alperia

Sustainability Report 2023

Consolidated non-financial statement
pursuant to Legislative Decree No. 254/2016

Contents

LETTER TO STAKEHOLDERS

Dear Readers,

This is the last year of our Sustainability Report. Or rather, it is the last year in which the Report will follow this form and these measurement criteria. From 2024, we will follow the requirements of the European Corporate Sustainability Reporting Directive (CSRD), which requires that sustainability information be placed within the management report and not in a separate document. This will make it possible to increasingly integrate financial information with that related to sustainability, providing a complete view of the Group's operations, not only in economic terms but also in relation to the impacts on the territory and the community.

This change becomes a (further) opportunity to look back and analyse the path we have taken in recent years. In 2016 we started to create a Group-wide structured sustainability management system in Alperia, and in 2017 we published our first Sustainability Report. We involved our stakeholders to jointly define the materiality analysis, i.e. identifying sustainability issues on which we place our attention and commitment. From the very beginning, the main objectives of our programme included increasing employee and customer satisfaction, increasing the share of turnover derived from the sale of sustainable products and services, enhancing the Smart Region, reducing energy consumption and greenhouse gas emissions, and creating an added value of EUR 1.2 billion in five years. Goals that we can say, to a large extent, that we have achieved, redoubling our efforts for the future. Alperia is today a leading Group at national level, producing clean energy from renewable sources (mainly from hydroelectric power with the aim of increasing the share of photovoltaics, biomethane and hydrogen in the future), managing the electricity grid, dealing with district heating systems and electric mobility, fostering the development of innovative projects for the environment and guiding the energy transition. All this with a **customer centricity** approach. The needs of our customers are at the centre of our work, and we are at their disposal with our 'one-stop shop' strategy. That is: one face to meet multiple needs for green energy innovation.

Our sustainable vision

As of 2022, we have integrated sustainability into our business strategies and have three essential documents to define the missions and impacts of our activities in the long term: **the 2031 Vision, the 2023-2027 Business Plan,** with which we have forecast EUR 1 billion in total investments, with great attention to the economic and social territorial impact and an EBITDA growth to over EUR 300 million in 2027, and **the 2022-2027 Sustainability Plan.** Here again, we involved our stakeholders to analyse trends and needs, assessing the main risks for Alperia and our prospective positioning.

In 2023, we launched our **first 'green' public bond, attracting** great interest from international investors, with applications for around EUR 1 billion. A significant portion of EUR 500 million was dedicated to financing and/or refinancing projects that generate environmental benefits, the so-called 'Eligible Green Projects', selected on the basis of specific evaluation criteria defined in our Green Finance Framework. In 2023, 81% of our financed projects (CAPEX) were aligned to the EU Taxonomy.

Smart, safe and resilient

In order to make our services more efficient and our plants **safer and more resilient**, we have developed timely infrastructure monitoring and maintenance activities, investing a total of EUR 175 million. Measures implemented in the past year alone include the installation of six new primary substations, the upgrading of low- and medium-voltage plants, the revamping of some hydroelectric plants, and the start-up of two green hydrogen investments, both financed with PNRR funds.

With our activities we are contributing to **making our region increasingly smart and green**: in 2023 alone, we invested EUR 13.6 million with our Smart Region Business Unit for this purpose. One example of this is what we have done with Alperia Green Future, a company founded in 2022 by Alperia Bartucci S.r.l. and Greenpower Group, with which we have put in place a **strategic consulting** activity for the **decarbonisation of businesses and public administration** with energy diagnoses and artificial intelligence solutions, and with which, in 2023 alone, we have launched 23 EPC (Energy Performance Contracts), with a clearly growing trend in photovoltaics. On domestic photovoltaics, in particular, we aim to become a benchmark for the market. At the same time, with Neogy, we have contributed to making Trentino-Alto Adige the area with the best infrastructure in Italy and one of the best in Europe, managing 643 columns and inaugurating in 2023 **the first public recharging hub** in Trentino-Alto Adige dedicated to electric cars. Finally, at the same time, we have been working on smart health, developing the Care4u device, a healthcare solution already active at home and in some organised facilities in the area.

