



Sustainability Report 2021

summary

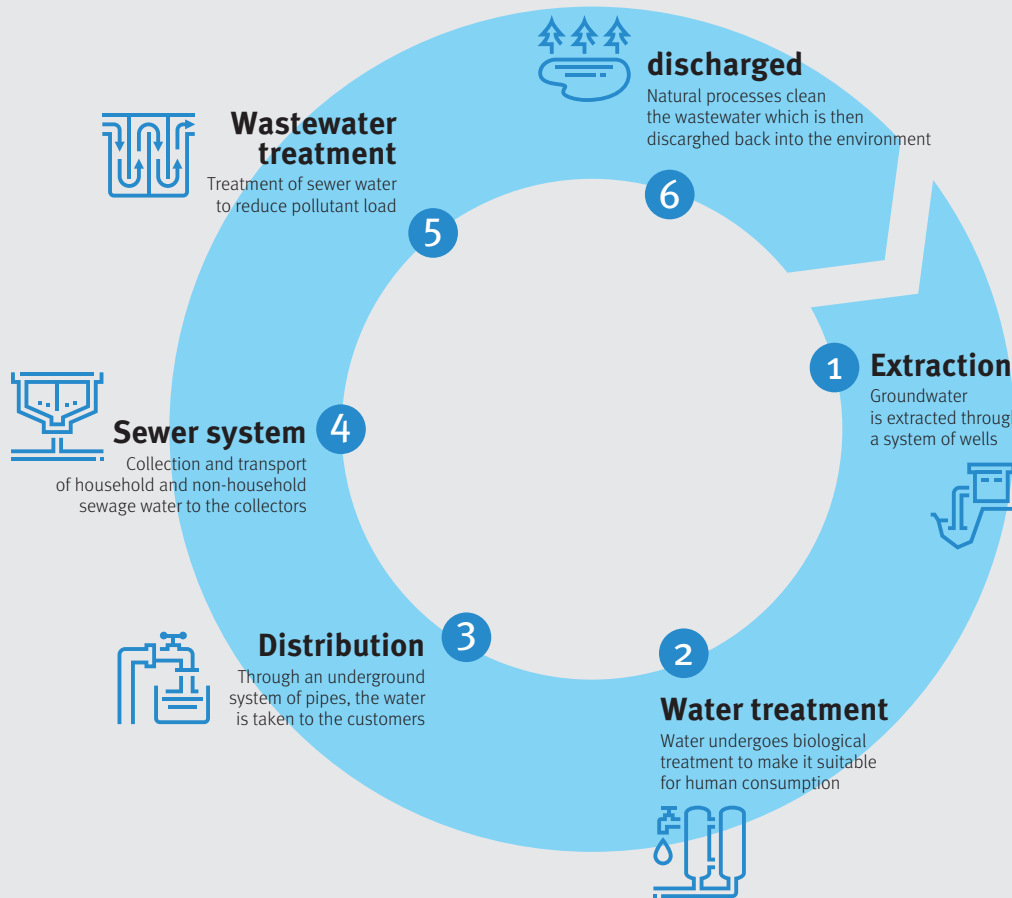
Acque Bresciane
Servizio Idrico Integrato

Acque Bresciane
Sustainability Report 2021
summary





Acque Bresciane towards a circular management of the water service





Letter to the Stakeholders

Dear Readers,

With the Sustainability Report, not only do we report on the many milestones we have achieved during the year, in line with our 2045 Sustainability Plan, but also on our commitment to continuous improvement towards innovation and our relationship with the local territories. Within the document, now in its fifth edition, we show how, since our establishment, sustainability and innovation have become increasingly pervasive and integrated into our strategy. Our sustainable development path is part of a national and international context, which is going through rapid and continuous change and is characterised by an ever-increasing awareness of sustainability issues. It is within this context that we are proud to present to you, through this Sustainability Report, the important results we have achieved. We are aware of the further steps we will have to take to respond, in a progressively timely manner, to the needs of our stakeholders and of our planet, which we shall preserve for future generations.

As we have repeatedly stated, including in our purpose ‘Every Drop Counts. Innovation experts and at the forefront of Sustainability’, environmental protection is inseparably linked to innovation. For this reason, we continue to invest in research on climate change, we have set out on a path towards carbon-neutrality by submitting a scientific target at international level, and we have worked to lay the foundations to become a benefit company in 2022; with this statutory transformation, the transparency and benefits for our stakeholders have officially become part of our corporate mission.

A handwritten signature in black ink, appearing to read 'Gianluca Delbarba'. The signature is fluid and cursive, with a large initial 'G'.

Gianluca Delbarba
President of Acque Bresciane

Acque Bresciane in summary

The main figures of 2021

95

MUNICIPALITIES SUPPLIED

198

WELLS

87,000,000 cu.m.

DRINKING WATER COLLECTED YEARLY
FOR ADDUCTION

570,000

CUSTOMERS SUPPLIED

224

SPRINGS

5,500

CHILDREN INVOLVED IN
ENVIRONMENTAL EDUCATION

18

SURFACE WATER SOURCES

4,134 km

LENGTH OF DRINKING WATER
SUPPLY NETWORK

7,940

DRINKING WATER SAMPLES

2,806 km

LENGTH OF SEWER NETWORK

Every year since 2017, Acque Bresciane has been issuing the Sustainability and Annual Reports. Starting from Acque Bresciane's purpose 'Every Drop Counts', this Report has been drafted by integrating the perspective of the 'SDGs - Sustainable Development Goals' defined by the United Nations 2030 Agenda, the principles of circular economy and the Alliance of Italian companies for water and climate change, in accordance with the Sustainability Plan approved in 2020.

This Sustainability Report refers to the year 2021 and has been prepared following the methods and principles set forth in the GRI Sustainability Reporting Standards ('In accordance - core' option), defined by the Global Reporting Initiative ('GRI Standards').

19,108 t

YEARLY SLUDGE PRODUCED BY PLANTS
OF WHICH 18,287 T ARE RE-USED
IN AGRICULTURE

275,542 GJ

ENERGY CONSUMED

98.2 millions

ECONOMIC VALUE
GENERATED [€]

77.1 millions

ECONOMIC VALUE
DISTRIBUTED [€]

43 millions

INVESTMENTS [€]

56%

LOCAL SUPPLIERS*

296

EMPLOYEES

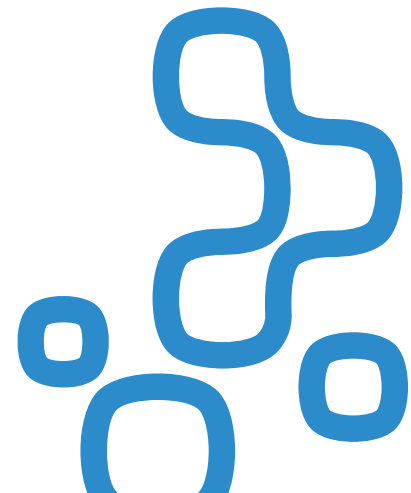
6,350 hours

TRAINING

95.5%

OVERALL CUSTOMER
SATISFACTION

* Lombardy Region

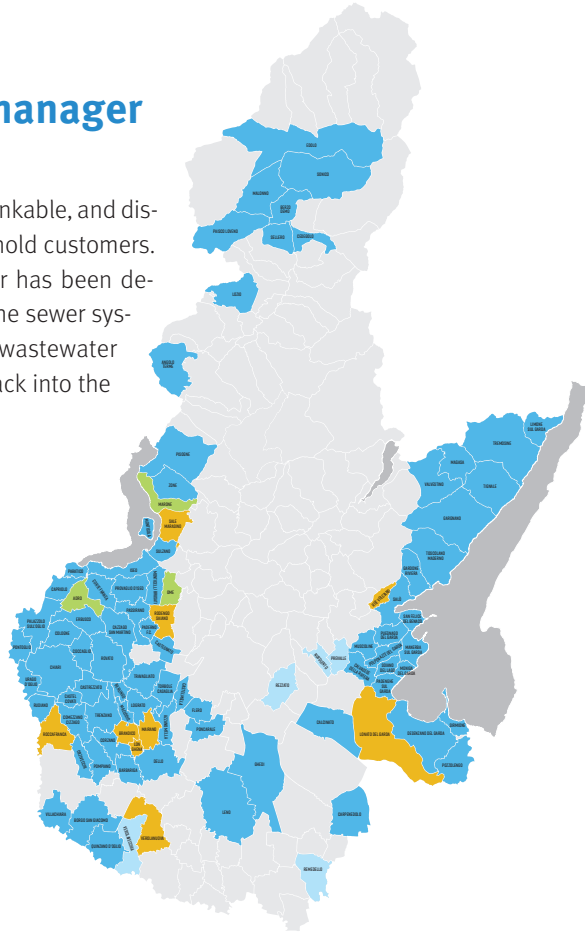


Acque Bresciane: the sole water service manager

Acque Bresciane collects water, makes it drinkable, and distributes it to all household and non-household customers. Our service continues even after the water has been delivered to the customers. Once it reaches the sewer system pipes, we treat it in the appropriate wastewater treatment plants and, lastly, safely put it back into the environment.

Acque Bresciane supplies

95
MUNICIPALITIES







The new water services 2021

From 1st January 2021, the Company has taken over the water system and thus the entire water service of **Limone del Garda**, while from 16th August 2021, it has started to manage the sewer system and treatment plant of **Verolanuova**, bringing the total number of supplied municipalities to 95, for a total of 260 segments:

 **83**
Water supply areas

 **87**
Sewage system service areas

 **90**
Wastewater treatment service areas

-  Drinking water system, sewerage system and wastewater treatment
-  Sewerage system and wastewater treatment
-  Drinking water system
-  Wastewater treatment

Purpose EVERY DROP COUNTS. Innovation experts and at the forefront of Sustainability

Sustainability and innovation are at the forefront of Acque Bresciane's goals. Managing one of the most precious resources on the planet is a mission that requires passion and expertise, combined with sustainability awareness and the will to improve.

Acque Bresciane manages the water cycle by focusing on innovation and the future in order to provide customers with high-quality water, return clean water to the environment, and reduce waste. As the water cycle teaches us, our company is striving to implement a fully circular economy model.

Acque Bresciane administers important primary services and supplies its territories through an operational model focused on the population and the development of activities and processes which are compatible with the environment, while safeguarding health and safety.

Following its focus on both the local dimension and global development, Acque Bresciane has decided to join the Alliance of Italian Water and Climate Change Companies.

