrial sewage wastewater treatment plant. In addition, all waste management personnel have taken a course on good posture and the safe hauling of loads, and the Group has written an in-house protocol on occupational diseases that can result from manual hauling. As for the water service, together with the Veneto Region and other local water service operators and with input from the Venetian Lagoon Basin Council, Veritas has implemented a structural water supply model designed to differentiate water sources, optimize any plant downtimes without interrupting service, and deal with supply problems caused by summer stress.

In addition to the risks reported above, there are other kinds of risk managed at the operational level by the various parties in charge. Mitigation efforts are described later in this report.

Finally, the Group is assessing the impacts of its activities on **climate change** and the risks climate change poses to its business. An initial analysis has shown that the Group's activities affect climate change mainly due to the consumption of energy and methane gas to run its facilities, as well as fuel consumption for waste collection and transport. In contrast, circular waste management positively impacts climate change by generating less waste in the future.

The risks that climate change pose to the Group's facilities and operations stem from the intensification of extreme weather phenomena, which affect water resources, wastewater conveyance facilities, and waste collection and street cleaning activities.

In particular, in 2023, the Group, in association with the other water operators belonging to Viveracqua, started, together with Fondazione Centro Euro-Mediterraneo sui Cambiamenti Climatici (Cmcc) the analysis of climate risks on the territory served by these operators, thus Veneto and part of Friuli-Venezia Giulia. The analysis has been extended to the whole Friuli-Venezia Giulia and to Trentino-Alto Adige being these regions close and interconnected one another (in particular with regard to water)- The study concerned the identification of an extended range of climate indicators, obtained from specific climate variables elaboration (rainfall, temperature, wind, etc.) and considered representative enough of physical relevant dangers identified by each operator.

Main dangers for water system infrastructures, emerging from the study, are chiefly due to heath waves, drought (with consequent water stress events and salty water intrusion), cold waves, heavy rainfalls (including hail, lightning, electric shocks) and related to alluvial dynamics or landslide events, snowfalls, and strong winds.

The developed indicators concern the following events/risks: heat waves, drought, cold waves, heavy rainfalls, (including landslides and floods), snowfalls, strong winds. The selected indicators will be evaluated using 14 climate simulations chains, time horizons include period 2021-2050 and 2071-2100 and 2036-2065, according to Pnacc (national climate change adaptation plan).

Year 2023, although having been extremely hot, didn’t have any consequences on water scarcity or drought. Other impacts related to climate have not been detected.

On the other hand, year 2022 was marked by heat waves, little rain, and drought problems that led to water shortages. The impact was felt in the summer, especially in the coastal zones where there is extensive tourism and a much greater demand for water. In late July 2022 there was a problem with the water quality in the Caorle area, caused by salt wedge intrusion into the Livenza river.

This required shutting down the drinking water purification plant (used only in the summer months to meet higher demand) and taking a series of extraordinary measures that gradually restored service to normal. Service was never actually interrupted: sufficient water pressure was guaranteed during peak daily consumption hours and emergency water distribution points were set up at fire hydrants. The situation was properly reported and monitored in collaboration with the municipality of Caorle, which published information and updates on its website. Throughout the duration of the emergency, the IVR of the Veritas helpline played a message informing Caorle users of the situation. The emergency lasted one week.

In addition to physical phenomena, climate change has generated profound changes in the regulatory landscape such as the European Green Deal and the EU taxonomy; the Group companies need to comply with these new rules and set up an appropriate reporting system. For that matter, companies' ratings and access to credit are increasingly linked to the sustainability of their businesses and objective proof of their commitment to fighting climate change.

The measures taken by the Veritas Group to counter the effects of climate change, boost resilience, and mitigate its actions include infrastructure work to protect the environment and prevent flooding and spills; planting trees to help reduce CO_2; replacing and upgrading watermains and searching for and repairing leaks; investing in new company premises according to "green" criteria; replacing company fleets with less polluting vehicles (electric, solar powered, or fueled by biomethane produced from the treatment of organic waste); a carbon capture project; and the installation of new photovoltaic plants.

In the coming years, the Group will continue to work on a solid climate strategy as part of its overall business. In addition, for the sake of improved awareness, understanding, and reporting of climate change matters, it will pursue, in the next years, an economic and financial assessment of climate risks.

3.2 Protecting the environment through essential public services

Deep ties to the environment

The Veritas Group's activities are intertwined and interdependent with the ecosystem where its plants are situated and where it provides services to users. The Group receives natural resources from the environment, transforms them, and returns them to the local communities in the form of useful goods and services. As such, the Group's main activities of benefit to users and the territory do have an environmental impact, especially those making up the water service and waste management service.

In this context, the principle of environmental protection and sustainable use of natural resources, as laid out in company policies, is meant to ensure effective protection from any irreversible impacts on the territory.

Water sources make up of the most important natural resources for the Group. Most water is abstracted and distributed to users by the integrated water service division. To a lesser extent, water is also used in the Group's industrial processes for activities such as cooling plants, washing and regenerating water treatment facilities, producing steam and hot water for district heating networks, cleaning streets, and washing street sweeping debris and public service vehicles.

As for the risks mapped in relation to the water supply and contaminants, the Group follows the structural water supply model whose basic principles are as follows:

- conversion of a fragmented network of watermains into a reliable, efficient water distribution system;
- replacement of at-risk sources, particularly rivers and aquifers most vulnerable to contaminants, with others of guaranteed quality and quantity (underground water from the foothills).

Specifically, the structural model calls for the development of three interconnected water schemes serving **central Veneto** (schema acquedottistico del Veneto centrale or **Savec**); **western Veneto** (Verona area); **eastern Veneto**.

The development of Savec is strategic to the water service managed by Veritas because of:

- resource diversification and thus improved reliability of water delivery and continuity of service;
- reduction in operating costs and sludge from water treatment;
- the possibility to schedule plant downtime without compromising service continuity, allowing scheduled maintenance work on drinking water plants and the intake pipes that bring water from Veritas's well fields to the Gazzera waterworks in Mestre.

In 2020 Veritas acquired sections of pipeline beneath the lagoon, connecting the watermains systems of Venice and Chioggia, for a total of 34.5 kilometers.

The Group is working on active carbon filtering at the well fields, experimenting with solutions to remove emerging pollutants and innovative systems for the constant measurement of bacterial load in the process water of drinking water plants, and making changes to its chlorination plants and processes.

Depending on its use, wastewater is collected and sent via the sewer system to treatment plants and then returned to the environment in full compliance with applicable laws.

In managing sewage, the most closely monitored aspects from an environmental perspective are the presence of contaminants, the handling of any pathogens in the treatment plants, the management of sludge produced by the treatment process, and emissions (mainly nitrogen and sulfur) from wastewater treatment.

As for the risks identified further to the recent regional notes and instructions on perfluoroalkyl substances (PFAS), Sifa Scpa and Veritas SpA have proposed launching a structural experimentation phase at the Sg31 platform with a view to removing PFAS from leachates entering the plant.

The waste management services offer the seamless handling of municipal and special waste. The Veritas Group manages the entire waste cycle from collection to treatment, favoring the recycling and reuse of materials and developing communication and information campaigns to raise awareness and encourage virtuous behavior, thereby reducing the quantity of waste produced.

3.2.1 Energy consumption and emissions

The Veritas Group's operations are energy-intensive by nature, especially as concerns the industrial segment, the waste management service, and the water service.

For the waste management service, electricity is used mainly to operate sorting machinery and to treat and dispose of waste, while for the integrated water service it is needed to abstract and distribute water, transfer wastewater, blow air into treatment tanks, and pump treated wastewater to the sea.

Fuel is consumed mainly by trucks and watercraft used to collect waste on dry land and in the lagoon area. Fuel is also needed at the waste treatment plants to drive forklifts, bulldozers, and other vehicles.

Finally, the Group owns a fleet of company cars (LPG-fueled and electric) and vehicles for cemetery services.

The collection and transport of waste in towns and cities requires significant fuel consumption for the operation of vehicles.

The Group's energy consumption is shown in the table below.

Total energy consumption [GJ]

	2023	2022	2021
total energy consumption	**913,422**	**919,574**	**927,392**
of which: from non-renewable sources	833,066	829,428	841,968
of which: from renewable sources (self-produced)	80,356	90,146	85,424
of which: electric energy from renewable resources (photovoltaic)	68,068	75,931	68,972
of which: biogas	12,288	14,215	16,452

For more details see paragraph 8.1 Methodological note.

Energy from biogas is used in the Fusina treatment plant to heat digesters and in the boiler that serves offices and locker rooms. Electricity from renewable sources is self-produced at the Eco+Eco and Depuracque plants and at Asvo and Veritas headquarters, for operating plants and heating offices.

Details of non-renewable energy purchased are provided in the following tables.

Non-renewable energy consumption [GJ] – 2023

	industrial segment	waste management	water service	other services and offices	total
electricity	82,931	8,044	325,185	11,316	427,476
natural gas	94,241	10,165	21,472	26,417	152,295
diesel	57,666	170,753	13,664	1,605	243,688
diesel hvo	0	11	0	0	11
gasoline	372	5,065	1,199	2,364	9,000
LPG	132	318	0	146	596
total	235,342	194,356	361,520	41,848	833,066

For more details see paragraph 8.1 Methodological note.

Non-renewable energy consumption [GJ] – 2022

	industrial segment	waste management	water service	other services and offices	total
electricity	76,056	8,046	314,547	10,710	408,359
natural gas	85,018	14,647	17,585	27,763	145,013
diesel	75,376	176,827	11,674	1,523	265,400
gasoline	2,080	4,683	1,390	1,704	9,857
LPG	304	280	-	215	799
total	237,834	204,483	345,196	41,915	829,428

Non-renewable energy consumption [GJ] – 2021

	industrial segment	waste management	water service	other services and offices	total
electricity	86,884	12,153	314,174	10,506	423,717
natural gas	79,562	14,957	13,170	32,133	139,822
diesel	78,598	176,088	12,894	1,579	269,159
gasoline	162	5,053	1,502	1,511	8,228
LPG	319	368	20	346	1,053
total	245,525	208,619	341,760	46,075	841,979

See the methodological note to this report for information on the breakdown of consumption by services.

Average total energy consumption stayed constant from 2022 to 2023, with variations within segments and energy factors. There was an increase in average consumption of electricity (+5%) and natural gas (+5%) and a decrease in average consumption of diesel (-8%), gasoline (-9%) and LPG (-25%). The decrease in fuel consumption is mainly due to fleet substitution with cars and lorries with electric and biomethane traction. Electricity consumption has increased in almost all segments, apart from waste management services, while natural gas consumption has increased in the industrial segment and in the water services sector and decreased in the waste management and other services sectors.

Turning to energy production, the Group uses photovoltaic systems installed on the roofs of some buildings and the covers of certain landfills and produces biogas from landfills and treatment plants (the Fusina plant has a biogas production system fed by biological sludge from the wastewater treatment process).

The Group produced 132,084 GJ of energy in 2023, 139,627 in 2022, 124,487 GJ in 2021. From 2022 to 2023, energy production decreased on average in all plants as did self consumption.

Self-produced energy [GJ]

	2023	2022	2021
generated	**132,084**	**139,627**	**124,487**
of which: consumed	80,356	90,146	85,424
of which: flared	13,848	11,123	14,647
of which: sold/fed to the grid	37,880	38,358	24,416

For more details see paragraph 8.1 Methodological note.

Changes in direct emissions mirror the trend in energy consumption, with an increase in emissions from natural gas and a decrease in emissions from diesel gasoline and LPG.

Scope 1 (direct) emissions also originate from F-gas leaks, amounting to 9 metric tons of CO_2e (11 in 2022, 22 in 2021).

Direct emissions over the three years are shown below:

Total direct CO_2 emissions [tCO_2]

	2023	2022	2021
total emissions	**27,236**	**28,544**	**28,436**
from natural gas	8,607	8,169	7,859
from diesel	17,942	19,613	19,903
from diesel hvo	0.01	0	0
from gasoline	636	696	581
from LPG	40	53	69
from biogas production	1.85	1.99	2.34
from F-gases	9	11	22

For more details see paragraph 8.1 Methodological note.
Scope 1 emissions, relative to biogas, have been restated using an emission factor equal to 1.23595 kg CO2e/ton (source Defra 2023) for year 2023, which considers 0 the value of CO2 emissions and, on the contrary, counts emissions of N2O and CH4 (source of methodology Defra 2023).
Data of emissions from biogas generation have been restated also for years 2022 and 2021 in order to guarantee comparability among years.
Data relative to F-gas emissions for years 2022 e 2021 have been restated following an update of the emission factor.
Scope 1 emissions relative to F-gas have been evaluated using the following emission factors (source Defra 2023): 677 kg CO2eq/Kg for R-32, 1924 kg CO2eq/kg for R-410A, 1624 kg CO2eq/kg for R-407C.

Emissions outside of scope [tCO_2]

	2023	2022	2021
emissions from biogas generation	1,653	1,780	2,093

To guarantee reporting completeness, CO2 emissions from biogas combustion process have been evaluated, which are not included in the reporting perimeter of Scope 1, Scope 2, Scope 3 and which are considered *Emissions outside of scope* (source of methodology Defra – *Government GHG Conversion Factors for Company Reporting*). To evaluate emissions *outside of scope* deriving biogas combustion, for 2023 it has been considered an emission factor equal to 1,105.669 kgCO2e/ton (Defra 2023). 2022 and 2021 data have been restated splitting Scope 1 direct emissions from those *outside of scope*.

Relative to self-generated energy from biogas, *outside of scope*, 1,653 tons of CO_2 (1,780 in 2022, 2,093 in 2021) are registered in 2023.

Direct emissions from nonrenewable energy sources (not including emissions from biogas production and F-gases) are detailed below by segment:

Direct CO_2 emissions from energy sources [tCO_2] – 2023

	industrial segment	waste management	water service	other services and offices	total
from natural gas	5,326	575	1,214	1,493	8,607
from diesel	4,246	12,572	1,006	118	17,942
from diesel hvo	0	0.01	0	0	0.01
from gasoline	26	358	85	167	636
from LPG	9	21	0	10	40
total	9,607	13,526	2,304	1,788	27,225

For more details see paragraph 8.1 Methodological note.

Direct CO_2 emissions from energy sources [tCO_2] – 2022

	industrial segment	waste management	water service	other services and offices	total
from natural gas	4,789	825	991	1,564	8,169
from diesel	5,570	13,068	863	113	19,614
from gasoline	147	331	98	120	696
from LPG	20	18	-	14	52
total	10,526	14,242	1,952	1,811	28,531

Direct CO_2 emissions from energy sources [tCO_2] – 2021

	industrial segment	waste management	water service	other services and offices	total
from natural gas	4,472	841	740	1,806	7,859
from diesel	5,812	13,021	954	117	19,904
from gasoline	11	357	106	107	581
from LPG	20	24	1	23	68
total	10,315	14,243	1,801	2,053	28,412

The following tables report indirect CO_2 emissions according to the location-based and market-based methods. The location-based method reflects the emissions intensity of the grids from which the company buys energy, using emission factors averaged across all energy sources fed to the grid. The market-based method calculates emissions from the consumption of electricity that a company has chosen (or not chosen) to purchase under specific contractual terms, perhaps favoring renewable sources.

Indirect CO_2 emissions from energy sources [tCO_2] – 2023

	industrial segment	waste management	water service	other services and offices	total
location-based	6,989	678	27,406	954	36,027
market-based	10,528	1,021	41,280	1,437	54,266

Indirect CO_2 emissions from energy sources [tCO_2] – 2022

	industrial segment	waste management	water service	other services and offices	total
location-based	5,586	599	23,411	797	30,393
market-based	9,528	1,021	39,930	1,360	51,839

Indirect CO_2 emissions from energy sources [tCO_2] – 2021

	industrial segment	waste management	water service	other services and offices	total
location-based	6,467	905	23,383	782	31,537
market-based	11,029	1,543	39,883	1,334	53,789

The figures for 2021 have been restated for comparative purposes to reflect updated emission factors, as reported in section 8.1, ("Calculation method"),

Indirect emissions from electricity consumption (Scope 2) increased, from 2022 to 2023, by 19% in terms of location-based and by 5% in terms of market-based emissions.

Total direct and indirect emissions (Scope 1 + Scope 2 location-based) are as follows:

Total direct and indirect CO_2 emissions [tCO_2]

	2023	2022	2021
total emissions	**63,263**	**58,937**	**59,972**
direct (Scope 1) emissions	27,236	28,544	28,436
indirect (Scope 2) emissions - location-based	36,027	30,393	31,536

In addition to greenhouse gas emissions, the Group emits pollutants from, among other activities, the treatment of waste and wastewater. Specifically, in compacting and moving refuse particulate matter can be generated if these processes are not appropriately managed. In particular, the activity carried out in the residual municipal waste treatment plants of Eco+Eco Valorizza Venezia is monitored, in every phase of operations, making use of the best available technologies for the reduction and mitigation of potential impacts in the form of particulates, odors,

leachates and waste (scrap). Atmospheric emissions are reduced by conducting all stages of the process in negative-pressure rooms using indoor gases and exhausted process gases, conveyed to filtration and heat treatment devices for the removal of particulates and the inactivation of odor-producing components generated in the oxidation phase.

The Group works constantly to improve its energy performance. This involves the dual approach of analyzing its most energy-intensive activities and seeking and implementing solutions to reduce consumption.

These efforts have led to the public-private partnerships sponsored by Vier Scarl, which aim to boost the efficiency of the Veritas Group's largest centers of consumption. In particular, the executive project has been drawn, validated and verified for improving the energy performance of the S5 and S6 sewage stations (alone accounting for nearly a quarter of the more than 800 lifting units operated) for savings of 18.5%, under an Energy Performance Contract, while solving various problems caused by the especially corrosive atmosphere; and for installing a 1 MWe cogeneration unit that will produce heat for drying sludge from the Fusina treatment plant and electricity for on-site consumption at below market costs. In 2023, the board has approved the investment for 6 photovoltaic plants, for a total power of 4 MWp, to be realized in various water services sites which will therefore become self-sufficient in terms of energy consumption.

In addition to "minor" improvements such as high-efficiency motors, inverters etc. the Group has installed an integrated valve turbine at the Savec pipeline that recovers the energy currently dissipated and converts it into electric power for self-consumption by Gazzera. This project has also been approved by the energy services operator (GSE SpA) for the purpose of issuing white certificates.

In 2022 the Fusina plant began distributing biomethane produced at non-Group facilities from the organic fraction of municipal solid waste (OFMSW) collected by Veritas, which through a biodigestion process is turned into fuel for the very vehicles that collect OFMSW. The biomethane distributor is the first of four that will be strategically located around the territory served by the Veritas Group (the other three will be in Jesolo, Mirano, and Portogruaro) and that in addition to being a concrete example of circular economy and decarbonization will allow fuel to be purchased more cheaply than at roadside filling stations.

In 2022 the Veritas Group completed its first greenhouse gas (GHG) inventory to identify the most emissions-intensive activities and define a strategy for reducing and offsetting emissions. Winning the Net Zero Award offered by Utilitalia, in collaboration with Carbonsink, to member companies that have stood out for their commitment to fighting climate change also made it possible to conduct a gap analysis between science-based targets and Veritas initiatives, with a view to mapping out an emissions reduction path and deciding what steps to take to better define indirect Scope 3 (value chain) emissions, which will take place in 2023.

In 2023, in collaboration with Carbonsink, the Group operated to make data collection and the relative GHG inventory structural. Moreover, activities of suppliers' involvement and qualification on sustainability issues have been carried out through Ecovadis platform.

3.2.2 Sustainable waste management

The waste management services take an integrated approach to managing municipal and special waste (collection, transportation, treatment, and valorization). From a circular economy perspective. the key elements of the waste management processes are collecting waste efficiently and valorizing waste by sorting recyclables and producing fuel from the nonrecyclable fraction.

The collection, sorting, and treatment of municipal waste are some of the Group's most significant operations.

The main kinds of **special waste** the Group treats and produces are shown in the table below.

For 2023, as for 2022, because of the extended deadline to file the *modello unico di dichiarazione ambientale* (environmental statement), figures for the generation and treatment of waste are still provisional.

Starting from 2023 also waste treated by Rive is considered as it is now fully operative.

Veritas Group – metric tons of waste treated/generated in 2023

	Veritas	Asvo	Eco+Eco valorizza	Eco+Eco ricicla	Metalrecycling	Depuracque and Lecher	Rive
total waste treated/generated	**112,986**	**14,857**	**252,443**	**216,080**	**24,404**	**14,157**	**8,233**
of which: hazardous	492	83	8	9	103	3,368	0
of which: non-hazardous	112,494	14,774	252,435	216,071	24,301	10,789	8,233
of which: from waste and water treatment (EWC code 19)	91,467	13,803	167,256	209,824	22,668	13,469	8,233
of which: from other operations	21,519	1,054	85,187	6,256	1,736	688	0

Veritas Group – metric tons of waste treated/generated in 2022

	Veritas	Asvo	Eco+Eco valorizza	Eco+Eco ricicla	Metalrecycling	Depuracque and Lecher	Rive
total waste treated/generated	**110,665**	**11,773**	**252,631**	**217,587**	**25,723**	**16,203**	**0**
of which: hazardous	1,049	17	15	15	26	3,326	0
of which: non-hazardous	109,616	11,755	252,616	217,572	25,697	12,877	0
of which: from waste and water treatment (EWC code 19)	97,604	10,767	177,134	204,598	24,430	15,666	0
of which: from other operations	13,061	1,005	75,497	12,989	1,293	536	0

Veritas Group – metric tons of waste treated/generated in 2021

	Veritas	Asvo	Ecoprogetto	Eco-ricicli	Metalrecycling	Depuracque and Lecher	Rive
total waste treated/generated	**148,021**	**16,463**	**242,018**	**198,280**	**24,393**	**13,938**	**0**
of which: hazardous	1,033	12	7	6	4	3,216	0
of which: non-hazardous	146,988	16,451	242,011	198,273	24,389	10,722	0
of which: from waste and water treatment	125,527	15,305	175,051	185,036	23,401	13,432	0
of which: from other operations	22,494	1,159	66,968	13,244	992	506	0

The above data refers to waste treated/generated; considering each company's activities, it may include intragroup transfers (e,g, waste delivered from Eco-ricicli to Metalrecycling),

The amounts "from waste and water treatment" refer to waste generated by the Group companies' solid waste treatment plants, wastewater treatment plants, and drinking water treatment plants. Other waste, even if stemming from the Group's core business, is classified as "from other operations."

For 2023, the waste treated by "Eco+Eco valorizza" includes 39,456 metric tons of solid recovered fuel (SRF) (40,639 tons in 2022, 44,280 tons in 2021).

Metalrecycling, in addition to the treated waste shown above, produced 6,323 metric tons of ferrous material in 2023 (6,790 in 2022, 9,191 in 2021). This is "end of waste" material – waste that becomes a secondary raw material according to EU Regulation 333/2011 – confirming the Group's commitment to the circular economy. The amount of ferrous material produced came to about 21% of incoming waste in 2023.

