

2022 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

chair

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Letter to the stakeholders

In 2022, activities resumed after two years marked by the Covid-19 pandemic and the heavy toll it took on the territory served by the Veritas Group, the effects of which persist even now. Unfortunately, when the state of emergency appeared to be over, 2022 began with the Russian invasion of Ukraine that made the worldwide scenario even more complex and altered global prospects yet again.

From an environmental perspective, 2022 was a year of low rainfall and consequent issues with the provision of drinking water, especially during the summer when the demand for water rises sharply due to tourism along the coastlines of the municipalities served.

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.

One important achievement in 2022 is the certification of gender parity according to UNI PdR 125/2022, 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.

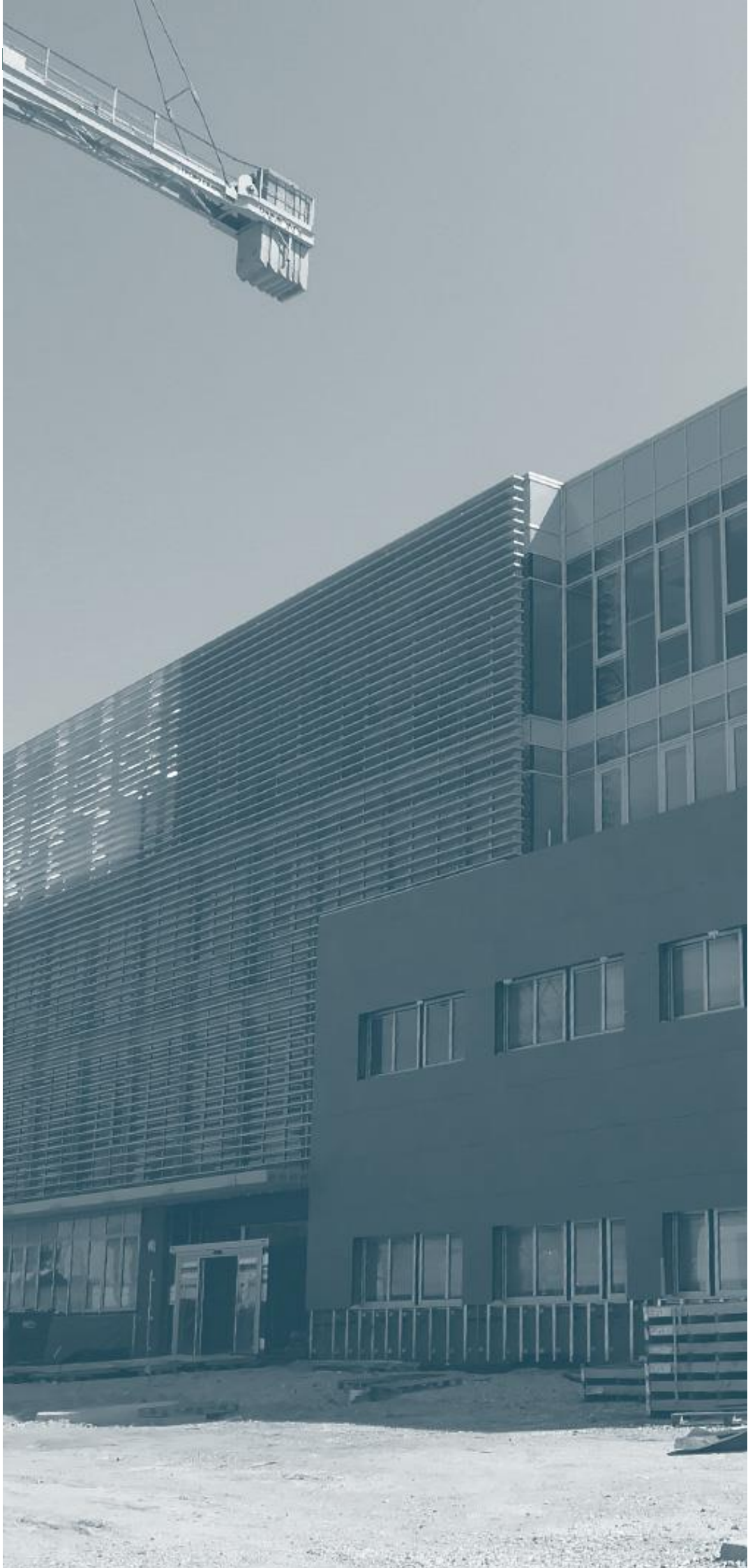
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Introduction

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.



1

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 ambientali). 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), SIs 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.

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).

■ 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. At the moment the company is dormant.

■ **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.

In addition to the above are **Mive** (now **Mia energia Srl**), deconsolidated in 2022, and **Consorzio bonifica Fusina**, which is not included in this report as it is soon to be liquidated.

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 or she 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 chair and seven directors.

Veritas Board of Directors
by gender and age

gender		%
women	3	37.5%
men	5	62.5%
age		%
30 or under	0	0%
31 to 50	2	25%
over 50	6	75%
average age	56	

The Board of Directors is elected by majority vote of the Shareholders' Meeting and serves a term of three years. Directors' fees are determined by the Shareholders' Meeting. 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.

■ **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 2022 there were four critical issues: one phishing episode, discussed in section 6.3.2; one water emergency caused by the drought, discussed in section 3.1; the increase in energy costs; and a problem relating to the seasonal nature of municipal waste production which peaks in the summer months.

■ **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	53	

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 chair 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	1	33%
over 50	2	67%
average age	66	

The Compliance Committee is appointed after those interested in serving declare their candidacy. The Board of Directors, having assessed the candidacies, appoints the chair 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 chair (permanent member), the General Manager, and the heads of the following five divisions: waste management; energy and real estate; integrated water service; finance, control and IT systems; and human resources and organization.

■ 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.

Two new units were set up during the year:

■ **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: Conservizi 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 ambit 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.	    	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.	   	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	 	Not applicable

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	5.4 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 bioplastics 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

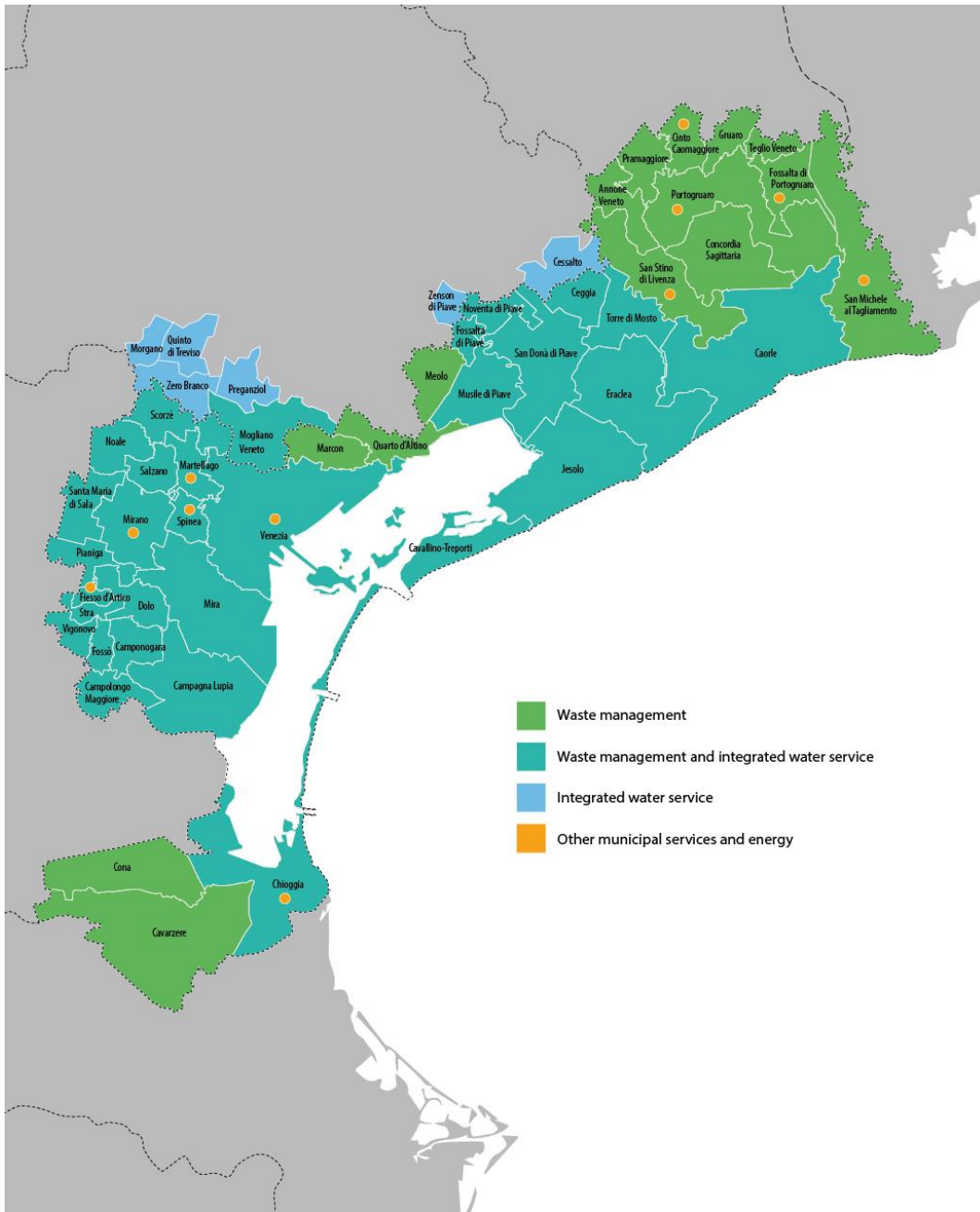
1.5 Geographical areas and key assets

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, 49 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, 2022

	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, Martellago, Mirano, 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

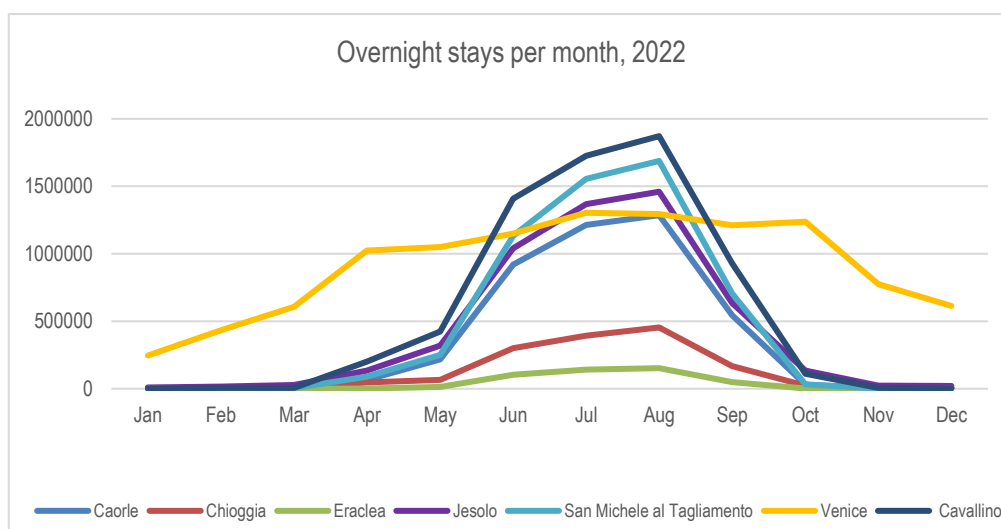
	2022	2021	2020
total served: integrated water service	787,797	789,146	791,434
total served: waste management	868,645	870,405	872,906
total served: other municipal services	465,109	467,494	469,767
total served	917,187	918,900	921,459