Acque Bresciane focuses
on the following values:



Sustainability



Preservation
of natural
resources



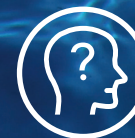
Universality



Passion
for the local
territories



Transparency



Listening



Involvement
of people



Excellence
and innovation

Governance

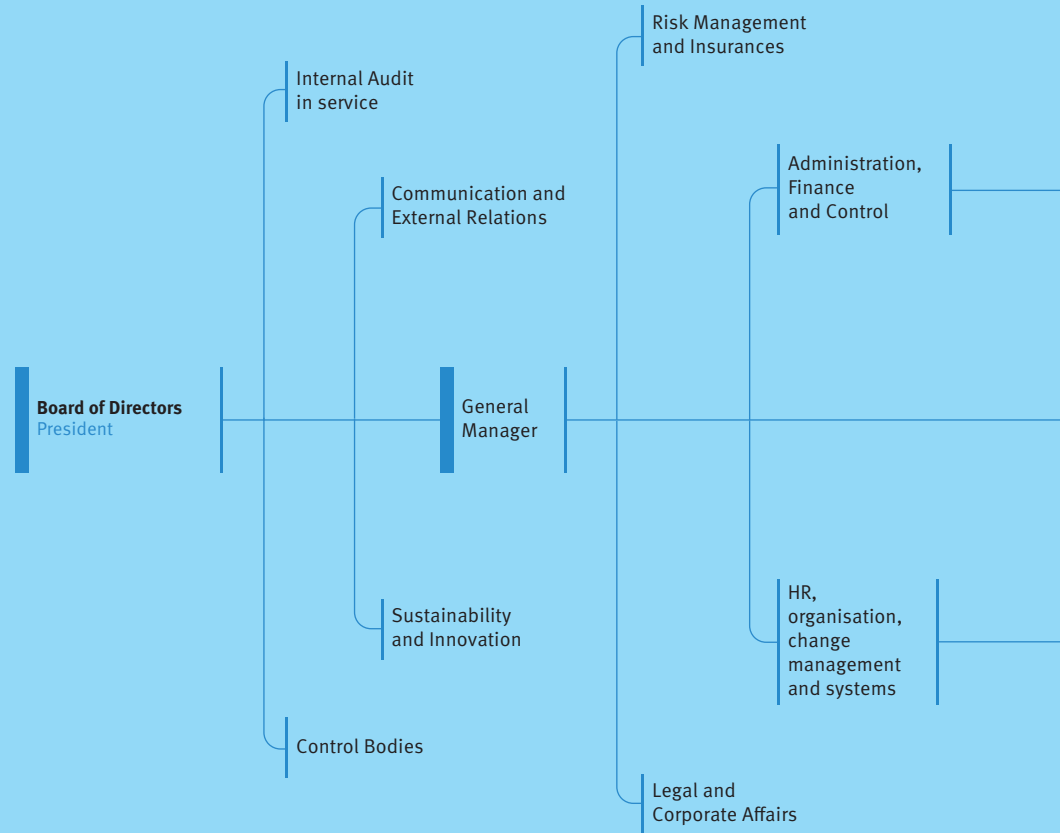
Acque Bresciane is close to its territory also through its system of governance, which has been designed so that the shareholder bodies can concretely influence the company's decisions. The Company's governance is ensured by the annual general meeting and the Board of Directors.

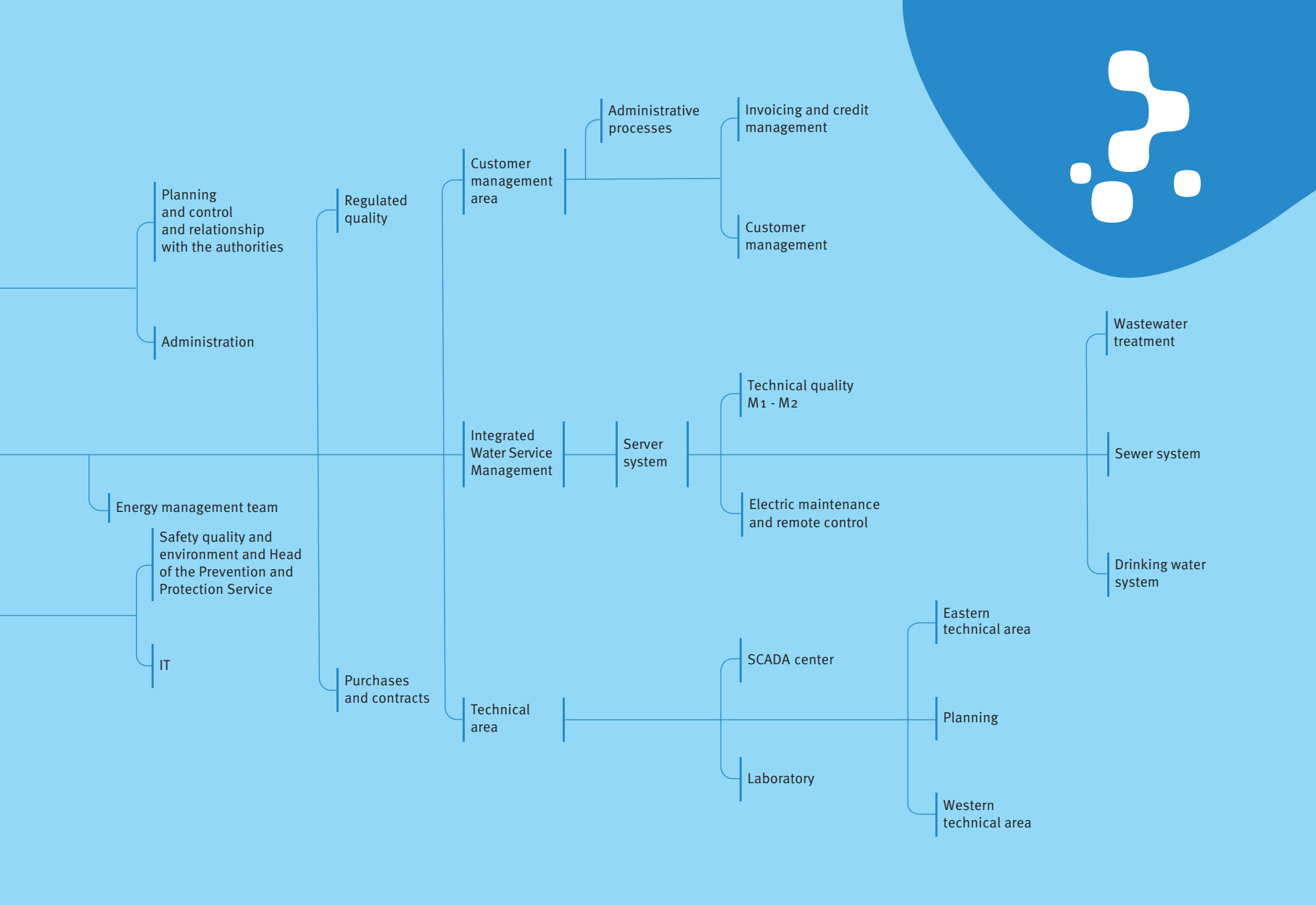


As of 31st December 2021, the Board of Directors consisted of:

Gianluca Delbarba, President
Mario Bocchio, Teresa Federici,
Marco Franzelli, Roberta Sisti, Directors

The company is managed by the General
Paolo Saurgnani

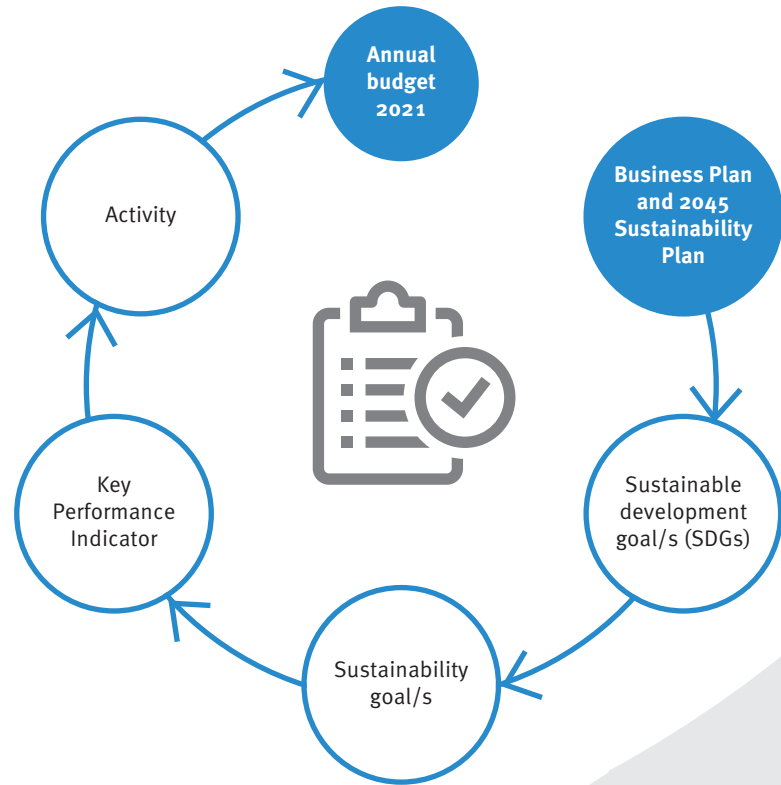




The strategy of sustainability







The United Nation's 2030 Agenda clearly states the fundamental role played by companies. For Acque Bresciane, this represents further input to contribute to sustainable development, as well as to the expansion of technical and economic capacity, which is indispensable for responding to **climate change** and to the availability and responsible use of water.






Acque Bresciane wants to play a leading role in the ecological transition, and to do so it has decided to look ahead. With its 2045 Sustainability Plan '**Every Drop Counts**', we have set ourselves nine macro-objectives, based on the UN Sustainable Development Goals and, in order to work in a methodic and consistent manner, we have identified 20 performance indicators (KPIs) that can be measured annually and reported year by year in the Sustainability Report.








| 2045 goals | KPIs | 2030 Agenda | SDGs relative target |
|--|--|---|----------------------|
| 1. Reduction of network leakage: -50% network losses | 1. M1 ARERA - water losses 2. % supply network renovation 3. Per capita investments 4. % meter replacements |   | 6.4 and 9.4 |
| 2. Improvement of water quality: 0% non-drinking water | 5. % people involved in Water Safety Plan: +800% 6. M3 ARERA drinking water quality: -30% M3a |   | 3.9 and 11B |
| 3. Re-use of water and wastewater treatment: eliminate any violations | 7. EU violations: settlement for 2 (beginning of settlement for 8) 8. M5 ARERA - sludge: -10% 9. M6 ARERA - quality of treated wastewater: -10% |   | 6.3 and 15.1 |
| 4. Emission reduction: 100% green energy; 100% electric vehicles | 10. % green vehicles: +30% 11. % green and self-generated electricity: 100% and 1% self-generated |   | 7.3; 13.1 and 13.2 |
| 5. Improvement of customer relationship: no automatic refunds | 12. MC1 (Regularity of contracts): +10% 13. MC2 (Regularity of contract): +30% 14. % digital billing: 3% |  | 16.6 |
| 6. Improvement of workplace safety: -20% workplace accidents compared to sector average | 15. % accident severity index (commuting accidents excluded) 16. Per capita training hours for workplace safety |  | 8.8 |
| 7. Improvement of welfare: 80% employees involved in welfare plan | 17. % employees participating in welfare conversion of performance bonuses: +30% |  | 10.4 |
| 8. Economic and financial sustainability: follow the Business Plan | 18. Indicators of financial sustainability DSCR (EBDTA and FREE CASH FLOW): DSCR > 1, 2 |  | 8.2 and 8.3 |
| 9. Promotion of sustainability: sustainability integrated in business activities | 19. % tenders with Minimum Environmental Criteria: +40% 20. Number of students involved in "School Help Desk": +30% |  | 4-7 |