The **municipal waste** (and equivalent) generated by the Veritas Group is included in the total waste collected by Veritas (shown below), which at the end of the process – as concerns unsorted waste and mixed packaging waste – is conveyed to its own plants.

Of total waste generated, some waste is produced and collected separately but is not included in the statistics for calculating the separate collection rate, in accordance with the 2016 Ministerial Decree "Guidelines for calculating the separate collection rate of municipal waste."

The tables below present details for 2023, 2022, 2021.

Total waste generated and collected in the territory was slightly higher in 2023 than the previous year (+3%). Separate collection rate also increases having stopped over 70% for several years.

Municipal waste 2023 [t]			
	Asvo	Veritas	total
total waste generated in the territory	70,880	453,954	524,834
separate collection	48,464	314,504	362,968
mixed collection	16,972	122,074	139,046
separate collection rate	74.1%	72.0%	72.3%
waste not included for statistical purposes	5,444	17,376	22,820
total waste collected in the territory	69,246	447,019	516,265

Data computed according to the 2016 Ministerial Decree, (data still provisional at the time of reporting)

Municipal waste 2022 [t]			
	Asvo	Veritas	total
total waste generated in the territory	69,009	440,551	509,560
separate collection	46,026	303,776	349,801
mixed collection	17,646	119,969	137,615
separate collection rate	72.3%	71.7%	71.8%
waste not included for statistical purposes	5,338	16,807	22,144
total waste collected in the territory	67,336	433,425	500,761

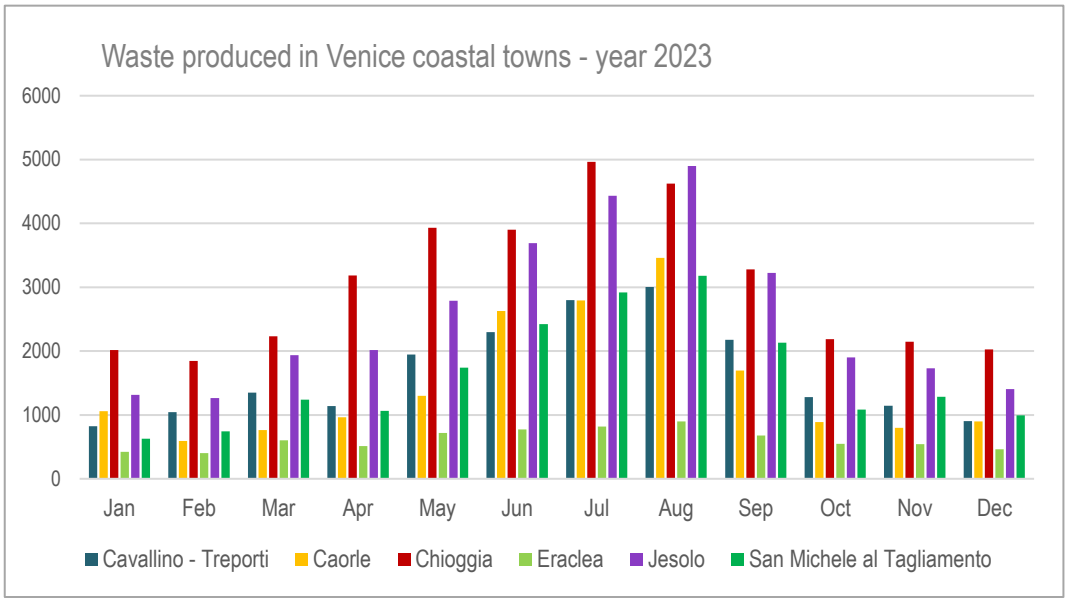
Data computed according to the 2016 Ministerial Decree, (data still provisional at the time of reporting)

Municipal waste 2021 [t]			
	Asvo	Veritas	total
total waste generated in the territory	69,573	449,552	519,125
separate collection	46,371	306,601	352,971
mixed collection	17,348	113,596	130,944
separate collection rate	72.8%	73%	72.9%
waste not included for statistical purposes	5,854	29,355	35,210
total waste collected in the territory	67,871	442,196	510,067

Data computed according to the 2016 Ministerial Decree,

The tourism industry is a significant factor in determining what infrastructure is needed to deliver and organize the waste management service. Every year, Venice and the surrounding towns are the destination of millions of tourists from all over the world, attracted by the natural beauty and landscape and the wealth of history and culture. The Veneto, in fact, is one of the regions with the highest number of stays in hotels and other tourist accommodations. In addition to the visitors who stay overnight, many more come for the day and are not counted in official statistics. While tourists who stay the night or long enough for a restaurant meal indirectly pay for waste management through the refuse tax paid by the hotel or restaurant, many day trippers who neither dine nor sleep in the city produce waste that is not paid for by anyone, creating a negative externality for all.

Tourism has a considerable impact on waste production as shown in the graph below, the quantity of waste produced during the summer months when tourism is at a peak is greater than during the rest of the year in every municipality (Venice is the exception).



The impact of tourism is clear also on the differentiated waste collection rate which, in the municipalities with the highest tourism intensity (Cavallino-Treporti, Caorle e San Michele al Tagliamento) decreases on average by 20% in summer months.

As mentioned earlier, part of the scope and organization of the service is fixed and has to be calibrated to an equivalent population that exceeds the number of residents, with all that follows in terms of operating and investment costs.

Another issue that adds to the cost of waste collection is the refuse that washes up on beaches. As noted, the Veritas Group operates and collects waste along the entire Veneto shoreline. What's more, due to its nature, this waste can generally not be recycled. In this case as well, the cost of collecting and managing the waste falls on the resident population of these towns.

As reported in the table below, the quantity of refuse collected along the shoreline is significant, weighing beyond 20% of the waste produced by each municipality.

Waste washed ashore [t]

Municipality	2023	2022	2021
Caorle	2,860.67	3,272.11	3,970.30
Cavallino-Treporti	157.66	232.18	501.37
Chioggia	8,692.93	7,944.38	18,985.23
Eraclea	5.54	2.48	26.43
Jesolo	879.96	934.43	1,482.81
San Michele al Tagliamento	519.57	2.88	–
Venezia (Lido and Pellestrina)	474.52	283.42	707.58
Total	**13,590.85**	**12,671.88**	**25,673.72**

Data still provisional at the time of reporting.

As the risk mapping process discovered, waste **treatment** and disposal is a highly material topic, To keep this aspect under control, for years the Group has used innovative tools to monitor waste recovery streams; make collection, transport and treatment activities transparent; and define the industrial works needed to make sure public infrastructure stays apace with the evolving flows of urban metabolism.

The **waste treatment summary** analyzes and reports all streams of waste collected, generated and managed within the scope of the services provided by Group companies, including the sewage sludge produced by local plants.

The **traceability system** follows almost all waste fractions collected from the territory throughout the treatment process, ending with the recovery of materials or the production of energy from waste. In greater detail, the tracing of residual municipal waste, clippings and prunings, organic waste, paper, glass, plastic, metals, and wood through separate collection and, for the first time in 2021, of bulky items, has made it possible to certify about 90% of all waste managed by the Veritas Group.

The **sorting quality analysis**, by way of thousands of tests on the waste collected in every municipality, sheds light on the mistakes people make when sorting their trash, which the Group points out in fliers enclosed with Tari (waste tax) bills.

Development plans for the Group's technological hub, submitted for regional authorization, include an industrial approach to an emerging topic as important on a local as on a national scale: the increasingly sustainable use of sewage sludge as an energy source and as a better practice than its indiscriminate use in agriculture.

In recent years the spreading of sludge on agricultural land has become a concern due to the potential environmental hazards. Sludge can lead to soil contamination, poorer quality of land and agricultural products, foul smelling emissions, and the presence of pathogenic microorganisms. For these reasons, it has become objectively difficult, logistically and economically, for water service providers in the Veneto and elsewhere to find plants willing to receive, treat, or reuse sewage sludge.

Therefore, equipping the Fusina hub with a dedicated line for the drying and energy valorization of sludge, in addition to SRF and woody waste not reusable as material, is the response to a social need affecting the region, the city of Venice, and more generally the entire optimal territorial ambit (OTA) for water management centered on the Venetian Lagoon basin and the rivers hydraulically and ecologically connected to it.

Circular economy – reuse of waste: results from the monitoring of municipal waste streams, certified by an independent third party, are shown in the table below:

Municipal waste treatment 2022 [t]

	metric tons	% and means of reuse
paper and cardboard (t selected)	59,688	97% recovered material
glass and packaging (t refined)	38,105	77% reused (furnace-ready cullet)
non-Corepla plastic (t refined)	1,341	70% recovered material
Corepla plastic (t selected)	30,708	56% prepped for material recovery
metals (t selected)	6,609	94% prepped for material recovery
residual municipal waste (t collected)	137,737	59% recovered material or energy
clippings and prunings (t collected)	64,152	39% soil compost amendment
organic waste (t collected)	83,266	See note
wood (t collected)	12,581	82% recovered material, 16% energy recovery
bulky items (t collected)	13,614	33% prepped for material recovery

Note: from organic waste 4.65% recovered as soil amendment, produced 8.8 GWh electricity, 7.7 GWh heat energy, 5,303,736 Nm^3 biomethane. Figures refer to the year preceding the reporting period, being it necessary to have final data (i.e. post delivery of *MUD*) and because of the complexity of calculations.

As far as traceability is concerned, the Group was part of a Utilitalia task force for the drafting of standard UNI PDR 132:2022, Starting in 2023, that standard will be used as a framework for certifying the traceability of waste.

The Group manages five landfills, of which only one is active.

The landfills are as follows:

- Ca' Rossa, in the municipality of Chioggia. This landfill stopped receiving waste in 2009, It has a plant for the extraction of leachate (conveyed to treatment facilities) and a plant for the capture of biogas (used to produce energy by a company outside the Group).
- Ca' Barbiero, in the municipality of Noale. This site was used as a landfill in the 1980s and early 1990s, The Ca' Barbiero site is currently in the post-management phase and the waste has been capped with a uniform, constant layer of soil. Under a rehabilitation project for the area, a photovoltaic system has been installed over part of it.
- Ca' Perale, in the municipality of Mirano. This is a former landfill for non-hazardous waste that was closed in 1996, It has a plant for the extraction of leachate (conveyed to treatment facilities) and a plant for the capture of biogas (used for energy production by a company outside the Group).
- San Donà di Piave. This site has a leachate treatment plant, where leachate goes through an industrial process (continuous-flow activated sludge, complete with nitrogen removal and oxidation phases and preceded by a chemical/physical component which, after neutralization, percolates into the sludge by gravity) before being conveyed into the municipal sewer, With a 2017 resolution by the municipal council, the town of San Donà decided to initiate the post-management phase of the landfill and granted an in-house provider contract to Veritas.
- Jesolo. This non-hazardous waste landfill is the only one currently active. It has a plant for the extraction of leachate (conveyed to treatment plants) and another for biogas capture.

Key figures for 2023 and 2022 are shown below:

Landfills year 2023

	Biogas (m^3)	Leachate treated (m^3)	Waste produced EWC 190703 (t)	Waste produced EWC 190812 (t)	Waste produced EWC 161002 (t)
Ca' Rossa landfill	163,895	0	17,257.18	0	0
Ca' Barbiero landfill	0	0	288.4	0	0
Ca' Perale landfill	22,097	0	929.52	0	0
San Donà landfill	3,594	19,884	0	259.86	0
Jesolo landfill	323,493	0	11,228.48	0	3,141.82

Landfills year 2022

	Biogas (m^3)	Leachate treated (m^3)	Waste produced EWC 190703 (t)	Waste produced EWC 190812 (t)	Waste produced EWC 161002 (t)
Ca' Rossa landfill	297,823	0	14,771	0	0
Ca' Barbiero landfill	0	0	127	0	0
Ca' Perale landfill	1,358	0	447	0	0
San Donà landfill	9,740	9,006	3	30.84	0
Jesolo landfill	291,670	0	10,363	0	1,427

The biogas from the San Donà, Ca' Perale and Jesolo landfills is flared, while the biogas from Ca' Rossa is used for cogeneration by another plant outside the Group,

Incoming waste at the Jesolo landfill in 2023 and 2022 was as follows:

Jesolo landfill, incoming waste [t]

Description	EWC code	2023	2022
bottom ash and slag	19 01 12	7,455.44	0
non-reusables	19 12 12	0	0.3
non-reusable paper and cardboard	19 12 12	1,916.68	1,975
non-reusable separate fractions	19 12 12	22,599.8	34,056
non-reusable residual municipal waste	19 12 12	34,973.17	34,338
soil and stones from Veritas construction sites	17 05 04	416.08	350
screenings from Veritas treatment plants	19 08 01	481.01	481

In 2023 nearly 36% of waste conveyed to the landfill is non-reusable separately collected waste (51% in year 2022); around 1% comes from the integrated water service, namely a small portion of the screenings produced by the treatment plants, about 52% consists of non-reusable residual municipal waste (48% in 2022); about 12% are bottom ash and slug and non-recoverable soil and stones from pipe maintenance sites (less than 1% in 2022).

3.2.3 Management of water resources

The Veritas Group manages the integrated water service, consisting of the water supply (collection, adduction, pumping, treatment, and distribution of drinking water), sewage (collection and conveyance of wastewater to the public sewers), and treatment (treatment of wastewater discharged into the public sewers and restoration of clean water to the environment).

Regarding **water sources**, most water comes from the aquifers of Trebaseleghe, Scorzè, Morgano, Zero Branco, Quinto di Treviso, Treviso, Candelù, and Roncadelle, while a small percentage (around 16%) comes from the Adige, Livenza, and Sile rivers, the last of which flows entirely within the Sile regional natural park. As for the water service, together with the Veneto Region and other local water service operators and with input from the Venetian Lagoon Basin Council, Veritas has implemented a structural water supply model designed to differentiate water sources, optimize any plant downtimes without interrupting service, and deal with supply problems caused by summer stress. Some of the water it withdraws is in fact sold to third parties.

A map of water severity has been published also on Ispra's (Ministry of the Environment) web site (https://www.isprambiente.gov.it/pre_meteo/idro/SeverIdrica.html), where results from Water Permanent District Observatories are displayed. Four different scenarios are identified: normal situation, where values of water stress indicators show the ability to satisfy water needs of natural and anthropic systems; low water severity, where water demand is still satisfied but indicators show a negative trend; medium water severity, where water stress is intensified because water flows are lower than the average and a high temperature causes a water need higher than the average and at the same time volumes stocked in the reservoirs do not guarantee drinkable, irrigation, industrial and environmental water use at normal rates, moreover economic damage and environmental reversable impacts are likely; high water severity, where all precautionary measures have been taken but a critical non predictable situation prevails where water is not sufficient to avoid damages to the system which can also be irreversible.

Veritas locates in the Alpi Orientali District where, on the basis of data analysis, situation results normal, even though it must be underlined that groundwater levels show a certain severity, despite recovery signals. Severity level is therefore considered medium for groundwater and absent for surface water.

The Group's withdrawal volumes including consumption are shown below,

Withdrawals for the water service (megaliters)

	2023	2022	2021
total withdrawn from nature	**112,861**	**112,809**	**112,429**
of which: groundwater	92,484	94,758	98,360
- of which: fresh (≤ 1000 mg/L total dissolved solids)	92,484	94,758	98,360
- of which: other (> 1000 mg/L total dissolved solids)	–	–	–
of which: river water	20,377	18,051	14,069
- of which: fresh (≤ 1000 mg/L total dissolved solids)	20,377	18,051	14,069
- of which: other (> 1000 mg/L total dissolved solids)	–	–	–
total purchased	**10,543**	**10,346**	**8,661**
- of which: fresh (≤ 1000 mg/L total dissolved solids)	**10,543**	10,346	8,661
- of which: other (> 1000 mg/L total dissolved solids)	–	–	–
total	**123,404**	**123,155**	**121,090**

As regards the withdrawal of water in areas subject to water stress, the Veritas Group uses the mapping of the state of severity of the water resource published on *ISPRA* website to identify areas potentially at risk. According to this analysis, the Group's sites are not located in water-stressed areas.

Groundwater undergoes no treatment besides disinfection, required by law, when it is pumped into the mains, River water, on the other hand, undergoes clariflocculation and filtering before it enters the system.

The following table shows water pumped into the system and water consumed:

Water pumped into the system, water billed and otherwise consumed (megaliters)

	2023	2022	2021
total pumped in	113,819	114,258	111,970
water exported for adduction and distribution	11	23	6
water billed	67,947	71,119	69,589
water sold to third parties	411	365	428
water consumed by Group companies	1,529	526	435
total consumed	**68,898**	**72,033**	**70,458**

Total water billed and consumed in 2023 was slightly lower than in 2022: variation between 2022 and 2023 is -4% for water billed and -3% for water consumed.

More than 99% of water consumed by the Group's production processes comes from its own supply and is used for the following activities:

- street cleaning and washing of vehicles;
- processes of water abduction and purification, maintenance of watermains and plants and other operational functions of the integrated water service;
- waste treatment and reuse facilities, collection centres, transfer stations;
- cemetery maintenance.

Total water consumption for all Veritas Group services in 2023 came to 594 megaliters (in addition to the volume shown in the table above, Asvo purchased 6 megaliters from outside the Group). Consumption in 2022 and 2021 was, respectively, 530 and 439 megaliters. These totals exclude consumption by various collection centers and transfer stations for which data is not available. In addition to drinking water, some Group companies withdraw non-drinkable water directly from rivers or canals: the total volumes were 436 megaliters in 2023, 545 megaliters in 2022 and 312 in 2021.

Total water consumption for all of the Group's services is broken down below by type (drinking or non-drinking water):

Group water consumption (megaliters)

	2023	2022	2021
total water consumed	**1,030**	**1,075**	**751**
of which: drinking water	594	530	439
of which: non-drinking water	436	545	312
% drinking water	58%	49%	58%
% non-drinking water	42%	51%	42%

2022 values relative to water consumption shown in the table have been restated including consumption by industrial wastewater treatment plant.

In 2023 686,669 cubic meters have been used of reuse water from Fusina wastewater treatment plant and from Eco+Eco; this is water not taken from sources but recovered by the plants, it represents thus a saving of the resource,

Finally, in 2023 7,351,521 cubic meters of water were withdrawn from the Sile river and pumped into the industrial network. This is non-drinking water used exclusively for manufacturing purposes by companies outside the Group.

The regulatory authority Arera (Autorità di Regolazione per Energia Reti e Ambiente), with resolution 917/2017, introduced regulation of the technical quality of the integrated water service with the definition of various macro-indicators. The macro-indicators are monitored annually, and on the basis of results, providers are assigned to a class and given improvement targets for the subsequent years. The investments planned for the sector refer to those targets.

With resolution 637/2023 Arera has changed the evaluation method of many parameters and improvement classes of each indicator. Results obtained with the new method and new classes are reported here, comparison with previous years is therefore not feasible.

One of the macro-indicators is water leaks, designated as M1. M1 is divided into linear leaks (daily leaks per kilometer of network) and percentage leaks (leaks as a share of the volume withdrawn).

Results for the last two-year period reported to Arera (2022-2023) are as follows:

Water leaks

	2023	2022
linear leaks (M1a)	20.37	20.77
percentage leaks (M1b)	41.9%	42.2%
assigned class	C	C
targets (improve or maintain)	**-4% di M1a**	**-4% di M1a**

These variables also reflect the nature of the territory, which features an especially vast network in proportion to the population served, with facilities spread far and wide. This expansive configuration has an effect on the M1b indicator.

As mentioned in Section 1.4, the business plan calls for various investments in the pipelines, control stations, and holding tanks for the search and repair of water leaks.

The **quality and safety** of drinking water is ensured through routine analyses by the Veritas test lab.The lab is accredited according to UNI CEI EN ISO/IEC standard 17025 (Accredia certificate no, 0211).

The lab tests drinking water at various points, from intake to watermains to delivery.

Every year, it tests more than 5,000 samples for nearly 300,000 parameters. The analyses are defined in the annual monitoring and testing plan drawn up in accordance with the local authorities.

Below are the average readings for various drinking water parameters:

Drinking water parameters: average readings

Parameter	Unit of measurement	Average reading	Legal limit
Sodium	mg/L	7.41	200
Arsenic	µg/L	<1	10
Manganese	µg/L	1.19	50
Hardness	°f	25.28	15 < °f < 50 (recommended)
Fluoride	mg/L	0.08	1.5
Nitrite	mg/L	<0.01	0.5
Lead	µg/L	<1	10
pH	pH scale unit	7.6	6.5 ≤ pH ≤ 9.5
Conductivity	µS/cm at 20°C	441.54	2500
Fixed residue at 180°	mg/L	275.45	1500 (recommended)
Ammonium	mg/L	<0.05	0.5

The water is also tested by the local health authorities and Arpav, which run additional independent analyses on water quality. The analyses are carried out in accordance with the provisions of Legislative Decree 18/2023, implementing the European Directive 2020/2184. In 2023, there were no episodes of non-compliance of water such as to lead to orders of non-potability, nor non-conformities that led to penalties or penalties of any kind.

The readings are constantly updated, published online at www.gruppoveritas.it, and printed in consumers' water bills.

For water quality as well, Arera has set a macro-indicator with targets for improvement/maintenance. The macro-indicator in this case is M3 "quality of water delivered" and it is subdivided into three subcategories: rate of boil-water orders, ratio of substandard (with respect to legal limits defined by Legislative Decree 18/2023) samples to total samples tested, and ratio of substandard parameters to total parameters analyzed.

Results for the last two-year period reported to Arera (2022-2023) are as follows:

Drinking water quality

	2023	2022
rate of boil water orders (M3a)	0	0
ratio of substandard samples from internal tests (M3b)	1.18%	1.37%
ratio of substandard parameters from internal tests (M3c)	0.040%	0.038%
assigned class	C	C
targets (improve or maintain)	**-6% di M3b**	**-6% di M3b**

Wastewater from domestic, domestic equivalent, and industrial users is first pre-treated at Veritas plants and then flows into the sewer system, which conveys it to treatment plants before it flows back into nature.

There are three kinds of **sewer lines**: for storm water, for sanitary sewage, and combined. If a sewer line breaks, sewage can back up or spill out (leading to possible contamination), or combined storm water and sewage can flood the area causing a disturbance or a hazard for the community.

To make sure it is functioning properly, the sewer system is constantly checked, monitored (video inspection), and repaired.

For sewer system management, Arera has introduced macro-indicator M4 ("adequacy of the sewer system") and divided it into three subcategories: M4a, frequency of sewer floods and/or spills (as described above), measured as number of events per 100 km of sewer line; M4b, regulatory compliance of overflow spillways, measured as the ratio of non-compliant spillways

to total spillways; and M4c, monitoring of overflow spillways, measured as the ratio of unmonitored spillways (or those without an automatic control system) during the year to total spillways.