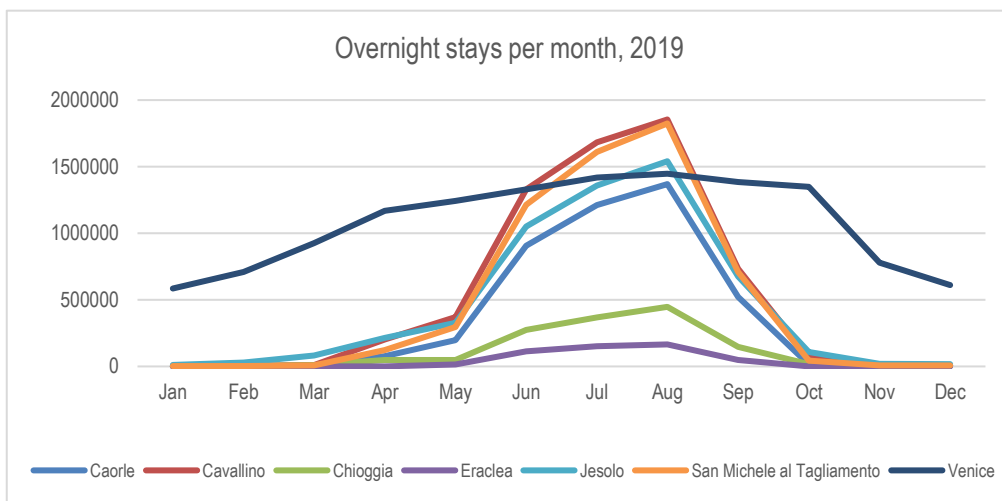
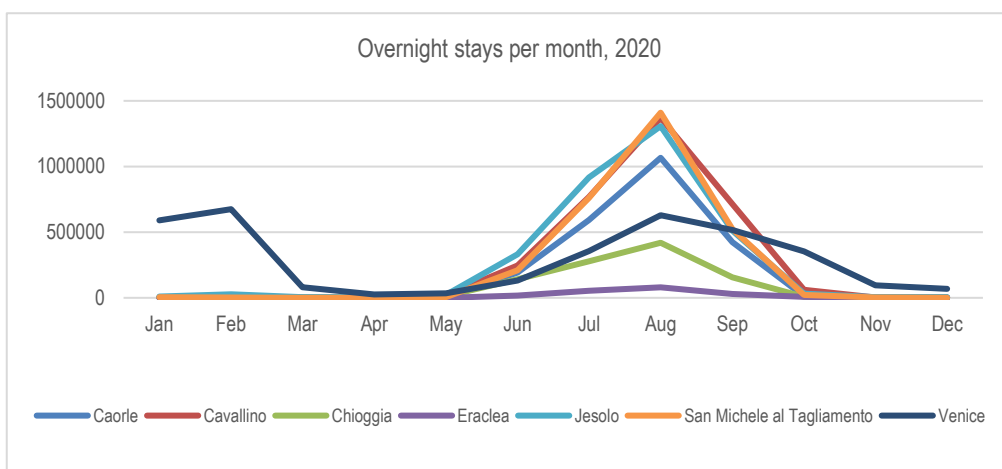
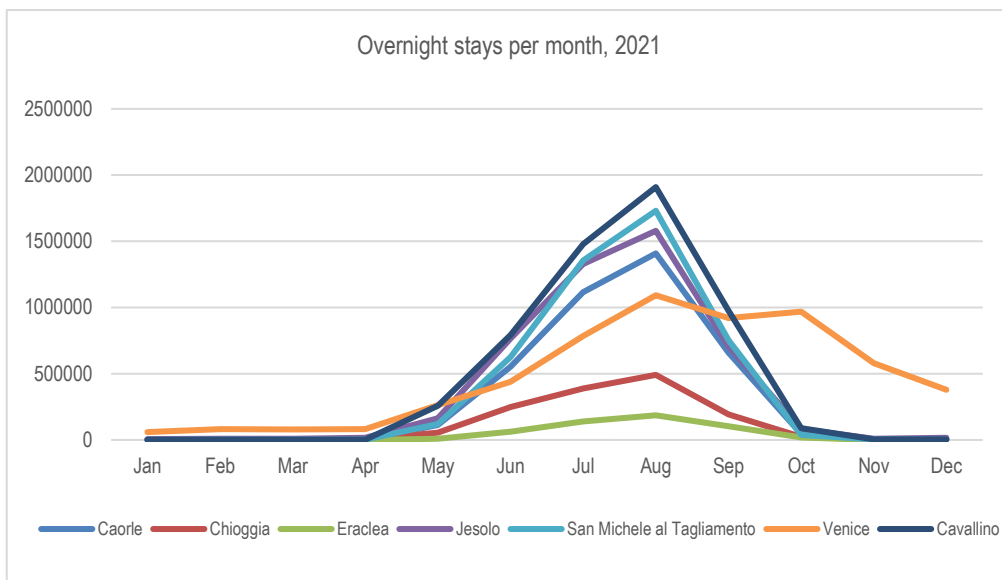
In addition to the above are the annual numbers of tourists who stay in the Venetian Lagoon area and the other municipalities served, although in 2020 and 2021 these numbers were much lower than in previous years (in some periods falling to zero) due to the Covid-19 pandemic. In 2022, tourism returned roughly to pre-Covid levels.

Visitors who stayed in hotels and other tourist accommodations in the municipalities served by the Group numbered around 36 million in 2022, just over 27 million in 2021, and around 17 million in 2020. The average before Covid was approximately 40 million per year. These numbers do not include same-day tourists, visitors who stay in non-tourist accommodations, and day visitors from nearby provinces.

As for 2020 and 2021, the historical city of Venice was the municipality hardest hit by the drop in overnight stays, while the coastal towns, while suffering sharp declines during the winter, did see a recovery in overnights during the summer months. In Venice, in fact, where tourists are usually very numerous throughout the year, there was a steep decrease even in the summer. Note that there are many forms of "tourism" in Venice, including short-term residency and vacation homes. The graphs below compare monthly overnight stays in the municipalities with the largest numbers of tourists for 2022, 2021, 2020 and 2019. The sharp decrease reduced reliance on seasonal work over the past two years.

In 2022, overnight stays returned to pre-pandemic levels.





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.

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.

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

In accordance with the new GRI standards, a new materiality analysis has been conducted 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 approved by the Board of Directors on May 19, 2022.

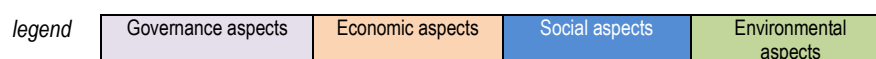
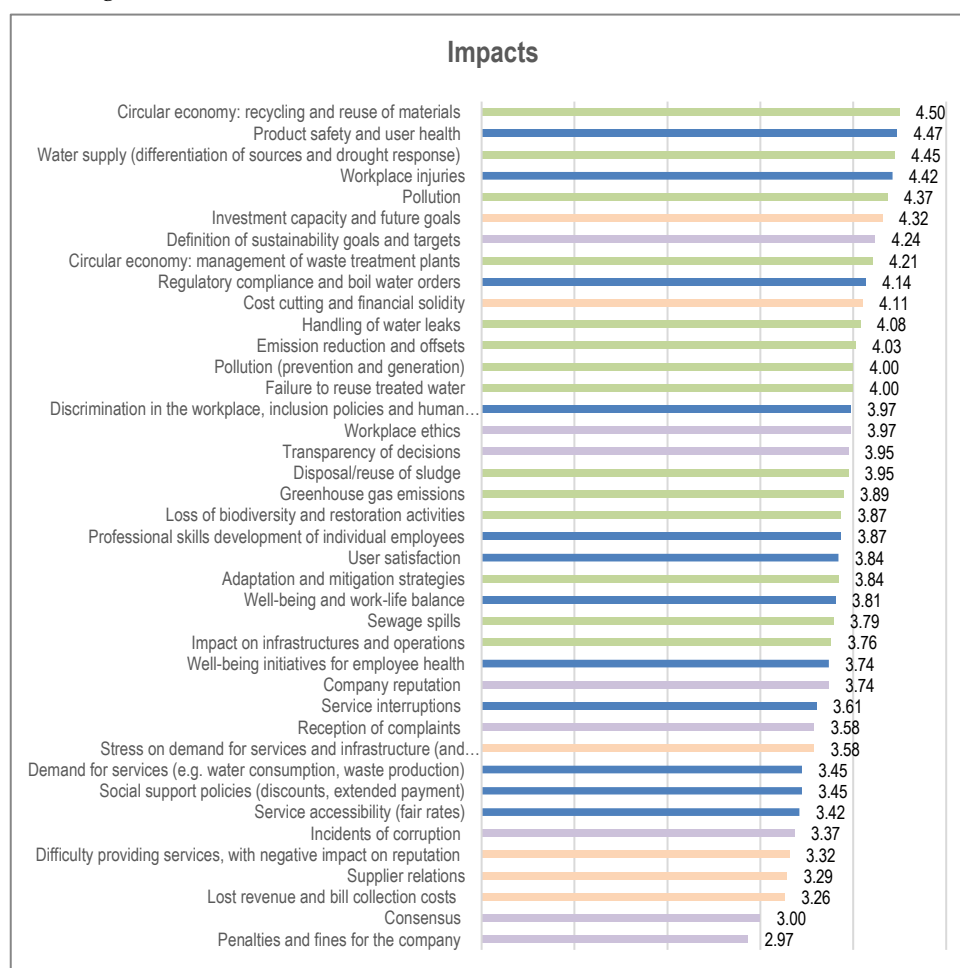
Impacts have been assessed based on the context analysis and the threats and opportunities matrix, and grouped into topics under four main areas:

Area	Material topic	Impacts
Governance aspects	Ethics, anti-corruption and regulatory compliance	Incidents of corruption
		Workplace ethics
		Penalties and fines for the company
Governance aspects	Dialogue with stakeholders and transparency	Company reputation
		Consensus
		Transparency of decisions
Economic aspects	Sustainability innovation and strategies	Reception of complaints
	Operational efficiency and procurement of raw materials	Definition of sustainability goals and targets
		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):



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
	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
	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
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
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
		Pollution (prevention and generation)	4	13
Sustainable waste management	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. Details of the waste management system are reported in Section 3.2.2.
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 details of this topic and all others relating to water management, see Section 3.2.3.
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. The specific sustainability targets can be found in Section 4.

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 CO₂ footprint has been mapped, along with its shortfall from the SBTi net-zero criteria and possible actions for meeting that standard. For details of energy consumption and emissions, see Section 3.2.1.
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. See Section 5 for details.
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. Section 3.2.5 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. Section 6 reports the results of the user satisfaction surveys and other indicators concerning relations with users and the local community (including data on discounts 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 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.

The year 2022 was marked by heat waves, little rain, and drought problems that led to water shortages. The Veneto Region, as part of the Eastern Alps watershed district, suffered a lengthy water shortage and with Ordinance no. 37 of May 3, 2022 the regional government declared a state of crisis. Subsequently, on July 4, 2022 the national government declared a state of emergency for the Veneto Region through December 31, 2022 because of the water shortage. With Public Safety Department Ordinance no. 906 of July 21, 2022, the president of the region was named commissioner of urgent measures for management of the water crisis. With Ordinance no. 1 of July 25, 2022, the commissioner appointed the implementing body for the coordination and management of commission activities. 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 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 CO₂; 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 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]			
	2022	2021	2020
all energy	919,574	927,392	855,397
of which: from non-renewable sources	829,428	841,968	835,252
of which: from renewable sources (total, self-produced)	90,146	85,424	20,145
of which: solar	75,931	68,972	4,267
of which: biogas	14,215	16,452	15,878

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 energy purchased are provided in the following tables.

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

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

Energy consumption [GJ] – 2020

	industrial segment	waste management	water service	other services and offices	total
electricity	119,232	9,148	322,011	10,121	460,512
natural gas	65,666	11,383	4,627	30,558	112,234
diesel	66,775	173,077	12,787	1,449	254,088
gasoline	11	4,663	1,351	1,454	7,479
LPG	237	488	10	203	938
total	251,921	198,759	340,786	43,785	835,251

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

Average total energy consumption decreased from 2021 to 2022. This is explained mainly by the reduced consumption of electricity (-3.6%, about -15,000 GJ in absolute terms), due chiefly to the decreased purchase of power from the grid in favor of solar power produced and self-consumed. The consumption of natural gas was up by 3.7%, due primarily to transport services in the industrial segment and operation of the Fusina treatment plant where the sludge dryer is now fully up and running. The consumption of diesel decreased by 1.4% across nearly all segments, except for a slight increase by waste management. Gasoline consumption rose by nearly 20% due to greater use in the industrial segment, for waste transport services and, at Lecher, for the inspection and replacement of water service meters on behalf of Veritas.

In any case, the water service is focused on saving energy through measures such as the gradual replacement of old electric motors with new high-efficiency IE4 motors, based on analyses of the operating times of individual machinery.

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 139,627 GJ of energy in 2022, 124,487 GJ in 2021, and 54,188 GJ in 2020. The steep increase from 2020 to 2021 in energy production and consumption is explained primarily by the installation of the photovoltaic system at Ecoprogetto (now Eco+Eco). From 2021 to 2022, energy production increased at Eco+Eco and decreased slightly at the other plants.