2021 results

| Macro indicator | KPIs | STARTING POINT (31.12.2019) | 2021 GOAL set out in November 2019 for 31.12.2021 | RESULT achieved in 2021* (31.12.2021) | ACHIEVEMENT PROGRESS | NEW 2022 OBJECTIVE set out in January 2022 for 31.12.2022 |
|--|---|--|--|--|--|---|
| 1. Reduction of network leakage | 1. M1 ARERA % water losses | M1b: 47.9 % | - 5% M1b: 45.5% | 48.4% |  | 46,9% |
| | 2. % supply network renovation (km of network replaced) | 18.7/4,044 = 0.00464.6*1000 | + 25% 23 km of network (6*1000) | 28 km |  | 32 km |
| | 3. Per capita investments* | 51 € | + 70% (83 €) | 86 € |  | 98 € |
| | 4. % meter replacements | 226,613 customers | 10% replacement (23,000) | 19,839 |  | 23,000 (10%) |
| 2. Improvement of water quality | 5. % people involved in Water Safety Plan | 10,925/497,729 = 0.02% | + 800% (80,000 citizens) 15% | 81,807 (16%) |  | 123,000 (25%) |
| | 6. M3 ARERA drinking water quality | M3a = 0.023%. Incidence of non-drinking regulations | - 30% (0.014) | 0.004% |  | 0.004% |

| Macro indicator | KPIs | STARTING POINT (31.12.2019) | 2021 GOAL set out in November 2019 for 31.12.2021 | RESULT achieved in 2021* (31.12.2021) | ACHIEVEMENT PROGRESS | NEW 2022 OBJECTIVE set out in January 2022 for 31.12.2022 |
|--|--|---|--|--|---|---|
| 3. Re-use of water and wastewater treatment | 7. Elimination of EU violations | 15 violations | Settlement of 2 violations, begin settlement for 8 | 4 settled, 4 settlements began |  | 5 settled, 3 in progress |
| | 8. M5 ARERA - sludge | M5 = 0.60% | - 10% (0.54%) | 0% |  | 0% |
| | 9. M6 ARERA - quality of drinking water | M6 = 2.81%. Exceedence rate of limits in discharged wastewater samples | - 10% (2.53%) | 1.70% |  | 1.53% |
| 4. Emission reduction | 10. % green vehicles | 24/167 = 14% | + 30% | + 30% (18% over the total 180) |  | + 10% more than 2021 (20% of the total) |
| | 11. % green self- generated electricity | 0% | 100% green energy with 1% of self-gener- ated electricity | 100% |  | 100% |



| Macro indicator | KPIs | STARTING POINT (31.12.2019) | 2021 GOAL set out in November 2019 for 31.12.2021 | RESULT achieved in 2021* (31.12.2021) | ACHIEVEMENT PROGRESS | NEW 2022 OBJECTIVE set out in January 2022 for 31.12.2022 |
|--|--|---|---|---|--|---|
| 5. Improvement of customer relationship | 12. MC1 (Regularity of contracts). Start and termination of contractual relations | 97.41% (2020 goal: +1% compared to 2018: 96.41%) | + 10% +1% of absolute value (98.41%) | 96.66% |  | 97.66% (+ 1%) |
| | 13. MC2 (Regularity of contracts). Management of contractual relations and service accessibility | 90.29% (2020 goal: +3% compared to 2018: 87.29%) | + 30% +3% of absolute value (93.29%) | 90.42% |  | 91.42% (+ 1%) |
| | 14. % digital billing | 0% (around 220,000) | 3% start (around 8,000) | 0% |  | 5% (11,000) |
| 6. Improvement of workplace safety | 15. % accident severity index (commuting accidents excl.) | 0.22 (2018-2019 average: 0.27 and 0.17) | - 5% at least in 2021 vs 2018-2019 average (0.23) | 0.02 (commuting accidents excl.) |  | < 0.132 |
| | 16. Per capita training hours (for workplace safety) | 11.6h/per capita (2018-2019 average: 11, 2 and 12) | + 10% in 2021 vs 2018-2019 average (12.8h/per capita) | 19 h//per capita of which 8.5 on workplace |  | > 17.5 h/per capita |

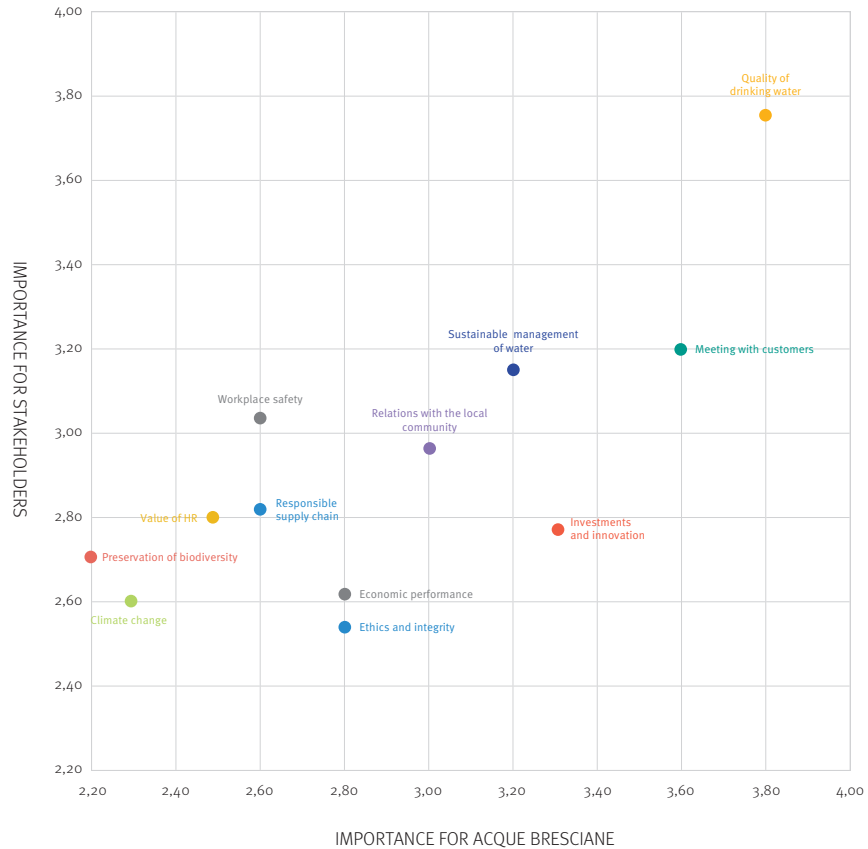
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|---|---|---|--|---|---|---|
| 7. Improvement of welfare | 17. % employees participating in welfare conversion of performance bonuses | 22.25% of participating employees (average calculated on 2018 and 2019 performance bonus) | + 30% vs 2018 and 2019 average; 2020 performance bonus converted during 2021 | 47% of employees participating in 2021 conversion |  | > 40% |
| 8. Economic and financial sustainability | 18. Indicators of financial sustainability DSCR (EBIDTA and FREE CASH FLOW) | DSCR 1.43. Debt repayment capacity EBIDTA growing FREE CASH FLOW. Available cash and higher than plan | DSCR higher than 1.2 | 2.20 growing EBIDTA |  | > 1.2 |
| 9. Promotion of sustainability | 19. % tenders with Minimum Environmental Criteria | 50% | 70% overall value | 80% |  | 85% |
| | 20. Number of students involved in "School Help Desk" | 3,500 (cy. 2019-2020) | + 10% (4,055) (cy. 2020-2021) | 5,500 based on calendar year 2021 |  | > 5,500 |



The relationship with the stakeholders

In order to pursue corporate objectives from a sustainability perspective, it is essential **to promote constant dialogue and interaction with the Stakeholders.**

In the materiality matrix 2021, which was created by involving shareholders, employees, customers, suppliers, local communities and environmental associations, the most relevant topics for our work were:



Responsible and transparent management

The control model of Acque Bresciane includes the following main tools:

- The Code of Ethics
- The Corruption Prevention Plan

The Code of Ethics contains rules of conduct, relations with third parties (shareholders, suppliers, customers, authorities, etc.), guidelines to follow in various sectors (IT tools, data processing, accounting operations, etc.).

The Three-Year Corruption Prevention Plan is a document provided for by Law no. 190/2012 that defines the strategy for the prevention of corruption within the company on the basis of a preliminary analysis of the organisation, its rules and operating practices in terms of possible exposure to corruption.

Acque Bresciane adopts management systems to improve the company's performance in relation to the following:

- Product and service quality in accordance with UNI EN ISO 9001:2015
- Environment in compliance with the UNI EN ISO 45001 standard
- Health and safety in accordance with UNI EN ISO 45001:2018
- Social responsibility in accordance with SA8000:2014



With the aim of strengthening its commitment to ethical work management, during 2021 we added to the management systems already implemented, the management system for social responsibility in accordance with the SA8000:2014 standard:

1. child labour,
2. forced or compulsory labour,
3. health and safety,
4. freedom of association and the right to collective bargaining,
5. discrimination,
6. disciplinary practices,
7. working hours,
8. remuneration,
9. management system.

In order to guarantee transparency to all customers, our management systems are certified by accredited, internationally recognised third-party organisations, which periodically inspect and verify the compliance with standard requirements.

Risk management

Due to the nature of its business, the Group is potentially exposed to different types of risks, mainly competitive-regulatory risks, risks from natural events and climatic variations, financial market risks, operational and environmental risks, IT and HR risks.

In line with international best practices, in 2021 the Acque Bresciane Group set out to build an integrated and structured risk analysis, management and monitoring system.

The Group is committed to adopting an Enterprise Risk Management system by 2022, aimed at identifying and prioritising the main risks that could compromise the achievement of its objectives, thus supporting decision-making processes, raising awareness in the organisation and, finally, improving its ability to create stable value for its stakeholders.

Control bodies

There are several control bodies whose activities, in accordance with their respective qualities and competences, are aimed at ensuring the monitoring and control over corporate processes. The following table lists the control bodies, their main characteristics and areas of reference.



Excellent and safe water

The water system

The extraction of water from the environment to satisfy the demand of our Customers, the reduction of water losses, the care for water quality, the collection and removal of wastewater, its treatment and re-introduction back into the environment are all

the activities that Acque Bresciane carries out every day fully aware of managing a precious resource for human life.

The water system deals with the distribution of water: from the water source to the end Customer, through water extraction, water treatment and distribution networks.

| Extraction - Source | 2019 | | 2020 | | 2021 | |
|--|------------|-------------------|------------|-------------------|------------|-------------------|
| | Number* | Cu.m. extracted | Number* | Cu.m. extracted | Number* | Cu.m. extracted |
| Groundwater - Wells | 190 | 60,751,637 | 216 | 63,921,313 | 198 | 63,359,433 |
| Surface waters - Springs | 152 | 14,440,497 | 190 | 10,931,956 | 224 | 12,032,688 |
| Surface waters from rivers, lakes, artificial basins | 8** | 12,429,180 | 15 | 10,877,049 | 18 | 11,602,987 |
| Total cu.m | 350 | 87,621,313 | 421 | 85,730,318 | 440 | 86,995,108 |
| Total megalitres | | 87,621 | | 85,730 | | 86,995 |

* Springs grouped as reported by ISTAT - ** Calculating method differs from the one employed in previous years

The water collected from wells and springs is normally of excellent quality, but in some cases it may undergo treatment processes in order to increase its quality and conform it to the strict requirements of national law.

| Total number/year | Year 2019 | Year 2020 | Year 2021 |
|---------------------------|-----------|-----------|-----------|
| Distribution network [km] | 4,044 | 4,077 | 4,134 |
| Tanks | 320 | 327 | 314 |
| Pumping stations | 83 | 83 | 126 |

Drinking water treatment

year 2019

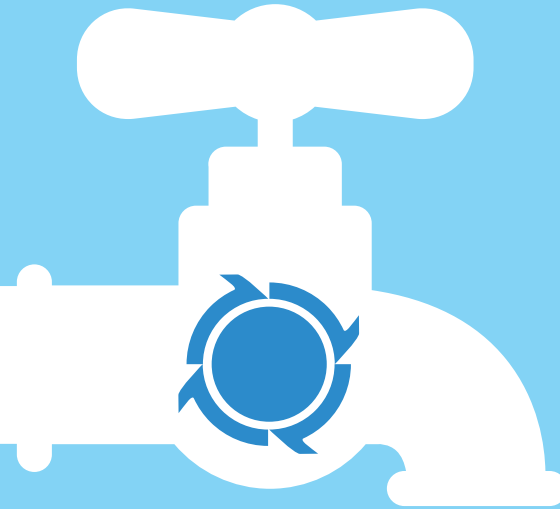
35

year 2020

33

year 2021

36



Wastewater treatment

Before being returned to the environment, wastewater must necessarily be monitored and treated so as not to compromise the equilibrium of the ecosystem. The cycle consists of chemical,

physical, and biological treatment, in addition to all other necessary processes to achieve or maintain the good quality of the surface or groundwaters while avoiding any pollution.