Results for the last two-year period reported to Arera (2022-2023) are as follows:

Adequacy of the sewer system

	2023	2022
frequency of floods/spills (M4a)	0.806	1.260
regulatory compliance of spillways (M4b)	35.5%	36.0%
monitoring of spillways (M4c)	49.1%	49.1%
assigned class	D	D
targets (improve or maintain)	**-10% di M4b**	**-10% di M4b**

As is the case for the water network, these parameters are heavily influenced by the territory which features an extensive sewage system in proportion to the population served, with facilities spread far and wide and a very high number of spillways. This expansive configuration has an effect on all M4 indicators. Additionally, the territory is on a plain with minimal changes in altitude. This requires substantial investments and operating costs for pumping, primarily for the sewage and treatment service. The very low altitude and shallow water tables amplify the problem of sewer infiltration and inflow, which likewise has a negative impact on M4a (frequently of floods/spills from the sewer system).

In response to these issues, the Group has invested in expanding and upgrading sewer pipes, building new storm water retention tanks, and enlarging/adapting existing storm water retention tanks and spillways.

As for wastewater, again according to the World Resources Institute, Veritas is in a medium-to-low-risk zone (30-60%). The parameter is defined as the percentage of domestic wastewater that is not connected to a sewer system and not treated to at least a primary treatment level.

On the subject of **water treatment**, the Group operates 36 plants (including 6 Imhoff tanks) to treat wastewater from the public sewer system (which includes industrial wastewater flowing into public sewers) as well as an industrial wastewater treatment plant (Sg31). In 2023 the total volume of water treated by the 32 largest municipal wastewater treatment plants was 94,468 megaliters (80,942 megaliters in 2022, 89,563 megaliters in 2021), while the volume treated by the industrial sewage treatment plant came to 6,630 megaliters (6,973 megaliters in 2022, 7,682 in 2021).

After treatment, the wastewater is conveyed to the final discharge points which are located in the sea, outside the lagoon, for all plants except Campalto, Zero Branco, and Morgano, which discharge into the Venetian lagoon drainage basin (19,234 megaliters in 2023, 16,463 megaliters in 2022 and 17,140 megaliters in 2021). The discharge of wastewater into the lagoon is subject to special authorization, with stricter limits than discharge into the sea; such limits are consistently respected.

A small percentage of treated water (681 megaliters in 2023) is reused to operate the Fusina plant.

The **quality of wastewater** leaving the treatment plants (average removal rate of substances in outgoing vs, incoming wastewater) is reported in the table below for 2023, 2022, 2021.

Average wastewater quality [mg/L] and average efficiency of treatment plants in terms of substance removal

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	7.8	93.1%	10.2	92.0%	5.5	95.0%
COD	24.6	89.5%	28.5	88.6%	21.3	89.8%
TSS	7.2	94.7%	10.8	92.5%	4	93.7%
phosphorus	0.5	87.5%	0.6	86.1%	0.4	87.5%
nitrogen	7.7	73.5%	8.0	76.3%	7.1	75.4%

The average removal rates and average quality of wastewater are consistent over the three years, with changes due in part to randomness. The outgoing concentrations are calculated as the ratio of total outgoing loads to annual capacity treated; they are low for all years considered and are under the regulatory limits.

Six of the treatment plants have a capacity of more than 100,000 population equivalent. All of them use tertiary or advanced tertiary treatment. Details by individual plant are shown below.

Average wastewater quality [mg/L] and rate of removal: Caorle plant

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	7.9	93.4%	9.8	91.7%	4.9	94.8%
COD	20.4	91.6%	21.0	90.2%	19.1	89.3%
TSS	5.6	95.7%	5.4	94.7%	4.8	92.7%
phosphorus	0.6	88.7%	0.7	87.7%	0.6	87.1%
nitrogen	9.2	73.4%	10.1	74.0%	9.4	74.9%

Average wastewater quality [mg/L] and rate of removal: Chioggia plant

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	11.4	95.3%	11.3	92.9%	6.2	96.0%
COD	60.2	88.4%	60.7	82.4%	59.3	87.6%
TSS	5.8	98.5%	8.6	96.4%	8.5	97.8%
phosphorus	0.2	97.9%	0.2	96.4%	0.4	95.6%
nitrogen	6.1	82.8%	5.5	84.0%	4.7	89.0%

Average wastewater quality [mg/L] and rate of removal: Jesolo plant

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	5.3	93.4%	6.7	92.9%	5.2	93.3%
COD	13.5	92.2%	14.7	92.3%	14.0	91.5%
TSS	3.6	96.5%	5.5	95.0%	4.2	93.7%
phosphorus	0.2	91.8%	0.4	87.3%	0.3	87.1%
nitrogen	7.3	68.8%	8.2	66.7%	7.7	63.8%

Average wastewater quality [mg/L] and rate of removal: Fusina plant

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	8.0	92.2%	13.1	89.6%	7.1	94.0%
COD	23.2	88.5%	32.5	86.2%	27.0	88.6%
TSS	9.2	90.6%	17.5	85.2%	10.2	90.7%
phosphorus	0.6	83.1%	0.7	83.3%	0.5	87.3%
nitrogen	8.5	73.1%	8.9	76.4%	8.4	75.4%

Average wastewater quality [mg/L] and rate of removal: Campalto plant

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	6.0	92.8%	6.5	94.5%	5.1	94.2%
COD	14.8	91.9%	15.4	93.7%	14.3	92.7%
TSS	6.7	94.1%	6.9	95.7%	4.9	95.2%
phosphorus	0.5	86.5%	0.5	89.8%	0.4	88.8%
nitrogen	6.6	71.7%	7.0	75.1%	6.6	73.8%

Average wastewater quality [mg/L] and rate of removal: Cavallino-Treporti plant

	2023		2022		2021	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	7.4	97.3%	9.6	96.1%	5.3	97.6%
COD	20.5	95.9%	21.0	95.0%	21.1	94.4%
TSS	5.4	98.1%	5.1	97.8%	3.3	98.4%
phosphorus	0.5	93.2%	0.7	88.4%	0.6	88.9%
nitrogen	7.1	82.7%	6.9	85.5%	6.9	82.5%

The Caorle, Chioggia, Jesolo, and Cavallino-Treporti plants are located in coastal towns with highly fluctuating populations during the summer. These places (like all the other coastal towns served by the Group) have all obtained the Blue Flag from the Foundation for Environmental Education (FEE Italia).

The Fusina plant, the Group's largest with a capacity of 400,000 population equivalent, is located in Venice in the Porto Marghera industrial zone.

Most of the industrial wastewater produced by the Group comes from the integrated water service, in connection with water withdrawn from the Sile river. For the waste management service, industrial waste comes primarily from washing vehicles, operating collection centers, and stormwater runoff.

All of these effluents flow into the public sewers after being pre-treated on-site, in most cases at the Veritas Group's own facilities. From the sewers they are then conveyed to the treatment plants.

Industrial waste produced by the Group and discharged into publish sewers [megaliters]

	industrial segment	waste management	water service	other services and offices	total
2023	564	121	1,234		1,919
2022	513	95	1,130	0	1,738
2021	545	132	450	0	1,127

The total amount discharged increased by around 10% from 2022 to 2023, the highest percentage increment belongs to the waste management sector (+27%), the highest weight is due to the water sector because of withdrawals from the Sile river.

One issue with the treatment of wastewater is the lack of sites for conveying the sludge produced by the treatment plants. The quantity of sludge produced, in terms of dry substance, is shown below by destination:

Quantity of sludge from treatment plants

	2023	2022	2021
total sludge produced (t)	**8,794**	**8,714**	**9,122**
of which: for landfill	4,234	5,148	3,505
of which: for reuse	4,560	3,566	5,617

The quantity and quality of sludge produced depends on the type of land, urban development of the territory (featuring a sizable industrial area), and the more restrictive rules applicable to various treatment plants which worsens the quality of sludge.

3.2.4 Innovative projects

Green Propulsion Laboratory

The Green Propulsion Laboratory, or GPLab, is a multidisciplinary platform for the experimentation and industrialization of environmental and energy technologies. Built and run by Veritas under the Porto Marghera agreement between the municipality of Venice and the Ministry of the Environment, GPLab aims to promote and carry out local energy efficiency and renewable energy projects, using high-performing systems, in order to reduce consumption and CO_2 emissions.

GPLab consists of four main platforms – Photolab, Oilchem, Superfluids, and Photogreen – that test industrial prototypes in the field of advanced environmental technologies through interdisciplinary research and application. Close collaboration with the community is a fundamental aspect of the project. GPLab works with the universities of Venice and Padua, but also with businesses and consortiums, such as Prometea Engineering: a young Padua-based consortium that groups small and medium-sized enterprises (SMEs) wishing to compete in cutting-edge technologies.

In 2023 activities continued relative to management of research projects, in particular:

- *Modsen project:* project of the Ministry of the Environment. It is a three-year experimental project – Veritas head research institution – to produce "green" hydrogen obtained from the dark fermentation of organic urban waste and of sewage sludge. The activities, coordinated together with the University of Venice, concerned the chemical-physical characterization of the matrices and the elaboration of bio-methanation kinetics in batch phase with quantitative evaluation of the hydrogen component in the *off gas*. In parallel, with the University of Padua and several suppliers, the design of the lines for the collection, purification, storage by means of metal hydrides of the hydrogen produced and the technological and the energetic evaluations regarding the transformation into electrical energy by means of fuel cells (PEM) and solid oxide fuel cells (SOFC) began with the design and construction of a pilot plant located at GPLab Fusina.

- *Purple-B of the European space agency (ESA).* In 2023, the Purple B project, leader GPLab veritas with the University of Padua and the University of Venice, entered into full activity and ended with the final meeting with ESA in October. The photoevolution of biohydrogen from the immobilized microbial system obtained from the fermentation of organic waste has allowed the achievement of high yields of bioH_2 with a degree of purity of about 80%, the prototype photobioreactor will be sent to the ESA Estec laboratory in Brussels for verification of its possible use on the ISS international space station. The results achieved, presented in three meetings, were particularly appreciated by ESA, which provided the respective funding tranches. GPLab Veritas has therefore filed two patent applications for photobioreactors: with immobilized microorganisms for the production of gaseous metabolites and chemical compounds; for the production of gaseous metabolites and chemical compounds.

- *Recovery of strategic materials from solar panels and e-waste.* Collaboration continued with the start-up 9-Tech, based at the GPLab, with the development and energy and functional optimization of the pilot plant for the recycling of solar panels; as part of the Pnrr Lighthouse project worth €1.8 million formed by the combination of the companies Haiki Mines, Veritas Group and 9-Tech, experimental tests continued for the optimization of the thermal process and the development of the separation and purification systems of the different PV components for the design – in Fusina - of the industrial plant with a potential of 3000 t/year.

- *Hydro thermal carbonization (HTC) of waste.* As part of the experimental activities through the pilot plant of the start-up HBI, based at the GPLab, HTC treatment tests were conducted on the biological sludge from Veritas - Fusina wastewater treatment plant; the activities concerned, in particular, structural and functional checks of the carbonization and energy recovery process aimed at a possible industrialization of the HTC technology.
- *Hydrogen Valley Venezia.* As part of the Nrrp plan for the creation of *Hydrogen Valley* in depressed industrial areas, the Sapio Group and Eco+Eco (Veritas Group) consortium has won funding for the construction of a 5 MW electrolyser in Porto Marghera for the production of green hydrogen using renewable energy produced by a PV plant of about 2 MW. Located in the Eco+Eco area in Fusina, the GPLab, on the basis of agreements with the leader Sapio, will be responsible for experimenting with the use of green hydrogen in decarboning/P2G processes of industrial fumes and the development of innovative energy and environmental technologies.
- *Biomoon Project – Lunar Gravity Biorefinery – with Italian Space Agency (Asi).* In October, GPLab Veritas was the winner of a project funded by the Italian Space Agency called *Biomoon – Lunar Gravity Biorefinery* with the aim of experimenting and building pilot plants of microbial biotechnologies for CO2 capture and the production of H2 and of chemicals under lunar gravity conditions (simulated). The Biomoon project, with GPLab as head research and scientific leader and the Universities of Venice and Padua and Cisas as partners, is part of the Nasa Artemis program, aimed at the construction – in the coming years – of a permanent transnational lunar station. The project, worth €850,000, will last 36 months and the experimental plants will be located at the GPLab in Fusina within a special technological platform called *Venice microlife space lab*; The purpose is to become a point of reference, on a national scale, for potential technological repercussions of the space economy in the energy and environmental fields.

New Cdo 3 business center

In October 2019 a public-private build-to-suit lease was arranged for the construction, financing, and ordinary and extraordinary maintenance of a building to house the new integrated water service testing lab and other offices. The building will be the new Cdo 3 business center, located next to Cdo 2 on Via Orlanda.

The arrangement consists of a partnership between the public administration and private operators for the execution of projects with the following characteristics: long-term contract between the contracting authority and the private enterprise; transfer of certain project-related risks (planning, financing and construction) to the private sector; more attention on outputs than inputs during the entire life cycle and use of private loans, often in the form of project financing.

A nearly net-zero energy building, Cdo 3 features innovative construction techniques starting with the use of sustainable, energy-efficient materials for better quality and more comfortable interiors. An automated supervision and control system maximizes energy savings and comfort with smart lighting, temperature regulation, sun shading, and the centralized management of all technical plant. The project also includes outdoor gardens and vertical landscaping to help block the sunlight.

The building is environmentally advanced: less energy and water consumption, high acoustic performance, reduced CO_2 emissions, better and more healthful interiors, electric vehicle charging columns, and use of renewable energies, including a 70 kWp (kilowatt peak) photovoltaic system.

The plans have also been registered for Leadership in Energy and Environmental Design (LEED) Gold certification, LEED is an international voluntary system for assessing and certifying sustainability in the design, construction, and reconstruction of buildings for the sake of monitoring and reducing consumption and environmental impact. At the moment, there are only 73 LEED-certified buildings in Italy, none of them belonging to a multiutility.

The four-story building has a total height of about 20 meters and a gross surface area of 4,860 m^2, including around 2,000 m^2 in lab space. Works have been completed in 2023 and in December personnel and the laboratory of Veritas have settled in.

3.2.5 Protection of biodiversity

The Group values the geographical, natural, and cultural characteristics of the territory and prizes its extraordinary biodiversity. Much of the territory consists of the Venetian Lagoon, the largest coastal lagoon in Italy: 50 kilometers long and 10 to 11 kilometers wide. The lagoon lies between the original mouths of the Piave in the northeast and the Adige in the southwest, or more precisely between the modern mouths of the Sile and the Brenta-Bacchiglione rivers. It covers an area of 549 km², or about 50,000 hectares; the area of the water system is 502,98 km² while land covers 36,58 km².

Venice and its Lagoon were designated as a World Heritage Site and inscribed on the UNESCO World Heritage List in 1987.

Whether for the location of its plants, the discharge of wastewater, or the management of services, the Group operates within a broad natural context with several sites classified as Special Protection Areas (SPAs) or Special Areas of Conservation (SACs). These zones are part of the EU's Natura 2000 network, set up to protect European biodiversity. The network consists of areas designated because of the presence and representativeness of animal and plant species and habitats listed in Annexes I and II of the Habitats Directive (92/43/EEC) and of species listed in Annex I of the Birds Directive (79/409/EEC, now Directive 2009/147/EC).

The natural setting with the list of 34 Natura 2000 sites (SPAs and SACs) in which the Group operates is summarized in the table below.

type	code	name	hectares	province	municipalities
SAC/SPA	IT3240008	Bosco di Cessalto	28	Treviso	Cessalto, Ceggia
SPA	IT3240011	Sile: sorgenti, paludi di Morgano e Santa Cristina	1,299	Padua, Treviso	Morgano, Quinto di Treviso
SPA	IT3240019	Sile river: Sile Morto e ansa a S, Michele Vecchio	539	Treviso, Venice	Quarto d'Altino
SPA	IT3240023	Grave del Piave	4,688	Treviso	Ormelle
SAC	IT3240028	Fiume Sile dalle sorgenti a Treviso Ovest	1,490	Padua, Treviso	Morgano, Quinto di Treviso
SAC	IT3240029	Ambito fluviale del Livenza e corso inferiore del Monticano	1,955	Treviso, Venice	Cessalto, Ormelle, San Stino di Livenza, Torre di Mosto
SAC	IT3240030	Grave del Piave – fiume Soligo – fosso di Negrisia	4,752	Treviso	Ormelle
SAC	IT3240031	Fiume Sile da Treviso est a San Michele Vecchio	753	Treviso, Venice	Quarto d'Altino
SAC	IT3240033	Fiumi Meolo e Vallio	85	Treviso, Venice	Meolo
SAC/SPA	IT3250003	Penisola del Cavallino: biotopi litoranei	315	Venice	Cavallino-Treporti
SAC/SPA	IT3250006	Bosco di Lison	6	Venice	Portogruaro
SAC/SPA	IT3250008	Ex cave di Villetta di Salzano	64	Venice	Martellago, Salzano
SAC/SPA	IT3250010	Bosco di Carpenedo	13	Venice	Venice
SPA	IT3250012	Ambiti fluviali del Reghena e del Lemene cave di Cinto Caomaggiore	461	Venice	Cinto Caomaggiore, Gruaro, Portogruaro, Teglio Veneto
SAC	IT3250013	Laguna del Mort e pinete di Eraclea	214	Venice	Caorle, Eraclea, Jesolo
SAC/SPA	IT3250016	Cave di Gaggio	115	Venice	Marcon, Quarto d'Altino, Venice
SAC/SPA	IT3250017	Cave di Noale	43	Venice	Noale
SAC/SPA	IT3250021	Ex cave di Martellago	50	Venice	Martellago, Venice
SAC/SPA	IT3250022	Bosco Zacchi	1	Venice	Cinto Caomaggiore, Pramaggiore
SAC/SPA	IT3250023	Lido di Venezia: biotopi litoranei	166	Venice	Venice
SAC	IT3250030	Laguna medio-inferiore di Venezia	26,385	Padua, Venice	Campagna Lupia, Chioggia, Mira, Venice
SAC	IT3250031	Laguna superiore di Venezia	20,365	Venice	Cavallino-Treporti, Jesolo, Musile di Piave, Quarto d'Altino, San Donà di Piave, Venice

type	code	name	hectares	province	municipalities
SAC/SPA	IT3250032	Bosco Nordio	157	Venice	Chioggia
SAC	IT3250033	Laguna di Caorle – foce del Tagliamento	4,386	Venice	Caorle, Concordia Sagittaria, San Michele al Tagliamento
SAC	IT3250034	Dune residue del Bacucco	13	Venice	Chioggia
SPA	IT3250040	Foce del Tagliamento	280	Venice	San Michele al Tagliamento
SPA	IT3250041	Valle Vecchia – Zumelle – valli di Bibione	2,089	Venice	Caorle, San Michele al Tagliamento
SPA	IT3250042	Valli Zignago – Perera – Franchetti – Nova	2,507	Venice	Caorle, Concordia, Sagittaria
SPA	IT3250043	Garzaia della tenuta Civrana	24	Venice	Cona
SAC	IT3250044	Fiumi Reghena e Lemene – canale Taglio e rogge limitrofe – cave di Cinto Caomaggiore	640	Venice	Cinto Caomaggiore, Concordia Sagittaria, Fossalta di Portogruaro, Gruaro, Portogruaro, San Michele al Tagliamento, Teglio Veneto
SPA	IT3250045	Palude le Marice – Cavarzere	46	Venice	Cavarzere
SPA	IT3250046	Laguna di Venezia	55,209	Padua, Venice	Campagna Lupia, Cavallino-Treporti, Chioggia, Jesolo, Mira, Quarto d'Altino, Venice, Musile di Piave, San Donà di Piave
SAC	IT3250047	Tegnùe di Chioggia	2,655	Venice	Chioggia
SAC	IT3250048	Tegnùe di Porto Falconera	622.58	Venice	Caorle
SAC	IT3270017	Delta del Po: tratto terminale e delta veneto	25,364	Rovigo, Venice	Chioggia

In the province of Venice, the sites have a combined area of 58,744 hectares and cover about 24% of the province. Four sites are described in greater detail below:

- *IT3250030 SAC Laguna medio inferiore di Venezia*, area 26,385.31 ha. This is the lower basin of the Venetian lagoon, featuring a complex system of sandflats, canals, and marshland, with extensive portions used mainly for fish farming. The area is home to endemic types and syntypes, as well as rare and/or threatened plant species at the regional and national level. This is a zone of exceptional importance for the wintering and migration of wetland birds, and a major nesting site for numerous bird species;
- *IT3250046 Laguna di Venezia* (SPA containing an SAC), area 55,209.00 ha. The Venetian Lagoon is a complex system of natural pools, river mouths, sandflats, canals, and marshland, with extensive portions used mainly for fish and mollusk farming. This is a zone of exceptional importance for the wintering and migration of wetland birds;
- *IT 3250003 SAC and SPA Penisola del Cavallino*, area 315 ha, coastal biotypes. This zone includes three different coastal areas amidst man-made structures such as campsites and holiday resorts. The natural environment features fragments of relict or recently formed dune systems;
- *IT 3250023 SAC and SPA Lido di Venezia*, area 166 ha, coastal biotypes. The biotypes of the Lido are part of the coastal environmental system, a thin diaphragm separating the Venetian lagoon from the open sea. At its extremities, sand builds up naturally and forms a wide shoreline and dune systems. These systems have long been under anthropogenic pressure that has altered the geomorphological landscape.

In addition to the above, the **Riserva provinciale di interessa locale di Ca' Roman** in a stretch of the Venetian coastline is one of the most important reserves in the upper Adriatic for its ecological and naturalistic features and as a nesting site for many species of birds, including the Kentish plover and the European nightjar. For about 20 years this area has been protected by the Lega italiana protezione uccelli (Lipu) and the municipality of Venice.

Finally, the coastal towns served by the Group (Chioggia Sottomarina, Venezia Lido, Cavallino-Treporti Lido, Jesolo Lido, Eraclea Mare, Caorle, and Bibione San Michele al Tagliamento) have all obtained the Blue Flag designation.

The soil, subsoil, and groundwater are protected through the installation and proper management of containment systems that reduce the dispersion of pollutants in the environment. For the management of landfills, including spent ones, there are protocols and physical protections in place for the safe handling of the post-closure phase, allowing them to be turned into parks that are often suitable as sanctuary and breeding areas for the local fauna.

In 2019 Ecoprogetto (now Eco+Eco) requested an environmental impact assessment for the technological upgrade of its operational hub. A study was commissioned to evaluate the potential impacts of this upgrade on biodiversity. The study provides an integrated assessment of three factors: state of biodiversity near the plant, impacts of the upgrade, and sensitivity of stakeholders to the topic of environmental protection and biodiversity. The combination of the three factors generates an integrated biodiversity risk index.

Ecoprogetto's impact on biodiversity has been assessed on the basis of two scenarios: potential scenario at 2019 (impact determined assuming use of the plant at its maximum authorized capacity) and potential future scenario (impact determined assuming use of the plant at the maximum planned capacity post-upgrade).

The analysis of the state of biodiversity close to the plant confirmed the uniqueness of the territory, which includes densely urbanized areas, a vast industrial and port zone, and areas of extreme importance for biodiversity. The hub, in fact, lies within the "Laguna medio inferiore" SCI reported in the table above.