Self-produced energy [GJ]

	2022	2021	2020
generated	139,627	124,487	54,188
of which: consumed	90,146	85,424	20,145
of which: flared	11,123	14,647	17,970
of which: sold/fed to the grid	38,358	24,416	16,073

The generation of biogas energy produced CO₂ emissions of 1,780 metric tons in 2022 (2,093 in 2021 and 2,130 in 2020).

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

In 2021 there was an increase for all segments and services. The sharpest increase was due to natural gas consumption (mostly at the Fusina plant). The greater impact of direct emissions from the use of gasoline was caused by higher consumption in the industrial segment (primarily Depuracque, followed by Metalrecycling and Eco-ricicli which expanded their operations).

Scope 1 (direct) emissions also originate from F-gas leaks, amounting to 12.4 metric tons of CO₂e (24 in 2021 and 19 in 2020).

Direct emissions over the three years are shown below:

Total direct CO ₂ emissions [tCO ₂]			
	2022	2021	2020
total emissions	30,323	30,529	27,743
from natural gas	8,169	7,859	6,310
from diesel	19,613	19,903	18,696
from gasoline	696	581	526
from LPG	53	69	62
from biogas production	1,780	2,093	2,130
from F-gases	12	24	19

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] – 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

Direct CO ₂ emissions from energy sources [tCO ₂] – 2020					
	industrial segment	waste management	water service	other services and offices	total
from natural gas	3,692	640	260	1,718	6,310
from diesel	4,913	12,735	941	107	18,696
from gasoline	1	328	95	102	526
from LPG	16	32	1	13	62
total	8,622	13,735	1,297	1,940	25,594

The following tables report indirect CO₂ 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 CO₂ emissions from energy sources [tCO₂] – 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 CO₂ emissions from energy sources [tCO₂] – 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 CO₂ emissions from energy sources [tCO₂] – 2020

	industrial segment	waste management	water service	other services and offices	total
location-based	8,604	657	23,238	730	33,229
market-based	15,202	1,161	41,056	1,290	58,710

The figures for 2020 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) decreased by 3.6% from 2021 to 2022, in terms of both location-based and market-based emissions.

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

Total direct and indirect CO₂ emissions [tCO₂]

	2022	2021	2020
total emissions	60,716	62,065	60,972
direct (Scope 1) emissions	30,323	30,529	27,743
indirect (Scope 2) emissions - location-based	30,393	31,536	33,229

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. At the residual municipal waste treatment facilities of Ecoprogetto Venezia, every phase of operations makes use of the best available technologies for the reduction and mitigation of potential impacts in the form of particulates, odors, leachates, and debris. 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. Planning is currently underway 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. Both of these projects are scheduled to begin in 2023.

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.

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 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.

At the moment, Rive does not generate waste but serves only as a broker.

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

Veritas Group – metric tons of waste treated/generated in 2020

	Veritas	Asvo	Ecoprogetto	Eco-ricicli	Metalrecycling	Depuracque and Lecher	Rive
total waste treated/generated	140,931	15,052	237,994	167,215	35,977	12,454	1,731
of which: hazardous	932	39	19	8	55	2,846	0
of which: non-hazardous	139,999	15,013	237,975	167,207	35,922	9,608	1,731
of which: from waste and water treatment	116,974	13,813	154,681	167,095	31,948	11,768	0
of which: from other operations	23,957	1,239	83,313	120	4,029	686	1,731

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 2022, the waste treated by "Eco+Eco valorizza" includes 40,639 metric tons of solid recovered fuel (SRF) (44,280 tons in 2021 and 32,971 in 2020).

Metalrecycling, in addition to the treated waste shown above, produced 6,790 metric tons of ferrous material in 2022 (9,191 in 2021 and 2,000 in 2020). 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 20% of incoming waste in 2022.

Rive brokered 19,393 metric tons of waste in 2022, compared with 12,841 the previous year.

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 2022, 2021 and 2020.

Total waste generated and collected in the territory was slightly lower in 2022 than the previous year. However, this should be seen in light of an increase in mixed waste and a consequent dip in the separate collection rate, which is in any case very high (above 70%). In 2020 the generation of waste was affected by the lockdowns and the resulting drop in tourism in the territory served.

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.

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.

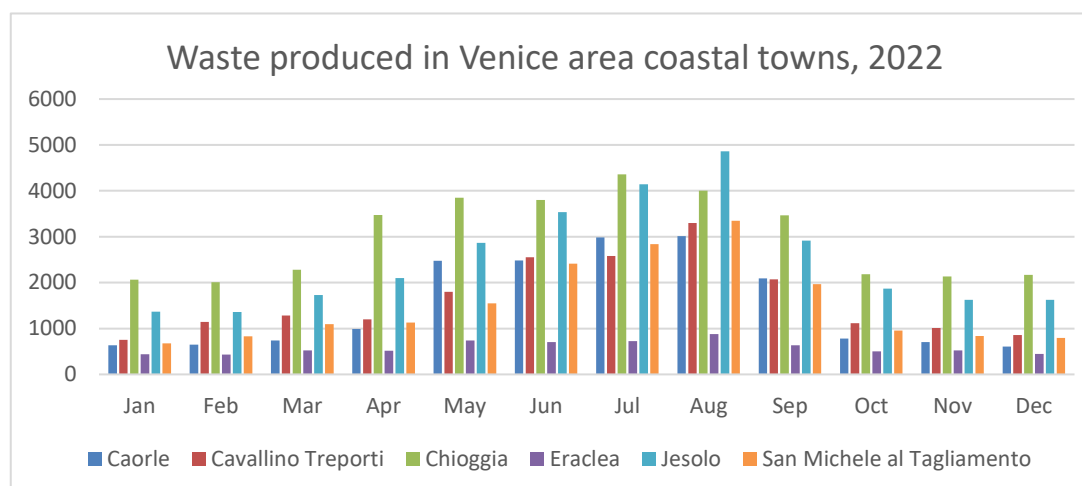
Municipal waste 2020 [t]			
	Asvo	Veritas	total
total waste generated in the territory	63,768	425,897	489,665
separate collection	42,347	300,287	342,634
mixed collection	15,620	109,199	124,819
separate collection rate	73%	73%	73%
waste not included for statistical purposes	5,800	16,412	22,212
total waste collected in the territory	62,034	418,311	480,345

Data computed according to the 2016 Ministerial Decree (provisional figures)

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).



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 as much as 20% of the waste produced by each municipality.

Waste washed ashore [t]			
Municipality	2022	2021	2020
Caorle	3,272.11	3,970.30	3,919.56
Cavallino-Treporti	232.18	501.37	679.79
Chioggia	7,944.38	18,985.23	5,886.61
Eraclea	2.48	26.43	49.14
Jesolo	934.43	1,482.81	1,540.05
San Michele al Tagliamento	2.88	-	48.42
Venezia (Lido and Pellestrina)	283.42	707.58	413.72
Total	12,671.88	25,673.72	12,537.29

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 2021 [t]	metric tons	% and means of reuse	t CO _{2eq} avoided
paper and cardboard (t selected)	59,825	96% recovered material	56,213
glass and packaging (t refined)	39,964	81% reused (furnace-ready cullet)	12,553
non-Corepla plastic (t refined)	1,663	75% recovered material	1,497
Corepla plastic (t selected)	26,486	63% prepped for material recovery	18,021
metals (t selected)	6,052	98% prepped for material recovery	16,896
residual municipal waste (t collected)	131,119	28% recovered material, 34% recovered energy	70,158
clippings and prunings (t collected)	66,269	31% soil amendment	6,974
organic waste (t collected)	84,822	See note 1	15,013
wood (t collected)	13,602	98% recovered material	1,095
bulky items (t collected)	14,730	34% prepped for material recovery	See note 2

Note 1) From biogas have been produced: 13,262 MWh electricity, 10,551 MWh heat energy, 3,043,642 Nm³ biomethane

Note 2) Emissions are included in plastic, metals, wood and paper flows

Regarding organic waste, 4% was used as an amendment for composting. From the biogas, 13,262 MWh of electricity, 10,551 MWh of thermal energy, and 3,043,642 Nm³ of biomethane were produced (at plants not belonging to the Group).

For bulky items, the avoided emissions are included in the plastic, metal, wood, and paper cycles.

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.

In 2021 the Group conducted an **analysis of treatment traceability**, through which, for the first time, a study traced the entire route of "dirty" water until it re-enters the sea, rivers or the lagoon and measured the results of treatment. The study found that more than 99% of these wastewaters, after treatment, return to the receiving body as clean water. For example, in 2020 the operations of the main treatment plants prevented the spillage into water bodies of 13,573 tons of suspended solids, 299 tons of phosphorus, and 2,018 tons of nitrogen. The Group is also analyzing the traceability of "clean" water, from collection to distribution as drinking water, with a view to increasing and measuring over time the efficacy of the integrated water service on a fully transparent basis. According to this study, phosphorus removal increased from 70% to 89% between 2010 and 2020, and nitrogen removal from 65% to 76%.

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 2022 are shown below:

Landfills	Biogas (m ³)	Leachate treated (m ³)	Waste produced		
			EWC 190703 (t)	EWC 190812 (t)	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 2022 was as follows:

Jesolo landfill, incoming waste 2022 [t]		
Description	EWC code	metric tons
non-reusables	19 12 12	0.3
non-reusable paper and cardboard	19 12 12	1,975
non-reusable separate fractions	19 12 12	34,056
non-reusable residual municipal waste	19 12 12	34,338
soil and stones from Veritas construction sites	17 05 04	350
screenings from Veritas treatment plants	19 08 01	481

Nearly 51% of waste conveyed to the landfill is non-reusable separately collected waste; around 1.2% comes from the integrated water service, namely a small portion of the screenings produced by the treatment plants; and a minor amount consists of non-recoverable soil and stones from pipe maintenance sites. About 48% consists of non-reusable residual municipal waste.

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.

The World Resources Institute (WRI), using estimates, has mapped water stress areas in different parts of the world, according to various definitions of risk and intensity levels. According to the WRI, Veritas serves an area of medium to high water stress (20-40%), measured as the ratio of total withdrawals (domestic, civil, industrial and agricultural) to total renewable supply. In terms of resource exhaustion (which measures consumption instead of withdrawals), Veritas is in a medium to low stress zone (5-25%). The map is available for viewing at www.wri.org.

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

Withdrawals for the water service (megaliters)			
	2022	2021	2020
total withdrawn from nature	112,809	112,429	113,996
of which: groundwater	94,758	98,360	98,923
- of which: fresh (\leq 1000 mg/L total dissolved solids)	94,758	98,360	98,923
- of which: other ($>$ 1000 mg/L total dissolved solids)	-	-	-
of which: river water	18,051	14,069	15,073
- of which: fresh (\leq 1000 mg/L total dissolved solids)	18,051	14,069	15,073
- of which: other ($>$ 1000 mg/L total dissolved solids)	-	-	-
total purchased	10,346	8,661	5,667
- of which: fresh (\leq 1000 mg/L total dissolved solids)	10,346	8,661	5,667
- of which: other ($>$ 1000 mg/L total dissolved solids)	-	-	-
total	123,155	121,090	119,663

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)			
	2022	2021	2020
total pumped in	114,258	111,970	111,022
water exported for adduction and distribution	23	6	14
water billed	71,119	69,589	68,806
water sold to third parties	365	428	431
water consumed by Group companies	526	435	495
total consumed	72,033	70,458	69,746

Total water billed and consumed in 2022 was slightly higher than in 2021 (+2%) and 2020 (+3%), the years most affected by the pandemic.

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;
- maintenance of watermains and plants and other operational functions of the integrated water service;
- waste treatment and reuse facilities, collection centers, transfer stations;
- cemetery maintenance.

Total water consumption for all Veritas Group services in 2022 came to 530 megaliters (in addition to the volume shown in the table above, Asvo purchased 4 megaliters from outside the Group). Consumption was 439 megaliters in 2021 and 498 in 2020.¹ 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 280 megaliters in 2022, 312 in 2021 and 206 in 2020.

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)			
	2022	2021	2020
total water consumed	810	751	704
of which: drinking water	530	439	498
of which: non-drinking water	280	312	206
% drinking water	65%	58%	71%
% non-drinking water	35%	42%	29%

Finally, around 8,000,000 cubic meters of water are withdrawn every year 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.

One of the macro-indicators is water leaks, designated as M1. M1 is divided into linear leaks (daily leaks per kilometer of network; M1a) and percentage leaks (leaks as a share of the volume withdrawn; M1b).