Acque Bresciane manages and monitors **2,806 km of sewage network**.

| | 2019 | | 2020 | | 2021 | |
|-------------------|-------|------|-------|------|-------|------|
| | Km | % | Km | % | Km | % |
| Blackwater sewage | 1,267 | 48% | 1,267 | 48% | 1,295 | 46% |
| Combined sewage | 1,375 | 52% | 1,395 | 52% | 1,511 | 54% |
| Total | 2,642 | 100% | 2,663 | 100% | 2,806 | 100% |





In its supply areas, Acque Bresciane manages a total of **101 water treatment plants** for a total of **43,624,138 cu.m. of treated wastewater**.

Below are the main 5 plants per number of population equivalent (PE) managed in 2021:

Paratico

Lake Iseo collector
wastewater treatment plant

90,921

Rovato

Franciacorta collector
wastewater treatment plant

70,814

**Palazzolo
sull'Oglio**

31,461

Chiari

19,215

Tremosine

17,831

Tap water: safe water

Drinking water supply system

The quality of both surface and groundwater is constantly tested and monitored with great care and at a higher frequency than required by regulations.

During 2021, intensive water network mapping activity was carried out and 7,940 samples were collected for a total of 169,199 parameters tested.

| | 2019 | 2020 | 2021 |
|------------|---------|---------|---------|
| Samples | 5,368 | 7,143 | 7,940 |
| Parameters | 118,469 | 141,826 | 169,199 |

With regard to non-compliance, data are reported according to the current legal regulations for the following years:

| | 2019 | 2020 | 2021 |
|--|-------|-------|-------|
| Total samples according to ARERA aggregation | 3,908 | 4,699 | 5,111 |
| Non-compliance | 192 | 278 | 272 |
| % compliance | 95.3% | 94.4% | 94.9% |

Research activity

In 2021, we continued the valuable collaboration with the Polytechnic University of Milan, through a PhD course that develops the interesting and topical subject of optimisation plans for the whole water system to ensure continuity of service to end users and in a resilience perspective, understood as the ability to cope with expected or sudden climate changes.

In 2021, we launched a study tackling the implementation of the EU Regulation 2020/741 on the reuse of refined water in agriculture, which establishes the minimum requirements for water quality and its monitoring, as well as provisions on risk management and the safe use of refined water within the integrated water resources management.

Acque Bresciane, in response to the EU directive 2020/2184, which must be implemented by member countries by January 2023, is devoting great attention to Water Safety Plans, to protect the resource and the health of citizens, consolidating a specific multidisciplinary team, which sees Acque Bresciane technical staff collaborating with ATS, ARPA, Ufficio d'Ambito, Universities (University of Milan Bicocca and University of Brescia) and the local Municipalities.

Each Water Safety Plan (WSP) represents for Acque Bresciane a constantly evolving tool, which will continue to grow and be updated.

Wastewater treatment

The quality of the water returned to the environment is guaranteed by the constant monitoring of the main parameters set out by Legislative Decree no. 152/06. The analysis of wastewater is the last link in the chain of the water cycle certifying the quality of our commitment to preserving the environment. During 2021, 1,018 samples (1,012 in 2020) for a total of 5,100 parameters (5,069 in 2020) were analysed. We verified the following main pollution load parameters: pH, conductivity, BOD, COD, nitrogen compounds, phosphorus, total suspended solids.

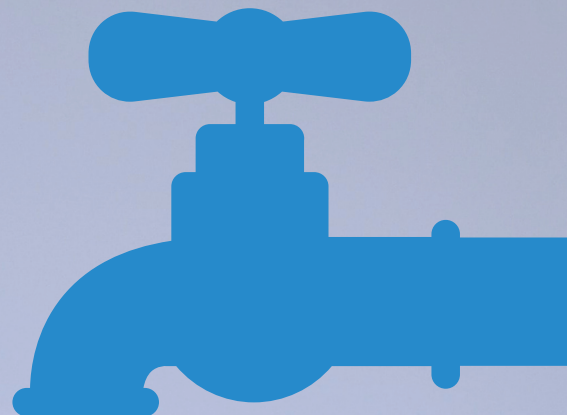
| | 2019 | 2020 | 2021 |
|------------|--------|--------|--------|
| Samples | 918 | 1,012 | 1,018 |
| Parameters | 4,404* | 5,069* | 5,100* |

* Parameter count modified compared to 2018 according to ARERA standard (e.g., temperature, temperature on entrance, and conductivity are parameters that were entered in Sire and counted in 2018, while they were not included in the 2019 and 2020 ARERA calculations where only the parameters of table 1 and 2 of Legislative Decree no. 152/06 were included.

In terms of non-compliance, below is the macro-indicator M6 of ARERA for Acque Bresciane's overall supply areas and available years:

| | 2019 | 2020 | 2021 |
|--|-------|-------|-------|
| Total samples according to ARERA aggregation | 830* | 834* | 784* |
| Non-compliance | 27 | 18 | 21 |
| % compliance | 96.8% | 97.9% | 97.3% |

* Treatment plants with a potential of more than 2,000 PE



The environmental challenge

For Acque Bresciane, climate change, energy and emissions are priorities included in the '2045 Sustainability Plan' approved by the Board of Directors and constantly monitored by the company's Strategic Sustainability Committee. The company's commitments have developed along the following three main branches:

Impact analysis and innovative projects - in 2021 Acque Bresciane ensured its water service supply without any shortages. However, we are committed to keep on monitoring the phenomenon of shortages and, in order to prevent its impacts, we have launched a climate change research project titled "Impact of climate change on groundwaters in support of mid- to long-term water resource management planning" with Università Bicocca in Milan and another research project on "Water reuse in agriculture" with the Polytechnic University of Milan with the aim of implementing technical and operational solutions.

Emission reduction - Acque Bresciane has submitted a SBTi (Science Based Target Initiative) for the reduction of climate-altering emissions, pending approval in 2022, in order to reduce direct and indirect emissions.

Resilience and attention to risks - In line with international best practices, in 2021 we decided to build an integrated and structured risk analysis, management and monitoring system, adopting an Enterprise Risk Management model aimed at identifying and prioritising the main risks that could compromise the achievement of its objectives, thus supporting decision-making processes, increasing awareness in the organisation and improving its ability to create stable value for its stakeholders.

Acque Bresciane's reporting system

Monitoring the progress of the company's sustainability and doing so in line with the best international criteria and standards is our top priority. When it comes to climate-related disclosure, the company follows the recommendations of the Financial Stability Board's TCFD Task Force on Climate-related Financial Disclosures. Below is a summary:



| Areas | Acque Bresciane |
|--|--|
| <p>Scenarios, risks and opportunities (business model)</p> | <p>The effects of climate change may have a significant impact on the water sector and, consequently, on Acque Bresciane as regards the following:</p> <ul style="list-style-type: none"> ■ Availability of water; ■ Operating stress of networks during peak periods; ■ Increasing customers' demand for water. <p>Acque Bresciane has not currently developed specific mid- to long-term scenarios quantifying the resilience and economic-financial effects of an increase in temperature less than or equal to 2 °C and above 2 °C.</p> |
| <p>Governance - policies</p> | <p>Bodies: Strategic Sustainability Committee Policies: AB's 2045 Sustainability Plan "Every Drop Counts" Management systems:</p> <ul style="list-style-type: none"> ■ Environmental management system UNI ISO 14001 certified by a third party (certified CQY 14016) ■ DQSA20_Environmental Analysis_revo0 ■ DQSA19_Environmental aspects register_revo0 ■ Po6.00-01_Identification and evaluation of environmental aspects_revo3 ■ Po8.01-01_Waste management_revo3 ■ Po8.02-07_WATER EMERGENCY PLAN_revo1 |
| <p>Target</p> | <p>Acque Bresciane has set the following 2030 targets against the 2020 carbon footprint [tonCO₂e]:</p> <ul style="list-style-type: none"> ■ 91% reduction SCOPE 1+2; ■ 15% reduction SCOPE 3; ■ Overall 55% reduction in total direct and indirect emissions (SCOPE 1+2+3) |
| <p>Performance indicators and metrics</p> | <p>Acque Bresciane's current reporting system provides the following information: [GRI 302-1; GRI 305-1 305-2 305-3 305-4 305-5]</p> <ul style="list-style-type: none"> ■ Energy consumption: direct; ■ Direct and indirect emissions (GHG Scope 1, Scope 2 and Scope 3); ■ Energy intensity and emissions indices |

Energy consumption

Energy consumption is one of the most impacting aspects in the water cycle; the consumption in the water supply department, in particular, is the most significant.

Overall energy consumption in the three-year period 2019-2021

In 2021, we achieved an important result: since 1st October 2020 we have been running on electricity produced from 100% renewable sources, certified by the Guarantee of Origin (GO), for a total of 267,398 GJ of electricity from renewable sources.

On the right is the total energy consumption for services (electricity), premises (electricity and heat) and vehicles (fuel) expressed in GigaJoules (GJ).

| | 2019 | 2020 | 2021 |
|---|----------------|----------------|----------------|
| Overall energy consumption | | | |
| ELECTRICITY | | | |
| Water supply system | 162,392 | 159,705 | 162,955* |
| Sewer system | 50,299 | 48,697 | 47,428 |
| Wastewater treatment plants | 47,812 | 53,239 | 56,388 |
| Offices (buildings) | 104** | 2,154 | 677 |
| Total | 260,607 | 263,795 | 267,398 |
| Of which from renewable sources | - | 65,949 | 267,398 |
| FUEL | | | |
| Vehicles | 4,426 | 6,677 | 8,444 |
| Total | 265,033 | 270,473 | 275,542 |
| of which from renewable sources | - | 65,949 | 267,398 |
| * of which 99 GJ concern other water supply activities (water points) - ** partial data | | | |

Fuel consumption

Acque Bresciane's fleet as of 31st December 2021 includes 191 circulating company vehicles (mainly light vans under 3500 kg). Fuel quantities were calculated on the basis of the actual consumption of each vehicle, and collected by fuel type in the following table:

| Fleet by type of fuel | No. vehicles | Consumption (litres) | Calorific value [G] / t] | Energy* [G] |
|-----------------------|--------------|----------------------|--------------------------|-------------|
| Diesel | 135 | 192,459 | 42.87 | 6,982 |
| Petrol** | 25 | 40,397 | 43.13 | 1,297 |
| LPG | 17 | 6,822 | 45.86 | 166 |
| Total | 180 | 239,678 | | 8,444 |

* Energy is calculated by multiplying the consumption in tonnes by the calorific value of each fuel, extrapolated from the table of national standard coefficients (MISE, 2021).

** Petrol consumption includes both consumption for petrol and petrol bi-fuel cars and consumption for the full hybrid car (the Toyota Rav 4 car is counted as electricity consumption).