As for the third aspect of the study, sensitivity to biodiversity, it was found that the local community is extremely attentive to the topics of pollution and its consequences for human health and state of the ecosystem, in connection with the relationship built over time between the populations of Marghera, Malcontenta, and adjacent municipalities and the Porto Marghera industrial hub. A sensitivity analysis within the company shows well-structured monitoring of processes and their potential impacts, while one area for improvement is the Veritas Group's possible role in driving biodiversity projects.

Based on the combined scores for the three aspects considered, an integrated biodiversity risk index was calculated for each of the two scenarios:

- potential current scenario: 1.95
- potential future scenario: 1.86.

The results of the study show that the integrated risk is lower for the potential future scenario than for the potential current scenario.

The study was updated during the year with actual data from operations in 2021. This time horizon made it possible to assess the plant in its current configuration, with the first waste-to-energy line fully up and running.

The assessment procedure combines three scores determined from the current state of biodiversity, the site's impact on biodiversity, and the sensitivity to biodiversity of the local community.

In the second analysis as well, the worst-case scenario assumed that all mixed waste is incinerated (without recovering energy) or sent to the landfill. Emissions data was gathered by the continuous monitoring system, where available, and from spot readings of parameters not monitored continuously. CO_2 emissions from the combustion of SRF which, as in the first study, make the greatest contribution to the risk index, were measured by the continuous monitoring system. The risk index calculated for 2021 came to 1.29, which qualifies as LOW. To update the sensitivity to biodiversity factor, the individuals surveyed in the first study were re-interviewed, so that changes in this factor over the three years could be measured using the same points of view. The analysis confirmed that the sensitivity of the local community to environmental issues, and especially citizens' health, is consistently high. The sensitivity to biodiversity index was 2.20, corresponding to MEDIUM risk.

The combination of the three aspects produced an integrated biodiversity risk index of 1.42 (LOW).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4

HUMAN RESOURCES AND HUMAN RIGHTS

The Group is committed to nurturing an inclusive workforce that respects the rights of all employees. The Human Resources and Group Organization Department values and promotes these principles at every phase, from selection to employee management.

4.1 Organizational model, policies and risks

In building and maintaining human resources and human rights policies, each company in the Veritas Group has adopted an Organization and Management Model compliant with Legislative Decree 231/2001 (in particular, as concerns human slavery and trafficking), which affirms compliance with applicable laws on personnel management and occupational health and safety.

At the organizational level, all parties to whom the Model applies are prohibited from acting in a manner that constitutes any legal offense covered by Article 25-*quinquies* of Legislative Decree 231/2001 (slavery and human trafficking), as listed in the matrix of crime-risk activities that specify when such crimes are committed.

The Code of Ethics adopted by Group companies lays down the mutual commitment by the Group and its employees to protect and promote human rights, in the sense of respect for the individual and his or her physical, cultural, and moral wellbeing. The main objectives when it comes to personnel management are to improve the working environment, reduce risks to operators, and provide training and professional skills.

The procedures for the selection, management, development, training, and information of workers are further detailed in the Regulations for Personnel Recruitment and in the Procedure for the Training and Information of Human Resources. Specifically, the Employee Regulations define the recruitment, hiring, and mobility procedures, the types of employment and internship contracts, and the protection and inclusion of disabled workers. The Regulations apply to all hiring by Veritas SpA and the companies under its management and control.

The selection procedures, the Regulations for Personnel Recruitment, the Code of Ethics, the national employment contracts used, and vacant positions can be viewed on Veritas SpA's website, www.gruppoveritas.it, in the section "Lavora con noi".

In its processes governing the recruitment, management, and development of human resources, the Group applies not only the national regulations, collective contracts, and second-level agreements but also its own internal regulations, based on the principles of transparency, publicity, inclusion, and independence, to ensure meritocracy and equal treatment to those who work for the company and understand that they provide essential public services to the community.

Many efforts are made to value individual competencies within the business, so that individuals are given the right positions, roles, and responsibilities and human capital is used for tasks that might otherwise require the services of external professionals. In keeping with these principles, the company has drawn up an internal recruitment and selection process, based on a self-fed database where employees can enter and update their skills and qualifications.

Regarding personnel-related impacts, in its Risk Assessment Report pursuant to Legislative Decree 81/08 the Group has identified the main risk areas as follows:

- **risk of injury**, considering the physical nature of the Group's activities (e.g. waste collection and treatment, water system maintenance);
- **risk of unfitness for the job**, mostly as concerns manual hauling, especially in light of the gradual postponement of retirement age.

The Group places great importance on the physical and moral wellbeing of all personnel, dignified working conditions, and a safe, healthful work environment. It therefore fosters a culture of occupational health and safety by promoting awareness of risks and responsible behavior by all.

The employer and any individuals with the appropriate hierarchical and functional powers must ensure or require third parties acting on the company's behalf to ensure, compliance with applicable laws and in general with the provisions of Legislative Decree 81/2008 as amended.

The Group also fosters a culture of prevention, health and safety, and safe conduct in the workplace by investing in training and awareness. Within the occupational health and safety management system, dedicated units plan and implement awareness campaigns, educational initiatives, and training programs. These focus on the importance of protecting health and safety, adopting uniform policies and procedures, and fostering appropriate conduct at all levels and across the organization.

The importance of health and safety issues is represented first of all by the amount of training given on this topic, which represents, on average, about 50% of total training hours given in a year (more than 30,000 hours in 2023); there are then the various initiatives on workers' health issues (part of work life balance) and last, but not least, adoption of a management system.

On the Group portal all health and safety documents regarding are published and available for all workers: sheets, procedures, reports, short explicative films, risk assessment documents, operating instructions, emergency plans, and sheets regarding personal protective equipment for different jobs. Prevention and protection service managers perform regular audits in order to verify the conformity to the above-mentioned procedures.

4.2 Human resources

The Group employs an average of nearly 3,500 people, belonging to different professional categories and assigned to the various business units, who work every day to ensure that the Group's services are carried out efficiently and effectively.

Employees in the waste management division, for example, take care of street sweeping and cleaning public areas as well as trash collection and transportation. This takes place both on dry land, using trucks, and in the lagoon area, where employees hand-load waste onto carts and walk them from zone to zone. Post-collection, municipal waste is conveyed to sorting facilities where workers separate materials by hand and using motorized vehicles and prep them for subsequent treatment. In addition to the sorting facilities, waste treatment and recovery plants are of strategic importance to the Group.

Employees in the integrated water service division have to work on the water mains and sewer system, lift loads and operate the treatment plants, and run chemical and biological tests on water samples to make sure drinking water is up to standard and wastewater is sufficiently treated before being emptied into the sea.

Other services provided by the Group include cemetery management; reclamation of contaminated or potentially contaminated sites; and the operation and maintenance of photovoltaic plants.

Staff functions support the Group's services by seeing to customer care, administration, finance and control, human resources and organization, legal affairs, procurement and tendering, and property services and waste disposal/recovery.

The Group has a Safety Task Force in charge of coordinating occupational health and safety policies, by setting guidelines for the development and management of a Group safety system and for compliance with applicable laws through the activities of the prevention and protection officers.

There is also a health monitoring service that plans the health checks required by Legislative Decree 81/2008 and by special laws on hazardous jobs, using a group of occupational physicians selected through a specific procedure and coordinated by a selectively appointed head physician.

4.2.1 The workforce

At December 31, 2023 the Veritas Group had a workforce of 3,454, a slight decrease (-0,4%) compared to the previous year. The entire workforce is employed in Italy.

Employees by gender at December 31

	2023			2022			2021		
	women	men	total	women	men	total	women	men	total
employees	688	2,766	**3,454**	682	2,787	**3,469**	663	2,733	**3,396**

Employees by contract type and gender at December 31

	2023			2022			2021		
contract type	women	men	total	women	men	total	women	men	total
permanent	677	2,752	3,429	659	2,676	3,335	649	2,651	3,300
fixed term	11	14	25	23	111	134	14	82	96
total	**688**	**2,766**	**3,454**	**682**	**2,787**	**3,469**	**663**	**2,733**	**3,396**

	2023			2022			2021		
contract type	women	men	total	women	men	total	women	men	total
full time	511	2,677	3,188	504	2,698	3,202	476	2,643	3,119
part time	177	89	266	178	89	267	187	90	277
total	**688**	**2,766**	**3,454**	**682**	**2,787**	**3,469**	**663**	**2,733**	**3,396**

Ninety-nine percent of employees have permanent contracts and 8% have part-time contracts, demonstrating the Group's attention to work-life balance policies. There are no non-guaranteed hours employees.

During the year, seasonal employees are hired to meet peak demand in tourism-intensive zones and allow personnel to go on vacation without compromising service.

The Group also uses temps hired through temporary employment agencies (less than 10% of the workforce at December 31). Temps are used to replace women on maternity leave or other personnel with the right to return to their jobs. They fill in for blue collar and white-collar employees.

other workers	2023	2022	2021
seasonal employees	33	103	159
Temporary workers	275	148	93
interns	15	32	7
total	**323**	**283**	**259**

In providing and managing public services, the Veritas Group chooses to prioritize its own employees and to outsource to a marginal degree. This strategy is rooted in the uniqueness and size of the territory served, in a constant search for answers to the needs of the local communities.

Within the Veritas Group, the most numerous employee categories are white collar (clerical and technical) and blue collar, which make up 31% and 65% of the workforce, respectively. In addition, given the nature of its services, the Group is largely made up of labour-intensive companies where the majority of employees are blue collar workers and technicians.

The workforce is broken down below by gender and category, in absolute and percentage terms.

Number of male and female employees by category at December 31

	2023			2022			2021		
professional category	women	men	total	women	men	total	women	men	total
upper management	4	22	26	3	21	24	2	20	22
lower management	30	58	88	28	55	83	28	57	85
white collar	479	581	1,060	481	592	1,073	467	582	1,049
blue collar	173	2,079	2,252	168	2,094	2,262	159	2,054	2,213
trainees	2	26	28	2	25	27	7	20	27
total	**688**	**2,766**	**3,454**	**682**	**2,787**	**3,469**	**663**	**2,733**	**3,396**

Percentage of male and female employees by category at December 31

	2023		2022		2021	
professional category	women	men	women	men	women	men
upper management	15.4%	84.6%	12.5%	87.5%	9.1%	90.9%
lower management	34.1%	65.9%	33.7%	66.3%	32.9%	67.1%
white collar	45.2%	54.8%	44.8%	55.2%	44.5%	55.5%
blue collar	7.7%	92.3%	7.4%	92.6%	7.2%	92.8%
trainees	7.1%	92.9%	7.4%	92.6%	25.9%	74.1%

The workforce is broken down below by category and gender as a percentage of all employees at December 31.

Employees by category and gender at December 31 (percent of total)

	2023		2022		2021	
professional category	women	men	women	men	women	men
upper management	0.1%	0.6%	0.1%	0.6%	0.1%	0.6%
lower management	0.9%	1.7%	0.8%	1.6%	0.8%	1.7%
white collar	13.9%	16.8%	13.9%	17.1%	13.8%	17.1%
blue collar	5.0%	60.2%	4.8%	60.4%	4.7%	60.5%
trainees	0.1%	0.8%	0.1%	0.7%	0.2%	0.6%

Since women make up 19,9% of the Group's total workforce, significant efforts (including gender parity certification under UNI PDR 125/2022) have been and are being made to increase the percentage of women, especially in leadership roles, but also in blue collar positions with due accommodations for jobs requiring the manual hauling of load. This last aspect, in particular, is linked to the type of tasks and tradition, which sees these types of work as typically male.

The Veritas Group is increasingly attentive to occupational health and safety, especially given the aging workforce and the postponement of retirement age. Employees' physical and mental health has become paramount for monitoring some crucial indicators, such as fitness for work, absenteeism, illness, accidents, and safety in the workplace in general.

For this reason, the Group is developing processes and organizational protocols to foster workers' physical, mental and social wellbeing, focusing on accident prevention and creating an all-around culture of good health (lifestyle, diet, prevention, care and responsibility on the job).

To better protect the health of workers (especially those who perform manual labor) while making the most of their skills and abilities, including through long-term coaching programs, the Group must be increasingly sensitive to organizational and technological innovations that improve working conditions. In addition, job rotation policies are used ever more frequently as a way of reducing prolonged exposure to repetitive and/or strenuous tasks.

Employees by category and age at December 31

	2023				2022				2021			
professional category	<30	31-50	>50	total	<30	31-50	>50	total	<30	31-50	>50	total
upper management	0	4	22	26	0	3	21	24	0	2	20	22
lower management	0	19	69	88	0	21	62	83	0	28	57	85
white collar	49	540	471	1,060	47	544	482	1,073	45	551	453	1,049
blue collar	141	1,039	1,072	2,252	134	1,084	1,044	2,262	127	1,119	967	2,213
trainees	27	1	0	28	25	2	0	27	23	4	0	27
total	**217**	**1,603**	**1,634**	**3,454**	**206**	**1,654**	**1,609**	**3,469**	**195**	**1,704**	**1,497**	**3,396**

Percentage of age groups by category at December 31

	2023			2022			2021		
professional category	<30	31-50	>50	<30	31-50	>50	<30	31-50	>50
upper management	0.0%	15.4%	84.6%	0.0%	12.5%	87.5%	0.0%	9.1%	90.9%
lower management	0.0%	21.6%	78.4%	0.0%	25.3%	74.7%	0.0%	32.9%	67.1%
white collar	4.6%	50.9%	44.4%	4.4%	50.7%	44.9%	4.3%	52.5%	43.2%
blue collar	6.3%	46.1%	47.6%	5.9%	47.9%	46.2%	5.7%	50.6%	43.7%
trainees	96.4%	3.6%	0.0%	92.6%	7.4%	0.0%	85.2%	14.8%	0.0%

About 2% of employees at December 31, 2023 had foreign nationalities. Most of them were in blue collar positions.

At the end of 2023 there were 137 workers in protected categories, approximately 4% of the workforce, in full compliance with laws on the hiring of disabled workers and other protected categories (Articles 1 and 18 of Law 68/99). The Group has agreements for hiring disadvantaged and/or disabled workers through special training programs, in collaboration with associations that promote this kind of employment (national association for victims of workplace injuries and disabilities, nonprofit association for the integration of immigrants, nonprofit association for victims of domestic violence).

Other diversity indicators: nationality

number of Italians/foreigners	2023	2022	2021
Italians	3,394	3,409	3,328
foreigners	60	60	68
total	**3,454**	**3,469**	**3,396**
percentage of Italians/foreigners			
Italians	98.3%	98.3%	98.0%
foreigners	1.7%	1.7%	2.0%

Other diversity indicators: protected categories

number of employees in protected categories	2023	2022	2021
protected categories Art, 18	6	6	6
people with disabilities Art, 1	131	145	138
total	**137**	**151**	**144**
percentage of employees in protected categories			
protected categories Art, 18	0.2%	0.2%	0.2%
people with disabilities Art, 1	3.8%	4.2%	4.1%
total	**3.9%**	**4.4%**	**4.2%**

Pay policies involve various aspects of employee compensation: fixed pay, variable pay including bonuses, and corporate welfare.

Fixed pay depends on the employee's position and regular duties, as well as the qualifications, expertise, and skills he or she has developed over time.

Variable pay is tied to performance, such as overtime and special allowances for the particular job. It may also include bonuses for the achievement of objectives defined in company agreements.

The regulatory sources and frameworks of fixed and variable pay can be determined from national and in-house collective bargaining for all employees. The Group's upper management is made up of 24 individuals whose pay is determined under the national collective bargaining agreement for senior managers of public utilities.

Finally, corporate welfare policies aim to foster the work-life balance, decrease turnover due to quitting and absenteeism, improve the workplace environment, and reduce the cost of labour. For this pay category as well, the regulatory sources are in-house regulations and agreements, in particular the work-life balance protocol.

The table below shows the ratio of total annual compensation of the highest-earning person to median total annual compensation, and the same ratio for pay raises:

Total annual compensation ratio

	2023	2022	2021
Ratio of highest-paid person's compensation to median compensation	7.19	7.16	7.10
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	31.38	149.69	268.60

The ratios of highest paid person's percentage pay rise to the median percentage pay raise of years 2021 and 2022 have been restated regarding 2023 non-financial statement following a refinement in the calculation methodologies.

The above ratios consider fixed pay plus variable pay (overtime and on-call hours, minus illness/injury leave and other leave). The calculation also includes the bonus paid during the year that accrued for the prior year. All pay has been recalibrated as if the employee worked full time for the entire year.

4.2.2 Recruitment and turnover

Of 197 hires in 2023, 175 are new permanent employees, 22 are new fixed-term employees. Some employees recruited on a fixed-term basis in 2022 were given permanent contracts this year (122 in total). The number of new hires in 2023 was 22% lower than in 2022. The recruitment rate increased by one and a half percentage points.

During the year, in response to peak demand during the summer, the Group took on 33 seasonal workers. That number is lower than in 2022 but reflects an increase in conversions from fixed-term to permanent contracts.

Most recruits are in the 31 to 50 age range, in line with existing staffing patterns and the national average age of new hires. Conversely, about 81% of turnover (terminations) refers to employees well over the age of 50 and includes those who enter retirement.

Recruitment and turnover

	2023				2022				2021			
	<30	31-50	>51	total	<30	31-50	>51	total	<30	31-50	>51	total
recruitment												
women	10	15	7	32	8	29	6	43	10	22	3	35
men	48	81	36	165	54	104	52	210	29	87	36	152
total	**58**	**96**	**43**	**197**	**62**	**133**	**58**	**253**	**39**	**109**	**39**	**187**
turnover												
women	0	5	21	26	1	10	13	24	1	5	10	16
men	7	31	163	201	9	51	96	156	7	21	133	161
total	**7**	**36**	**184**	**227**	**10**	**61**	**109**	**180**	**8**	**26**	**143**	**177**

Recruitment and turnover rates

	2023	2022	2021
recruitment rate			
women	4.65%	6.30%	5.28%
men	5.97%	7.59%	5.56%
total	**5.70%**	**7.29%**	**5.51%**
turnover rate			
women	3.78%	3.52%	2.41%
men	7.27%	5.60%	5.89%
total	**6.57%**	**5.19%**	**5.21%**

4.2.3 Training and development

Employee training and development are a boon to worker motivation, company climate, and the efficiency and productivity of the system. In recent years, engaging personnel in such programs has assured them that they are integral parts of a team. Providing individuals with the tools and knowledge to improve their performance and do their best work is a way to strengthen the entire organization. Skills, learning, and motivation are the fundamental levers the Group has acted on to achieve better and better results.

In addition to job training for the enhancement of technical qualifications, the Group also offers individual and group courses in soft skills, i.e. the interpersonal and behavioral skills that affect how people approach their jobs and coworkers. These are crucial at every hierarchical level for creating the sense of belonging and team spirit that gets the company through difficult times and makes every individual more proactive.

Training also refers to health and safety in the workplace Laws on this matter set precise obligations for employers; Veritas has worked constantly not only to comply with these laws on a formal level, but to make training content fit everyday circumstances, using techniques and ways of communicating that effectively transmit and distill concepts into a "culture of safety". To do so, the Group has invested great effort and resources in building an internal training team that understands the practical needs of its operating segments, and in hiring instructors who use diverse techniques to impart the right message.

The greatest commitment the Veritas Group has assumed in organizing and providing training of any kind is to finance instruction costs, to the extent possible, through Italy's interprofessional funding program.

Training

	2023		2022		2021	
	total training hours	average training hours	total hours of training	average hours of training	total hours of training	average hours of training
women	19,781	28.8	7,664	11.2	7,287	11.0
men	45,030	16.3	34,828	12.5	26,510	9.7
total	**64,811**	**18.8**	**42,492**	**12.2**	**33,797**	**10.0**
upper management	1,782	68.5	833,5	34.7	558	25.4
lower management	6,262	71.2	2,592	31.2	2,495	29.4
white collar	30,193	28.5	16,833	15.7	14,568	13.9
blue collar	24,694	11.0	20,885	9.2	13,910	6.3
trainees	1,881	67.2	1,349	50	2,266	83.9

Average hours of training were calculated by dividing total hours of training by the number of employees at December 31 by gender and professional category.

Below are details of average hours of training by category and gender.

Average training hours by category and gender

	2023			2022			2021		
	average hours women	average hours men	average hours total	average hours women	average hours men	average hours total	average hours women	average hours men	average hours total
upper management	152.8	53.2	68.5	40.2	34.0	34.7	63.8	21.5	25.4
lower management	84.5	64.2	71.2	28.3	32.7	31.2	31.3	28.4	29.4
white collar	31.1	26.3	28.5	12.2	18.5	15.7	11.8	15.6	13.9
blue collar	9.5	11.1	11.0	4.6	9.6	9.2	3.5	6.5	6.3
trainees	39.8	69.3	67.2	48.5	50.1	50.0	28.0	103.5	83.9

Average hours of training were calculated on the basis of the total workforce at December 31 and take account of the fact that an employee may take more than one course; they are therefore average hours per capita and not average course hours.

The priority placed on health and safety in the workplace and the efforts made to prevent injuries are also demonstrated by the importance attributed to this kind of training, which made up 50% of total training hours in 2023. In 2023 many training hours have been dedicated to digital skills development (20% of total training hours). Other important subjects are specific technical training (10.1%), and regulatory compliance (7.4%), development of relational skills (4.8%). Last but not least, new hires are welcomed with an onboarding program and their own assigned job coach. Onboarding accounts for 2.4% of total training hours.

The **company bonus system** is an incentive for the achievement of strategic goals consistent with the business plan. Part of the performance bonus, or participation bonus, is paid to employees if their performance evaluation shows they have completed specific projects or reached targets assigned by their supervisor. For upper and lower management and white collar managerial positions, in particular, **individual** and/or **collective targets** are assigned that may concern topics such as anti-corruption, environmental impacts, and management costs; in the past two years, **diversity and inclusion** targets have been included in the management by objectives (MBO) system.

100% of upper, lower, and white-collar manager is assigned his or her own objectives.

Employees with individual assigned objectives are shown below, by gender and category, as a percentage of all employees.

	2023	2022	2021
women	4.1%	3.80%	3.80%
men	7.3%	7.40%	7.30%
total	**11.5%**	**11.20%**	**11.10%**
upper management	0.8%	0.60%	0.70%
lower management	2.8%	7.90%	7.90%
white collar	7.9%	2.7%	2.5%

4.2.4 Industrial relations

In addition to the work-life balance protocol and corporate welfare, the Group has negotiated industrial relations protocols and in-house agreements linked to productivity increases with the labor unions.

The Group uses different national collective employment contracts, guaranteeing employees freedom of association and the right to unionize, in accordance with applicable law.

The Group complies fully with legislation and collective contracts as regards the minimum notice period for significant organizational changes.

The terms of dialogue with the unions are governed by collective bargaining, The maximum period of notice and dialogue granted to employees and their representatives before implementing a significant organizational change is **around 12 weeks.**

Through the mechanism of second-level negotiations, labour and management govern the process of change together, seeking common ground on a uniform set of rules and instruments to prevent tension, conflict, and disruptions.