Results for the last two-year period reported to Arera (2020-2021) are as follows:

Water leaks		
	2021	2020
linear leaks (M1a)	19.50	19.72
percentage leaks (M1b)	40.9%	41.2%
assigned class	C	C
targets (improve or maintain)	M1a -4%	M1a -4%

¹ The 2020 water consumption figure was modified with respect to earlier non-financial statement as a result of data checks and validations for Arera registers.

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	4	200
Arsenic	µg/l	<1	10
Manganese	µg/l	1	50
Hardness	°f	26	15 < °f < 50 (recommended)
Fluoride	mg/L	0.1	1.5
Nitrite	mg/L	<0.01	0.5
Lead	µg/l	<1	10
pH	pH scale unit	7.7	6.5 ≤ pH ≤ 9.5
Conductivity	µS/cm at 20°C	456	250
Fixed residue at 180°	mg/L	279	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 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 is subdivided into rate of boil-water orders (M3a), ratio of substandard samples to total samples tested (M3b), and ratio of substandard parameters to total parameters analyzed (M3c).

Results for the last two-year period reported to Arera (2020-2021) are as follows:

Drinking water quality		
	2021	2020
rate of boil water orders (M3a)	0%	0%
ratio of substandard samples from internal tests (M3b)	0.22%	0.49%
ratio of substandard parameters from internal tests (M3c)	0.01%	0.01%
assigned class	A	A
targets (improve or maintain)	maintain	maintain

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 (2020-2021) are as follows:

Adequacy of the sewer system		
	2021	2020
frequency of floods/spills (M4a)	1.23	1.11
regulatory compliance of spillways (M4b)	85.2%	85.1%
monitoring of spillways (M4c)	43.3%	43.8%
assigned class	E	E
targets (improve or maintain)	M4a -10%	M4a -10%

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 2022 the total volume of water treated by the 32 largest municipal wastewater treatment plants was 80,942 megaliters (89,563 megaliters in 2021 and 88,792 in 2020), while the volume treated by the industrial sewage treatment plant came to 6,973 megaliters (7,682 in 2021 and 8,146 in 2020).

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 (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 (448 megaliters) 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 2022, 2021, and 2020:

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

	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	10.2	92.0%	5.5	95.0%	10.3	87.0%
COD	28.5	88.6%	21.3	89.8%	19.4	89.5%
TSS	10.8	92.5%	4	93.7%	9.5	91.2%
phosphorus	0.6	86.1%	0.4	87.5%	0.3	72.9%
nitrogen	8.0	76.3%	7.1	75.4%	4.9	61.6%

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

	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	9.8	91.7%	4.9	94.8%	5.2	94.4%
COD	21.0	90.2%	19.1	89.3%	18.8	89.4%
TSS	5.4	94.7%	4.8	92.7%	4.2	94.7%
phosphorus	0.7	87.7%	0.6	87.1%	0.3	96.5%
nitrogen	10.1	74.0%	9.4	74.9%	8.2	72.7%

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

	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	11.3	92.9%	6.2	96.0%	5.0	96.6%
COD	60.7	82.4%	59.3	87.6%	61.3	88.0%
TSS	8.6	96.4%	8.5	97.8%	6.7	98.3%
phosphorus	0.2	96.4%	0.4	95.6%	0.3	96.5%
nitrogen	5.5	84.0%	4.7	89.0%	4.4	89.4%

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

	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	6.7	92.9%	5.2	93.3%	5.1	91.1%
COD	14.7	92.3%	14.0	91.5%	12.4	89.1%
TSS	5.5	95.0%	4.2	93.7%	3.4	93.8%
phosphorus	0.4	87.3%	0.3	87.1%	0.2	86.6%
nitrogen	8.2	66.7%	7.7	63.8%	7.2	60.2%

Average wastewater quality [mg/L] and rate of removal: Fusina plant						
	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	13.1	89.6%	7.1	94.0%	6.5	95.2%
COD	32.5	86.2%	27.0	88.6%	25.1	90.9%
TSS	17.5	85.2%	10.2	90.7%	10.7	92.6%
phosphorus	0.7	83.3%	0.5	87.3%	0.4	89.0%
nitrogen	8.9	76.4%	8.4	75.4%	8.2	76.3%

Average wastewater quality [mg/L] and rate of removal: Campalto plant						
	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	6.5	94.5%	5.1	94.2%	5.4	94.0%
COD	15.4	93.7%	14.3	92.7%	14.2	92.9%
TSS	6.9	95.7%	4.9	95.2%	5.1	97.2%
phosphorus	0.5	89.8%	0.4	88.8%	0.3	91.4%
nitrogen	7.0	75.1%	6.6	73.8%	6.2	76.4%

Average wastewater quality [mg/L] and rate of removal: Cavallino-Treporti plant						
	2022		2021		2020	
	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)	quality (mg/L)	removal (%)
BOD5	9.6	96.1%	5.3	97.6%	5.0	97.0%
COD	21.0	95.0%	21.1	94.4%	19.8	93.7%
TSS	5.1	97.8%	3.3	98.4%	3.7	98.1%
phosphorus	0.7	88.4%	0.6	88.9%	0.6	87.4%
nitrogen	6.9	85.5%	6.9	82.5%	5.0	84.2%

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 public sewers [megaliters]					
	industrial segment	waste management	water service	other services and offices	total
2022	513	95	1,130	0	1,738
2021	545	132	450	0	1,127
2020	433	126	667	0	1,226

The total amount discharged increased by around 50% from 2021 to 2022, because of greater withdrawals from the Sile river. Volumes discharged other than by the water service decreased with respect to 2021 and increased on 2020.

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 final destination:

Quantity of sludge from treatment plants

	2022	2021	2020
total sludge produced (t)	8,714	9,122	9,933
of which: for landfill	5,148	3,505	5,958
of which: for reuse	3,566	5,617	3,975

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 CO₂ 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.

The proposed revision of the Renewable Energy Directive (RED II, which recasts RED I or 2009/28/EC) contains measures for the development of clean energies for electric power, heating, cooling, and transportation. Specifically, the "Sustainability and GHG emission saving criteria for bioenergy" (Articles 26 and 27) make changes to the sustainability criteria for biofuels, including the requirement that (new) advanced biofuels emit at least 70% less greenhouse gas than fossil fuels.

One of the technological scenarios at the forefront is the development of Power to Gas (P2G) technologies, which turn surplus energy derived, for example, from solar power plants, for hydrogen production, and CO₂ produced by waste-to-energy plants (e.g. using anaerobic digestion/pyro-gasification of waste/sludge) into "synthetic" biomethane to fuel vehicles and/or feed into the grid.

Under the agreement "Development of projects for energy efficiency and the use of renewable energy on La Certosa island and in Porto Marghera" between the municipality of Venice and the Ministry of the Environment, a project has been set up for the experimentation of advanced green chemistry processes.

The project involves:

- the "on island" production and use of solar energy for industrial purposes;
- the experimentation and preindustrial production of advanced biofuels from spent oil, sludge, and microalgae: third-generation biodiesel (McDiesel), biohydrogen (HydroGENIUS), and biomethane;
- the experimentation of advanced biofuels for sustainable lagoon and land transportation;
- the experimentation of closed-cycle, zero-impact industrial processes (heat recovery, industrial gas emissions abatement, wastewater treatment, etc.);
- the experimentation and development of advanced technologies for the remediation of industrial areas (e.g. permeable reactive barriers);
- the involvement of businesses (e.g. Eni, consortiums and networks of companies in the Veneto) in industrial energy and green chemistry subprojects in the Porto Marghera zone.

In 2020 the Green Propulsion Laboratory began to work to its full capacity, developing a number of projects. Those currently in progress are as follows:

- *Por – Fesr green polymers*: this is a project to design and build an experimental facility for the desanding and drying of a seagrass species (*Poseidonica oceanica*); develop a hydrodynamic cavitation process to homogenize the fibers and fermentation processes to turn organic waste into microbial polyesters usable for the production of biodegradable plastics; and collaborate with other research institutions to develop protocols for the formulation of polymers usable for the production of plastic articles and biodegradable bags.
- *Recovery of strategic materials from solar panels and e-waste*: in the field of hydrometallurgy for the recovery of strategic materials, a special section has been developed for the experimentation of advanced technologies for the recovery of strategic metals and rare earth elements from photovoltaic panels and other e-waste, in particular the residency at GPLab of the innovative start-up 9 – Tech Srl and the design and construction of an experimental facility for solar panel recycling. In June 2020 this led to the joint submission by Veritas and 9 – Tech of two patent applications; Eco-ricicli and Metalrecycling have commissioned a study on the development of advanced technologies for the recovery of strategic materials from e-waste. A European patent application was submitted in 2021.
- *Development of cavitation technologies for the environmental and energy sector*: in the context of in-house research on the physical and chemical effects of cavitation for energy (e.g. H₂ production) and/or environmental purposes (destruction of emerging contaminants such as PFAS, POPs, etc.), an experimental prototype of a hydrosonic reactor has been designed following in-depth analysis of cavitation equations and fluid dynamic models. Experimental activities have begun and will involve the Group company Depuracque.
- *Purple-B Hydrogen production from immobilized cells in photo-bioreactors*: this is part of the ESA program *Towards a sustainable hydrogen production technology* for the development of dual technologies for the production of hydrogen for land and space use. Specifically, at GPLab in Fusina researchers will design, produce (including with the use of an industrial 3D printer) and test an immobilized cell bioreactor of photosynthetic purple bacteria that can transform organic substances dissolved in water, thanks in part to the particular type of anoxygenic photosynthesis that produces hydrogen instead of the usual oxygen. The "land" prototype will be located at GPLab, while a "space" version for use under the typical conditions of orbiting space stations (ISS) will be sent to the European Space Research and Technology Centre (ESTEC) in Noordwijk, Holland under the MELiSSA (Micro-Ecological Life Support System Alternative) program.
- *Modsen project*: this is an experimental project to generate electricity from waste using green hydrogen from the dark fermentation process. GPLab Veritas is the head research institution and scientific lead for the project, while the department of nanosystems and biotechnologies of the University of Venice will study the biology and genetics of hydrogen-producing microorganisms and the department of energy engineering of the University of Padua will work on the energy models. The experimental and pilot systems, designed by Energy Division personnel, for the fermentation, production and storage of H₂ and for hydrogen-to-power conversion will be based at GPLab. Presented to the Ministry of Ecological Transition, the project won second place in the national ranking.
- *CO₂ to energy project* in collaboration with Verallia: this involves the testing of processes for decarbonizing gaseous effluents and capturing the carbon dioxide produced in industrial plants for the production of hollow glass, and the experimental evaluation of technologies for the biochemical conversion of CO₂ into biomethane for potential reuse in hollow glass production.

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 will feature 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 will maximize 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 CO₂ 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.

Construction began in November 2020 and is currently in course. The four-story building will have a total height of about 20 meters and a gross surface area of 4,860 m², including around 2,000 m² in lab space. Completion is expected in 2023.

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 Sites of Community Importance (SCIs). 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 SCIs) in which the Group operates is summarized in the table below.

type	code	name	hectares	province	municipalities
SCI/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
SCI	IT3240028	Fiume Sile dalle sorgenti a Treviso Ovest	1,490	Padua, Treviso	Morgano, Quinto di Treviso
SCI	IT3240029	Ambito fluviale del Livenza e corso inferiore del Monticano	1,955	Treviso, Venice	Cessalto, Ormelle, San Stino di Livenza, Torre di Mosto
SCI	IT3240030	Grave del Piave – fiume Soligo – fosso di Negrizia	4,752	Treviso	Ormelle
SCI	IT3240031	Fiume Sile da Treviso est a San Michele Vecchio	753	Treviso, Venice	Quarto d'Altino
SCI	IT3240033	Fiumi Meolo e Vallio	85	Treviso, Venice	Meolo
SCI/SPA	IT3250003	Penisola del Cavallino: biotopi litoranei	315	Venice	Cavallino-Treporti
SCI/SPA	IT3250006	Bosco di Lison	6	Venice	Portogruaro
SCI/SPA	IT3250008	Ex cave di Villetta di Salzano	64	Venice	Martellago, Salzano
SCI/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
SCI	IT3250013	Laguna del Mort e pinete di Eraclea	214	Venice	Caorle, Eraclea, Jesolo
SCI/SPA	IT3250016	Cave di Gaggio	115	Venice	Marcon, Quarto d'Altino, Venezia
SCI/SPA	IT3250017	Cave di Noale	43	Venice	Noale
SCI/SPA	IT3250021	Ex cave di Martellago	50	Venice	Martellago, Venezia
SCI/SPA	IT3250022	Bosco Zacchi	1	Venice	Cinto Caomaggiore, Pramaggiore
SCI/SPA	IT3250023	Lido di Venezia: biotopi litoranei	166	Venice	Venice
SCI	IT3250030	Laguna medio-inferiore di Venezia	26,385	Padua, Venice	Campagna Lupia, Chioggia, Mira, Venice
SCI	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
SCI/SPA	IT3250032	Bosco Nordio	157	Venice	Chioggia
SCI	IT3250033	Laguna di Caorle – foce del Tagliamento	4,386	Venice	Caorle, Concordia Sagittaria, San Michele al Tagliamento
SCI	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
SCI	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, Venezia, Musile di Piave, San Donà di Piave
SCI	IT3250047	Tegnùe di Chioggia	2,655	Venice	Chioggia
SCI/SPA	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 SCI 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 SCI)*, 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 SCI and SPA Penisola del Cavallino*, area 398 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 SCI and SPA Lido di Venezia*, area 150 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 interesse 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, the aim being to close the waste cycle by creating synergies among the Group's different plants for the management of all types of waste collected and treated by Group companies. The most significant changes are the revamping of the energy production system to handle the woody biomass and SRF generated by the plant itself, which currently goes to Enel's A. Palladio power plant (undergoing industrial requalification). The hub should also be able to deal with the treatment sludge flowing out of a new drying line.