In the field for the climate

Alperia has equipped itself with an energy manager and defined a climate strategy that envisages punctual monitoring, emission reduction (also through the adoption of new technologies) and offsetting actions, with adhesion to specific climate protection programmes. From 2020, we have started to offset all currently non-avoidable Scope 1 and 2 operational emissions and are improving our Scope 3 emissions to accelerate the pathway to **Net Zero**.

During 2023, we further streamlined our monitoring and sent our short- and long-term decarbonisation targets to the Science Based Targets Initiative (SBTi) for validation, aligning our climate strategy with the goals of the Paris Climate Agreement.

Our commitment is concrete and steadily advancing: in 2023 alone, we avoided 1,699,763 emissions (tCO$_2$e), and we have the goal of avoiding, by 2027, more than 1,379 kton CO$_2$e and, by 2031, 2,000 kton CO$_2$e. These are goals to which all of our companies contribute: Alperia Ecoplus (which operates the district heating plants), Alperia Greenpower and Alperia Vipower (which operate the hydroelectric power plants) have in fact certified their sites according to ISO 14001:2015. We also certified the Ponte Gardena hydroelectric power plant and the Bolzano district heating plant, the Alperia Dodiciville site and the Sesto district heating plant to ISO 50001, while Edyna was the first distributor in Italy to hold ISO 14067 certification.

With all these measures we are also actively contributing to the realisation of the South Tyrol Climate and Energy Plan, acting as a strategic partner in advancing the energy transition. In addition, as per our targets, we continue to increase the share of turnover achieved with **sustainable products and services**, which has risen from 31% to 71% since 2017.

Close to people and the community

We are aware that the last few years have not been easy, especially for customers and the population: first Covid, then geopolitical tensions and high energy prices. We have tried to cope with these waves, creating dedicated and advantageous offers for households and businesses, implementing important social responsibility measures and strengthening our call centres to respond to enquiries and complaints.

From 2023, in particular, in order to strengthen the relationship with customers, Alperia has reorganised the structure from a customer-centric perspective by creating one department dedicated to complaints, one to conciliation and one to customer service. Within this new unit, the Contact Centre was set up to deal with external requests. Thanks to the efficiency of the internal Contact Centre department, which is also supported by an external Contact Centre, we are able to process customer files within a maximum of 48 hours. In addition, within the new Customer Service organisational unit, we created the 'Service Support' unit with the role of supporting the sales structure and liaising between all internal departments. Since its creation, the team has handled more than 20,000 requests, processing open tickets in a timely manner.

We also believe in the importance of being a reliable employer that is attentive to people's needs. We have a workforce of over 1,000 employees that we involve in training (over 34,778 hours of training in 2023 alone) and growth activities, with career development plans, feedback interviews, leadership workshops and initiatives aimed at strengthening the psychological and physical well-being of our human capital. We believe in **equal opportunities** and are working to increase the number of women – with equal skills and merit – throughout the Group. To this end, we have equipped ourselves with a Diversity Manager and a Diversity Policy with which we activate measures aimed at facilitating work/family reconciliation, extending the use of parental leave by men, and progressively reducing the gender pay gap.

All these measures are consistent with the commitments we have made to the community. In 2023 we created EUR 401 million in added value for the area, generated through payments to public bodies, remuneration and benefits for staff, appointments to local companies, sponsorships, donations and dividends to local shareholders. Added to all this is **Community Investment**: a new function created in 2023 to develop long-term projects for the benefit of the local community. With the cooperation of the stakeholders, we have selected projects that we will work on, two of which are dedicated to biodiversity and reforestation.

A recognised commitment

Our commitments have been the subject of numerous **national and international awards**, acknowledgements that make us proud and serve as an incentive to improve even further.

We were the first utility listed among the Financial Times' Europe's Climate Leaders 2023, due to our progress in reducing greenhouse gas emissions and our commitment to the environment.

Our climate strategy was also noted by the international news agency Reuters, which invited us to present our experience at COP28, the Conference of the Parties of the UN Framework Convention on Climate Change, in Dubai, as part of the Leadership Interviews.