Consistently with their distinct roles and responsibilities, the parties work to ensure that workers are sufficiently engaged and in agreement with their representatives, as this is an important lever for business development, occupational growth, and employees' professional advancement.

100% of the employees of the Group is covered by collective bargaining agreements.

4.2.5 Occupational health and safety

Because the Group provides a diverse range of services, health and safety risks are different for the various professional categories making up the workforce.

Employees of the **waste management** division, for example, are exposed to physical risks from street sweeping and public sanitation as well as the risk of injury from the manual hauling of waste (door to door collection, movement and lifting of bins, piles of waste on vehicles and barges). Workers who collect and transport waste are also exposed to intrinsic risks from the use of vehicles, while the risks to municipal waste sorters and disposal facility workers include exposure to chemical and biological contamination.

Employees in the **integrated water service** also run the risk of chemical and biological contamination, from their work at treatment plants and (to a lesser degree) during lab tests. The risks of back office and **public relations** work are very different, consisting mainly of syndromes caused by prolonged computer use or poor posture.

Asvo, Depuracque, and Lecher are certified to the standard UNI ISO 45001:2018. The number of employees covered by that system is 320, or 9% of the Group's total workforce. The companies' adoption of the 45001 system is voluntary.

In 2023 there have been 158 injuries for a total of 4,754 days of absence. Apart from these there have been also 25 commuting accidents for a total of 1,409 days of absence. The number of injuries remained unchanged compared to 2022. Total days of absence, on the contrary, decreased (-3% determined by a 35% decrease of female days of absence). Injuries longer than one hundred and eighty days are 4. These injuries, despite having a long duration, did not have high consequences (2 dislocations, 2 fractures). In general, most injuries are related to uncoordinated movements.

Injury rates

	2023			2022			2021		
	men	women	total	men	women	total	men	women	total
total injuries, excluding commuting accidents	143	15	158	143	15	158	133	16	149
of which: fatal injuries	0	0	0	0	0	0	0	0	0
of which: serious injuries	4	0	4	1	0	1	0	0	0
days lost due to injuries	4,395	359	4,754	4,347	549	4,896	4,932	748	5,680
total number of work-related ill health cases	2	1	3	0	0	0	0	0	0
injury rate	31.81	14.55	28.59	31.75	15.08	28.73	29.1*	15.9*	26.7*
fatal injury rate	0	0	0	0	0	0.0	0.0	0.0	0.0
high consequence injury rate	0.89	0	0.72	0.22	0.0	0.18	0.0	0.0	0.0
severity rate *	0.98	0.35	0.9	0.97	0.55	0.9	1.1*	0.75*	1.0*
annual hours worked	**4,495,000**	**1,030,746**	**5,525,746**	**4,504,351**	**994,585**	**5,498,936**	**4,574,703**	**1,003,513**	**5,578,215**

Injuries are counted if they lead to one or more days of absence and do not include commuting accidents not involving company vehicles,
The injury rate, serious injury rate, and fatal injury rate are defined as (total number of relevant injuries / annual hours worked) $*10^6$.
The severity rate is calculated as days of absence times 1,000 divided by hours worked.
Injuries and injuries rates refer to employees only. Injuries rates of not employed workers are not reported as these workers are not subject to working timetable.
Injuries and injuries rates refer to employees only. Standard GRI 403-9 b is not reported as workplace accidents claims are managed and transmitted to Inail by staff leasing companies.

In 2023 there have been 9 claims for work related ill health by 5 workers. Three have been recognised by Inail, four have been rejected and two are still pending. One of the recognised work-related ill health refers to an employee who left the company in 1995. Moreover, a claim, initiated in 2021, has been recognised after appeal. There were no deaths due to work related ill health.

Veritas has no knowledge of any claims Inail may have approved.

4.2.6 Wellbeing and work-life balance

In recent years, the company has become increasingly convinced that improving employee wellbeing is a "circular" investment: the more employees feel satisfied, the more productive they are, in both quantitative and qualitative terms. Such satisfaction mainly stems from the balance between work life and personal life, from individual wellbeing, and from sustainable purchasing power.

Human Resources has therefore implemented several forms of incentives, not strictly monetary in nature, to improve personal wellbeing and the work-life balance (Wlb). In 2019 Veritas and the labour unions signed the first "Protocol for the work-life balance, measures for reconciling professional with personal life of Veritas SpA employees". In 2021 the joint task force re-analyzed employees' needs in order to revise the protocol.

The main theme, that emerged from an anonymous survey in which all employees were able to participate, was the need for more time, to balance professional and personal life but also to cope with family hardships.

The protocol, revised in March 2022, addresses the following topics.

- *Conversion of performance bonus into paid "welfare days"*: this is leave that can be used by the day, the half day, or the hour. For employees who request this paid leave but then decide not to use it, the monetary equivalent is credited to their supplementary pension fund or personal welfare account.
- *Part time:* for blue collar workers and technical and administrative personnel. This introduces new forms of cyclical part-time and optimization of working processes, in addition to the usual models. Part time is granted on a priority basis for reasons of infant and child care, Law 104 (disability), and health.
- *Work from home and telecommuting:* for reasons of difficulty reaching the workplace, child care, caring for a family member, or serious health problems. Employees work from home or telecommute on a solely voluntary basis, after signing an agreement with the company. The new protocol allows for different forms of remote working depending on the needs of the employee and his or her department; performance is assessed every quarter.
- *Flextime:* technical and administrative staff can arrive at work from 10 minutes before to 30 minutes after the scheduled start time; for blue collar workers, flextime is governed by industry agreements. Women can refuse night shifts (compatibly with the organizational models) and there are personalized agreements for individual situations.
- *Hours owed counter:* all employees up to level 6 are allowed to leave work early or arrive late; the hours or parts of hours not worked flow into an individual counter and the employee makes up for them with additional work at a later time.
- *Vacation donation:* this mechanism is activated at the request of an individual employee; if the conditions are met, the company issues a notice requesting voluntary participation. The employee must have used up all available vacation and leave time and be in a serious, documented situation of personal or family hardship. Coworkers can donate days or hours of vacation and leave time and the company will match all donations, up to the amount requested.
- *Individual time bank*: all permanent employees up to and including level 6 can request an individual time bank where they can deposit the hours of overtime worked. This way, they are only paid for overtime up to the limit set in the national collective contracts. The hours banked can be used later, with the supervisor's clearance, as hours of paid leave.
- *Personal leave for doctor's appointments*: this is expanded to full-day leave for cancer treatments. In all other cases, it can be taken in up to half-day increments with travel time of up to two hours.
- *Extended leave for serious and/or degenerative diseases*: this extension of the leave granted under national collective employment contracts is an important additional protection for employees suffering serious personal or family hardship. If the extension is not sufficient, employees can

ask for additional leave of up to one year. Days of absence for treatment or therapies are not counted as part of the leave. Finally, when the employee returns to work, accommodations to his or her schedule can be made through work-from-home or telecommuting arrangements.

- *Parent-teacher conferences*: the new protocol allows parents to attend online conferences with their children's teachers, from company premises during working hours, with their supervisor's approval and on a good-faith basis.

In addition to the above protocol, Veritas has long offered private health insurance, supplementary contributions for employees who choose the industry-specific pension funds, and more flexible meal voucher options.

The corporate welfare agreement, designed to balance work life and personal needs, has been in force since 2016. The advantages for the company (tax breaks, better employee relations, increased productivity) and for workers (satisfaction and improved wellbeing) can together foster a new pact of confidence between employer and individual. Workers who convert their performance bonuses into welfare benefits are also entitled to tax breaks. Every employee, regardless of contract type, can choose his or her own benefits from a dedicated company platform and enjoy them in various ways envisaged by law. The benefits are numerous and varied: grocery coupons, reimbursement of medical costs, reimbursement of children's textbooks, travel agency discounts, public transit passes, family care, etc.

4.2.7 Prevention programs for employee health and wellness and health monitoring protocol

Budget constraints permitting, the Group offers free physical and mental health programs with initiatives planned from one year to the next, including specific diagnosis and prevention campaigns arranged with support from medical specialists. The various initiatives offered to date have included:

- counseling;
- consultation with a nutritionist and dietician;
- breast cancer prevention, using a mobile unit ("Pink Camper") equipped with mammogram and ultrasound machines;
- prostate cancer prevention;
- job re-entry support following maternity leave, including flexible schedules for breastfeeding (based on job requirements) and, for operational staff the option to be transferred to other departments in the event of early maternity leave;
- job re-entry support following lengthy sick leave;
- electrocardiogram for employees older than 45 (employed under the national collective contract for the gas and water industry);
- *Health monitoring:* the protocol is defined by the physician in charge considering the specific risks of the working environment. It includes specialist risk prevention check-ups, in the least invasive form, and is an integral part of the Risk Assessment Report. Since 2019, workers over 45 whose jobs include manual hauling undergo a medical check-up every year instead of every two years, in order to detect any health problems early. There are also several safety training programs in place to protect workers' physical and mental health. The more frequent check-ups allow the physician in charge to catch pathologies at an earlier stage and the company to take useful measures to protect the worker. Alongside these medical programs, safety training helps prevent musculoskeletal disorders of the spine, caused by manual hauling and incorrect posture both on and off the job. These initiatives may use an experiential learning approach and are taught by certified professional instructors. They help reduce the number of injuries and disability claims, and maximize workers' wellbeing, even outside the professional environment.

4.2.8 Inclusion and non-discrimination

The Veritas Group's Code of Ethics addresses the topic of non-discrimination, confirming its commitment to rejecting all forms of discrimination based on age, gender, disability, nationality, language, religion, ethnic origin, political opinions, and other personal and social characteristics. The Group takes pains to respect the rights of all people with whom it interacts, also with regards to personnel management and work organisation.

The Group's Employee Regulations confirm and emphasize the principles stated in the Code of Ethics, detailing and making public the procedures it follows for selecting personnel and managing human resources.

In 2020 the parent company, Veritas, adopted its own diversity and inclusion policy. The policy recognizes the important role played by a public utility, which provides essential services, and therefore by its employees, who need to be aware of their role both within and outside the company and conduct themselves accordingly. This is achieved, in part, by creating a fully inclusive working environment using organizational and managerial tools that foster respect for human rights and freedoms.

The policy sets guidelines for protecting and supporting diversity and inclusion, with a view to making the most of diversity in all its dimensions and generating value for the organization.

The goal is to create an inclusive environment for all employees, through a continuous process in which every activity and professional path values the differences of the people involved. It is not enough to integrate differences; room has to be made for the richness of diversity, by adapting environments and practices to every individual's uniqueness.

The objectives are based on these cornerstones:

- *diversity is not a negative*: it is not a cost, a weakness, or an obstacle, but conversely, an opportunity for improvement, an added value, a competitive edge;
- *diversity must be recognized, accepted, valued, and integrated*, to create value for the company and the people who work there;
- *valuing diversity is a circular opportunity*, an investment, an instrument of organizational wellness;
- *the working environment must be centered on people and personal wellness.*

In 2020 the company added the important titles of Diversity Manager and Disability Manager, and appointed the Confidential Counselor, who is responsible for training and informing workers and also for receiving any reports and complaints.

The Diversity Manager has the following duties:

- promote a culture of inclusion;
- develop practices and policies to value diversity in the workplace;
- identify strategies and initiatives to develop individual potential;
- spread a culture of merit and opportunity for growth within everyone's reach;
- focus on diversities caused by reduced capacity to interact with the surrounding environment (disabilities).

The Disability Manager has the following duties:

- work alongside people with disabilities to facilitate their integration into the workforce;
- create ad hoc programs for professional development, depending on the person's difficulties;
- support the needs of these employees in the context of employee wellbeing;
- check job placements and workplaces, providing tech and non-tech tools to overcome barriers to job performance;
- implement all measures, including training, to foster accessibility.

The Confidential Counselor has the following duties:

- inform and train employees in the topics of relevance, whistleblowing procedures and responsibilities;
- prevent workplace bullying and harassment through monitoring and training;
- provide counseling and give advice and recommendations;
- help solve problems through informal procedures and, if these efforts fail, according to the formal protocol.

In 2023 the Confidential Counselor handled and closed 9 cases, 5 of which ended with disciplinary measures. In total there have been 4 cases of discrimination episodes (according to GRI definition), which have been sanctioned with hours or days of suspension from work and/or pay.

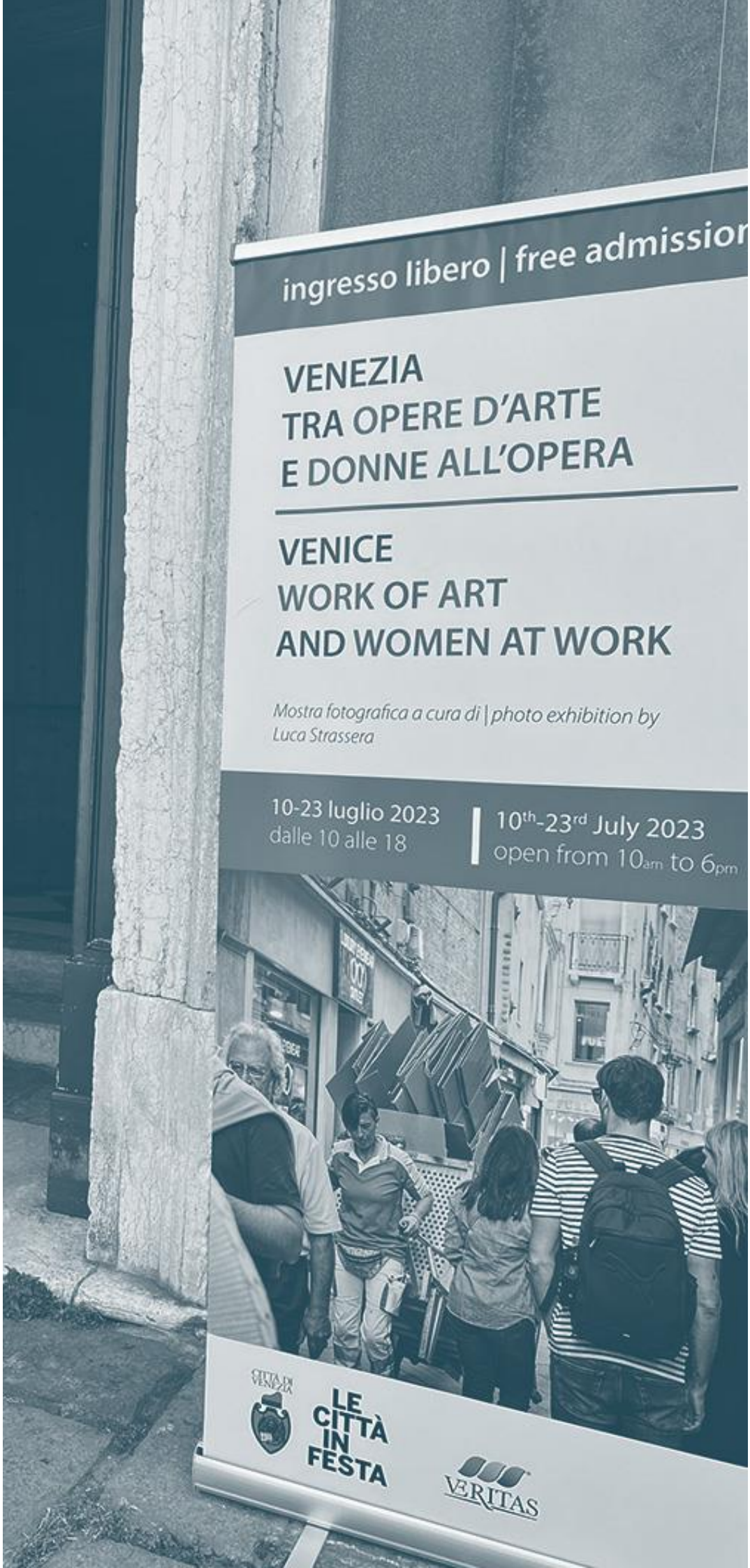
In addition to these other four people turned to the confidential counselor for problems related to work life balance and lack of professional growth.

Another important role is played by the Diversity and Inclusion Task Force, made up of employees from across the Veritas Group, selected for their titles, experience and soft skills.

With support from the Task Force, Veritas runs awareness campaigns with outreach events and seminars; offers training in managerial, leadership, and team management styles focused on respect for diversity; teaches the use of appropriate language; develops pay policies and welfare and wellbeing instruments that also help retain talent; and arranges for monitoring and reporting in order to make the process transparent and publicly available to all internal and external stakeholders.

In 2021 Veritas was certified to the Gender Equality European & International Standard (GEEIS), and in 2022 to UNI PdR 125/2022 on gender parity. In 2023 the certification was mantained.

In 2023 Veritas obtained the "Responsibility Award", assigned by Bureau Veritas to companies certified for their environmental, quality and corporate social responsibility management systems. Veritas is the first public company to have obtained this certification, confirming its commitments towards its clients, community, employees and stakeholders.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E DONNE ALL'OPERA
VENICE
WORK OF ART
AND WOMEN AT WORK
Mostra fotografica a cura di | photo exhibition by
Luca Strassera
10-23 luglio 2023
dalle 10 alle 18
10th-23rd July 2023
open from 10am to 6pm
LE CITTÀ IN FESTA
VERITAS

5

BUSINESS ETHICS AND INTEGRITY

and relations with suppliers, subcontractors and government agencies

5.1 Organizational model, policies and risks

The Veritas Group runs its business with the utmost care in terms of regulatory compliance and the prevention of active and passive corruption.

The Group companies, in creating and maintaining anti-corruption policies, have adopted **Organization and Management Models pursuant to Legislative Decree 231/2001** ("231 Models"), which formalize the principles of integrity and transparency in conducting business activities and delineate the role of the Compliance Committee. The models also identify and describe the types of legal offenses for which the company could be held liable, and the system of duties and powers of attorney that permits control over the operational handling of activities, risks, and associated impacts.

In the interests of efficiency and efficacy, reliable financial and operational information, and the protection of its finances against fraud, the Group has adopted a multi-level **internal control system** structured to ensure proper disclosures and suitable control over all of the company's activities, with particular regard for areas considered to be at risk. The system is based on the general principles of the separation of roles and responsibilities in the performance of the main operating processes, the traceability and visibility of decision-making processes including through the use of IT systems, and objectivity in decision-making.

Firm adherence to these principles allows the Group to attain a reasonable guarantee of substantive and procedural integrity, transparency, responsibility, efficiency, and knowability of company operations and processes as well as legal and regulatory compliance and respect for the company's assets and finances.

To prevent corruption in any form, these documents list areas of attention such as contracting instruments/institutions; prerequisites; selection requirements; means of bid evaluation and of checking for bid irregularities; and the handling of negotiated bidding, direct assignments, withdrawal of invitations to tender, change orders for works in progress, and subcontracting.

Although it is not required to do so given its particular nature as an issuer of bonds listed on regulated markets, since 2015 Veritas has followed, in accordance with applicable legislation such as Law 190/2012, Legislative Decree 33/2013, and Legislative Decree 39/2013 (as amended), a **three-year Anti-corruption and Transparency Plan**, which represents the instrument through which the company implements and carries out its strategy for preventing the corruption phenomenon as far as applicable, the transparency measures referred to in the aforementioned Legislative Decree 33/2013 and subsequent amendments. It has also appointed an anti-corruption and transparency officer, who prepares an annual report on the basis of the templates established by the national anti-corruption authority (Anac). In late 2019 and early 2020, Veritas adapted its three-year Anti-corruption and Transparency Plan to the new Anac regulations. The division heads and department heads were asked to evaluate the risks relating to the efficacy of existing controls, the perceived severity of risk, and the frequency of the risky event. This risk assessment, expressed in the evaluation forms attached to the 2020-2022 Anti-corruption and Transparency Plan, was further revised in 2021 in the context of audit activities. The results of the assessment were used to evaluate the degree of corruption risk in relation to each Veritas process and activity, The three-year Anti-corruption and Transparency Plan has also been adapted to standard UNI ISO 37001:2016.

The **Code of Ethics**, an integral part of the Organization and Management Model pursuant to Decree 231/2001 and of the three-year Anti-corruption and Transparency Plan, expresses ethical commitments and responsibilities and promotes good conduct in the pursuit of business goals, in deference to all stakeholders. The Code of Ethics is binding for all directors, employees, external contract workers, and suppliers, who must follow its principles and adjust their conduct and

actions accordingly. The parent company's Code of Ethics was revised in 2018. The revised version addresses abuse of inside information and describes exemplary conduct to be encouraged and treats the company's image as an important asset in consideration of Veritas SpA's ownership structure and the services it performs. It also specifies that conflicts of interest, even potential ones, must be formally disclosed to senior management and the Compliance Committee, which will determine whether a conflict exists and take any necessary measures.

Since 2020, the anti-bribery management systems of Veritas and Eco-ricicli (now Eco+Eco *ricicla*) have been certified to the standard UNI ISO 37001:2016. Certification was renewed in 2023 after the periodic inspection. The management system provides a systematic framework of the instruments used to create, implement, maintain, review, and improve anti-corruption procedures in accordance with the standard, in order to prevent corrupt behaviors in a manner coordinated with and consistent with the internal control system adopted to ensure compliance with anti-corruption laws. The data, records, and documents required by law are published on the company's website in the section "Società trasparente".

Veritas applied for a legality rating and the award was confirmed in a three-star rating in 2023.

As further confirmation of its transparency in business affairs, as provided for in the introduction to Italy's Public Procurement Act, Veritas has drawn up specific **purchasing regulations** and documented procedures for the assessment, qualification, selection, and monitoring of suppliers and the handling of purchase orders and complaints to suppliers.

In 2016 it also approved Group Regulation for the procurement of goods and services, compliant with new industry legislation[1], which was revised in 2017. The regulations are currently being renewed according to the new public procurement act. In addition to the regulations, suppliers have to sign general terms and conditions and an integrity pact when they participate in calls for tenders.

Since 2015 the Group has used an online procurement management system for tenders and public bidding procedures (purchasing platform) and a computerized register of suppliers of goods, general services and engineering and architectural services, as well as an IT protocol program.

Regarding the main risks generated and incurred by the Group, the risk of corruption and regulatory non-compliance may arise in various spheres of business and may also involve the supply and subcontracting chain. Any legal offenses committed in these spheres could lead to fines for Veritas and possible repercussions on the business, as well as serious reputational harm. Reputational risks also pertain to regulatory compliance, and compliance with environmental laws in particular.

[1] Legislative Decree no. 50 of April 18, 2016: "Implementation of Directives 2014/23/EU, 2014/24/EU and 2014/25/EU on the awarding of concession contracts, public tendering, and procurement procedures for providers of water, energy, transportation and postal services, and for the revision of current legislation on public procurement."