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 current scenario (impact determined assuming use of the plant at its maximum authorized capacity, and considering current SRF combustion at Enel's A. Palladio power station), 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. CO₂ 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).

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.

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.

In 2020 the Group responded to the Covid-19 emergency by adopting a series of measures to guarantee essential services while protecting worker safety. A crisis committee was set up immediately, and various prevention measures and information campaigns were deployed to explain the dos and don'ts and keep employees up to date. Many programs launched in the past with the Work-Life Balance Protocol, such as flexible work arrangements, helped provide a rapid response to the crisis.

The Covid-19 crisis committee was disbanded once the emergency was over.

4.2.1 The workforce

At December 31, 2022 the Veritas Group had a workforce of 3,469, an increase of 2% year-on-year. The entire workforce is employed in Italy.

Employees by gender at December 31

	2022			2021			2020		
	women	men	total	women	men	total	women	men	total
employees	682	2,787	3,469	663	2,733	3,396	645	2,741	3,386

Employees by contract type and gender at December 31

contract type	2022			2021			2020		
	women	men	total	women	men	total	women	men	total
permanent	659	2,676	3,335	649	2,651	3,300	644	2,720	3,364
fixed-term	23	111	134	14	82	96	1	21	22
total	682	2,787	3,469	663	2,733	3,396	645	2,741	3,386

contract type	2022			2021			2020		
	women	men	total	women	men	total	women	men	total
full time	504	2,698	3,202	476	2,643	3,119	454	2,623	3,077
part time	178	89	267	187	90	277	191	118	309
total	682	2,787	3,469	663	2,733	3,396	645	2,741	3,386

Ninety-six 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 employees without guaranteed hours.

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 5% 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	2022	2021	2020
seasonal employees	103	159	140
temps	148	93	68
interns	32	7	18
total	283	259	226

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 labor-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

professional category	2022			2021			2020		
	women	men	total	women	men	total	women	men	total
upper management	3	21	24	2	20	22	2	21	23
lower management	28	55	83	28	57	85	26	58	84
white collar	481	592	1,073	467	582	1,049	446	563	1,009
blue collar	168	2,094	2,262	159	2,054	2,213	156	2,058	2,214
trainees	2	25	27	7	20	27	15	41	56
total	682	2,787	3,469	663	2,733	3,396	645	2,741	3,386

Percentage of male and female employees by category at December 31

professional category	2022		2021		2020	
	women	men	women	men	women	men
upper management	12.5%	87.5%	9.1%	90.9%	8.7%	91.3%
lower management	33.7%	66.3%	32.9%	67.1%	31.0%	69.0%
white collar	44.8%	55.2%	44.5%	55.5%	44.2%	55.8%
blue collar	7.4%	92.6%	7.2%	92.8%	7.0%	93.0%
trainees	7.4%	92.6%	25.9%	74.1%	26.8%	73.2%

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)

professional category	2022		2021		2020	
	women	men	women	men	women	men
upper management	0.1%	0.6%	0.1%	0.6%	0.1%	0.6%
lower management	0.8%	1.6%	0.8%	1.7%	0.8%	1.7%
white collar	13.9%	17.1%	13.8%	17.1%	13.2%	16.6%
blue collar	4.8%	60.4%	4.7%	60.5%	4.6%	60.8%
trainees	0.1%	0.7%	0.2%	0.6%	0.4%	1.2%

Since women make up 19.7% 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

professional category	2022				2021				2020			
	<30	31-50	>50	total	<30	31-50	>50	total	<30	31-50	>50	total
upper management	0	3	21	24	0	2	20	22	0	2	21	23
lower management	0	21	62	83	0	28	57	85	0	31	53	84
white collar	47	544	482	1,073	45	551	453	1,049	27	541	441	1,009
blue collar	134	1,084	1,044	2,262	127	1,119	967	2,213	116	1,142	956	2,214
trainees	25	2	0	27	23	4	0	27	54	2	0	56
total	206	1,654	1,609	3,469	195	1,704	1,497	3,396	197	1,718	1,471	3,386

Percentage of age groups by category at December 31

professional category	2022			2021			2020		
	<30	31-50	>50	<30	31-50	>50	<30	31-50	>50
upper management	0.0%	12.5%	87.5%	0.0%	9.1%	90.9%	0.0%	8.7%	91.3%
lower management	0.0%	25.3%	74.7%	0.0%	32.9%	67.1%	0.0%	36.9%	63.1%
white collar	4.4%	50.7%	44.9%	4.3%	52.5%	43.2%	2.7%	53.6%	43.7%
blue collar	5.9%	47.9%	46.2%	5.7%	50.6%	43.7%	5.2%	51.6%	43.2%
trainees	92.6%	7.4%	0%	85.2%	14.8%	0%	96.4%	3.6%	0%

About 2% of employees at December 31, 2022 had foreign nationalities. Most of them were in blue collar positions.

At the end of 2022 there were 151 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	2022	2021	2020
Italians	3,409	3,328	3,317
foreigners	60	68	69
total	3,469	3,396	3,386
percentage of Italians/foreigners			
Italians	98.3%	98.0%	98.0%
foreigners	1.7%	2.0%	2.0%

Other diversity indicators: protected categories

number of employees in protected categories	2022	2021	2020
protected categories Art. 18	6	6	7
people with disabilities Art. 1	145	138	130
total	151	144	137
percentage of employees in protected categories			
protected categories Art. 18	0.2%	0.2%	0.2%
people with disabilities Art. 1	4.2%	4.1%	3.8%
total	4.4%	4.2%	4.0%

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 labor. 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	2022	2021	2020
Ratio of highest-paid person's compensation to median compensation	7.16	7.10	6.74
Ratio of highest-paid person's percent pay raise to median percent pay raise	-4.86	2.66	0.92

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 253 hires in 2022, 127 are new permanent employees, 126 are new fixed-term employees, and 1 was taken on with the merger of Veritas Conegliano, which was outside the scope of reporting last year. Some employees recruited on a fixed-term basis in 2021 were given permanent contracts this year. The number of new hires in 2022 was 35% higher than in 2021. The recruitment rate increased by nearly two percentage points.

During the year, in response to peak demand during the summer, the Group took on 103 seasonal workers. That number is lower than in 2021, but reflects an increase in new hires and conversions from fixed-term to permanent contracts (16).

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 61% of turnover (terminations) refers to employees well over the age of 50, and includes those who enter retirement.

Recruitment and turnover

	2022				2021				2020			
	<30	31-50	>51	total	<30	31-50	>51	total	<30	31-50	>51	total
recruitment												
women	8	29	6	43	10	22	3	35	3	23	7	33
men	54	104	52	210	29	87	36	152	52	91	32	175
total	62	133	58	253	39	109	39	187	55	114	39	208
turnover												
women	1	10	13	24	1	5	10	16	0	6	6	12
men	9	51	96	156	7	21	133	161	1	12	93	106
total	10	61	109	180	8	26	143	177	1	18	99	118

Recruitment and turnover rates

	2022	2021	2020
recruitment rate			
women	6.30%	5.28%	5.12%
men	7.53%	5.56%	6.38%
total	7.29%	5.51%	6.14%
turnover rate			
women	3.52%	2.41%	1.86%
men	5.60%	5.89%	3.87%
total	5.19%	5.21%	3.48%

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, Veritas 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

	2022			2021			2020		
	number of employees	total training hours	average training hours	number of employees	total hours of training	average hours of training	number of employees	total hours of training	average hours of training
women	519	7,664	11.2	539	7,287	11.0	496	7,400	11.5
men	1,886	34,828	12.5	1,875	26,510	9.7	1,988	30,052	11.0
total	2,405	42,492	12.2	2,414	33,797	10.0	2,494	37,452	11.1
upper management	24	833.5	34.7	19	558	25.4	21	917	39.9
lower management	85	2,592	31.2	84	2,495	29.4	81	2,907	34.6
white collar	917	16,833	15.7	930	14,568	13.9	922	13,679	13.6
blue collar	1,359	20,885	9.2	1,359	13,910	6.3	1,417	17,907	8.1
trainees	20	1,349	50	22	2,266	83.9	53	2,042	36.46

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.

Training

	2022			2021		
	average hours women	average hours men	average hours total	average hours women	average hours men	average hours total
upper management	40.2	34.0	34.7	63.8	21.5	25.4
lower management	28.3	32.7	31.2	31.3	28.4	29.4
white collar	12.2	18.5	15.7	11.8	15.6	13.9
blue collar	4.6	9.6	9.2	3.5	6.5	6.3
trainees	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.

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 nearly 70% of total training hours in 2022. The development of individual skills is also considered vital for personal growth and close to 9% of training hours are on this topic. Other important subjects are specific technical training (nearly 9%), anti-corruption (2%), and regulatory compliance (5%). Last but not least, new hires are welcomed with an onboarding program and their own assigned job coach. Onboarding accounts for almost 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.

In 2022, bonuses were paid for the objectives assigned in 2021, which for the MBO program were as follows:

- three objectives for the **balancing and reduction of CO₂ emissions**, all 100% achieved;
- six **diversity and inclusion** objectives, all 100% achieved.

Every 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.

	2022	2021	2020
women	3.80%	3.80%	3.60%
men	7.40%	7.30%	7.30%
total	11.20%	11.10%	10.80%
upper management	0.60%	0.70%	0.70%
lower management	7.90%	7.90%	7.60%
white collar	2.7%	2.5%	2.5%

4.2.4 Industrial relations

In addition to the work-life balance and corporate welfare protocols, the Group has negotiated industrial relations protocols and in-house agreements 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, labor 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 311, or 9% of the Group's total workforce. The companies' adoption of the 45001 system is voluntary.

Compared with 2021 the number of injuries rose by 6%, from 149 to 158. All of the increase concerns men, as the number of injuries for women went down. Despite the more frequent injuries, however, there was a 14% decrease in absentee days due to injury, with a lower number of absentee days for both men and women. The total injury rate in 2022 did increase by 7.6% year-on-year because of the lower number of hours worked (injury rate +9.1% for men and -5.2% for women). The severity rate, on the other hand, decreased by nearly 13% (-11% for men and -26% for women). Most injuries were due to falls or slips during the waste collection process. In 2022 there was one serious injury, as defined by the GRI guidelines, when an operator fell from a garbage truck and injured his shoulder. He was absent for a total of 181 days and there were no other consequences. There were no injuries with permanent impairment.

In 2021 there were 149 injuries for a total of 5,680 days of absence. The number of total injuries and total days of absence increased with respect to 2020. For men, both the number of injuries and days of absence went up, while for women the days of absence increased even as the number of injuries decreased. With respect to the 2021 report, the number of hours worked at the parent company Veritas SpA has been corrected. This made it necessary to revise total hours worked, injury rate, and severity rate. The injury rate before the correction was men 28.1, women 12.6, total 24.9. After the correction the injury rate is men 29.07, women 15.94, total 26.71. The severity rate before the correction was men 1.0, women 0.6, total 1.0. After the correction the severity rate is men 1.08, women 0.75, total 1.02.