Alperia also won a gold medal in the annual assessment of EcoVadis, an international eco-sustainability rating, which measures achievements in the areas of Environment, Labour & Human Rights, Ethics, and Sustainable Procurement, and was awarded a score of 75 out of 100, an improvement of ten points over the previous survey.

For our proximity to families and our respect for the environment, we won two important awards at the Promotion Awards 2023 (in the Field Marketing category and in the Shopper Marketing & Brand Activation category); for our commitment to research and development, we were recognised as one of the best companies in the "'RSE Research & Innovation'" ranking assigned by Top Utility, an award dedicated to excellence in the public utilities sector, while Corriere della Sera, Pianeta 2030 and Statista, a company specialising in market research rankings and analysis of company data, have indicated us as one of the ""Most Climate-Conscious Companies"", placing us in the top ten among the utilities.

These awards are the result of a journey that we started only a few years ago but which we have strengthened year by year and have continued to integrate in our DNA. Today, sustainability is one of our **core values** and is at the heart of our **purpose** and **mission**. Indeed, we are determined to be part of the energy transition, to be the driver of green change, with the knowledge that **there can be no future without sustainable energy.**

Maurizio Peluso   Flora Kröss   Luis Amort

HIGHLIGHTS

BUSINESS

In 2023, Alperia carried out some important corporate transactions in line with the company's business strategies. In particular, it set up the new company AlpsGo S.r.l. with the cooperative Carsharing Südtirol Alto Adige to strengthen the presence of electric carsharing in the territory and merged the company Solar Total Italia S.r.l. into Alperia Green Future S.r.l. It also sold 100% of the share capital of Edyna Transmission S.r.l. to Terna – Rete Elettrica Nazionale S.p.A. and closed the dissolution of the Romanian company Bluepower Connection S.r.l., which was controlled by Alperia Green Future S.r.l.

In 2023, Alperia also received numerous awards for its commitment to sustainable business. In particular, it was honoured by Promotion Awards 2023 for its proximity to families and respect for the environment. It won first place in the Field Marketing category with the "Alperia Family Day" campaign and first place in the Shopper Marketing & Brand Activation category with "Drive To Green Energy".

Corriere della Sera, Planet 2030 and Statista called Alperia one of the 'most climate-conscious companies'. The international news agency Reuters also recognised the value of our achievements, so much so that Alperia was invited to participate in the Leadership Interview at COP28, the United Nations Climate Change Conference held in Dubai. We were also cited among the Financial Time's' Europe's Climate Leaders 2023, ranking first among the Italian utilities.

STRATEGY

Alperia has updated the objectives of the Business Plan defined in 2022 and has set itself the target of investing EUR 850 million by 2027, with a focus on the economic and social territorial impact, of which EUR 560 million will be invested in the Group's traditional sectors. These investments will be deployed in several business areas and should enable Alperia to play a leading role in the sustainable transition, producing clean energy from renewable sources (hydroelectric, but also biomethane, photovoltaics, hydrogen and district heating), reducing emissions by 70% by 2031, offsetting non-avoidable emissions and reaching Net Zero by 2040. At the same time, we will pursue important results of a social nature, including: increasing the proportion of women in the company and in first- and second-level management and reducing the gender pay gap between female and male employees, reviewing the procurement process from an ESG perspective, increasing the weight of the variable remuneration portion linked to ESG performance for top management, developing a multi-channel strategy and expanding the customer base. All this while pursuing our vision of customer centricity characterised by the 'one-stop shop' in order to increasingly become a point of reference for our customers.

INTEGRATED GOVERNANCE

To achieve its sustainability goals, Alperia has integrated aspects of corporate responsibility into its management and its daily decisions. In 2023, it had its level of sustainability integration in governance measured for the fifth year using the Integrated Governance Index (IGI) and achieved an improved rating compared to the previous result, ranking fifth among the unlisted companies.

During the year, it also launched an ESG training plan for the workforce and management with the aim of increasing the trained population to 90% by 2027.

We also received the second EcoVadis rating, obtaining the gold medal with a score of 75 out of 100 (ten points higher than the previous survey). The award was given in recognition of Alperia's sustainability achievements in four key areas: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement.