Emissions

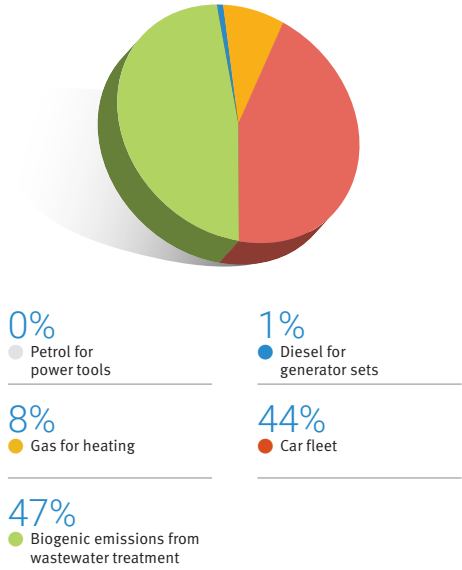
Starting from 2020, with the collaboration of a consultancy company, Acque Bresciane has been calculating its carbon footprint, i.e. the contribution of human activities to the greenhouse effect (Greenhouse gas effect), expressed in tonnes of Carbon Dioxide equivalent (tonCO₂eq). Below is a summary of our carbon footprint in 2021. It should be noted that the company's decision to use electricity produced from 100% renewable sources, certified by a Guarantee of Origin (GO), has eliminated all emissions relating to Scope 2.

| Emissions [ton CO ₂ eq] | 2019 | 2020 | 2021 |
|---|---------------|--------|--------|
| Direct emissions SCOPE 1 | 320 | 1,133 | 1,397 |
| Indirect emissions SCOPE 2 (market-based) | 33,726 | 25,607 | 0 |
| Indirect emissions SCOPE 2 (location-based) | 22,275 | 20,620 | 19,771 |
| Other indirect emissions SCOPE 3 | Not available | 9,861 | 21,046 |
| Total emissions | 22,595 | 53,058 | 22,44 |

Overall, compared to 2020, Acque Bresciane's carbon footprint decreased by 50% based on the market-based calculation method.

Sources of emissions Scope 1: direct emissions

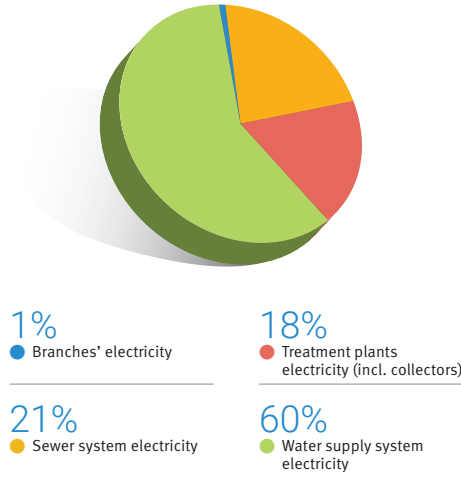
AB's Scope 1 emissions in 2021 by origin



There was a 23% increase. This is justified by the expansion of the company's perimeter and the higher circulation of company's vehicles (in 2020 emissions were lower due to the Covid-related lockdown).

Sources of emissions Scope 2: indirect emissions

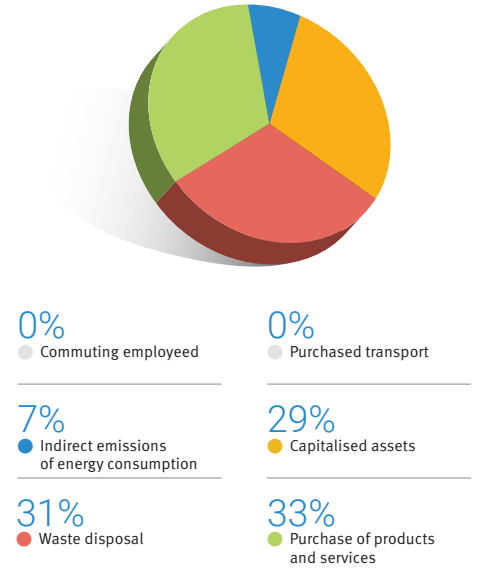
AB's Scope 2 emissions in 2021 by origin



Emissions decreased according to both Market Based (-100%) and Location Based (-4%) calculations. The improvements are most evident with the former method, which sees all Scope 2 emissions eliminated following the company's decision to source only electricity from renewable sources with a Guarantee of Origin (GO).

Sources of emissions Scope 3: indirect emissions

AB's Scope 3 emissions (market based) in 2021 by origin

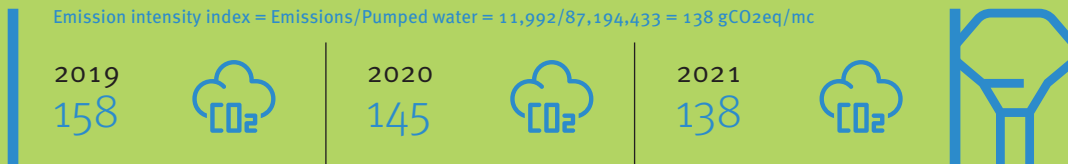


Acque Bresciane's Scope 3 emissions for 2021 decreased by 20% compared to 2020 as a result of 'sustainable tender contracts'.

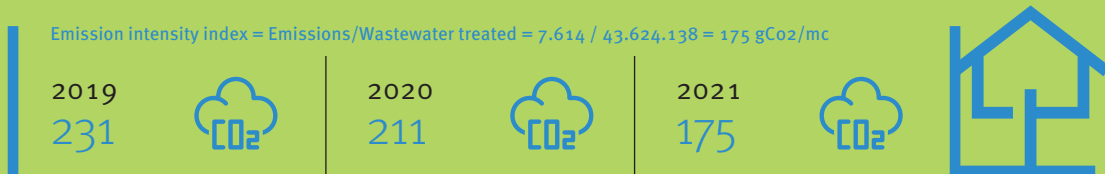
Emission intensity

With regard to emission intensity, the figure is calculated in relation to the water and sewer services separately.

- Drinking water supply system - Emissions from electricity consumption needed to pump drinking water into the water system
- Total emissions for drinking water system (location based method)= 11,992 tCO₂eq
- Water pumped into the system = 87,194,433 cu.m. (the sum includes 199,325 cubic metres of water from another operator)



- Wastewater treatment system - Emissions from electricity consumption for wastewater treatment (sewers plus treatment energy consumption)
- Total emissions for wastewater treatment = 7,614 tCO₂eq
- Wastewater treated = 43,624,138 cu.m.



Emissions decreased mainly due to the 100% renewable electricity supply from 1st October 2020 and energy efficiency measures.

Biodiversity

In 2021, we continued our research project in collaboration with the University of Brescia and the University of Parma “Sustainable wetland”. With this project, we have committed ourselves to improving the criticality of the surface combined sewer overflows in the Municipality of Provaglio d’Iseo and in the Natural Reserve Torbiere del Sebino.

We are dedicated to safeguarding the environment, both natural and man-made, with daily inspections of the functionality of the sewer overflow systems, quality checks of the treated wastewater and monitoring of wastewater flows from private customers (household and non-household) in order to identify anomalous inflows.

Below are the four main protected areas, which represent the great environmental wealth of the province of Brescia: from high-altitude Alpine areas to pre-Alpine and hill surroundings, lakes, rivers and the high and low plains:

- Natural Reserve Torbiere del Sebino
- Oglio Nord Park
- Adamello Park
- Alto Garda Park



Waste reduction

Acque Bresciane systematically checks the destination of waste sent for disposal, treatment and recovery. Disposal service providers are selected on the basis of reliability and competence, and their ability to ensure the traceability of the waste to its final destination.

The majority of the waste produced in the wastewater treatment process is predominantly non-hazardous waste, namely, de-

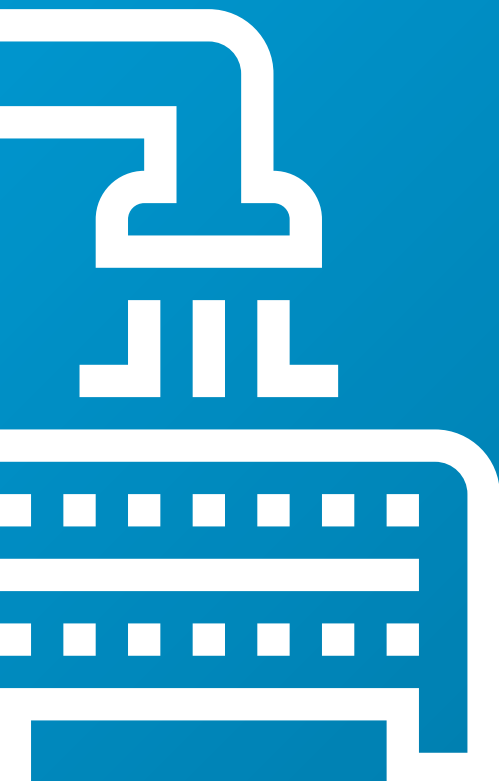
watered sludge, which is sent for recycling together with the sifted residues produced during the wastewater filtering phase.

The sludge produced in 2021 amounted to 19,108 tons (15,994 in 2020), **18,287 of which were recycled**, 377 sent for composting, and 445 disposed of.

GRI STANDARD 306-3 - GENERATED WASTE

| Waste by category (t) | 2019 | | | 2020 | | | 2021 | | |
|-----------------------|----------|----------|--------|----------|----------|--------|----------|----------|--------|
| | Recycled | Disposed | Total | Recycled | Disposed | Total | Recycled | Disposed | Total |
| Hazardous waste | 4 | 2 | 7 | 5 | 0 | 5 | 3 | 0 | 3 |
| Non-hazardous waste | 15,105 | 909 | 16,014 | 16,851 | 52 | 16,903 | 19,516 | 480 | 19,997 |
| Total | 15,109 | 911 | 16,021 | 16,856 | 52 | 16,908 | 19,519 | 480 | 20,000 |

In 2021 Acque Bresciane took a leap forward, reducing its waste management emissions by approximately 72%.



The Water Points

The supply of drinking water with a special distributor called “Punto Acqua” (Water Point) has become a widespread custom in the Province of Brescia since 2009.

We manage 44 water points for a total distribution of 2,330,113 litres in 2021.

This is equal to saving approximately 1,553,000 (1,533,409) plastic water bottles, the equivalent of 53,360 kg of plastic removed from the environment if we consider the plastic bottles and their primary packaging (data from 2017 EPD production report).

According to the EPD report data referring to 2017 production, a 1-litre plastic water bottle emits a total of 181,34 gCO₂e_q so that the company’s water points result in a CO₂ reduction of more than 422 tonnes.

44

water points

2,330,113

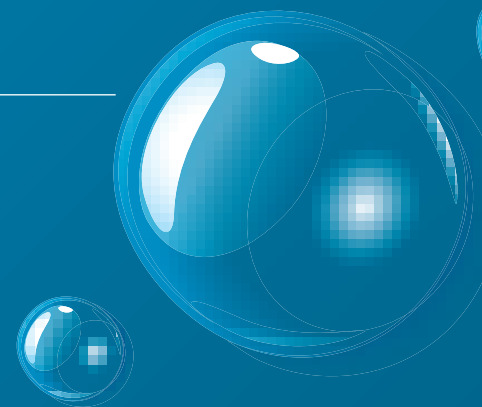
litres of water in 2021

1,553,400

saved plastic bottles

422 t

reduction
of CO₂






Generated and distributed value

The value added statement better represents how the economic wealth produced by Acque Bresciane S.r.l. is distributed to stakeholders, thus highlighting the direct economic impacts generated by the company. The value added allows the Sustainability Report to be linked to the Annual Report, as it reclassifies the economic value according to the distribution to the various stakeholders.