Consequently, for women, the severity rate increased with respect to 2020 while the injury rate decreased. For men, compared with 2020, both the injury rate and the severity rate went up (by 41% and 35%, respectively). In total, the Group's injury rate increased by 28% and the severity rate rose by 27%. There were no fatal accidents or serious injuries with permanent impairment. Most injuries were caused by slips or loss of coordination. Some were due to rear-end collisions or contact with waste (needle pricks and cuts from broken glass).

In 2020 there were 112 injuries for a total of 4,174 days of absence. For 2020, the method of calculating injuries and days of absence was changed and all injuries with more than one day's absence were included. The total number of injuries decreased with respect to 2019, while days of absence increased. However, comparisons between the two years are not very meaningful both because of the different day count and the fact that fewer workers were present as a result of Covid-19. In 2020 there were also 13 commuting accidents (12 men and 1 woman) for a total of 496 days of absence. The reduction in commuting accidents and days of absence from 2019 to 2020 may reflect the increase in working from home. In 2020 there were no fatal or serious

injuries. There were 16 injuries entailing zero days off work (13 men and 3 women). Of the 16, 11 were needlestick injuries caused by improper waste disposal by users, who put used needles in the garbage without capping them; an uncapped needle can pierce both the plastic bag and the gloves of collection and sorting plant workers. The other injuries were three insect stings/bites, one animal bite, and one smashed finger.

Injury rates

	2022			2021			2020		
	men	women	total	men	women	total	men	women	total
total injuries, excluding commuting accidents	143	15	158	133	16	149	91	21	112
of which: fatal injuries	0	0	0	0	0	0	0	0	0
of which: serious injuries	1	0	1	0	0	0	0	0	0
days lost due to injuries	4,347	549	4,896	4,932	748	5,680	3,510	664	4,174
total number of work-related ill health cases	0	0	0	0	0	0	0	0	0
injury rate	31.75	15.08	28.73	29.1*	15.9*	26.7*	20.6	22.1	20.9
fatal injury rate	0	0	0	0	0	0	0	0	0
serious injury rate	0.22	0	0.18	0	0	0	0	0	0
work-related ill health	0	0	0	0	0	0	0	0	0
severity rate*	0.97	0.55	0.9	1.1*	0.75*	1.0*	0.8	0.7	0.8
annual hours worked	4,504,351	994,585	5,498,936	4,574,703	1,003,513	5,578,215	4,416,067	951,235	5,367,302

* The severity rate for 2021 was revised following the correction of hours worked.

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) *10⁶.

The severity rate is calculated as days of absence times 1,000 divided by hours worked.

In 2022 there were 10 claims for occupational diseases. Of these, one was filed by an employee of the former Alisea, who left the company in 2017 before it was merged into Veritas (it was within the scope of reporting in 2017). That claim is pending. Of the other nine, five were rejected and four are still pending. There were no deaths due to work-related ill health.

In 2021 there were nine claims for occupational diseases filed by seven workers. Three claims were filed by the same employee, who in the meantime has retired, making the issue moot. The other two are from employees who left the company in 2019 and 2021. Of the four remaining claims, two were rejected by Inail (workers' compensation) and two are pending. There were no deaths due to work-related ill health.

In 2022, a claim for an occupational disease filed in 2021 was approved on appeal after initially being rejected. The disease in question is rotator cuff tendinitis.

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

In 2020 the company and the labor unions signed a repositioning plan, whose main actions are summarized below:

- *concerted actions to reduce overhead costs and optimize and boost organizational efficiency* while at the same time protecting employment levels, in response to a significant reduction in water consumption and waste production and a consequent decrease in rate revenue;
- *retirements and hiring freeze*: the positions vacated through retirement in 2020 will be covered mainly by reorganizing, training, and requalifying personnel through internal recruitment or mobility;
- *concerted efforts between the parties to facilitate retirement*, including early retirement incentives, to the extent that is economically sustainable;
- *employee mobility*: activation of mobility processes for the use of redundant personnel in other geographical areas or for different tasks, to avoid resorting to social safety net programs;
- *social safety net*: barring extraordinary measures by the government (e.g. Covid-19 wage subsidies), commitment by both parties to find organizational solutions and means of support to overcome the emergency phase.

For its part, Veritas SpA set up a management solidarity fund: through the donation by upper and lower management of 326 vacation days to the company, about € 80,000 went into a solidarity fund to help manage the crisis internally. The amount raised went towards topping up the government wage subsidies to 100% of regular salaries.

The Covid pandemic in 2020 profoundly changed some of the ways the Group operates. One area that was heavily impacted was the IT department.

The emergency required a quick reorganization of activities and services: in particular, with many employees working from home, significant investments were required in terms of resources and security. To facilitate these arrangements, the Group accelerated its adoption of Microsoft 365 and its Teams software, fundamental for online meetings.

The pandemic also accelerated the digitalization of various processes, some of them internal and some used for interaction with the outside world, as described below.

External processes:

- updating of the user portal (Sol) to include specific processes for the handling of paperwork and Covid-related rate reductions;
- online agenda for making appointments at Veritas offices and booking slots at recycling centers;
- new portal for reserving cemetery and funeral services;
- new portal for booking access to treatment plants.

Internal processes concerned the digitalization of operating procedures, which was underway before the pandemic. These are of particular note for the integrated water service, with the implementation of a workforce management system to handle repairs of water mains and sewers. The project involved more than 200 employees and stimulated innovation throughout the water segment.

Another area of progress was the automation of administrative processes, most notably the matching of unstructured incoming payments (such as bank transfers) and the mass replacement of water meters.

The Group increasingly used document management software, both for structured processes like the automatic entry of bills payable and for unstructured processes. For user management it continued to integrate GIS mapping tools into the ERP system.

Experiments were conducted for the adoption of IoT technology by the integrated water service (meter reading) and the waste management system (connection of waste disposal devices).

The emergency deeply changed the Group's way of working and required the use of new tools that combine ease of use with strong security. In short, Covid was a catalyst for innovation, by accelerating the adoption of cloud services and mobile instruments such as tablets and smartphones.

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. In 2019 Veritas and the labor unions signed the first "Protocol for the work-life balance 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 of the workforce 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.
- *Flexitime*: technical and administrative staff can arrive at work from 10 minutes before to 30 minutes after the scheduled start time; for blue collar workers, flexitime 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 ("Blue Days");
- job re-entry support following maternity leave, including flexible schedules for breastfeeding (based on job requirements) and, for women with physically demanding jobs, the option to be transferred to other departments or sectors to prevent pregnancy-related complications;
- 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, including with regard to workforce management.

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 2022 and in prior years, the Group was not made aware of any episodes of discrimination or intolerance.

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 diversity and inclusion policy is built on the following foundations:

- *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.

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.



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 a **three-year Anti-corruption and Transparency Plan** in accordance with applicable legislation such as Law 190/2012, Legislative Decree 33/2013, and Legislative Decree 39/2013 (as amended). 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 2022 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 was awarded a three-star rating in 2022.

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 regulations for the procurement of goods and services, compliant with new industry legislation,² which were 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.

² 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 2022 the Group received 70 fines for a total of € 60,326. All except one were administrative fines for late payments or communications, or for the failure to have forms stamped (this latter violation led to eight fines for a total of € 29,400). One fine (€ 6,500) was for an environmental violation, received by Veritas's water service after Arpav conducted an inspection and found that sewage had risen to the upper limit even in the absence of rain, and that residual capacity had been exceeded leaving no room for wastewater from outside the sewer system. In any case, none of the violations caused damage or real and present danger of damage to environmental resources, since the daily quantity of wastewater entering the system from the liquid waste treatment line is negligible compared to the amount flowing in from the sewers. No single fine was significant and there were no incidents of corruption in 2022.

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), 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 for litigation with the Revenue Office (Agenzia delle entrate), the tax commissions of first and/or second instance have most recently issued rulings favorable to Veritas, some of which have become final judgments. 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. Regarding accounting disputes, after Veritas filed for the combination and joint discussion of its appeals against unfavorable rulings concerning disposal fees (Law 206/1995) and cemetery concession fees, the judgments of the Court of Auditors of Rome, acting as the court of appeals, confirmed the first-instance rulings and in some cases merely amended the amount due in a manner highly favorable to Veritas SpA. Administrative disputes concern the awarding of public contracts and were filed to contest the alleged unlawful exclusion of competitors or the admission of others to the bidding procedure, or as a final attempt to win the contract. In 2022 Veritas initiated six disciplinary actions for violations of the Code of Ethics (letter V of the Disciplinary Code). All of those actions ended in termination.

Eco+Eco's recycling plant (Eco+Eco "ricicla") was inspected by the authorities and the company is being criminally investigated for alleged environmental violations. The Compliance Committee is following the case. There are no legal issues involving the other Group companies.

In 2018 the company approved the "Regulations 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 service regulations" 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 include preparing and filing statements of tax withheld on amounts paid to

employees and outside contractors. 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 2022 Asvo made a single € 3,000 donation to Bibione spiaggia Srl for the sponsorship of a multilingual waste separation pamphlet. This was done in accordance with company rules. No subsidies, donations, contributions, or economic benefits were granted by other Group companies.

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 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 2022 made up 53% of the total (54% in 2021³ and 63% in 2020). This reflects the local nature of the services provided by Group companies. The decrease since 2020 should not be construed as a greater reliance on suppliers from outside the region, but rather as an improvement in data tracking, as some suppliers were previously counted twice. There were no significant changes in the supply chain from one year to the next.

³ The method of calculating the GRI 204-1 indicator was updated in 2021.

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 model;
- appointed an external 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;
- implemented a new procedure to assess the security measures of suppliers to which data processing is outsourced;
- adopted new regulations for GDPR compliance;
- 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 waste management service, the integrated water service, and cemetery services so it can make improvements based on the results.

In 2022 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 2022 and a total of 10,668 users were interviewed (7,860 domestic and 2,808 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 96.5 and a composite index of 91.

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 95.3 and the composite index is 86.7.

Integrated water service – Veritas			
	2022	2021	2020
general satisfaction index	95.3	96.0	96.0
composite satisfaction index	86.7	88.6	89.3

Integrated water service – comparison with national and Triveneto standards, 2022			
	Veritas	national standard	Triveneto standard
general satisfaction index (domestic users)	95.4	93.0	93.3
composite satisfaction index (domestic users)	86.9	86.3	87.3

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 water mains, the speed of providing estimates for new hookups, and telephone hold time before speaking to a live operator. Note, in any case, that the aspects to be improved earned a satisfaction score of more than 77.

For the waste management service provided by Veritas in 2022, the general satisfaction index was 93.9 and the composite index was 86.9.

Waste management service – Veritas			
	2022	2021	2020
general satisfaction index	93.9	94.1	96.2
composite satisfaction index	86.9	86.7	88.7

Waste management service – comparison with national and Triveneto standards, 2022			
	Veritas	national standard	Triveneto standard
general satisfaction index	93.9	90.9	95.3
composite satisfaction index	86.9	85.6	87.8

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, and personnel courtesy and competence. 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 time for responding to requests. The aspects to be improved earned a satisfaction score of more than 72.5.

As for the waste management services provided by Asvo, information was gathered in August and September 2022 and a total of 1110 users were interviewed (736 private and 374 commercial). The general satisfaction index in 2022 was 97.4 and the composite index was 91.0.

Waste management service – Asvo			
	2022	2021	2020
general satisfaction index	97.4	97.3	98.1
composite satisfaction index	91.0	91.9	91.3

Waste management service – comparison with national and Triveneto standards, 2022			
	Asvo	national standard	Triveneto standard
general satisfaction index	97.4	90.9	95.3
composite satisfaction index	91.0	85.6	87.8

Some of the highest rated aspects for Asvo are curbside pick-up of bulky items, hours of door-to-door collection, service at the recycling center, and wait time at public offices. There is room for improvement as concerns email response time and odor of roadside bins.

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 2022 and a sample of 451 cemetery visitors were interviewed. Surveys took the form of a semi-structured live questionnaire.

For Veritas, the general satisfaction index in 2022 was 98.2 and the composite index amounted to 94.6.

Cemetery services – Veritas

	2022	2021	2020
general satisfaction index	98.2	98.2	95.8
composite satisfaction index	94.6	96.5	92.4

Some of the highest rated aspects are burials and exhumations, summer and winter opening hours, general cemetery decor, accessibility, comfort and decor of administrative offices, and courtesy and helpfulness of personnel. Aspects to improve include the maintenance and repair of votive lights, which in any case receives a score of 80.3.

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. Three hundred people were interviewed.