RISK ANALYSIS

Alperia has integrated the non-financial risks associated with the main areas of action outlined in the Sustainability Report (Employees, Green Mission, Territory, Customers, Development, ESG and Innovation) and the objectives set. Aware of how decisive climate change can be for the business, Alperia has started an in-depth analysis of Climate Change risk, defining impacts and possible mitigation with the Climate Risk and Vulnerability Assessment. For this purpose, Alperia organised a workshop to discuss climate change risk in collaboration with experts from Eurac Research. ESG training was also carried out to enhance the knowledge of Alperia's Board and management on these issues. Similarly, we drew up an

IT security plan and launched a project dedicated to planning and managing liquidity risk with the aim of optimising financial risk management and ensuring stable exposure to financial instruments.

SUSTAINABLE FINANCE

In 2023, Alperia launched its first 'green' public bond. Subscription requests for about EUR 1 billion were made, and more than 10% of the new Green Bond was subscribed by local banks and funds. Approximately EUR 500 million was used to finance and/or refinance projects that generate significant environmental benefits, the so-called 'Eligible Green Projects', selected on the basis of the evaluation criteria defined in the Green Financing Framework (GFF) that Alperia published in May 2023 and the corresponding operating and capital costs. These projects, which pursue one or more of the goals of the UN's 2030 Agenda for Sustainable Development or Sustainable Development Goals (SDGs), are divided into the categories: 'Renewable energy', 'Energy efficiency' and 'Clean transportation'. In 2023, Alperia received the Fitch agency's confirmation of its investment grade "BBB" rating, with a "negative" outlook. Alperia also received ESG ratings from the Fitch rating agency. The company's overall ESG performance was rated 2 (with an overall score of 80/100). Alperia's Green Bond 2023 received the highest rating (1), highlighting the high environmental and social standards in its financial instruments. The Green Financing Framework received a score of 2, reinforcing the robustness and transparency of the ESG framework of Alperia. In addition, the Green Bond Allocation Report 2023 was prepared, where this topic is described in detail.

SECURITY OF SUPPLY

In 2023, Alperia invested EUR 69 million to maintain and renew its power distribution infrastructure. In detail: the distributor Edyna carried out activities such as line burial (increased by up to 77%), voltage changeover, decommissioning of 110,522 metres of MV lines, replacement of secondary substation transformers and much more in order to improve network efficiency and resilience. Unplanned distribution network outages compared to 2022 were -6% for the SAIFI index and +9% for the SAIDI index. Area inspections with drones were also carried out for the first time. In 2023, work also continued on the networking of small energy producers through photovoltaic systems, and we started work on the new primary cabin in Vandoies. In addition to this, other projects financed by the NRP are planned and concern the upgrading of the medium-voltage grid in Val Senales, the construction of the new connection between the primary cabin in Dobbiaco and the future cabin in Sesto Pusteria, and the installation of a new transformer at the primary cabin in Val di Nova. In 2023, EUR 12.8 million will also be invested to expand the district heating networks in Bolzano and Merano and to carry out maintenance and innovation projects in the plants. Investments in hydroelectric plants, on the other hand, amounted to EUR 61.8 million and were used for the partial renovation (revamping) of some plants and for other activities to improve infrastructure safety, environmental impact and reliability. In addition, two investments on green hydrogen were started, aimed at the creation of a hydrogen filling station in Brunico and the implementation of a production plant in Bolzano Sud.

SUSTAINABLE PRODUCTS AND SERVICES

In 2023 Alperia generated about 4.6 TWh/year of energy that it made available to private and corporate customers, generating EUR 2.7 billion in revenue. The share of turnover generated by sustainable products and services is 71%. Green products include: Green Energy, Green Gas, Smart Land, Alperia MyHome and the artificial intelligence devices Sybil, managed by Alperia Green Future. The company also offers decarbonisation programmes, strategic consulting, energy performance contracts and, from 2023, has opened two more areas dedicated to the B2B world and public administration. These are complemented by energy efficiency and reduction activities carried out within Alperia, such as the optimisation of the opening/closing of a bulkhead in Val Sarentino to improve water management and the application of Sybil Industrial to the district heating network in Chiusa.