5.2 Regulatory compliance and anti-corruption

In 2023 the Group received 117 fines for a total of € 58,320. Two were environmental fines. The first, of € 6,500, has been issued to Veritas by Arpav for a non-compliant sample at Fusina wastewater treatment plant. The violation has not caused any damage or real and present danger of damage to environmental resources. The second, always of € 6,500, refers to the criminal proceeding set up in 2022 against Eco+Eco for environmental violations. Following an inspection of Arpav in July 2022, three types of violation had been detected: waste storage in areas outside the authorized perimeter, presence of a polystyrene volumetric reduction system, piles of waste higher than the authorized height. The established contraventions are related to article 256, paragraphs 1 and 4 of Legislative Decree 152/2006. Three prescriptions were then issued: i) not to carry out waste management activities from those absent from the current authorization, ii) draw up a specific program with indications of the actions to be taken to bring waste storage back to compliance with the authorized plan and compliance with the maximum heights, iii) execute the program referred to in point ii) and draw up a document certifying the restoration of the authorized conditions. Following subsequent inspections carried out in 2023, it was ascertained that the requirements referred to in point i) were fulfilled (removal of the polystyrene treatment plant and no waste management activities other than those authorized), while the other two were not fulfilled. The prescription i) was therefore understood to be resolved with the payment of the dine of 6,500 euros as mentioned above. The payment of this fine results in the extinguishing of the offence and the dismissal of the criminal proceedings. All other sanctions are of an administrative/fiscal nature for late payments or communications, there are no significant sanctions, except for a penalty of 10,629 euros for a voluntary settlement on late VAT payments relative to years 2021-2023.

Last, there were no incidents of corruption in 2023.

According to monitoring carried out during the year, most litigation consisted of claims from domestic users demanding the refund of VAT charged on waste management fees (Article 49 of Legislative Decree 22/1997 – TIA1), and tax-related issues such as appeals by users against the Tares/Tari payment notices sent by Veritas in the context of tax collection enforcement – as well as other civil cases relating to claims for damages by third parties, where the Company has suitable insurance coverage, not connected to potentially corrupt conducts or labour law disputes. As for litigation with the Revenue Office (Agenzia delle entrate), one pending civil dispute concerns a tax assessment on fees paid to self-employed consultants, allegedly in violation of laws governing full-time employment. The payment notice from the Agenzia delle entrate has been suspended until the case is resolved.

As for the administrative litigation, the proceedings concerning procedures of adjudication of public agreements are underlined, promoted to challenge any alleged illegitimate exclusions of competitors, to contest others' admissions to tenders or as a last attempt to achieve the award of the contract; some administrative disputes of appeal of the refusal of access to the documents are also reported. With regard to criminal proceedings, for the update of the three-year Anti-corruption and Transparency Plan, it is reported the request for dismissal made by the Public Prosecutor of the criminal proceedings in which the offence provided for and punished by art. 323 penal code, was challenged, abuse of power, as the investigations showed, as clearly evidenced by the Public Prosecutor's Office in the reasons for the request, that the subject did not carry out any activity, nor is the private subject the beneficiary of any hypothetical advantage deriving from the supposed offence. In 2023 Veritas initiated 25 disciplinary actions for violations of the Code of Ethics (letter V of the Disciplinary Code). Three of those actions ended in termination.

In 2018 the company approved the "Regulation on inside information and the prevention of market abuse," which govern the handling, treatment, and external disclosure of documents and inside information on the company in accordance with the law and in deference to the principles of fairness, clarity, and equal access to information. It also published the "Intercompany management service Regulation" ensuring that transactions between Veritas and other Group companies are carried out consistently with contractual terms and conditions while maintaining the separation of accounts and addressing the management of subsidiaries and associates, including with a view to preventing the commission of criminal offenses on the job pursuant to Legislative Decree 231/2001.

On the subject of **tax obligations,** every year the tax unit formulates a calendar which is monitored and updated constantly as regulations and deadlines evolve. The tax unit and the head of accounting and budget monitor tax law changes and keep the affected units informed, usually by email; meetings are sometimes held for further explanation.

Tax obligations also include preparing and filing tax return forms (Single Certification and Model 770). The personnel administration and pay policies department studies the government forms, produces the statements for employee salaries, and obtains data on contractors' fees from the supplier accounts unit. It prepares the data streams which are then transmitted to the Agenzia delle entrate by the tax unit in the accounting and budget department. Personnel administration also prepares the tax withholding statements for subsidiaries.

All individuals are required to follow tax laws and the principles stated in the Code of Ethics, the three-year Anti-corruption and Transparency Plan, and the Organization and Management Model pursuant to Legislative Decree 231/01. The risks that are monitored (through internal procedures and audits) concern fraudulent or false statements, missing statements, and undue compensation.

In accordance with Italian law, the Veritas Group subsidizes no political party.

In 2023 two donations have been granted by Depuracque to two basket societies, one based in Salzano and one based in Mirano, for a total amount of 5,500 euros, and a sponsorship by Veritas to Fondazione Rubes Triva for a total amount of 5,000 euros for the subscription of *Carta di Urbino*.

5.3 Supplier evaluation

For the evaluation of its suppliers, the Veritas Group considers, as a whole, all actions taken to assess their capacity and reliability in providing products or services that meet the required contractual and quality standards. The assessment activities are described in specific procedures whose main purpose is to:

- check that legal prerequisites are met for inclusion in the list of suppliers;
- have greater assurance of the quality and conformity of the products and services provided, as well as their environmental and safety standards;
- verify the technical and professional suitability and social security compliance of companies and individual consultants (including contractors) and of the personnel who will perform the work;
- objectively assess and qualify the supplier's abilities;
- ensure the supplier a rational evaluation method, to allow for the possibility of a future working relationship;
- reduce the overall costs of purchases and controls;
- classify and compare over time providers of equal or similar products.

The type of assessment and the breadth and depth of controls performed on suppliers depend on the type/category of the product or service in question, their importance, the specifications required, and, where applicable, the information previously gathered on the given supplier.

Regarding safety in the workplace, depending on the nature of the product or service, the health and safety documentation required by Legislative Decree 81/2008 may be attached to the contract in order to disclose and manage risks of interference, and as a necessary condition for receiving the assignment, the supplier may be asked to provide a copy of its risk assessment report and to sign a statement in this regard.

Environmental or quality certification may be a prerequisite, depending on the tender procedure, and Minimum Environmental Criteria (criteri ambientali minimi, or Cam) are used where applicable under Italian law. Since the second half of 2019, the system for recording procurement procedures has included two fields for entering whether Cam and/or ISO 14001 environmental certification were required. Therefore, this information can now be monitored and kept on file.

In 2023 Veritas required Cam for 8 invitations to tender and gender parity applications for 3 invitations to tender.

In 2022, Veritas required Cam for 8 invitations to tender and ISO 14001 certification for 89.

In 2021, Cam were required for 9 invitations to tender and ISO 14001 certification for 74, In 2020, Cam were required for 8 invitations to tender and ISO 14001 certification for 92. Note, in any case, that many assignments awarded by the Group concern waste transport and recovery/disposal. All companies providing these services have to be listed in the registry of waste management operators, meaning they already comply with strict environmental rules and no further qualifications are required.

In terms of contract amounts, suppliers in the Veneto in 2023 made up 53% of the total, as in 2022 (54% in 2021). This reflects the local nature of the services provided by Group companies. There were no significant changes in the supply chain from one year to the next.

6

COMMUNITY AND USER RELATIONS

Considering the type of services provided and their impact on the environment, relations with the community and with users are of fundamental importance to the Veritas Group, especially given its role as a public utility.

6.1 Organizational model, policies and risks

Veritas has a concrete social responsibility to protect users' privacy, ensure access to services, and organize initiatives for the local community. With this in mind, the Group has built its strategy around the pursuit of social objectives, namely increased user satisfaction, more responsible user behavior in terms of water use and waste disposal, and the provision of the highest quality services at the lowest cost. Operationally, Veritas has put two units in charge of social responsibility: finance, control and IT systems; and local public services.

On the subject of privacy, the Group's Code of Ethics emphasizes its commitment to ensuring the transparency, veracity, accuracy, and completeness of information shared with third parties, as well as the confidentiality of personal and sensitive data held by the company, which is processed in accordance with consumer privacy laws.

Finally, the Veritas Group has had to comply with the General Data Protection Regulation (GDPR, or Regulation [EU] 2016/679), which came into force on May 25, 2018. To do so, it has:

- defined a new privacy management organizational model;
- appointed an external Group data protection officer;
- set up a Register of processing activities as required by the GDPR, and mapped such activities;
- adapted all of its privacy statements;
- revised various forms;
- acquired a new system to manage the Register of processing activities;
- adopted a new procedure to handle incidents and data breaches;
- adopted a new procedure to assess the security measures of suppliers to which data processing is outsourced;
- adopted a new regulation for the management of privacy obligations pursuant to the GDPR;
- provided suitable training.

In terms of community and user relations, the most significant risks mapped by the Group concern the presence and impact of its plants and systems (water pipes, water treatment plants, landfills, waste treatment facilities) and the relationships between the Group and the people who use its services.

Additional areas of risk include the failure to comply with data protection laws and consequent lawsuits and reputational damage, and the management of nonpaying customers and bill collection.

6.2 Service quality and customer satisfaction surveys

Every year the Veritas Group administers customer satisfaction surveys to domestic and commercial users to gauge their satisfaction with the main services provided (waste management service, the integrated water service, and cemetery services) so that it can make improvements based on the results.

In 2023 the survey was conducted in mixed mode, using computer-assisted telephone interviewing (Cati) and computer-assisted web interviewing (Cawi). Information was gathered in August and September 2023 and a total of 10,575 users were interviewed of which 7,267 domestic and 3,308 commercial, distributed throughout the territory according to population density.

Two indexes were considered: the general satisfaction index, representing users' overall opinion, and the composite satisfaction index, summarizing specific aspects of the services offered.

The survey results show high satisfaction, with a general index of 95.5 and a composite index of 88.

The two indexes are broken down by service and presented separately for the two Group companies that provide them, Veritas and Asvo. Comparisons against the national standard and the Triveneto standard are also presented where possible.

For the integrated water service provided by Veritas, the general satisfaction index is 97.3 and the composite index is 89.5.

Integrated water service – Veritas

	2023	2022	2021
general satisfaction index	97.3	95.3	96.0
composite satisfaction index	89.5	86.7	88.6

Integrated water service – comparison with national and Triveneto standards, 2023

	Veritas	national standard	Triveneto standard
general satisfaction index (domestic users)	97.6	92.5	95.2
composite satisfaction index (domestic users)	89.3	85.4	88.4

Items receiving especially high scores are continuity of service (lack of burst pipes or loss of pressure for drinking water and absence of broken or clogged sewers), promptness of activating and transferring contracts, water quality, and ease of comprehension of bulletins and service information. Aspects to be improved include the time for new hookups to the watermains, rapidity in emergency interventions and the speed of providing estimates for new hookups. Note, in any case, that the aspects to be improved earned a satisfaction score of more than 83.

For the waste management service provided by Veritas in 2023, the general satisfaction index was 93.9 and the composite index was 87.2.

Waste management service – Veritas

	2023	2022	2021
general satisfaction index	93.9	93.9	94.1
composite satisfaction index	87.2	86.9	86.7

Waste management service – comparison with national and Triveneto standards, 2023

	Veritas	national standard	Triveneto standard
general satisfaction index	93.9	89.0	95.4
composite satisfaction index	87.2	84.4	87.9

Some of the highest rated aspects for Veritas are waste collection with ecomobile/ecovan, hours and frequency of door-to-door collection, service at the recycling center. The following have room for improvement: odor of waste collection bins, cleanliness of streets and sidewalks and emptying of public trash cans, telephone hold time before speaking to a live operator, and adequacy of waste containers endowment (door to door service). The aspects to be improved earned a satisfaction score of more than 70.

As for the waste management services provided by Asvo, information was gathered in August and September 2023 and a total of 1,119 users were interviewed (737 private and 382 commercial). The general satisfaction index in 2023 was 97.7 and the composite index was 91.1.

Waste management service – Asvo

	2023	2022	2021
general satisfaction index	97.7	97.4	97.3
composite satisfaction index	91.1	91.0	91.9

Waste management service – comparison with national and Triveneto standards, 2022

	Asvo	national standard	Triveneto standard
general satisfaction index	98.3	89.0	95.4
composite satisfaction index	91.7	84.4	87.9

Some of the highest rated aspects for Asvo are nappies collection service, hours of door-to-door collection, service at the recycling center. There is room for improvement as concerns odor of roadside bins and mowing in public green areas.

For cemetery services only, the survey is conducted face-to-face: staff members approach people entering or leaving cemeteries and ask them to answer a few questions. The face-to-face technique makes it possible to gather people's opinions directly when they experience the service, and therefore offers precise, up-to-date information on user satisfaction.

Information was gathered in September and October 2023 and a sample of 379 cemetery visitors were interviewed, Surveys took the form of a semi-structured live questionnaire.

For Veritas, the general satisfaction index in 2023 was 99.7 and the composite index amounted to 94.1.

Cemetery services – Veritas

	2023	2022	2021
general satisfaction index	99.7	98.2	98.2
composite satisfaction index	94.1	94.6	96.5

Some of the highest rated aspects are burials and exhumations, summer and winter opening hours, pruning and new tree planting, presence and position of dustbins. Aspects to improve include the maintenance and repair of votive lights, which in any case receives a score of 75.

For Asvo, the interviews were conducted in September in Portogruaro and during the week straddling the end of October/beginning of November for the other cemeteries, 302 people were interviewed. The general satisfaction index in 2023 was 100 and the composite index amounted to 98.8.

Cemetery services – Asvo

	2023	2022	2021
general satisfaction index	100	100	99.5
composite satisfaction index	98.8	100	98.0

For cemetery services provided by Asvo, in 2023 almost all satisfaction indices are equal to 100, the general and composite indexes were 100. Aspects to improve include access facility for people with impairment, index equal to 90.1.

6.3 Social responsibility

6.3.1 Initiatives for the local community

For several years Veritas Group companies have been holding educational initiatives in schools, in particular on the right way to dispose of waste and the conscientious use of water. The table below provides data on these activities in school years 2022-23, 2021-22, 2020-21, by grade level and topic, specifying the number of classes and number of students participating in the lessons.

Teaching activities

	school year 2022-2023		waste		water	
	classes	students	classes	students	classes	students
preschool	150	3,110	150	3,110	0	0
primary school	311	6,665	196	4,240	68	1,437
middle school	233	4,956	151	3,157	82	1,799
high school	135	2,987	80	1,785	55	1,202
associations/support staff	0	25	0	25	0	0
university	0	96	0	48	0	48
summer day camps	0	316	0	2210	0	65
total	**829**	**18,155**	**577**	**12,586**	**205**	**4,551**

	school year 2021-2022		waste		water	
	classes	students	classes	students	classes	students
preschool	166	3,168	166	3,168	0	0
primary school	352	7,081	250	4,975	102	2,106
middle school	211	4,467	148	3,093	63	1,374
high school	289	6,226	214	4,552	75	1,674
associations/support staff	223	4,575	223	4,575	0	0
university	0	30	0	30	0	0
student demonstrations	0	300	0	300	0	0
summer day camps	0	0	0	0	0	0
total	**1,241**	**25,847**	**1,001**	**20,693**	**240**	**5,154**
canceled due to Covid/postponed	111	2,133	78	1,457	33	676

	school year 2020-2021		waste		water	
	classes	students	classes	students	classes	students
preschool	73	1,295	73	1,295	0	0
primary school	208	4,144	139	2,737	69	1,407
middle school	154	3,317	96	2,027	58	1,290
high school	169	4,117	91	2,408	78	1,709
associations/support staff	2	27	2	27	0	0
summer day camps		700	0	700	0	0
total	**606**	**13,600**	**401**	**9,194**	**205**	**4,406**

In 2022 the Group resumed the teaching activities that in the previous two years had suffered from the Covid emergency, when plant visits were put on hold and lessons were held sometimes remotely and sometimes in the classroom. At times the schools still canceled or postponed these initiatives because of Covid.

In addition to teaching activities in the schools, in 2023 and 2022 the Group held plant visits and open houses:

Plant visits

	school year 2022-2023	
	classes	students
Eco+Eco Valorizza	11	290
Eco+Eco Ricicla	9	211
Scorzé intake facility	19	433
Purification plant Cavanella D'Adige	4	82
Mestre collection center	4	88
water museum	-	167
Fusina treatment plant	3	112
Torre Caligo Plant	1	50
GpLab	1	24
Cdo3	9	166
total	**60**	**1,623**

	school year 2021-2022	
	classes	students
Ecoprogetto	2	49
Scorzé intake facility	4	69
Cavallino-Treporti collection center	4	80
water museum	-	52
Fusina treatment plant	1	26
total	**11**	**276**

Open houses

	school year 2022-2023
	students
Green propulsion lab	92
Ca' Solaro drinking water plant	101
Fusina treatment plant	100
Eco+Eco Valorizza	196
Eco- Eco+Eco Ricicla	82
total	**206**

	school year 2021-2022
	students
Green Propulsion Lab	56
Ca' Solaro drinking water plant	19
Fusina treatment plant	19
Ecoprogetto	28
Eco-ricicli	28
total	**150**

The Group is also happy to provide internships to university students and to host local high school students fulfilling their work-study requirements. In 2023 there were 15 interns/trainees, (32 in 2022 and 7 in 2021),

The Group's sense of social responsibility includes working with "type B" cooperatives, which are nonprofit associations formed to pursue the general interests of the community, Veritas has always supported these businesses that produce goods and services by favoring the hiring of disadvantaged workers.

In 2021 the Group embarked on a carbon footprint assessment. Starting with a greenhouse gas inventory, the project aims to measure total emissions in order to understand the environmental impacts of the Group's operations and take action to counter the most significant harms. The Group plans to maximize its social and environmental role by:

- developing a **tree planting project** in the territory served, to help absorb its own emissions and complement voluntary offset and adopt-a-tree activities by individuals and companies;
- creating a **virtuous system of sustainable actions** involving private citizens, entities, and local businesses with a view to producing quantifiable benefits in terms of environmental savings and CO_2 emissions avoided.

The project prosecuted in 2023 and it is still ongoing, with the purpose of making data collection structural.

6.3.2 Data privacy

In 2023 no data privacy complaints were filed nor were there any indications of other breaches.

6.3.3 Support for disadvantaged households

With Resolution 897/2017, amended by Resolutions 227/2018/R/idr, 165/2019/R/com and 3/2020/R/idr, the Authority established a water subsidy that allows users meeting specified conditions to receive a discount on their bills equal to the cost of 18.25 m^3 of water per year per household member. This is the equivalent of 50 liters per day, the minimum amount – as established by law – needed to satisfy personal needs. Since 2020 the water subsidy applies to all components of the water service (delivery, sewage and treatment), while previously it only applied to the variable (delivery) portion.

In 2023 Veritas granted € 682,083 worth of subsidies to 20,640 households, for a total of 58,966 beneficiaries. The average subsidy per household amounted to 33 euros. In 2022 the subsidy has been granted to 1,128 families, for a total of 3,264 beneficiaries and a total value of € 381,859.

Since 2021 the water subsidy has been granted automatically, without users having to request it, and is governed by Arera Resolutions 63/2021/R/com (with attachments) and 106/2022/R/com.

6.4 Complaint management

The Group companies in direct contact with users are Veritas (for waste management, water, cemetery and other local public services) and Asvo (for waste management, cemetery and other local public services).

All users, individually or through specially authorized consumer associations, can ask for the information that concerns them in the manners specified by Law 241 of August 7, 1990 ("New rules on administrative procedures and right of access to administrative documents", later updated with Law 15/2005 and Law 80/2005) and by any applicable regulations of the service providers. Users can file complaints, memorandums, and documents and make suggestions for improved service.

There are many ways for users to contact the two companies: call center, traditional mail, email, online help desk, or in person. The means of contact, addresses and telephone numbers are listed on the two companies' websites: https://www.asvo.it/contattaci and https://www.gruppoveritas.it/il-gruppo-veritas/chi-siamo/contatti.

The waste management and water services are also regulated by Arera. A Customer Charter has been drawn up for each of these services, in accordance with regulations, and approved by the relevant Basin Councils with input from the consumer and trade associations. The charters, also available on the companies' websites, define the procedures for complaints, conciliation (for the water service), and requests for information and explain how and when the operator responds.

There is also a Customer Charter for the cemetery services Veritas provides to the city of Venice, approved by the municipality with input from the consumer associations.

For the water and cemetery services in the city of Venice, a dispute resolution protocol has been signed. The terms can be viewed on the water service and cemetery service pages of Veritas's website; the Customer Charters list the consumer associations that have signed the protocol.

The Customer Charter for the waste management service came into force on January 1, 2023. In keeping with the regulatory scheme of Arera Resolution 15/2022 and with Resolution no, 4 of the Venezia Ambiente Basin Council Assembly of April 14, 2022, Veritas and Asvo are not subject to particular deadlines for responding to complaints and information requests.

For the integrated water service, complaints and queries must be answered within thirty days. This is a specific standard that entitles the user to an automatic rebate if it fails to be met.

Integrated water service – complaints and queries

	2023	2022	2021
number of written complaints	56	89	100
rate of correct response time to written complaints	98%	94%	99%
number of written queries	175	235	348
rate of correct response time to written queries	95%	93%	92%

Complaints and queries regarding cemeteries in the city of Venice and the other cemeteries managed by Veritas are reported below.

Cemetery services – complaints and queries

	2023	2022	2021
number of complaints: cemeteries in Venice	33	35	51
number of queries: cemeteries in Venice	138	90	92
number of complaints: other municipalities served by Veritas	0	4	1
number of queries: other municipalities served by Veritas	6	5	3

7
THE EU TAXONOMY REGULATION

7.1 Disclosures on sustainable activities pursuant to Regulation (EU) 2020/852

The European Union, consistently with the European Green Deal objective of achieving climate neutrality by 2050, has decided to create a regulatory system to encourage investment in assets and activities that qualify as ecologically sustainable.

On June 18, 2020, the European Parliament approved Regulation (EU) 852/2020, known as the EU Taxonomy Regulation, for the establishment of a framework to facilitate sustainable investment, The Taxonomy is a common classification system applicable throughout the EU.

The Regulation sets the criteria for whether a business activity can be considered environmentally sustainable, which in turn determines the environmental sustainability of an investment. The criteria consist of six environmental objectives and four conditions.

The six environmental objectives are:

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

A sustainable activity must also meet the following conditions:

- make a substantial contribution to at least one of the six environmental objectives;
- do no significant harm (DNSH) to any of the other environmental objectives;
- comply with minimum social safeguards, that is, be carried out in alignment with the UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the fundamental conventions of the ILO and the International Bill of Human Rights;
- comply with the technical screening criteria established in delegated acts for each environmental objective and activity. At the moment, the European Commission has published the delegated act for the first two objectives (Act 2139/2021).

Activities are classified as "aligned" with the Taxonomy (if they fulfill the sustainability criteria), "eligible" (if they are within the scope of the Taxonomy but may or may not meet the technical screening criteria), and "non-eligible". The Taxonomy is therefore a single European classification system that establishes a list of environmentally sustainable activities.