The following table shows the generation of Acque Bresciane S.r.l.'s added value in the year 2021 and its redistribution among the stakeholders involved in typical management (enhancement of productive, natural and relational capital), among the company's staff (enhancement of human and social capital), among the financial stakeholders (enhancement of financial capital) and the value retained within the company. Specifically, the company reinvests 5.3% of the net added value generated, while it distributes the remaining 94.7% to its stakeholders. The largest share of value is distributed to suppliers (63.9%), followed by employees (19.6%), the local community (2.2%), investors (3.3%) and the public administration (2.8%).



| | 2019 | % VA | 2020 | % VA | 2021 | % VA |
|--|------------|-------|------------|-------|------------|-------|
| Revenues from sales | 81,761,735 | | 83,036,910 | | 98,248,454 | |
| Revenues/charges from financial assets | 288,373 | | 121,246 | | 49,615 | |
| Other revenues and charges | 153,462 | | 36,095 | | 254,491 | |
| Depreciation, amortization, and provisions | 15,093,324 | | 15,225,375 | | 16,581,558 | |
| Overall net value added | 67,110,246 | 100% | 67,896,685 | 100% | 81,462,020 | 100% |
| Distribution of value added to suppliers | 42,638,523 | 63.5% | 42,699,041 | 62.9% | 52,082,519 | 63.9% |
| Distribution of value added to employees | 13,711,390 | 20.4% | 14,412,145 | 21.2% | 15,958,494 | 19.6% |
| Distribution of value added to investors | 1,865,860 | 2.8% | 2,061,703 | 3.0% | 2,663,277 | 3.3% |
| Taxes and contributions to public administration | 1,144,550 | 1.7% | 1,942,431 | 2.9% | 2,317,900 | 2.8% |
| Contributions to the territory | 2,365,435 | 3.5% | 2,341,287 | 3.4% | 1,830,305 | 2.2% |
| Local fees and charges | 3,240,431 | 4.8% | 2,203,697 | 3.2% | 2,294,975 | 2.8% |
| Distributed economic value | 64,996,189 | 96.8% | 65,660,304 | 96.7% | 77,147,470 | 94.7% |
| Financial year balance | 2,144,057 | | 2,236,382 | | 4,314,550 | |
| Economic value to be allocated to investments | 2,144,057 | 3.2% | 2,236,382 | 3.3% | 4,314,550 | 5.3% |



Grants and contributions from the Public Administration

During the 2021 financial year, Acque Bresciane received contributions to its investment programme for the upgrade of its drinking water and sewer systems (as set forth in the Local Authority Water Plan), amounting to € 22 million, which includes the value collected by the company from the New Investments Fund (although determined by the regulatory system, it was paid by the users).

| Contributions | 2021 | 2020 | 2019 |
|--|------------|-----------|-----------|
| Local Water Board in the province of Brescia | 9,509,652 | 528,873 | 3,068,804 |
| Municipalities | 84,000 | 54,000 | 326,000 |
| New Investments Fund | 13,124,231 | 8,283,038 | 4,058,146 |
| Total contributions | 22,719,904 | 8,865,911 | 7,452,950 |

The value distributed significantly affects, in particular for suppliers and employees, Acque Bresciane's supply area and community, helping to ensure a positive impact on the local economy and operators.

The economic impact on the territory

The value distributed significantly affects, in particular for suppliers and employees, Acque Bresciane's supply area and community, helping to ensure a positive impact on the local economy and operators. It should be noted that the distribution of value to local suppliers must take into account the legal nature of Acque Bresciane and the consequent manner in which supplies are assigned, the type of service provided and regulations. Below are the activities entrusted to suppliers broken down according to geographical origin of the supplier for the years 2019, 2020 and 2021:

| Financial year (data in Euro) | 2019 | 2020 | 2021 |
|-------------------------------|-------------------|-------------------|-------------------|
| Lombardia | 40,999,016 | 40,693,456 | 42.547.576 |
| Rest of Italy | 5,924,125 | 5,736,498 | 7.704.751 |
| Other geographical areas | 73,621 | 45,926 | 24.260 |
| TOTAL | 46,996,763 | 46,502,880 | 50.278.608 |

| Investments (data in Euro) | 2019 | 2020 | 2021 |
|----------------------------|-------------------|-------------------|-------------------|
| Lombardia | 16,353,369 | 22,348,684 | 25.873.567 |
| Rest of Italy | 7,179,497 | 5,704,476 | 4.872.467 |
| Other geographical areas | 3,063 | 11,305 | 6.097 |
| TOTAL | 23,535,930 | 28,064,464 | 30.754.151 |

The investments

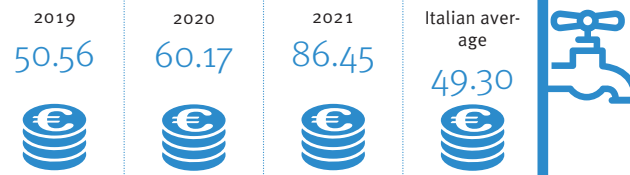
Investing means believing in the future, and this is one of our cornerstones.

During 2021, investments for € 43,027,914 were capitalised. **The recorded investments increased by 42.69% compared to the previous year (€ 30,155,651) and by 77.42% compared to 2019 (€ 24,252,590).**

| SERVICE (amounts in euro) | 2019 | 2020 | 2021 |
|---------------------------|------------|------------|------------|
| Drinking water system | 10,402,640 | 13,522,961 | 15,987,225 |
| Sewer system | 6,084,018 | 8,801,849 | 10,464,736 |
| Wastewater treatment | 6,968,603 | 5,767,399 | 9,400,103 |
| Other | 797,329 | 2,063,441 | 7,175,850 |
| TOTAL | 24,252,590 | 30,155,651 | 43,027,914 |

Our average investment per inhabitant is more than the national estimate of **€ 49.30 for the year 2021** (source: Utilitalia, average estimate for two years 2020-2021, Blue Book 2022).

Values in euro per inhabitant (investment per capita)



Ratio of total investments made to the resident population served by the drinking water system
2020-2021 increase: + 43%
2021 investments compared to Italian average: + 75%

2022 Investment plan

The Budget for the 2022 Investment Plan, approved by our Board of Directors envisages the realisation of investments for 49.08 million euros (19.46 million of which are dedicated to one-off interventions and 29.62 million to recurring interventions).

The 2022 Investment Plan was drawn up, in line with the provisions of the 2020/2023 Programme of Interventions (€ 49,481,517), and updated on the basis of the technical progress achieved, taking into account the priorities dictated by the pending EU infringement procedures and the non-compliance with the EU wastewater directive for sewer and wastewater treatment services. For the water system service, investments have been planned for infrastructural improvements related to both the quality and quantity of water distributed; this is also in pursuit of a progressive improvement of the ARERA technical quality macro-indicators.

The increase in the planned investments from 2021 to 2022 (+ 14.06%) is linked to and justified by the growth in capacity recorded between 2018 and 2021 (an average of 41.65% per year), despite the contraction, particularly in 2020, related to the Covid-19 pandemic lockdown.

The 2022 Investment Plan notably regards:

- expansion of the reservoir at Dosso di Sulzano;
- construction of a new reservoir at Breda di Travagliato;
- extraordinary maintenance of the drinking water treatment plant at Monte Croce in Desenzano del Garda;
- new pumping station and related network in Bosine di Iseo;
- reconstruction of fibre-cement water supply system in Rovato;
- extension of the sewer network in the unsupplied areas of Borgo S. Giacomo, Lonato del Garda, Rovato;

- elimination of untreated wastewater in Borgo S. Giacomo and Leno;
- wastewater collection between the municipalities of Sellero and Berzo Demo;
- wastewater collection and treatment of the Bassa Bresciana Occidentale in Barbariga;
- construction of the inter-municipal wastewater treatment plant in Mairano;
- expansion of the Pozzolengo, Quinzano d'Oglio wastewater treatment plant;
- sludge treatment (drying) plant at the Rovato wastewater treatment plant;
- SkyTEM (subsoil data acquisition by means of heli-transported technology).

The following tables summarise the investments planned for 2022 by ARERA macro-indicator, service and EU infringement procedure:

| ARERA macroindicators [€] | 2022 |
|------------------------------------|-------------------|
| M1 - Network losses | 13,659,356 |
| M2 - Service disruptions | 4,568,361 |
| M3 - Quality of drinking water | 2,220,600 |
| M4 - Criticality of sewage service | 11,902,647 |
| M5 - Sludge management | 680,000 |
| M6 - Quality of treated wastewater | 9,510,265 |
| Other | 6,535,157 |
| TOTAL | 49,076,386 |

| SERVICE [€] | 2022 |
|-----------------------|-------------------|
| Drinking water system | 22,538,495 |
| Sewer system | 13,240,217 |
| Wastewater treatment | 10,390,265 |
| Other | 2,907,409 |
| TOTAL | 49,076,386 |

| EU infringements [€] | 2022 |
|--|-------------------|
| Case C-668/19 (EU Procedure 2014/2059) | 8,805,635 |
| UE 2017/2181 procedure | 300,000 |
| Other | 39,970,751 |
| TOTAL | 49,076,386 |



Next Generation EU Recovery Fund National Recovery and Resilience Plan

During the month of June 2021, 52 investments with a total value of approximately €130.6 million were proposed to the Ministry of Ecological Transition, through the Ufficio d'Ambito as proposing party and beneficiary, for which a non-repayable contribution of approximately € 114.3 million was requested. The order of priority was dictated by the state of progress of the Community infringement procedures to EU Directive No. 271/91 and the compliance with the regulations in force, also in relation to the polluting loads to be rendered compliant. Any non-repayable subsidies granted may free up financial resources useful to anticipate further investments necessary to adapt the infrastructure and aimed at achieving quality objectives. These projects are linked to the M2C4 component 'Protection of land and water resources', line 4.4 'Investments

in infrastructure and purification' of the National Recovery and Resilience Plan (NRRP) and the requested subsidies can be summarised as follows.

- 45.1 € euro for 17 interventions related to the EU infringement No. 2014/ 2059-Case 668/19-Sentence of 06/10/2021
- 5 million € for 1 intervention linked to EU Infringement No. 2017/2181
- 23.8 million € for 15 interventions in connection with non-compliance with EU Directive No 271/91
- 40.4 million € for 19 interventions in connection with adaptations to RR 6/2019, sludge treatment, network separation, elimination of parasite water, surveys, modelling and infrastructural improvements



Every person counts

In spite of the challenges of 2021, which, as in the previous year, put a strain on interpersonal relations and the world of work, Acque Bresciane stood out for its commitment to raising its HR policies and strategies to levels of excellence.

Acque Bresciane wanted to draw up its own Employer Value Proposition (EVP) to represent its commitment to several key concepts and to outline the value it can deliver.

To fulfil our vision, mission and apply our founding values, in a context of strong technological change, we believe our people are decisive and at the core of our strategy. The company aims to acquire the best skills, to motivate, involve and enhance all its people, investing in human capital and sustainability.

Acque Bresciane's commitment to its people is aimed in particular at:

- managing cultural and organisational change towards a successful digital transformation;

- create a place where people want to work;
- improving the experience of new recruits;
- enhancing employees' skills and engagement;
- developing future leaders;
- valuing inclusion and diversity.

Acque Bresciane is one of the Top Employers Italy 2022 certified companies. The Top Employers Certification, based on the results achieved and documented in 2021, is the official recognition of the company's excellence in Human Resources (HR) policies and strategies and their implementation to contribute to people's well-being, improve the work environment and the world of work.