During 2023, Alperia also signed several new PPAs (Power Purchase Agreements), i.e. long-term contracts with certified energy from renewable sources.

Alperia, with its Smart Region Business Unit, is also pursuing other important innovation projects, e-mobility, Renewable Energy Communities and smart health. For green mobility, in particular, Alperia's joint venture, Neogy, inaugurated Trentino-Alto Adige's first public recharging hub dedicated to electric cars and continued to expand the number of recharging points in the area, managing recharging stations. In addition, the e-health start-up Care4u launched the first home healthcare device. The technology has already been adopted by some clinics in the area (in Bolzano at Villa Europa, at the hospital, at the Residenza Girasole), in Terlano, in Egna, in Montagna and at the Civica di Trento.

CUSTOMER SATISFACTION

In 2023, a market survey was conducted to survey customer satisfaction, which was 73%. Compared to the previous survey conducted in 2021, customer satisfaction decreased but is in line with a general industry trend due to increases in electricity costs caused by global geopolitical conditions. With the aim of improving customer relations and the overall quality of services while minimising complaints, Alperia in 2023 established two areas: Contact Centre and Complaints & Conciliation. Also within the new Customer Service organisational unit, the Service Support unit was created to support the sales structure and liaise between all internal departments. Since its creation, the team has handled more than 20,000 requests, processing open tickets in a structured and timely manner. Thanks to the reorganisation carried out in 2023, the percentage of calls answered by the hotline rose from 85% to 96%. Finally, to be closer to communities, in 2023, Alperia opened a new Energy Point at the Conè shopping centre in Conegliano (Treviso), and we extended our presence to the provinces of Brescia and Mantua by opening Energy Corners. All energy and gas products are designed for SME Retail and are all green products.

GREEN MISSION

Alperia promotes rational and responsible energy consumption by supporting energy efficiency and energy-saving measures. The companies Alperia Ecoplus (which operates the district heating plants), Alperia Greenpower and Alperia Vipower (which operate the hydroelectric power plants) have certified their sites according to ISO 14001:2015 and are EMAS-registered. In addition, after having certified the Ponte Gardena hydroelectric power plant and the Bolzano district heating plant to ISO 50001, Alperia has also certified the Dodiciville site and the Sesto district heating plant, while Edyna was the first distributor in Italy to obtain the ISO 14067 for its electricity distribution service. We also hold ISO 9001 for quality management, 45001 for occupational health and safety management, and 27001 for security and data protection.

Alperia mainly uses energy from renewable sources for its plants and offices: in 2023 the Group's direct and indirect energy consumption will amount to 3,633 TJ, 42% from non-renewable sources and 58% from renewable sources. To raise awareness on the conscious use of energy, Alperia has launched an information campaign on the company intranet and developed a poster activity with messages conveyed by a mascot, the firefly Lucy.

In 2023, Alperia submitted its short- and long-term decarbonisation targets to the Science Based Target initiative (SBTi), an initiative that allows organisations to set science-based emission reduction targets aligned with the Paris Agreement. In line with Vision 2031 and the goal of reaching Net Zero by 2040, Alperia is implementing major emission reduction actions: it avoided 1,699,763 tons of CO_2 and reduced total emissions by 31% in 2023. At the same time, we offset our non-avoidable emissions (Scope 1 and 2) with certified projects.

THE WATER RESOURCE

Alperia produces energy from a clean and renewable resource: water. Although the first months of 2023 were characterised by very little snowfall, the year ended on a positive note: hydroelectric production stood at 4,032 GWh. The activity is managed by limiting the impact on natural ecosystems as much as possible. In order to support fish in their migration, Alperia has built 'ascending ladders' at some diversion works on major watercourses. In 2023, the fish passage ladder at the Lasa crossing came into operation, joining other infrastructures such as the 'fish-escape' facility at the Fontana Bianca dam in Val d'Ultimo. During the year, Alperia also carried out partial dredging of sediment at the Colma reservoir and at the Novale di Vizze reservoir. In addition, the first dynamic lamination experiments with sediment release in flood conditions were carried out at the Fortezza reservoir. Collaboration with the Free University of Bolzano to study river sediment management also continued. As provided for in the concessions, Alperia implemented mitigation and compensation measures in the plant areas at its own expense. In 2023, it allocated around EUR 22 million for this activity and defined new three-year action plans. Finally, two sports climbing facilities were created at the Gioveretto dam and at the Neves dam.