The list of activities that can make a substantial contribution to at least one of the six objectives, without creating significant harm to the others, is defined in the EU Delegated Regulation 2021/2139 (Climate Delegated Regulation) and the EU Delegated Regulation 2022/1214 (Regulation – complementary delegated regulation on climate) and EU Delegated Regulation 2023/2486 (Environmental Delegated Regulation) and EU Delegated Regulation 2023/2485 (which integrates the Delegated Climate Regulation by expanding the list of economic activities that can make a substantial contribution to the objectives of mitigation and adaptation to climate change and which amends some of the technical criteria envisaged for the activities previously identified).

Pursuant to Article 10 of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021, starting with 2021 financial reporting, companies within the scope of Legislative Decree 254/2016 must disclose in their total turnover, capital expenditure (CapEx), and operational expenditure (OpEx) the proportion of Taxonomy-eligible economic activities that contribute to the objectives of climate change mitigation and climate change adaption. From 2022 reporting, such disclosures are extended to alignment. Finally, with the 2023 disclosure, it is required to extend the eligibility assessment also to four additional environmental objectives, while the alignment check must be carried out on the 2024 economic data.

To declare an eligible activity as aligned, it has to satisfy:

- technical screening criteria confirming that the activity makes a substantial contribution to climate change adaptation and/or mitigation;
- DNSH screening criteria, which confirm that the activity does no significant harm to any of the other environmental objectives;
- minimum social safeguards (that is, the UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the fundamental conventions of the ILO and the International Bill of Human Rights).

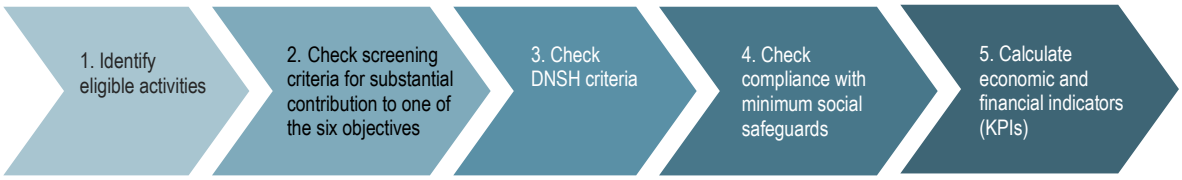
Therefore, as required by law, the Veritas Group conducted an analysis to identify its climate-related eligible and aligned activities extending the eligibility also to the activities envisaged for the other four environmental objectives. The analysis was based on the delegated regulations and interpretative notes published by the European Commission,[2] using its own judgment and interpretations of currently available information[3] following the methodology and process described below.

[2] The analysis was based on the rules, requirements, and criteria stated in Regulation 2020/852 as detailed in the technical aspects of Commission Delegated Regulation (EU) 2021/2139 ("Climate Delegated Act") published on June 4, 2021 and Commission Delegated Regulation (EU) 2022/1214 ("Complementary Delegated Act") of March 9, 2022, in Regulation (EU) 2023/2486 "Environmental Delegated Act" and in Regulation (EU) 2023/2485, which integrates amends the Climate Delegated Regulation, both published on June 27, 2023.. For reporting aspects, reference was made to Commission Delegated Regulation (EU) 2021/2178 ("Disclosure Delegated Act") published on July 6, 2021, as amended. The interpretative notes published by the European Commission in March 2021 and December 2022 were also taken into account.

[3] The Veritas Group used its own judgment, interpretations and assumptions based on its understanding and interpretation of currently available information. Any regulatory developments, changing interpretations of the law or of standard or industry practice, or the future publication of delegated regulations for the remaining environmental objectives could lead to changes in assessments and decision-making processes for the fulfillment of reporting obligations and in the method of calculating KPIs, with potentially different outcomes for the future reporting of KPIs under the EU Taxonomy.

7.1.1 Procedure for assessing the alignment of Group activities with the EU Taxonomy

The Veritas Group has followed a five-step process to determine the eligibility and subsequent alignment of its activities:



1. Identify eligible activities

The Veritas Group has updated its analysis and evaluation of the mapping of the of activities in carried out by the Group Companies, in order to identify those eligible for the EU Taxonomy, basing its assessment primarily on consistency with the definitions reported in the annexes to Commission Delegated Regulation (EU) 2021/2139 (Climate delegated act), Regulation (EU) 2022/1214 Complementary delegated act, Regulation (EU) 2023/2485 (which amends and integrates the Climate delegated act) and Regulation (EU) 2023/2486 (Environmental delegated act). Such analysis has confirmed the 14 eligible activities already identified in 2022 relative to the climate change mitigation objective and identified 2 activities relative to the sustainabile use and protection of water and marine resources, 4 activities related to the objective of transition towards a circular economy and 3 activities related to the objective of prevention and reduction of pollution, as it is reported in the following table.

activities macrocategory	#	eligible activity envisaged by Regulation
Water activities	Objective: climate change mitigation (CCM)	
	CCM 5.1.	Construction, extension and operation of water collection, treatment and supply systems
	CCM 5.2.	Renewal of water collection, treatment and supply systems
	CCM 5.3.	Construction, extension and operation of waste water collection and treatment
	CCM 5.4.	Renewal of waste water collection and treatment
	Objective: sustainable use and protection of water and marine resources (WTR)	
	WTR 2.1.	Water supply
	WTR 2.2.	Urban waste water treatment
Activities related to waste management and depollution	Objective: climate change mitigation (CCM)	
	CCM 5.5.	Collection and transport of non-hazardous waste in source segregated fractions
	CCM 5.9.	Material recovery from non-hazardous waste
	Objective: transition to a circular economy (CE)	
	CE 2.3.	Collection and transport of non-hazardous and hazardous waste
	CE 2.6.	Depollution and dismantling of end-of-life products
	CE 2.7.	Sorting and material recovery of non-hazardous waste
	Objective: pollution prevention and control (PCC)	
	PCC 2.1.	Collection and transport of hazardous waste
	PCC 2.2.	Treatment of hazardous waste
	PCC 2.4.	Remediation of contaminated sites and areas
Energy activities	Objective: climate change mitigation (CCM)	
	CCM 4.1.	Electricity generation using solar photovoltaic technology
	CCM 4.15.	District heating/cooling distribution
	CCM 4.16.	Installation and operation of electric heat pumps
Fleet and real estate management	Objective: climate change mitigation (CCM)	
	CCM 6.5.	Transport by motorbikes, passenger cars and light commercial vehicles
	CCM 6.6.	Freight transport services by road
	CCM 7.2	Renovation of existing buildings
	CCM 7.3.	Installation, maintenance and repair of energy efficiency equipment
	CCM 7.4.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
	Objective: transition to a circular economy (CE)	
	CE 3.2.	Renovation of existing buildings

2. Check screening criteria for substantial contribution to one of the six objectives

Relative to the only activities identified as eligible for the climate objectives, the compliance of the technical screening criteria was checked to verify activities' substantial contribution to those objectives. For the Veritas Group, some activities were found to make a substantial contribution to the objective of climate change mitigation. The analysis has been carried out through the evaluation of quantitative indicators, the gathering of qualitative information and the analysis of documents for every asset, scope of service or investment under consideration, depending on the Taxonomy requirements and the characteristics of the activity, with input from operational and technical personnel.

3. Check DNSH criteria

For activities that make a substantial contribution to climate change mitigation, the next step was to check for compliance with the specific or general "Do no significant harm" (DNSH) criteria for each economic activity, that is, to determine whether these activities cause significant harm to one of the other European objectives. For each activity, quali- and quantitative data and information was gathered to meet the requirements, where applicable, for the individual asset, scope of service or investment.

4. Check compliance with minimum social safeguards

In addition to the technical criteria, compliance with the minimum social safeguards was checked in accordance with Regulation 852/2020, following the approach suggested in the *Final Report on Minimum Safeguards* of the Platform on Sustainable Finance published in October 2022.

FOCUS | Compliance with minimum social safeguards

The EU Taxonomy describes the minimum social safeguards as the procedures a company follows to ensure that its economic activities are carried out consistently with the UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the fundamental conventions of the ILO and the International Bill of Human Rights.

The Group has checked compliance with the minimum social safeguards by focusing on four core topics – human rights, bribery/corruption, taxation, and fair competition – as indicated in the *Final Report on Minimum Safeguards* published in October 2022 by the Platform on Sustainable Finance.

As far as these core topics are concerned, the Veritas Group operates within the confines of national laws on human rights and labour as they specifically address aspects such as non-discrimination and employee health and safety, and in accordance with laws on anti-corruption, competition, and taxation. Over the years the Group has implemented tools, policies, plans, procedures, guidelines, regulations, and management and control systems pertinent to these aspects.

The Code of Ethics is the document in which the Group states the values underpinning its activities and the ethical principles, commitments and responsibilities it demands of itself and of its directors, employees, contract workers and suppliers, in deference to all stakeholders. It emphasizes the Group's dedication to respecting the rights of people, without discrimination, and to operating with equity and impartiality. It also promises transparency within and outside the company and a commitment to improving the effectiveness and efficiency of business processes. The Code describes the Group's care for the environment and sets some standards of conduct, for example the obligation to provide shareholders with true, accurate, timely information and to ensure the utmost transparency in market dealings. As far as for employees and consultants are concerned it promises independence in selection and hiring; fairness, equal opportunities and non-discrimination in the management of human resources; and the protection of workers' health and safety. These principles are enforced by way of specific internal procedures.

At the organizational level, the Group companies have adopted Organization and Management Models pursuant to Legislative Decree 231/2001 ("231 Models") to prevent the commission of crimes for which the company could be held liable. The 231 Models are part of an internal control and risk management system consisting of the set of rules, procedures and organizational structures designed to facilitate sound, correct management that is in line with company objectives through an adequate system of identification, measurement, management and monitoring of the principal risks. Areas of relevance addressed by the 231 Models include slavery and human trafficking; violation of accident prevention regulations and occupational health and hygiene protection standards; market abuse; corruption; and tax crimes. Enforcement of the Code of Ethics and the 231 Models is the responsibility of the Compliance Committee.

More specifically, in building and maintaining personnel and human rights policies, the Veritas Group follows the principles contained in the Code of Ethics: civic sense, or the set of convictions that guides people's everyday actions; fairness; respect for the physical person; non-discrimination; diversity and social inclusion; working conditions and measures to ensure health and safety in the workplace. These are principles reflected in the personnel recruitment guidelines, in the adoption of a diversity and inclusion policy in line with standard UNI PDR 125:2022, and in a commitment to occupational health and safety through the integrated Quality, Environment and Safety system.

In relation to the public services, it operates and in accordance with applicable laws, including those that implement international conventions, the Veritas Group has firm anti-corruption policies and strategies. In addition to the Code of Ethics and 231 Models, Veritas and Eco+Eco have adopted anti-bribery management systems certified to the standard UNI ISO 370014, which ensure that the companies' efforts meet or exceed legal requirements. These systems are associated with an Anti-corruption Policy; a Three-year Anti-corruption and Transparency Plan, which is updated periodically; and the appointment of an Anti-corruption and Transparency Officer, as required by applicable laws.[5] The Group has also adopted a whistleblowing system, and Veritas adheres to specific compliance protocols. The anti-bribery management system is completed by internal control and quality tools, as well as a range of regulations, procedures, instruments, and documents published on the companies' websites under the heading "Società trasparente".

On the subject of taxes, the Group has adopted a tax compliance procedure in addition to the controls contained in the 231 Models for the prevention of tax-related crimes.

Regarding the risk of violating competition laws and regulations, the Group mainly operates in sectors, water supply and waste management, that by their nature are free from competition, with assignments granted under special agreements.

On the procurement front, the Group has a set of internal regulations that govern the contracting of goods and services in accordance with the Public Procurement Act, following the principles of economy, efficacy, timeliness, and fairness as well as free competition, non-discrimination, equal opportunity, transparency, publicity, proportionality, and rotation.

Additionally, the reliability, reputation, integrity, and ethical conduct of Veritas is certified by the legality rating it was assigned in March 2022 by the Antitrust Authority, which awarded it three stars out of three, rating confirmed also in 2023.

For further information on policies, management models, and specific actions in the sphere of human rights and anti-corruption, see the chapters "Human resources and human rights" and "Business ethics and integrity" of this document, and in particular the following sections: "Organizational model, policies and risks," "Occupational health and safety," "Inclusion and non-discrimination," and "Regulatory compliance and anti-corruption".

[4] ISO 37001 *Anti-bribery management systems* is the first international standard on management systems for the prevention of bribery and corruption published by the International Organization for Standardization (ISO) on the basis of international best practices.
[5] Such as Law 190/2012, Legislative Decree 33/2013, and Legislative Decree 39/2013 (as amended).

5. Calculation of economic and financial performance indicators (KPIs) and accounting standards

The numerators and denominators of the three KPIs required by the EU Taxonomy Regulation (Turnover, OpEx and CapEx) were determined with input from the administrative, accounting, and management control units of the holding company and the individual Group companies. As instructed by Annex 1 of Delegated Act 2178/2021, these units identified the items from the financial statements and from the management accounts to be associated with the three KPIs. With a view to continuous improvement, in 2023 the associations were further refined.

Before making the calculations, a preliminary step was to analyze the items in the consolidated income statement and, where necessary, to break them down according to internal orders, cost centers, SBAs, and segments in order to associate the corresponding turnover and OpEx recognized by the EU Taxonomy with the eligible activities identified for the Group. CapEx was associated by individual investment based on the descriptions, types and purposes of the expenditure. For all three KPIs, in some cases, where there was no direct link or detailed data, associations were assumed and the Group used estimates, drivers, and Arera accounting unbundling criteria to allocate amounts to the different activities.

To support this process, the Group extracted and processed data from its analytical accounting system of each individual subsidiary and of the holding and from the Group's consolidated financial statement, to obtain specific numerical values and percentage weights.

Below is a more detailed description of the methods of determining the three KPIs, in terms of numerator and denominator.

1 Turnover KPI

- *Numerator*

The numerator is net revenue from sales and services from the taxonomic activities identified for the Group. It was determined by analyzing the analytical accounting of the financial statements of the individual companies and of the consolidated one in detail, so to identify the amounts of revenues from eligible activities.

For activity 5.5, "Separate collection and transport of non-hazardous waste in single or commingled fractions aimed at preparing for reuse or recycling," in the case of revenue from combined waste collection operations, turnover was calculated using the separate collection rate and specific tools defined by Arera for the "waste tariff method" (Mtr) as a driver to calculate the relevant share, excluding revenue from mixed waste collection and street sweeping.

To find the shares of turnover from eligible activities, aligned activities, and activities that make a substantial contribution to climate change objectives, revenue was then matched to the assets and scopes of service determined according to the process described above. For activity 5.3, "Construction, extension and operation of waste water collection and treatment," drivers were used to calculate the share of turnover pertaining to each sewer/treatment system by using the treatment capacities of the facilities downstream.

- *Denominator*

The turnover considered for the denominator is the Group's core business revenue that can be ascribed to the item "Revenues from sales and services of the 2023 consolidated financial statements. To prevent double counting, it excludes capitalized revenue which is counted in CapEx.

2 OpEx KPI

- *Numerator*

To calculate the share of operational expenditure associated with Taxonomy activities that are eligible, aligned and that make a substantial contribution to the climate change mitigation objectives, the individual OpEx items included in the denominator were analysed with support, where necessary, from analytical accounting information. As described above for turnover, for OpEx, too, the separate collection rate and the drivers defined by Arera for the waste tariff method were also used in the case of combined collection activities, in order to exclude the portion referring to the collection of mixed waste. In the case of operating costs related to shared operational functions of maintenance and technical services within the integrated water service, Arera's accounting unbundling drivers were used to divide the costs between aqueduct, sewage, wastewater treatment and other activities.

For the alignment assessment, operating costs have been attributed to the assets and scopes of service determined according to the process described above.

For OpEx associated with sewer/treatment systems, drivers were used to calculate the share of costs pertaining to each system by using capacities of the downstream treatment plants.

- *Denominator*

The denominator consists only of operating expenses recognized by the EU Taxonomy, i,e, direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. They were identified by selecting the accounts and cost centers pertaining to the maintenance, repair, and day-to-day servicing of the assets, including directly attributable materials, services and personnel, and to short-term leases and research and development costs.

3 CapEx KPI

- *Numerator*

The numerator consists of expenditure for non-current assets included in the denominator associated with Taxonomy. activities. For all companies, the association was made on the basis of the names and line items of the assets and of analytical accounting characteristics. Specifically, for the waste management service, capital expenditure items were allocated individually to the separate collection service and in the case of combined collection, the amounts were allotted according to the separate collection rate and the specific drivers defined by Arera for the waste tariff method.

Each asset was matched to the investments carried out and alignment was assessed following the process described above. For investments in the sewer/treatment systems located across the territory, the numerator includes the share associated with treatment facilities that make a substantial contribution to climate change mitigation on the basis of those facilities' treatment capacity as a percentage of the total.

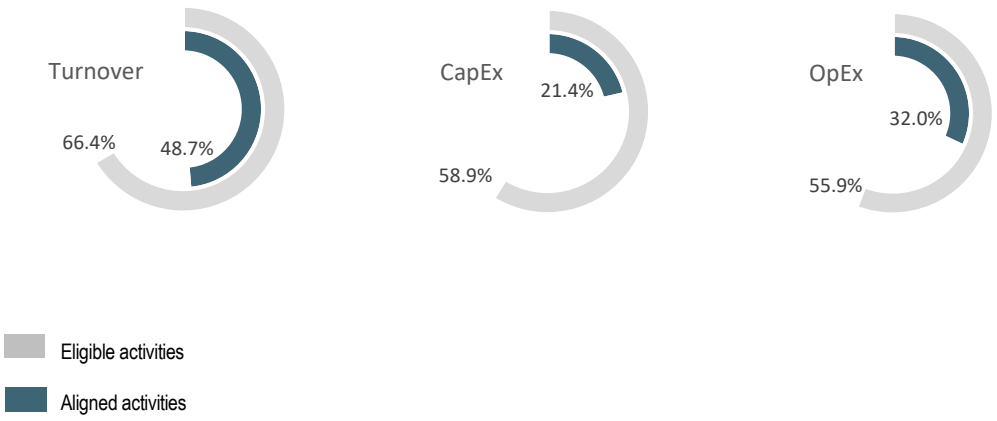
- *Denominator*

The denominator covers capital expenditure as defined in Delegated Regulation (EU) 2021/2178, such as additions to tangible and intangible assets, inclusive of Ifrs16, considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, and excluding fair value changes.

7.1.2 Results of the analysis

According to the analysis described above, the phase of identification of eligible activities has brought out that **66.4%** of *Turnover*, **55.9%** of *OpEx*, and **58.9%** of *CapEx* can be attributed to Taxonomy-**eligible** activities. Moreover, **48.7%** of *Turnover*, **32.0%** of *OpEx* and **21.4%** of *CapEx* are aligned to the objective of **climate change mitigation** and are therefore environmentally sustainable.

Summary of alignment to the EU Taxonomy



Primarily, these concern the separate collection and transportation of non-hazardous waste and the operation of water supply systems and partly the management of wastewater collection systems and treatment plants.

Compared to 2022, and with a view to continuous improvement, Veritas Group has analysed climate change risks of its main activities in cooperation with Cmcc (Mediterranean center on climate change). This made it possible to comply with the DNSH adaptation to climate change and to consider aligned with EU Taxonomy activities that were not in 2022.

Below is a summary of the results of the analyses showing the extent to which Veritas Group's activities are eligible and aligned under the European Taxonomy Regulation for the financial year 2023, followed by the extended reporting schemes[6].

[6] With reference to the information pursuant to art. 8, paragraphs 6 and 7 of Delegated Regulation (EU) 2021/2178 which requires use of the templates provided in Annex XII for the disclosure of activities related to nuclear energy and fossil gas, it should be noted that all such templates have been omitted as they are not significant to the Group's activities.

EU Taxonomy tables

Share of turnover from eligible and aligned activities

Reporting year: 2023

Economic activities	Code	Turnover (in euros)	Share of turnover	Substantial contribution: Climate change mitigation	Substantial contribution: Climate change adaptation	Substantial contribution: Sustainable use and protection of water and marine resources	Substantial contribution: Transition to a circular economy	Substantial contribution: Pollution prevention and control	Substantial contribution: Protection and restoration of biodiversity and ecosystems	DNSH criteria: Climate change mitigation	DNSH criteria: Climate change adaptation	DNSH criteria: Sustainable use and protection of water and marine resources	DNSH criteria: Transition to a circular economy	DNSH criteria: Pollution prevention and control	DNSH criteria: Protection and restoration of biodiversity and ecosystems	Minimum safeguards	Share of turnover taxonomy aligned (A1) or taxonomy eligible(A2), year 2022	Enabling activity	Transitional activity
		€	%	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y N	Y N	Y N	Y N	Y N	Y N	Y N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (aligned with the taxonomy)																			
Construction, extension and operation of water collection, treatment and supply systems / Water supply	CCM 5.1. WTR 2.1.	73,027,924	14.8	Y	N/EL	EL	N/EL	N/EL	N/EL		Y	Y		Y	Y	Y	0.0		
Construction, extension and operation of waste water collection and treatment / Urban waste water treatment	CCM 5.3. WTR 2.2.	19,688,373	4.0	Y	N/EL	EL	N/EL	N/EL	N/EL		Y	Y		Y	Y	Y	0.0		
Collection and transport of non hazardous waste in source segregated fractions /Collection and transport of non-hazardous and hazardous waste	CCM 5.5. CE 2.3.	148,155,336	30.0	Y	N/EL	N/EL	EL	N/EL	N/EL		Y		Y			Y	0.0		
A.1 Turnover from sustainable activities (taxonomy aligned)		240,871,634	48.7	49	0	0	0	0	0		Y	Y		Y	Y	Y	0.0		
of which enabling		0	0.0	0	0	0	0	0	0		Y	Y		Y	Y	Y		E	
of which transitional		0	0.0	0	0	0	0	0	0		Y	Y		Y	Y	Y			T
A.2 Activities which are taxonomy-eligible but not environmentally sustainable (taxonomy not aligned activities)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	90,597	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
District heating / cooling distribution	CCM 4.15.	48,203	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Construction, extension and operation of waste water collection and treatment / Urban waste water treatment	CCM 5.3. WTR 2.2.	42,035,336	8.5	EL	N/EL	EL	N/EL	N/EL	N/EL								13.6		
Material recovery from non-hazardous waste / Sorting and material recovery from non-hazardous waste	CCM 5.9. CE 2.7.	41,282,627	8.3	EL	N/EL	N/EL	EL	N/EL	N/EL								2.5		
Collection and transport of non-hazardous and hazardous waste / Collection and transport of hazardous waste	CE 2.3. PCC 2.1.	317,425	0.1	N/EL	N/EL	N/EL	EL	EL	N/EL								–		
Depollution and dismantling of end-of-life products	CE 2.6.	15,370	0.0	N/EL	N/EL	N/EL	EL	N/EL	N/EL								–		
Collection and transport of hazardous waste	PCC 2.1.	-232,781	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Treatment of hazardous waste	PCC 2.2.	3,419,093	0.7	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Remediation of contaminated sites and areas	PCC 2.4.	492,572	0.1	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
A.2 Turnover of eligible actitivities but not environmentally sustainable (taxonomy not aligned activities)		87,468,442	17.7	17	0	0	0	0	0								62.6		
A.1 + A.2 Total eligibility		**328,340,076**	**66.4**	**66**	**0**	**27**	**38**	**1**	**0**								**62.6**		
B. Activities taxonomy not eligible																			
B Turnover activities taxonomy not eligible		**166,119,010**	**33.6**																
A+B Total		**494,459,086**	**100**																

NOTES

CCM: climate change mitigation; CCA: climate change adaptation; WTR: water and marine resources; CE: circular economy; PPC: prevention and pollution control; BIO: biodiversity and ecosystems; Y (yes): the activity is eligible and aligned with taxonomy relative to the applicable environmental objective, N (no): the activity is eligible but not aligned with the taxonomy relative to the applicable environmental objective; N/EL: not eligible; the activity is not taxonomy eligible relative for the relevant objective; EL: the activity is taxonomy eligible for the relevant objective; N/EL: not eligible; the activity is not taxonomy eligible relative for the relevant objective. An activity to be included in section A.1 must comply with all DNSH criteria and the pertaining minimum safeguards. Non-financial companies may indicate in section A.2 the substantial contribution and the DNSH criteria satisfied or not, using, for the substantial contribution, the wordings YES/NOT (Y/N) and N/EL or EL and N/EL and for the DNSH criteria the wordings YES/NOT (Y/N).