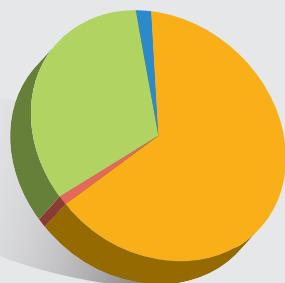


The main figures

The figures below were elaborated as of 31st December 2021 and testify to an ongoing growth despite pandemic-related challenges.

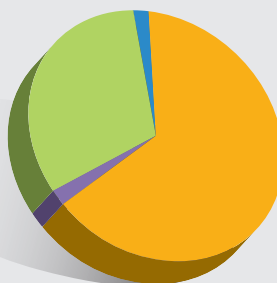


Employees by location



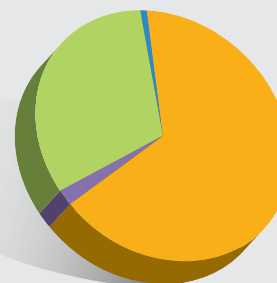
2019

| | |
|-----------------------|-----------------------|
| 2% | 64% |
| Toscolano Maderno (4) | Rovato (169) |
| 1% | 33% |
| Sirmione (3) | Padenghe s/Garda (86) |
| 0% | |
| Torbole Casaglia (1) | |



2020

| | |
|-----------------------|------------------------|
| 2% | 64% |
| Toscolano Maderno (4) | Rovato (178) |
| 0% | 32% |
| Sirmione (1) | Padenghe s/Garda (90) |
| 0% | 2% |
| Torbole Casaglia (1) | V. Camonica Sonico (4) |



2021

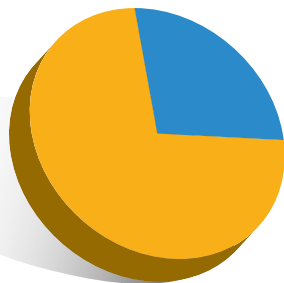
| | |
|-----------------------|------------------------|
| 1% | 65% |
| Toscolano Maderno (4) | Rovato (192) |
| 0% | 32% |
| Sirmione (1) | Padenghe s/Garda (93) |
| 0% | 2% |
| Torbole Casaglia (1) | V. Camonica Sonico (5) |

Employees by age and gender

| | 2019 | | | 2020 | | | 2021 | | |
|----------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|--------------|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| Under 30 | 8 | 12 | 20 | 7 | 9 | 16 | 8 | 10 | 18 |
| 30-50 | 65 | 95 | 160 | 67 | 101 | 168 | 73 | 103 | 176 |
| Over 50 | 14 | 69 | 83 | 19 | 75 | 94 | 23 | 79 | 102 |
| Total | 87 | 176 | 263 | 93 | 185 | 278 | 104 | 192 | 296 |
| % | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| Under 30 | 3% | 5% | 8% | 3% | 3% | 6% | 3% | 3% | 6% |
| 30-50 | 25% | 36% | 61% | 24% | 36% | 60% | 25% | 35% | 60% |
| Over 50 | 5% | 26% | 31% | 7% | 27% | 34% | 8% | 27% | 34% |
| Total | 33% | 67% | 100% | 34% | 66% | 100% | 35% | 65% | 100% |



Employees by education qualification (clerks and middle managers)



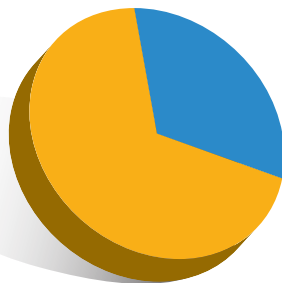
2019

26%

● Graduates (45)

74%

● Non-graduates (125)



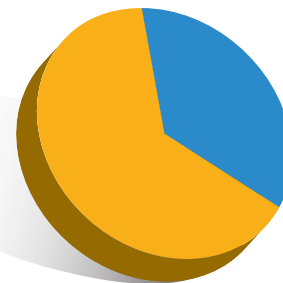
2020

31%

● Graduates (56)

69%

● Non-graduates (125)



2021

35%

● Graduates (69)

65%

● Non-graduates (130)

Fixed-term / permanent contract employees

| | 2019 | | | 2020 | | | 2021 | | |
|---------------------|-------|-----|-------|-------|-----|-------|-------|-----|-------|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| Fixed-term contract | 3 | 6 | 9 | 0 | 0 | 0 | 0 | 0 | 0 |
| Permanent contract | 84 | 170 | 254 | 93 | 185 | 278 | 104 | 192 | 296 |
| Total | 87 | 176 | 263 | 93 | 185 | 278 | 104 | 192 | 296 |

Also in 2021 all employees are on permanent contracts.

Turnover

Following the selection procedures in accordance with company regulations, 32 employees were hired in 2021, confirming our positive hiring trend.

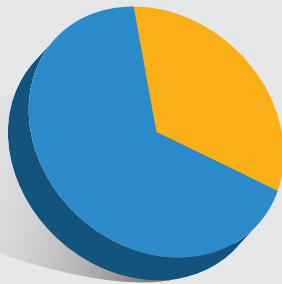
| | 2019 | 2020 | 2021 |
|-----------------|------|------|------|
| Managers | 1 | 0 | 0 |
| Middle managers | 2 | 2 | 0 |
| Clerks | 16 | 11 | 23 |
| Workers | 6 | 10 | 9 |
| TOTAL | 25 | 23 | 32 |

| Recruitments - Age bands | 2019 | | | 2020 | | | 2021 | | |
|--------------------------|-------|-----|-------|-------|-----|-------|-------|-----|-------|
| | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| Under 30 | 6 | 2 | 8 | 0 | 0 | 0 | 3 | 3 | 6 |
| 30-50 | 5 | 11 | 16 | 5 | 13 | 18 | 11 | 11 | 22 |
| Over 50 | 0 | 1 | 1 | 2 | 3 | 5 | 1 | 3 | 4 |
| TOTAL | 11 | 14 | 25 | 7 | 16 | 23 | 15 | 17 | 32 |

With reference to the two tables above, out of the total 34 employees hired in 2020-2021, 21 are women.

Men and women in Acque Bresciane

Employees by gender



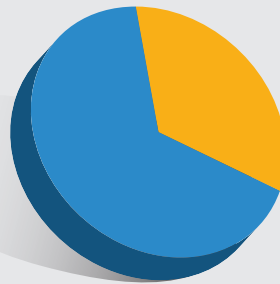
2019

67%

● Men (176)

33%

● Women (87)



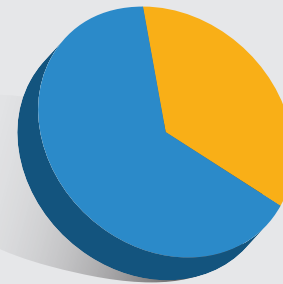
2020

67%

● Men (185)

33%

● Women (93)



2021

65%

● Men (192)

35%

● Women (104)

Average female employee/male employee ratio

| Gas-water CCNL level | 2019 | 2020 | 2021 |
|----------------------|--------|--------|--------|
| LEV 2-3-4 | -2.05% | -1.99% | -2.38% |
| LEV 5-6 | 0.5% | -1.17% | 0.93% |
| LEV 7-8-Q | -7.16% | -2.8% | -1.09% |

Only clerks and managerial staff are represented in the table, as there are no women in worker positions. As the table shows, there are no substantial gender differences in remuneration in the three clusters. In fact, the last cluster shows a constant trend towards rebalancing, confirming Acque Bresciane's attention to the issue.

Commitment to inclusion

Everyone has their own unlimited growth potential.

Acque Bresciane joined Utilitalia's Pact on Diversity and Inclusion and the Sodalitas Foundation's Charter for Equal Opportunity and Equality at Work, starting with the 'Every Person Makes a Difference' campaign. The internal D&I Committee, set up by Acque Bresciane, drafted the D&I Manifesto and a programme with concrete actions for 2021 including training and commitment to the gender pay gap. In July 2021, a trade union agreement was signed, marking improvements in favour of parents and additional leave for situations of great need.

The company is particularly attentive to inclusion dynamics and is committed to fostering opportunities for employment and personal motivation for people with disabilities. We fully comply with our obligations in this regard, and in consideration of our growing workforce, we have entered into a two-year agreement with the Brescia Targeted Employment Office, as provided for by Article 11 of Law 68/1999, in order to fulfil our obligation to hire two people with disabilities in a gradual and planned manner. As of 31st December 2021, the company employed 13 people with disabilities: 3 workers (of which 1 part-time) and 10 clerks (of which 4 part-time). They are employed at the headquarters warehouses, the Integrated Water Service Operation Area, the Customer Management Area and the Technical Area.

Welfare

In 2021 Acque Bresciane has:

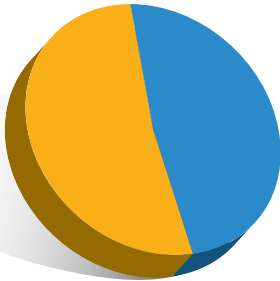
- defined the Policy on Combating Addictive Behaviour (alcohol, drugs, gambling);
- introduced specific open-air areas in the main offices, far from entrances and windows, as the only spaces where smoking is permitted, reaffirming the ban on smoking in facilities, premises and company vehicles;
- joined NO.WASTE (eCommerce against food waste);
- extended to all colleagues the opportunity to participate in two Training Courses: Addictive Behaviour and Pandemic, Life and Work: What Has Changed;
- maintained the free Listening Desk open to employees, run by an experienced psychologist.

The company welfare plan

In 2021, 101 employees/middle managers and 28 workers signed up for the 2020 performance bonus conversion, i.e. 47.08% of the potential beneficiaries and 64.83% of all employees/middle managers, an increase of 92.5% compared to the previous year.

Training

Acque Bresciane pays special attention to the technical regulatory updating and professional development of its employees, through careful planning of annual training. The Training Plan is drawn up taking into account the training needs presented by the Organisational Units, as described in the Personnel Training Management procedure, part of the certified quality document system. The Human Resources and Systems Function of Acque Bresciane, in charge of personnel management and development activities, has a pivotal role in this process.