ADDED VALUE FOR THE TERRITORY

In 2023 Alperia created an added value for our territory of more than EUR 401 million through payments to public bodies, remuneration and benefits for staff, appointments to local companies, which reached a share of 61%, sponsorships, donations (worth EUR 250,000) and dividends to local shareholders. The percentage of products and services purchased locally accounted for 44% of total expenditure during the year, while the total volume of local purchases made by Alperia amounted to almost EUR 120 million dedicated to local suppliers.

Again with the aim of activating long-term projects with a positive impact on the territory and communities, in 2023 Alperia created a function dedicated to Community Investment. Following a discussion with the stakeholders, the priority themes on which to act were defined, and three projects were selected, two of which already started in 2023, dedicated to biodiversity and reforestation.

PEOPLE

With a workforce of over 1,200 people, 94% of whom are permanent employees, Alperia is one of the largest employers in South Tyrol. **Turnover** in 2023 was 9%, the rate of recruitment increased to 12%, in line with the Business Plan 2023–2027. Convinced that it is crucial to continue upgrading skills, we provided an average of 27.8 hours of training per employee. In 2023, Alperia also organised the first Leadership Forum, which was attended by over 200 people. The HR department also set up a corporate well-being programme to enhance the well-being of employees with sports and mindfulness courses. To promote diversity and equal opportunities, we have defined a Diversity Policy and are working to increase the presence of women in the Group. Currently, women account for 28% (up from 26% in 2022). In corporate bodies, women account for 33%. In addition, 100% of eligible fathers have taken parental leave, up from 2022. The gender pay gap, on the other hand, increased: from 7% to 9% because some new companies outside South Tyrol, which have significantly lower average pay values, entered the reporting scope. In 2023, we were awarded the 'Excellence Certificate', a recognition reserved for organisations that have distinguished themselves through the number and quality of their certified Management Systems. During the year, 9,810 hours dedicated to safety were provided, and we also activated a training course dedicated to the risks linked to office life and smart working, with reference to ergonomics. In 2023 the number of accidents recorded in Alperia was 19 for our employees. Days of absence, on the other hand, totalled 691. The Frequency Index (FI) was therefore 9.62 and the Severity Index (SI) 0.35.

INNOVATION, DIGITISATION & RESEARCH AND DEVELOPMENT

Alperia has a 'broad' approach to innovation, an approach that not only covers R&D, but also the continuous improvement of its modus operandi. Starting in the second half of 2022, Alperia has launched a structured process to manage innovative projects, which describes how to carry out the different project phases from an end-to-end perspective. The new process is accompanied by an internal training course on project management. 2023 also saw the reorganisation of the Digital &Technology organisational unit. In particular, the proprietary fibre optic network was further developed, several cyber security tests were carried out, power supply improvement activities were performed, and software tools were implemented to optimise the management and maintenance of various systems. The Application area, on the other hand, focused on the rationalisation and consolidation of the application maps of the Business Units, with a focus on the Sales company and the District Heating company. Finally, the IT Systems & Operation area focused on the definition of systems and practices such as the identification of standards for meeting rooms and workstations.