Cemetery services – Asvo

	2022	2021	2020
general satisfaction index	100	99.5	99.5
composite satisfaction index	100	98.0	98.8

For cemetery services provided by Asvo, in 2022 both the general and composite indexes were 100.

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 2021-22, 2020-21, and 2019-20, by grade level and topic, specifying the number of classes and number of students participating in the lessons.

Teaching activities

	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

	school year 2019-2020		waste		water	
	classes	students	classes	students	classes	students
preschool	97	2,072	97	2,072	0	0
primary school	175	3,705	134	2,863	41	842
middle school	27	729	22	610	5	119
high school	102	2,491	81	2,007	21	484
foreigners/support staff	5	305	5	305	0	0
university	1	250	0	0	1	250
total	407	9,552	339	7,857	68	1,695

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 2022 the Group held plant visits and open houses:

Plant visits	school year 2021-2022	
	classes	students
Ecoprogetto	2	49
Scorzè 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 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 2022 there were 32 interns/trainees, compared with 7 in 2021 and 18 in 2020, before the programs were abruptly halted.

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 CO₂ emissions avoided.

6.3.2 Data privacy

In May 2022 an incident occurred that had to be classified as a data breach, requiring notification to the Data Protection Authority: Veritas was the subject of a phishing campaign in which customers received emails with links leading to sites that gather user names and passwords. Two customers did as the email instructed and clicked on the malicious links. The first customer's credentials were used to send mass phishing emails to other users, while the second customer's credentials were not utilized. No user data was lost.

After the attack, all customers were required to reset their passwords and any accounts left unchanged by the deadline were blocked. The link in the malicious email was also disabled. Once all interested parties had been notified, the country block was expanded to limit the risk of external access to the email system. The Security Operations Center in the IT department was put on heightened alert and tests were run to rule out compromise, unauthorized access and further impacts.

The Data Protection Authority was notified as required, and on December 19, 2022 it closed the case after approving the documentation submitted and acknowledging receipt of thorough information. No data privacy complaints were filed as a result of this incident.

In 2021 no data privacy complaints were filed nor were there any indications of other breaches.

In the spring of 2020 Veritas received an information request from the Data Protection Authority, following a complaint about the "Veritas Alert" service. The Group submitted a timely response and the Data Protection Authority dismissed the case.

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 m³ 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 2021 Veritas granted € 154,262 worth of subsidies to 5,661 households across the municipalities where it provides the water service; these households were made up of 15,820 individuals who benefited from the subsidies. The average subsidy per household amounted to around 27 euros (roughly 10 euros per person).

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. For 2022 the subsidy could not be paid as Veritas is waiting for the Authority to send the recipients' data.

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.gruppo-veritas.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

	2022	2021	2020
number of written complaints	89	100	115
rate of correct response time to written complaints	94%	99%	99%
number of written queries	235	348	544
rate of correct response time to written queries	93%	92%	97%

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	2022	2021	2020
number of complaints: cemeteries in Venice	35	51	46
number of queries: cemeteries in Venice	90	92	123
number of complaints: other municipalities	4	1	3
number of queries: other municipalities	5	3	1

7

The

EU Taxonomy

Regulation

7.1 ESG disclosures 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 eco-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" if they are outside the scope of the Taxonomy. The Taxonomy is therefore a single European classification system that establishes a list of environmentally sustainable activities.

As of this writing, through Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2022/1214, the European Commission has defined the list of activities that can make a substantial contribution to climate change mitigation and climate change adaptation and the related screening criteria.

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 adaptation. From 2022 reporting, such disclosures are extended to alignment.

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.

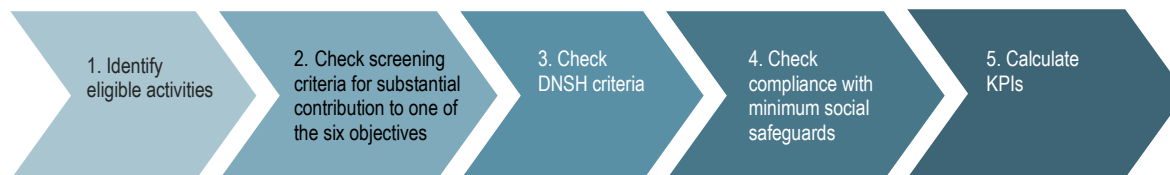
Therefore, as required by law, the Veritas Group conducted an analysis to identify its climate-related eligible and aligned activities. Veritas based its analysis on the delegated regulations and interpretative notes published by the European Commission,⁴ using its own judgment and interpretations of currently available information⁵ following the methodology and process described below.

⁴ 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. 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.

⁵ 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 of activities 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. As a result, three activities considered to be eligible in 2021 were removed from the list. The first two are Taxonomy activities “6.8. Inland freight water transport” and “6.9. Retrofitting of inland water passenger and freight transport,” identified in 2021 with reference to the watercraft used in the lagoon. Because these are watercraft used almost exclusively for the collection of municipal waste, and not strictly for freight transport, it seemed more appropriate to include them under activity “5.5. Collection and transport of non-hazardous waste in source segregated fractions,” where applicable, and activity “5.3. Construction, extension and operation of waste water collection and treatment” when used to drain sewer systems. The same logic was applied to land vehicles for the collection and removal of waste. As regards activity “9.1. Close to market research, development and innovation,” discussions with the managers of the Green Propulsion Laboratory (GPLab),⁶ the research and development platform created under the agreement between the municipality of Venice and the Environment Ministry for the requalification of the Porto Marghera hub, led to the conclusion that the projects underway are non-eligible because their aims differ from those currently endorsed by the EU Taxonomy: eligible R&D projects are currently limited to direct air capture of CO₂ and the reduction, prevention or elimination of greenhouse gas emissions.

The following is a list of the Veritas Group's eligible activities under the EU Taxonomy.

⁶ For more information on GPLab projects, see Section 3.2.4.

macrocategory of activities	#	EU Taxonomy eligible activities
Water service activities	5.1	Construction, extension and operation of water collection, treatment and supply systems.
	5.2	Renewal of water collection, treatment and supply systems, including renewals to water collection, treatment and distribution infrastructures for domestic and industrial needs. Implies no material changes to the volume of flow collected, treated or supplied.
	5.3	Construction, extension and operation of centralized waste water systems including collection (sewer network) and treatment.
	5.4	Renewal of centralized waste water systems including collection (sewer network) and treatment. Implies no material change related to the load or volume of flow collected or treated in the waste water system.
Waste management activities	5.5	Separate collection and transport of non-hazardous waste in single or commingled fractions aimed at preparing for reuse or recycling.
	5.9	Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes.
Energy activities	4.1	Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic technology.
	4.15	Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.
	4.16	Installation and operation of electric heat pumps.
Other activities	6.5	Purchase, financing, leasing and operation of vehicles designated as category M1, N1 both falling under the scope of Regulation (EC) No 715/2007, or L (2- and 3-wheel vehicles and quadricycles).
	6.6	Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor for freight transport services by road.
	7.1.	Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realize the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis.
	7.2	Construction and civil engineering works or preparation thereof.
	7.3.	Installation, maintenance and repair of energy efficiency equipment.
	7.4.	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).

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

For each activity identified as eligible, the technical screening criteria were checked to see whether it makes a substantial contribution to one of the two climate objectives. For the Veritas Group, some activities were found to make a substantial contribution to the objective of climate change mitigation. The method for determining this was to calculate quantitative indicators, gather qualitative information and analyze 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)⁷ 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.

⁷ DNSH criteria can either be general or specific to individual activities. The general criteria are listed in the five appendixes to annexes I and II of the "Climate Delegated Act."

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 labor 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 370018, which

⁸ 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.

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.⁹ 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.

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."

5. Calculate KPIs

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 consolidated and separate financial statements and from the management accounts (which are squared against the separate financial statements) to be associated with the three KPIs.

Financial data was analyzed at a more granular level than in 2021, moving from an analysis by strategic business area (SBA) to a more precise association with the individual taxonomy activities.

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 to obtain specific numerical values and percentages.

Below is a more detailed description of the numerators and denominators of the three KPIs.

⁹ Such as Law 190/2012, Legislative Decree 33/2013, and Legislative Decree 39/2013 (as amended).

1 Turnover KPI

■ Numerator

The numerator is net revenue from sales and services from the activities identified for Taxonomy purposes. It was determined by analyzing the account items in detail, along with the companies' T-accounts where necessary, to extract the revenue earned from eligible activities. All intercompany transactions were then eliminated to avoid double counting.

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 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, as shown in item A1) Revenues from sales and services of the 2022 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 eligible and aligned activities, the individual OpEx items included in the denominator were analyzed with support, where necessary, from analytical accounting information. As described above for turnover, for OpEx, too, the separate collection rate was used in the case of combined collection activities, in order to exclude the portion referring to mixed waste.

To find the shares of operating expenses from eligible activities, aligned activities, and activities that make a substantial contribution to climate change mitigation, OpEx was then matched 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 turnover pertaining to each system by using the treatment capacities of the facilities downstream.

■ 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 eligible activities. For all companies, the association was made on the basis of the names and line items of the assets. For Veritas, it was also based on cost centers. 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. Each expenditure 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 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, 62.6% of *Turnover*, 38.6% of *OpEx*, and 55.5% of *CapEx* can be attributed to Taxonomy-**eligible** activities.

The assessment of **substantial contribution** to one of the two climate objectives showed that 46.5% of *Turnover*, 26.1% of *OpEx*, and 19.9% of *CapEx* in 2022 stem from activities that make a substantial contribution to **climate change mitigation**. Primarily, these concern the separate collection and transportation of non-hazardous waste and the operation of water supply systems. Lesser contributions are also made by the Gazzera district heating system, the photovoltaic panels at the Group's plants and office buildings, the installation of energy efficiency devices and electric vehicle charging columns, the energy-efficient renovation of office buildings, and the construction of the new Cdo3 head office building which will have a primary energy requirement at least 10% lower than the threshold for nearly zero energy buildings (NZEBS), as well as some electric vehicles in the company's fleet.

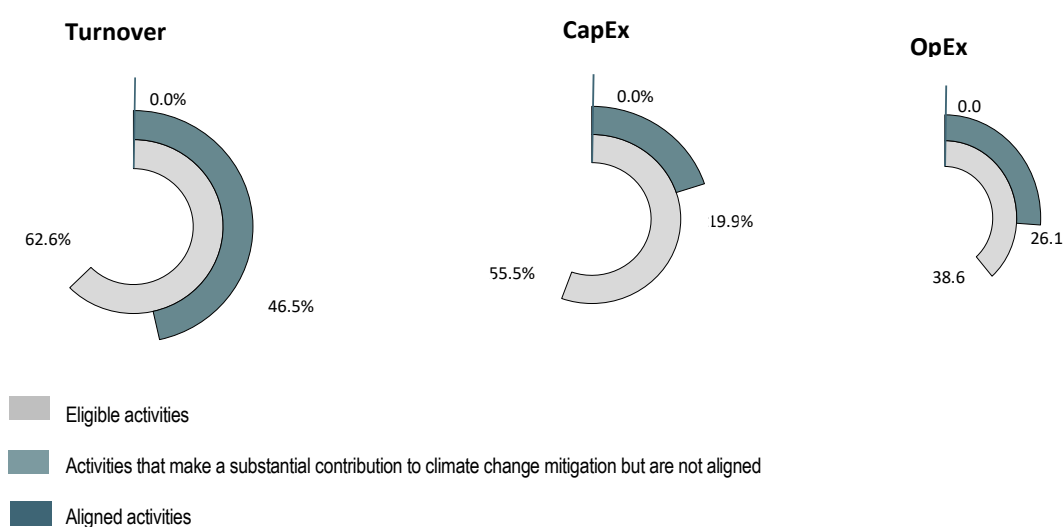
However, no share of *Turnover*, *OpEx*, or *CapEx* met the alignment criteria.

This is mainly due to the lack, at present, of a robust analysis of climate change risks and of a plan to adapt activities to comply with the DNSH requirement concerning *Climate change adaptation*. In light of this outcome, the Veritas Group has initiated a process for just such an analysis.

The water treatment plants, with the exception of three reduced-capacity facilities, are unable to stay within the energy intensity limits set by the EU Taxonomy; the same applies to the **renewal** of water supply and sewer systems. Finally, as concerns the reuse of non-hazardous waste, the Metalrecycling plant cannot guarantee the conversion of 50% of incoming waste into secondary raw materials as required by the technical screening criteria.