Share of capital expenditure associated with taxonomy eligible and aligned activities
Reporting year: 2023

Economic activities	Code	Capital expenditures (in euros)	Shares of capital expenditures	Substantial contribution						DNSH criteria						Minimum safeguards	Share of Capex taxonomy aligned (A1) or taxonomy eligible (A2), year 2022	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems				
		€	%	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y N	Y N	Y N	Y N	Y N	Y N	Y N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (aligned with the taxonomy)																			
Construction, extension and operation of water collection, treatment and supply systems / Water supply	CCM 5.1. WTR 2.1.	21,985,185	13.9	Y	N/EL	EL	N/EL	N/EL	N/EL		Y	Y			Y	Y	0.0		
Construction, extension and operation of waste water collection and treatment / Urban waste water treatment	CCM 5.3. WTR 2.2.	2,535,879	1.6	Y	N/EL	EL	N/EL	N/EL	N/EL		Y	Y		Y	Y	Y	0.0		
Collection and transport of non-hazardous waste in source segregated fractions /Collection and transport of non-hazardous and hazardous waste	CCM 5.5. CE 2.3.	9,338,772	5.9	Y	N/EL	N/EL	EL	N/EL	N/EL		Y		Y			Y	0.0		
A.1 Capex of environmentally sustainable activities (taxonomy aligned)		33,859,836	21.4	21	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.0		
of which enabling		0	0.0	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y		E	
of which transitional		0	0.0	0	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y			T
A.2 Activities which are taxonomy-eligible but not environmentally sustainable (taxonomy not aligned activities)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	688,529	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Installation and operation of electric pump heats	CCM 4.16.	82,616	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Renewal of water collection, treatment and supply systems / Water supply	CCM 5.2. WTR 2.1.	8,051,581	5.1	EL	N/EL	EL	N/EL	N/EL	N/EL								9.6		
Construction, extension and operation of waste water collection and treatment / Urban waste water treatment	CCM 5.3. WTR 2.2.	20,290,944	12.8	EL	N/EL	EL	N/EL	N/EL	N/EL								15.9		
Renewal of waste water collection and treatment / Urban waste water treat.	CCM 5.4. WTR 2.2.	12,071,484	7.6	EL	N/EL	EL	N/EL	N/EL	N/EL								8.4		
Material recovery from non-hazardous waste / Sorting and material recovery of non-hazardous waste	CCM 5.9. CE 2.7.	16,967,561	10.7	EL	N/EL	N/EL	EL	N/EL	N/EL								0.5		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	775,955	0.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4		
Renovation of existing buildings	CCM 7.2. CE 3.2.	26,825	0.0	EL	N/EL	N/EL	EL	N/EL	N/EL								0.2		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	28,974	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4.	131,155	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Collection and transport of non-hazardous and hazardous waste / Collection and transport of hazardous waste	CE 2.3. PCC 2.1.	54,770	0.0	N/EL	N/EL	N/EL	EL	EL	N/EL								–		
Treatment of hazardous waste	PCC 2.2.	12,861	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
A.2 Capex of activities taxonomy eligible but not environmentally sustainable (taxonomy non aligned activities)		**59,183,255**	**37.5**	**37**	**0**	**26**	**11**	**0**	**0**								**55.5**		
A.1 + A.2 Total eligibility		**93,043,092**	**58.9**	**59**	**0**	**41**	**17**	**0**	**0**								**55.5**		
B. Taxonomy non eligible activities																			
B Capex taxonomy non eligible activities		**64,905,968**	**41.1**																
A+B Total		**157,949,060**	**100**																

NOTES

CCM: climate change mitigation; CCA: climate change adaptation; WTR: water and marine resources; CE: circular economy; PPC: prevention and pollution control; BIO: biodiversity and ecosystems; Y (yes): the activity is eligible and aligned with taxonomy relative to the applicable environmental objective, N (no): the activity is eligible but not aligned with the taxonomy relative to the applicable environmental objective; N/EL: not eligible; the activity is not taxonomy eligible relative for the relevant objective; EL: the activity is taxonomy eligible for the relevant objective; N/EL: not eligible; the activity is not taxonomy eligible relative for the relevant objective. An activity to be included in section A.1 must comply with all DNSH criteria and the pertaining minimum safeguards. Non-financial companies may indicate in section A.2 the substantial contribution and the DNSH criteria satisfied or not, using, for the substantial contribution, the wordings YES/NOT (Y/N) and N/EL or EL and N/EL and for the DNSH criteria the wordings YES/NOT (Y/N).

Share of operating expenditure recognized by the Taxonomy associated with eligible and aligned activities
Reporting year: 2023

Economic activities	Code	Operating expenditures (in euros)	Share of operating expenditures	Substantial contribution: Climate change mitigation	Substantial contribution: Climate change adaptation	Substantial contribution: Sustainable use and protection of water and marine resources	Substantial contribution: Transition to a circular economy	Substantial contribution: Pollution prevention and control	Substantial contribution: Protection and restoration of biodiversity and ecosystems	DNSH criteria: Climate change mitigation	DNSH criteria: Climate change adaptation	DNSH criteria: Sustainable use and protection of water and marine resources	DNSH criteria: Transition to a circular economy	DNSH criteria: Pollution prevention and control	DNSH criteria: Protection and restoration of biodiversity and ecosystems	Minimum safeguards	Share of Opex taxonomy aligned (A1) or taxonomy eligible (A2) year 2022	Enabling activity	Transitional activity
		€	%	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y/N EL N/EL	Y N	Y N	Y N	Y N	Y N	Y N	Y N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (aligned with the taxonomy)																			
Construction, extension and operation of water collection treatment and supply systems / Water supply	CCM 5.1. WTR 2.1.	6,313,676	11.3	Y	N/EL	EL	N/EL	N/EL	N/EL		Y	Y		Y	Y	Y	0.0		
Construction, extension and operation of waste water collection and treatment / Urban waste water treatment	CCM 5.3. WTR 2.2.	3,010,698	5.4	Y	N/EL	EL	N/EL	N/EL	N/EL		Y	Y		Y	Y	Y	0.0		
Collection and transport of non-hazardous waste in source segregated fractions / Collection and transport of non-hazardous and hazardous waste	CCM 5.5. CE 2.3.	8,465,970	15.2	Y	N/EL	N/EL	EL	N/EL	N/EL		Y		Y			Y	0.0		
A.1 Opex of environmentally sustainable activities (taxonomy aligned)		17,790,344	32.0	32	0	0	0	0	0	Y	Y	Y		Y	Y	Y	0.0		
di cui abilitanti		0	0.0	0	0	0	0	0	0	Y	Y	Y		Y	Y	Y		E	
di cui di transizione		0	0.0	0	0	0	0	0	0	Y	Y	Y		Y	Y	Y			T
A.2 Activities which are taxonomy-eligible but not environmentally sustainable (taxonomy not aligned activities)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	27,033	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
District heating/cooling distribution	CCM 4.15.	2,480	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Construction, extension and operation of waste water collection and treatment / Urban waste water treatment	CCM 5.3. WTR 2.2.	6,427,942	11.5	EL	N/EL	EL	N/EL	N/EL	N/EL								12.0		
Material recovery from non-hazardous waste / Sorting and material recovery of non-hazardous waste	CCM 5.9. CE 2.7.	3,972,837	7.1	EL	N/EL	N/EL	EL	N/EL	N/EL								0.2		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	250,103	0.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3		
Freight transport services by road	CCM 6.6.	946	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Collection and transport of non-hazardous and hazardous waste /Collection and transport of hazardous waste	CE 2.3. PCC 2.1.	7,501	0.0	N/EL	N/EL	N/EL	EL	EL	N/EL								–		
Treatment of hazardous waste	PCC 2.2.	2,614,944	4.7	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
A.2 Opex of activities taxonomy eligible but not environmentally sustainable (taxonomy non aligned activities)		13,303,786	24	19	0	0	0	0	0								38.6		
A.1 + A.2 Total eligibility		**31,094,130**	**55.9**	**51**	**0**	**28**	**22**	**5**	**0**								**38.6**		
B. Taxonomy non eligible activities																			
B Opex taxonomy non eligible activities		**24,566,017**	**44.1**																
A+B Total		**55,660,148**	**100**																

NOTES

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Below is the degree of eligibility and alignment by environmental objective, including the alignment to each environmental objective of the activities that contribute substantially to various objectives.

	Share of turnover/Total turnover		Share of capex/Total Capex		Quota di opex/Opex totale	
	Taxonomy aligned by objective	Taxonomy eligible by objective	Taxonomy aligned by objective	Taxonomy eligible by objective	Taxonomy aligned by objective	Taxonomy eligible by objective
CCM	48.7%	65.6%	21.4%	58.9%	32.0%	51.2%
CCA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WTR	0.0%	27.3%	0.0%	41.1%	0.0%	28.3%
CE	0.0%	38.4%	0.0%	16.7%	0.0%	22.4%
PPC	0.0%	0.8%	0.0%	0.0%	0.0%	4.7%
BIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
total	**48.7%**	**66.4%**	**21.4%**	**58.9%**	**32.0%**	**55.9%**

With reference to Annex III of Delegated Act 2022/1214 the following table is shown:

Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
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.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

8
METHODOLOGICAL NOTE

This Consolidated Non-Financial Statement (NFS) of the Veritas Group is published annually in accordance with Legislative Decree 254 of December 30, 2016 (as amended). Its purpose is to facilitate comprehension of the Group's organizational model, operations, main risks, and performance indicators and to provide information on environmental, social, personnel, human rights and anti-corruption topics that are material to the Group in relation to its operations and characteristics, to the extent needed to ensure understanding of its activities, performance, results, and impact (Article 3[1] of Legislative Decree 254/2016). As a result of Article 1(1073) of the 2018 budget package (Law 145/2018). Article 3 of Legislative Decree 254/2016 has been changed and the NFS must describe, in addition to the main business risks, the ways in which they are managed.

It should be noted that the Veritas Group will have to apply the new Corporate Sustainability Reporting Directive (CSRD) from the financial year starting on the 1st of January 2024. In this regard, the Group has started, in October-December 2023, a mapping of the information requirements provided by the CSRD and the European Sustainability Standards (ESRS) on order to identify the information that the Group will have to complete relative to financial year 2024 and define an action plan to ensure compliance with the new legislation.

The *NFS 2023* covers the period January 1 – December 31, 2023, which coincides with the financial reporting period; it includes the parent company, Veritas SpA, and all companies fully consolidated in the consolidated financial statements of the Veritas Group. The scope of reporting does not include Euroscavi srl, consolidated at the end of July 2023, for which only the number of employees at 31/12/2023 and the number of hirings and terminations are reported.

The previous non-financial statement was published in June 2023. This statement (in the original Italian) is due to be published in June 2024. The information and data it includes refer to the years 2023, 2022, 2021.

Of note for 2023 are the acquisition of Euroscavi srl by Depuracque Group, the rental of Asvo's waste management business unit (without changing operations or impacts with respect to 2022), the starting of activities for Ecodistretto trasporti Srl.

Any other significant limitations of scope are expressly mentioned in the relevant sections of the text and in Section 8.1, *Calculation methodology*, Restatements of comparative data published previously are clearly indicated as such.

This statement is presented in compliance with the GRI Sustainability Reporting Standards ("GRI Standards") published by the Global Reporting Initiative (GRI). The performance indicators have been selected from those proposed by the standards, on the basis of materiality and representativeness with respect to the Group's structure and services. For further information on the topics discussed herein, see the chapter *Group materiality analysis*.

This document was approved by the Board of Directors of Veritas SpA on May 28, 2024.

In accordance with the International Standard on Assurance Engagement (ISAE 3000 Revised), the Non-Financial Statement undergoes limited review by the independent auditors Deloitte & Touche SpA (who also audit the Veritas Group's Annual Report 2023), following the procedures specified in the Independent Auditors' Report attached to this document.

8.1 Calculation methodology

Below are the main calculation methods and assumptions for the non-financial performance indicators reported in this statement, in addition to those mentioned in the body of the NFS.

- The subdivision used in the chapter *Management of natural resources* follows the criteria explained below:
  - **Industrial segment**

    Includes data for the companies that select, treat, and recycle municipal waste (Eco+Eco, Metalrecycling, Depuracque, Lecher, Rive).
  - **Waste management**

    Covers the municipal waste collection activities and other waste management services provided by Asvo and Veritas.
  - **Water service**

    Includes the integrated water service operated by the parent company Veritas (pumping, treatment and distribution of drinking water and water for industrial use and collection and treatment of domestic and industrial wastewater).
  - **Other services and offices**

    These refer to other municipal services, including management of cemeteries and crematoriums and of the Venice fish market.
- The emission factors used to calculate GHG emissions are as follows:
  - **Calculation of direct emissions** *(Scope 1)*
    Tabella parametri standard nazionali published by the Environment Ministry (2023, 2022, 2021) and Defra (2023, 2022, 2021).
  - **Calculation of indirect emissions** *(Scope 2)*
    National emissions inventory *Fattori di emissione per la produzione ed il consumo di energia elettrica in Italia*, Ispra 2023 (location-based approach); *European residual mixes* 2022 – AIB 2023 (market-based approach).
- The factors used to convert the various units of measurement of fuels are taken from the database *UK Government GHG Conversion Factors for Company Reporting*, Defra (2023, 2022, 2021).
- Personnel data refer to the individual headcount (not full-time equivalents or "- FTEs") at December 31 of each year.
- The recruitment rate is the number of new hires as a percentage of total employees by gender. Turnover, expressed as a percentage, is the ratio of terminations to total employees. Turnover does not include seasonal workers. Employees terminated as of December 31 of each year count towards total employees for that year and are included in turnover for the following year.

Sometimes figures have been rounded to the first decimal or unit, therefore their sum may not match perfectly with the total value.

9
GRI CONTENT INDEX

Statement of use – The Veritas Group has reported in accordance with the GRI standards for the period January 1, 2023 - December 31, 2023.

GRI used – GRI 1: Foundation 2021

Applicable GRI standard(s) – No sector guidelines apply.

standard GRI	Disclosure	Location (pg.,)	Omissions		
			Omitted Requirement	Reason	Explanation
GRI 2 GENERAL DISCLOSURES 2021					
2-1	Organizational details	2, 22			
2-2	Entities included in the organization's sustainability reporting	8-11, 120			
2-3	Reporting period, frequency and contact point	2, 120			
2-4	Restatements of information	44, 54, 76			
2-5	External assurance	127-131			
2-6	Activities, value chain and other business relationships	22-26			
2-7	Employees	73			
2-8	Workers who are not employees	73			
2-9	Governance structure and composition	12-16			
2-10	Nomination and selection of the highest governance body	12-13			
2-11	Chair of the highest governance body	12			
2-12	Role of the highest governance body in overseeing the management of impacts	12-13			
2-13	Delegation of responsibility for managing impacts	12-16, 90			
2-14	Role of the highest governance body in sustainability reporting	12-13			
2-15	Conflicts of interest	12-13			
2-16	Communication of critical concerns	13			
2-17	Collective knowledge of the highest governance body	12-13			
2-18	Evaluation of the performance of the highest governance body	12-13			
2-19	Remuneration policies	12-13, 76			
2-20	Process to determine remuneration	12-13, 76			
2-21	Annual total compensation ratio	76			
2-22	Statement on sustainable development strategy	3			
2-23	Policy commitments	17-21	-		
2-24	Embedding policy commitments	17-21			
2-25	Processes to remediate negative impacts	31-34			
2-26	Mechanisms for seeking advice and raising concerns	103-104			
2-27	Compliance with laws and regulation	92-93			
2-28	Membership associations	16			
2-29	Approach to stakeholder engagement	28-29			
2-30	Collective bargaining agreements	80			
GRI 3 MATERIAL TOPICS 2021					
3-1	Process to determine material topics	28-29			
3-2	List of material topics	30-34			
TOPIC ECONOMIC DEVELOPMENT AND VALUE FOR THE TERRITORY					
3-3	Management of material topics	34, 94			
201-1	Direct economic value generated and distributed	26			
204-1	Proportion of spending on local suppliers	94			
TOPIC SUSTAINABLE WASTE MANAGEMENT					
3-3	Management of material topics	31, 50-51			
306-3	Waste generated	47			
TOPIC QUALITY OF WATER DELIVERED					
3-3	Management of material topics	31, 40-41, 54-56			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	56			
TOPIC WATER MANAGEMENT: SUSTAINABLE WATER USE					
3-3	Management of material topics	31, 40-41			
303-3	Water withdrawal	53			
303-5	Water consumption	54			
TOPIC WATER MANAGEMENT: QUALITY OF WATER RETURNED TO THE ENVIRONMENT					
3-3	Management of material topics	31, 57-59			
303-4	Water discharge	59			
TOPIC MANAGEMENT OF SEWAGE SLUDGE					
3-3	Management of material topics	33, 60			
306-3	Waste generated	47			
TOPIC ENERGY CONSUMPTION					
3-3	Management of material topics	32, 46			
302-1	Energy consumption within the organization	42, 121			

standard GRI	Disclosure	Location (pg.,)	Omissions		
			Omitted Requirement	Reason	Explanation
TOPIC CLIMATE CHANGE					
3-3	Management of material topics	33, 38-39			
305-1	Direct (Scope 1) GHG emissions	44, 121			
305-2	Energy indirect (Scope 2) GHG emissions	45, 121			
TOPIC PROTECTION OF BIODIVERSITY					
3-3	Management of material topics	33, 64-67			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	64-67			
TOPIC PERSONNEL GROWTH					
3-3	Management of material topics	33, 70-71			
401-1	New employee hires and employee turnover	77			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	83-84			
402-1	Minimum notice periods regarding operational changes	80			
404-1	Average hours of training per year per employee	79			
404-3	Percentage of employees receiving regular performance and career development reviews	79			
405-1	Diversity of governance bodies and employees	12, 74-76			
TOPIC EMPLOYEE HEALTH AND SAFETY					
3-3	Management of material topics	31			
403-1	Occupational health and safety management system	81			
403-2	Hazard identification, risk assessment, and incident investigation	81-82			
403-3	Occupational health services	72, 85			
403-4	Worker participation, consultation and communication on occupational health and safety	14			
403-5	Worker training on occupational health and safety	79			
403-6	Promotion of worker health	85			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71			
403-8	Workers covered by an occupational health and safety management system	81			
403-9	Work-related injuries	81	403-9 b	Data on injuries and hours worked by external workers are not available	The management of injuries and related reporting to Inail is the responsibility of the temporary employment agencies that also hold the information on the subject
403-10	Work-related ill health	82			
TOPIC DIVERSITY EQUAL OPPORTUNITIES AND WELFARE					
3-3	Management of material topics	32, 86-87			
406-1	Incidents of discrimination and corrective actions taken	87			
TOPIC ETHICS, ANTI-CORRUPTION AND REGULATORY COMPLIANCE					
3-3	Management of material topics	32, 90-91			
205-3	Confirmed incidents of corruption and actions taken	92			
415-1	Political contributions	93			
TOPIC SERVICE QUALITY AND CUSTOMER CARE					
3-3	Management of material topics	33, 97-99			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	102			
TOPIC PRESSURE FROM TOURISM					
3-3	Management of material topics	34, 24-25, 49			
TOPIC DEMOGRAPHIC ASPECTS AND CONSCIENTIOUS CONSUMPTION					
3-3	Management of material topics	34			
TOPIC AVAILABILITY OF CASH AND FINANCIAL RESOURCES					
3-3	Management of material topics	34			
TOPIC LATE PAYMENT OR NONPAYMENT BY USERS, SOCIAL INCLUSION AND FAIR RATES					
3-3	Management of material topics	34			
TOPIC SEWER MANAGEMENT					
3-3	Management of material topics	33, 57			
TOPIC SUSTAINABILITY INNOVATION AND STRATEGIES					
3-3	Management of material topics	32, 61-63			
TOPIC OPERATIONAL EFFICIENCY AND PROCUREMENT OF RAW MATERIALS					
3-3	Management of material topics	32			
TOPIC DIALOGUE WITH STAKEHOLDERS AND TRANSPARENCY					
3-3	Management of material topics	33, 96, 100-102			
TOPIC INNOVATION AND FINANCING					
3-3	Management of material topics	32, 20-21			

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016, AND ART. 5 OF CONSOB REGULATION N. 20267/2018

To the Board of Directors of
Veritas S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Veritas S.p.A. and its subsidiaries (hereinafter "Veritas Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on May 28, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The EU Taxonomy Regulation".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative (hereinafter "GRI Standards") , which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1* (*ISQC Italia 1*) and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the *GRI Standards*. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;

2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;

3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Veritas Group;

4. understanding of the following matters:

   - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
   - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
   - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

   Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report;

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

   In particular, we carried out interviews and discussions with the management of Veritas S.p.A. and with the employees of Eco + Eco S.r.l., Depuracque Servizi S.r.l. and Lecher ricerche e analisi S.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

   In addition, for material information, taking into consideration the Group's activities and characteristics:

   - at the Group level:

     a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
     b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

   - for Veritas S.p.A. and the sites of Depuracque Servizi S.r.l. e Lecher ricerche e analisi S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Veritas Group as of December 31, 2023, is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "The EU Taxonomy Regulation".

Deloitte.

Other matters

The NFS for the year ended December 31, 2021, whose data are presented for comparative purposes, have been subject to a limited assurance engagement by another auditor that, on June 9, • expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Boaro
Partner

Treviso, Italy
June 11, 2024

This report has been translated into the English language solely for the convenience of international readers.