THE NUMBERS OF SUSTAINABILITY

	2023	2022
GOVERNANCE AND RESILIENCE		
Net energy produced from renewable sources	93%	91%
Percentage of underground electricity distribution lines	77%	75%
Average number of supply interruptions per customer	1.32	1.40
Average supply interruption duration per customer (minutes)	18.8	17.28
Hydroelectric plant availability index	86.17%	84.15%
CUSTOMERS		
Percentage of answered toll-free calls	96%	85%
Number of complaints per 100 customers	0.28	0.11
Renewable electricity sold to/from end customers (based on volume sold)	53%	35%
Percentage of revenue generated by sustainable products and services	71%	45%
GREEN MISSION		
Percentage of energy consumption from renewable sources, within the company	58%	65%
Total market-based operational GHG emissions – Scope 1,2 and 3 (tCO_2e)	1,714,879	2,488,851
Intensity of market-based operational GHG emissions Scope 1 and 2 (tCO_2e /Mwh of energy produced (gross)	0.02	0.02
Total avoided emissions (tCO_2e)	1,699,763	1,206,742
TERRITORY		
Added value for South Tyrol	388,687,882 €	277,145,569 €
Added value for the territory	401,551,630 €	289,370,867 €
Total investment	175,394,036 €	166,748,849 €
Percentage of orders to local companies (based on number of orders)	61%	60%
PEOPLE		
Number of employees	1,252 people	1,211 people
Rate of new hires	12%	9%
Turnover rate	9%	6%
Average hours of training per employee	27.8 h	30.3 h
Percentage of female employees	28%	26%
Percentage of female employees in middle management	22%	23%
Average pay gap between men and women in the white-collar category	9%	7%
Percentage of fathers who took parental leave	100%	89%
Return-to-work rate (women)	100%	100%
Rate of absence from work (days of absence per 1,000 hours worked)	4.9	5.8
Accident Frequency Index (per 1,000,000 hours worked)	9.62	6.31
Accident Severity Index (per 1,000 hours worked)	0.35	0.13

1. ALPERIA PRESENTS ITSELF

Shaping the energy of the future

Alperia is the leading energy supplier for South Tyrol and the second largest producer of hydroelectric power in Italy[1]. Our history began over 120 years ago with the first hydroelectric power station in South Tyrol: since then we have never stopped producing energy from nature. We are 46.38% owned by the Autonomous Province of Bozen/Bolzano, 21% each by the municipalities of Bozen/Bolzano and Meran/Merano, and 11.62% by Selfin S.r.l., which groups together more than 100 South Tyrolean municipalities.

Alperia S.p.A. operates thirty-five hydropower plants, seven photovoltaic plants, seven district heating plants, and a biomass power plant in Ottana, Sardinia. Our 9,348-kilometre-long network brings energy to more than 400,000 customers. In addition to energy and gas production and distribution, we are active in district heating, photovoltaics, CERs, smart mobility, and business consulting for decarbonisation and energy transition.

Our **purpose is to give** sustainable form to the energy of the future. That is why we promote an environmentally friendly and socially responsible energy development model to give new generations a more sustainable future. We have a clear **mission**: to be part of the energy transition. We want to be the driving force of change, involving and raising the awareness of those we meet every day towards issues that we consider 'ours': sustainability, climate change, clean, green and renewable energy. For us, the energy transition is an urgent issue that can no longer be postponed. We live in a decisive historical moment for the future, fundamental years to rethink our energy supply and review our consumption habits. Our efforts are aimed at building a greener present, and we support as partners in the energy transition all those who want to take this path together with us.

Sustainability, reliability, transparency and dynamism are the **values that** set us apart:

- **SUSTAINABILITY**: nature is the source of our energy. Sustainability is the foundation of our corporate strategy, guides our choices and is at the core of our business activities. We actively combat climate change and protect the environment to ensure a sustainable world for future generations.
- **RELIABILITY**: we can be trusted. We are aware of how important energy is for our society. We act responsibly, according to principles of economic efficiency and resource conservation, providing safe and sustainable energy every day. We constantly improve our services to be the reliable partner you can always count on.
- **RESPECT**: we put people at the centre, we relate to people with trust and mutual respect. Fairness and esteem characterise our interactions, our corporate culture as well as our relationship with employees, customers, suppliers, partners and the community at large.
- **TRANSPARENCY**: we communicate openly and clearly. For us, any kind of relationship and behaviour must be based on the ethical principles of honesty and fairness.
- **DYNAMISM**: we face challenges with strength and enthusiasm, we are enterprising and change things for the better, we work on technological development, innovative business models and smart solutions that always foster sustainability in order to advance the energy transition.
- **PROXIMITY**: we are at the side of our customers and the territory, we are open to listening to the needs of our customers, we give support and concrete and effective answers. We create added value for the people and territories in which we operate.