The graphs below summarize the results of the analysis and show the extent to which the Veritas Group's activities are "eligible," "make a substantial contribution to climate change mitigation," and/or are "aligned" pursuant to the EU Taxonomy Regulation for 2022. They are followed by detailed Taxonomy tables.

Summary of alignment to the EU Taxonomy



EU Taxonomy tables

Share of turnover from eligible and aligned activities

Reporting year: 2022

Economic activities	Code	Turnover (in euros) €	Share of turnover %	Substantial contribution		DNSH criteria							Minimum safeguards yes/ no	Share of turnover aligned with the Taxonomy, 2022 %
				Climate change mitigation %	Climate change adaptation %	Climate change mitigation yes/ no	Climate change adaptation yes/ no	Water and marine resources yes/ no	Circular economy yes/ no	Pollution yes/ no	Biodiversity and ecosystems yes/ no			
A. Eligible activities														
A.1 Environmentally sustainable activities aligned with the taxonomy														
A.1 Turnover of environmentally sustainable activities aligned with the taxonomy		0	0%										0%	
A.2. Eligible activities that are not aligned with the taxonomy														
<i>Electricity generation using solar photovoltaic technology</i>	4.1.	244,094	0.1%	100%	0%	no		no		yes	yes	0%		
<i>District heating/cooling distribution</i>	4.15.	67,364	0.0%	100%	0%	no	yes		no	yes	yes	0%		
<i>Construction, extension and operation of water collection, treatment and supply systems</i>	5.1.	77,125,613	16%	100%	0%	no	yes			yes	yes	0%		
<i>Construction, extension and operation of waste water collection and treatment</i>	5.3.	76,131	0.0%	100%	0%	no	yes		yes	yes	yes	0%		
<i>Collection and transport of non-hazardous waste in source segregated fractions</i>	5.5.	147,031,151	30%	100%	0%	no		yes			yes	0%		
<i>Construction of new buildings</i>	7.1.	121,596	0.0%	100%	0%	no	yes	yes	yes	yes	yes	0%		
A.2.1 Turnover from eligible activities that make a substantial contribution to at least one taxonomy objective but are not aligned		224,665,949	47%											
<i>Construction, extension and operation of waste water collection and treatment</i>	5.3.	65,878,118	14%											
<i>Material recovery from non-hazardous waste</i>	5.9.	11,938,703	2.5%											
A.2.2 Turnover from eligible activities that do not make a substantial contribution to at least one taxonomy objective		77,816,822	16%											
A.2.1. + A.2.2. Turnover from eligible activities that are not aligned with the taxonomy		302,482,771	63%											
Total A.1 + A.2.1. + A.2.2.		302,482,771	63%											
B. Non-eligible activities														
B Turnover from non-eligible activities		180,817,166	37%											
Total (A+B)		483,299,937	100%											

Share of capital expenditure associated with eligible and aligned activities
Reporting year: 2022

Economic activities	Code	Turnover (in euros) €	Share of turnover %	Substantial contribution		DNSH criteria							Minimum safeguards yes/ no	Share of turnover aligned with the Taxonomy, 2022 %	Qualifying activities A
				Climate change mitigation %	Climate change adaptation %	Climate change mitigation yes/ no	Climate change adaptation yes/ no	Water and marine resources yes/ no	Circular economy yes/ no	Pollution yes/ no	Biodiversity and ecosystems yes/ no				
A. Eligible activities															
A.1 Environmentally sustainable activities aligned with the taxonomy															
A.1 CapEx from environmentally sustainable activities aligned with the taxonomy		0	0%										0%		
A.2. Eligible activities that are not aligned with the taxonomy															
<i>Electricity generation using solar photovoltaic technology</i>	4.1.	127,730	0.2%	100%	0%		no		yes		yes	yes	0%		
<i>Installation and operation of electric heat pumps</i>	4.16.	34,316	0.0%	100%	0%		no	yes	no	yes		yes	0%		
<i>Installation and operation of electric heat pumps</i>	4.16.	3,459	0.0%	100%	0%		no	yes	no	no		yes	0%		
<i>Construction, extension and operation of water collection, treatment and supply systems</i>	5.1.	10,483,431	12%	100%	0%		no	yes			yes	yes	0%		
<i>Construction, extension and operation of waste water collection and treatment</i>	5.3.	6,922	0.0%	100%	0%		no	yes		yes	yes	yes	0%		
<i>Collection and transport of non-hazardous waste in source segregated fractions</i>	5.5.	5,705,256	6.7%	100%	0%		no		yes			yes	0%		
<i>Transport by motorbikes, passenger cars and commercial vehicles</i>	6.5.	11,978	0.0%	100%	0%		yes		yes	no		yes	0%		
<i>Transport by motorbikes, passenger cars and commercial vehicles</i>	6.5.	179,376	0.2%	100%	0%		no		yes	no		yes	0%		
<i>Construction of new buildings</i>	7.1.	99,980	0.1%	100%	0%		no	yes	yes	yes	yes	yes	0%		
<i>Renovation of existing buildings</i>	7.2.	13,769	0.0%	100%	0%		no	no	no	no		yes	0%		
<i>Installation, maintenance and repair of energy efficiency equipment</i>	7.3.	12,262	0.0%	100%	0%		no			yes		yes	0%	A	
<i>Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</i>	7.4.	178,196	0.2%	100%	0%		no					yes	0%	A	
A.2.1 CapEx from eligible activities that make a substantial contribution to at least one taxonomy objective but are not aligned		16,856,673	20%												
<i>Installation and operation of electric heat pumps</i>	4.16	8,216	0.0%												
<i>Renewal of water collection, treatment and supply systems</i>	5.2.	8,096,336	9.6%												
<i>Construction, extension and operation of waste water collection and treatment</i>	5.3.	13,419,215	16%												
<i>Renewal of waste water collection and treatment</i>	5.4.	7,115,177	8.4%												
<i>Material recovery from non-hazardous waste</i>	5.9.	383,824	0.5%												
<i>Transport by motorbikes, passenger cars and commercial vehicles</i>	6.5.	191,785	0.2%												
<i>Freight transport services by road</i>	6.6.	244,135	0.3%												
<i>Construction of new buildings</i>	7.1.	47,225	0.1%												
<i>Renovation of existing buildings</i>	7.2.	193,291	0.2%												
<i>Installation, maintenance and repair of energy efficiency equipment</i>	7.3.	357,354	0.4%												
A.2.2 CapEx from eligible activities that do not make a substantial contribution to at least one taxonomy objective		30,056,558	36%												
A.2.1. + A.2.2. CapEx from eligible activities that are not aligned with the taxonomy		46,913,231	56%												
Total A.1 + A.2.1. + A.2.2.		46,913,231	56%												
B. Non-eligible activities															
B CapEx from non-eligible activities		37,622,268	45%												
Total (A+B)		84,535,500	100%												

Share of operating expenditure recognized by the Taxonomy
associated with eligible and aligned activities
Reporting year: 2022

Economic activities	Code	Turnover (in euros) €	Share of turnover %	Substantial contribution		DNSH criteria							Share of turnover aligned with the Taxonomy, 2022 %
				Climate change mitigation %	Climate change adaptation %	Climate change mitigation yes/ no	Climate change adaptation yes/ no	Water and marine resources yes/ no	Circular economy yes/ no	Pollution yes/ no	Biodiversity and ecosystems yes/ no	Minimum safeguards yes/ no	
A. Eligible activities													
A.1 Environmentally sustainable activities aligned with the taxonomy													
A.1 OpEx from environmentally sustainable activities (aligned with the taxonomy)		0	0%									0%	
A.2 Eligible activities that are not aligned with the taxonomy													
<i>District heating/cooling distribution</i>		4.15.	833	0.0%	100%	0%	no	yes	no	yes	yes	0%	
<i>Construction, extension and operation of water collection, treatment and supply systems</i>		5.1.	6,637,572	12%	100%	0%	no	yes		yes	yes	0%	
<i>Construction, extension and operation of waste water collection and treatment</i>		5.3.	7,989	0.0%	100%	0%	no	yes	yes	yes	yes	0%	
<i>Collection and transport of non-hazardous waste in source segregated fractions</i>		5.5.	8,426,567	15%	100%	0%	no		yes		yes	0%	
A.2.1 OpEx from eligible activities that make a substantial contribution to at least one taxonomy objective but are not aligned		15,072,961	26%										
<i>Construction, extension and operation of waste water collection and treatment</i>		5.3.	6,912,883	12%									
<i>Material recovery from non-hazardous waste</i>		5.9.	111,864	0.2%									
<i>Transport by motorbikes, passenger cars and commercial vehicles</i>		6.5.	187,969	0.3%									
<i>Freight transport services by road</i>		6.6.	5,511	0.0%									
A.2.2 OpEx from eligible activities that do not make a substantial contribution to at least one taxonomy objective		7,218,227	13%										
A.2.1. + A.2.2. OpEx from eligible activities that are not aligned with the taxonomy		22,291,188	39%										
Total A.1 + A.2.1. + A.2.2.		22,291,188	39%										
B. Non-eligible activities													
B OpEx from non-eligible activities		35,481,442	61%										
Total (A+B)		57,772,630	100%										

Regarding the disclosures pursuant to Articles 8(6) and 8(7) of Commission Delegated Regulation (EU) 2021/2178 which require use of the templates provided in Annex XII for the disclosure of activities related to nuclear energy and natural gas, the Veritas Group has omitted all such templates as they are not applicable to its activities.



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.

The NFS 2022 covers the period January 1 – December 31, 2022 which coincides with the financial reporting period; it includes the parent company, Veritas SpA, and all companies consolidated on a line-by-line basis in the consolidated financial statements of the Veritas Group. The scope of reporting does not include Mive Srl and Consorzio bonifica e riconversione produttiva Fusina, due to imminent liquidation and lack of personnel.

The previous non-financial statement was published in June 2022. This statement (in the original Italian) is due to be published in June 2023. The information and data it includes refer to the years 2022, 2021, 2020.

Of note for 2022 are the merger of Ecoprogetto and Eco-ricicli into Eco+Eco (without changing the scope of operations or the impacts of these companies with respect to 2021 reporting), the absorption of Veritas Conegliano (without changing operations or impacts with respect to 2021), and the creation of a new company, "Ecodistretto trasporti Srl," which at the moment is not yet active and therefore brings no changes to the operations or impacts reported with respect to the previous year.

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 25, 2022.

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 (2022, 2021, 2020).
 - **Calculation of indirect emissions** (Scope 2)

National emissions inventory *Fattori di emissione per la produzione ed il consumo di energia elettrica in Italia*, Ispra 2022 (location-based approach); *European residual mixes 2021 – AIB 2022* (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 (2022, 2021, 2020).
- 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.



9

GRI

Content

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Statement of use – The Veritas Group has reported in accordance with the GRI standards for the period January 1, 2022 - December 31, 2022.

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					
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2-7	Employees	70			
2-8	Workers who are not employees	70			
2-9	Governance structure and composition	11-15			
2-10	Nomination and selection of the highest governance body	11-12			
2-11	Chair of the highest governance body	11			
2-12	Role of the highest governance body in overseeing the management of impacts	11-12			
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2-14	Role of the highest governance body in sustainability reporting	11-12			
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2-16	Communication of critical concerns	12			
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2-26	Mechanisms for seeking advice and raising concerns	101-102			
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TOPIC QUALITY OF WATER DELIVERED					
3-3	Management of material topics	30, 39-40, 53-55			
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3-3	Management of material topics	30-33, 39-40			
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303-5	Water consumption	53			
TOPIC WATER MANAGEMENT: QUALITY OF WATER RETURNED TO THE ENVIRONMENT					
3-3	Management of material topics	30, 56-58			
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TOPIC MANAGEMENT OF SEWAGE SLUDGE					
3-3	Management of material topics	31, 49-50, 58			
306-3	Waste generated	46, 58			
TOPIC ENERGY CONSUMPTION					
3-3	Management of material topics	31, 45			
302-1	Energy consumption within the organization	41-42			

standard GRI	Disclosure	Location (pg.)	Omissions		
			Omitted Requirement	Reason	Explanation
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10 Independent Auditors' Report

**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, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on May 25, 2023 (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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* 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. Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains 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. 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 Centrale Sant'Andrea in Venice, the industrial waste water treatment plant - SG31 in Fusina (VE), and the Valorizza plant of Eco+Eco S.r.l. in Fusina (VE), 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, 2022, 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".

Other matters

The NFS for the year ended December 31, 2020, and 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, 2022 expressed an unmodified conclusion.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Boaro
Partner

Treviso, Italy
June 8, 2023

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