2019 Training

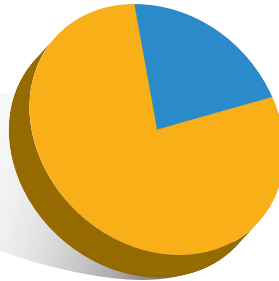
48%

● Compulsory safety training (1,450)

52%

● Technical and regulatory training, personal skills and transversal training (1,575)

3,025 total hours



2020 Training

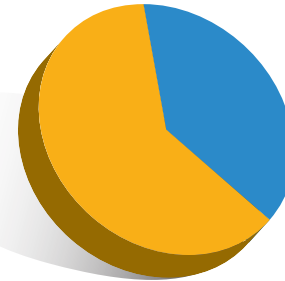
21%

● Compulsory safety training (895)

79%

● Technical and regulatory training, personal skills and transversal training (3,381.5)

4,276.5 total hours



2021 Training

38%

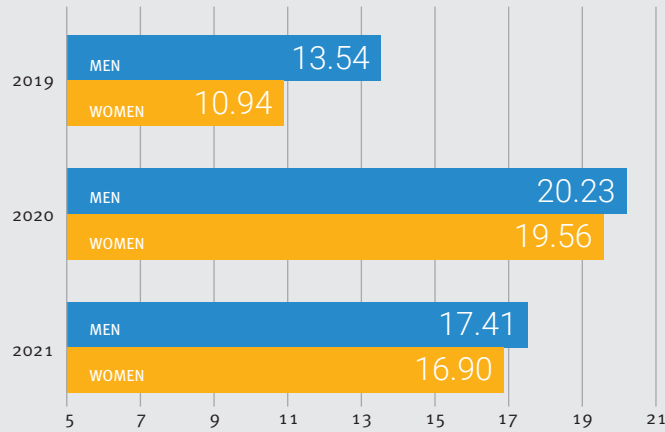
● Compulsory safety training (2,439)

62%

● Technical and regulatory training, personal skills and transversal training (3,911.5)

6,350.5 total hours

Per capita training hours of employees/managerial staff by gender



no. of training hours by gender / no. of employees by gender as of 31st December



Per capita training hours by qualification and gender

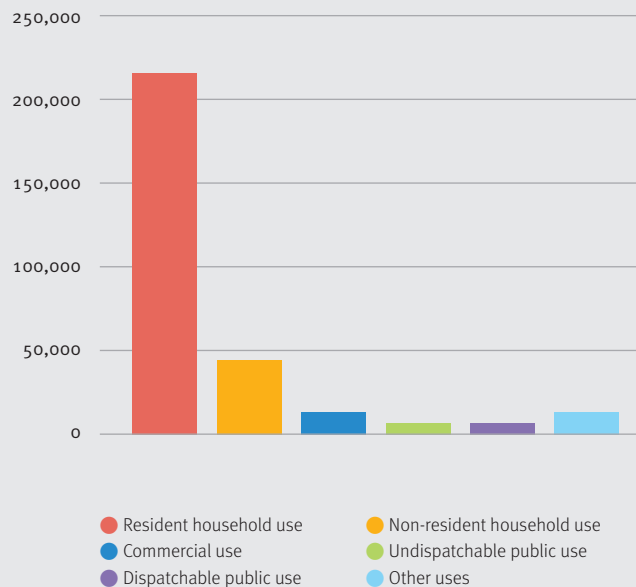
| | 2019 | | 2020 | | 2021 | |
|-----------------|-------|-------|-------|-------|-------|-------|
| | Women | Men | Women | Men | Women | Men |
| Managers | 0 | 14.70 | 0 | 21.30 | 0 | 14.00 |
| Middle managers | 25.25 | 8.64 | 59.80 | 27.69 | 36.50 | 21.06 |
| Clerks | 10.25 | 13.91 | 17.28 | 19.41 | 20.40 | 28.25 |
| Workers | 0 | 10.02 | 0 | 6.27 | 0 | 15.69 |

Customer service

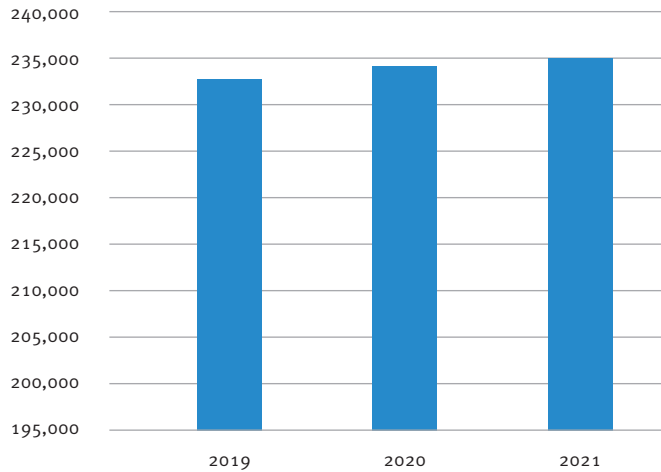
Acque Bresciane cares about its customers, who increased in 2021 due to the acquisition of the entire Integrated Water Service of Limone sul Garda and the wastewater treatment and sewer segments of Verolanuova. The customers in the 95 municipalities managed as of 31st December were 234,740.



Number of customers in the three-year period 2019-2021 by type of contract



Total no. of customers in the three-year period 2019-2021



Our commitment to customers

To meet the growing needs of our customers. We provide different communication channels:



Part of the community

Acque Bresciane was born in and for the territory. The company is fully public and this gives the Steering and Control Committee of which the municipalities and the province are members important decision-making powers, which are often limited by the lack of a quorum at meetings. The service to the community is implemented first and foremost because the water resource and its efficient management are one of the cornerstones of community life. Even with the change of pace from presence to virtual required by the health emergency, 2021 saw numerous initiatives engaging the citizens, bodies and institutions.




Our projects on the territory:

Standing in the way of difficulties

The Archimede Project - The Thrust of Water, which provided sums of money to municipalities to support businesses and families in difficulty due to the prolonged 2020 lockdown - has been recognised by the Lombardy Region as one of the 20 best practices awarded for The Enterprise Beyond the Enterprise.

Creating moments of discussion

The project of the new water collection and wastewater treatment plant of Lake Garda has seen numerous expressions of opposition or perplexity over the years. Acque Bresciane - the first among the actors involved - invited representatives of local administrations, associations, politicians and professionals to a virtual table. The end of 2021 saw the first meetings with the administrators of the municipalities supplied, a sort of road map continued in 2022, with the aim of illustrating the activ-

An underwater scene with numerous bubbles of various sizes rising towards the surface. Sunlight rays penetrate the water from the top right, creating a bright, shimmering effect. The water has a deep blue-green hue.

ities carried out by the company and listening to the requests of the mayors, who live close to the territory.

Education to sustainability

In 2020 the following materials were produced: the travelling exhibition Pianeta Blu (Planet Blue) created in collaboration with the Rezzato PINAC art gallery, the nature video and the film offering a virtual visit to the Rovato wastewater treatment plant. In

addition, the company decided to join Achab's digital platform, Scuola park (School park), which is integrated with self-produced materials from Acque Bresciane, and create workshops and exhibitions during the summer. This allowed us to involve more than 5,000 students in 2021.

A result exceeding expectations, certainly the product of a renewed proposal, but also the desire of schools to return to normality.

The 2021 numbers of the School Help Desk

| | 2019 (calendar year) | 2020 (calendar year) | 2021 (calendar year) |
|-------------------|-------------------------|-------------------------|-------------------------------|
| Teaching hours | 85 | 68 | 10 |
| Workshops | 25 | 12 | 22* |
| Visits to plants | 17 | 5 | 10 |
| Students involved | 3,500 | 2,000 (on site) | 5,500 (on site and online) |
| Municipalities | 15 | 20 | 30 |

* The workshops also included visits to the exhibition held by Pinac "Blue Gold". Pupils and teachers who took part in at least one of the initiatives received the Acque Bresciane educational kit and water bottle to encourage the use of tap water and a plastic-free world. Larger and more colourful water bottles have been provided since mid-2021: the goals of the 2030 Agenda are depicted above the name of the company to emphasise that we can "change the world together", starting by small daily gestures.



The Cesare Trebeschi award

In May 2021, an award ceremony was held to close the first edition of the competition 'Cesare Trebeschi, the art of the common good'. As the first citizen of Brescia in the aftermath of the Piazza della Loggia massacre, Cesare Trebeschi was a significant personality, a forerunner of the theme of environmental and social sustainability.

Acque Bresciane, one of the founding partners of the initiative, has renewed its support for the Prize for the 2021/2022 school year, which involves the other founders (Fondazione Cogeme, Fondazione ASM, Fondazione AIB and Fondazione Sipec, with technical partners Fondazione Brescia Musei, Laba, Associazione Artisti Bresciani), the Provincial School Office and the patronage of the Province of Brescia and the Municipalities of Brescia and Cellatica, and the new partners Acli provinciali di Brescia APS, Confindustria Brescia Giovani Imprenditori and Fondazione Museke.

Riflessi magazine

The International Water Day on 22nd March 2021 saw the first issue of the fully digital magazine Reflections. The title recalls water mirrors and the optical effects of light, but above all the desire to reflect on issues that affect us very closely and on which we need to form an opinion.



With Reflections you don't just learn about some of Acque Bresciane's projects, but you learn about the opinions of industry experts, journalists, scholars, in clear and accessible terms, but on a solid scientific basis.

Together with the institutions

The year 2021, although still marked by many limitations related to the health emergency, saw Acque Bresciane intensify, compared to previous years, its relations with institutions and external stakeholders in general, thanks to its digital channels.

In 2021, 30 videos were published on the Acque Bresciane YouTube channel, compared to 19 in 2020. The most popular had 1,300 views and explains how to download and use the new Acque Bresciane app.

Sustainable suppliers

A sustainable and responsible supply chain is a fundamental goal for Acque Bresciane. The selection of suppliers, contractors and qualified collaborators requires the sharing and observance of principles (code of ethics, application of sanctions pursuant to Legislative Decree 231/2001, Three-Year Corruption Prevention and Transparency Plan), the adoption of environmental quality, safety, and corporate social responsibility procedures, and the maintenance of appropriate behaviour consistent with the company's goals.

Our qualification system allows the selection of economic operators who meet our sustainability requirements based on the possession of certifications.

In 2021 +12% value of supplies compared to 2020

Value of 2021 contracts awarded to suppliers residing in Regione Lombardia

66,713,924 €



Value of 2021 contracts awarded to suppliers residing in the Province of Brescia

48,108,916 €



Sustainability policies applied to purchases

During 2021, Acque Bresciane started a project aimed at defining the strategic and operational tools and indications able to progressively improve the supply cycle, in full compliance with the Sustainability Plan adopted by the Authority.

This project also includes supplier involvement events and in-house training activities planned for 2022.

Acque Bresciane's activities in the context of its sustainability goals are communicated through the monitoring of the following most significant indicators:

A) supplying procedures awarded to type B social cooperatives (value in €)

| | 2019 | 2020 | 2021 |
|--|------------|------------|-----------------|
| Contracts with suppliers qualified as type B social cooperatives | 982,879.00 | 842,001.56 | 3,743,449.32(*) |

(*) three-year contracting of meter reading service

B) Number of procedures awarded with the criterion Most economically advantageous offer based on best value for money (MEAO)

| Total number of tenders launched in 2021(*) | Number of tenders awarded on the basis of MEAO | Overall value of contracts awarded with MEAO |
|---|--|--|
| 25 | 5 | 12,293,334.74 € |

(*) estimate requests excluded

C) % incidence of technical points awarded to environmental and social sustainability criteria out of total technical points of tenders with MEAO criteria

| ID tender portal | overall technical points | points for environmental and social sustainability | % |
|------------------|--------------------------|--|-------|
| 455 | 70/100 | 3 | 4.29 |
| 593 | 85/100 | 6 | 7.06 |
| 927 | 75/100 | 12 | 16.00 |
| 1024 | 70/100 | 5 | 7.14 |
| 1038 | 70/100 | 5 | 7.14 |



Innovation and digital transformation

Innovation is a central and constituent part of Acque Bresciane's strategy, not only in terms of the evolution of technological processes but also of the cultural adoption in which innovation is a shared value at every level of the company. Acque Bresciane, since its inception, has included "excellence and innovation" among its values in its Charter of Fundamentals, and in April 2021 the Board of Directors approved the **Strategic Innovation Plan**, a document that sets out the company's priorities and directions in this area with 37 monitored corporate projects.



Acque Bresciane's approach to innovation combines the internal sharing of processes with the search for excellence in the sector and on the national and international scene.

In particular, it develops the following 3 strands:

- a. Digital transformation: Digital Committee and Digital Team
- b. Process innovation and new technologies
- c. R&D: research projects with Universities

With regards to this last point, three important research projects were launched in 2021, on top of the ongoing projects launched in previous years:

1. Theoretical and experimental studies on consortium wastewater treatment plants;
2. Reuse of treated wastewater (EU law no. 741/2020) and Safety Sanitation Plan;
3. Impact of climate change on groundwater to support medium and long-term water resource management planning.

Notes



Water is life's matter and matrix,
mother and medium.
There is no life without water.

Albert Szent-Gyorgyi

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