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[1] https://www.arera.it/chi-siamo/relazione-annuale/relazione-annuale-2023

1.1 Alperia at a glance

Revenues	**2,724,991,513 €** (2022: EUR 3.7 bn)
Net energy produced	**4.6 TWh** (2022: 3.4 TWh)
Staff	**1,252 people** (2022: 1,211 persons)
Electricity sold to/by end customers	**4.8 TWh** (2022: 6.8 TWh)
Natural gas sold to/by end customers	**358 MSmc** (2022: 503 MSmc)
Electricity trading	**471 GWh** (2022: 978 GWh)
Heat sold	**248 GWh** (2022: 234 GWh)
Hydroelectric production	**4,032 GWh** (2022: 2,841 GWh)
Availability index hydroelectric plants	**86.17%** (2022: 84.15%)

1.2. Our corporate structure and business model

As of 31 December 2023, Alperia S.p.A. held, directly or indirectly, participations in 29 companies. During 2023:

- On 22 June 2023, Alperia S.p.A. sold Terna – Rete Elettrica Nazionale S.p.A. 100% of the share capital of Edyna Transmission S.r.l., a company dedicated to the transmission sector and owner of 34 kilometres of high-voltage power lines and two power stations in South Tyrol that are already part of the national electricity transmission grid, for a total value of approximately EUR 14 million.
- On 27 June 2023, Alperia S.p.A. established the new company AlpsGo S.r.l. with the cooperative Carsharing Südtirol Alto Adige, in which it holds a 24.9% share of the share capital, with the aim of strengthening the presence of electric carsharing in the territory.
- The dissolution of the Romanian company Bluepower Connection S.r.l., a wholly owned subsidiary of Alperia Green Future S.r.l., was finally closed at the end of September.

With effect from 1 January 2024, Solar Total Italia S.r.l. was merged into Alperia Green Future S.r.l., a pivot company of the Smart Region Business Unit of the Alperia Group.

1.3. A selection of our external initiatives

COP28: Alperia participated in COP28, the global climate summit that brought together governments, young people, businesses and investors in Dubai from 30 November to 12 December to discuss how to limit global warming to plus 1.5 degrees Celsius. Alperia participated in the Leadership Interviews organised by Reuters, presenting its climate strategy and the measures implemented to achieve Net Zero by 2040.

KlimaFactory*:* Alperia's business customers can request an energy audit through which they can participate in the KlimaFactory programme, an initiative of the CasaClima Agency to improve energy efficiency in companies. After the audit, the company receives the logo and a certificate of participation in the programme.

MOTUS-E: Alperia sits on the board of directors of the association that brings together and represents the world interested in the success of electric mobility with the aim of creating standards, networking and defining best practices to drive the topic forward in Italy, also in support of government policy.

IEA DHC*:* Alperia is a member of IEA DHC, an international research hub for environmentally friendly district heating and cooling systems. The programme is part of the International Energy Agency (IEA), an autonomous agency founded in 1974 in which 28 advanced economies collaborate.

European **Sustainable Mobility Week**: on the occasion of the European event, Alperia opened the doors of the Merano power plant, giving citizens the opportunity to visit the facility and participate in games and sports activities.

Bolzano in Bici: during the 27th edition of the initiative, Alperia invited the local population to visit the Bolzano hydroelectric power station in Cardano in Via Val d'Ega by bicycle.

1.3. 1. Our commitment to associations

Utilitalia: Alperia is a member of the Executive Board and the Energy Executive Council of Utilitalia, the Italian federation of energy, water and environmental companies. Alperia is a member of the association's Communication Commission and of the working group on "Corporate Social Responsibility and Sustainability" and the working group on "Sustainable Finance". The association has a total of more than 500 stakeholders in the water, environment, electricity and gas sectors. Alperia and the other member companies have signed the "Pact for the Country's Development", a programme document for a three-year period that involves the state, territorial institutions, local communities, businesses and citizens and is based on four points: the management of the energy and environmental transition towards the Green Economy, the development of an efficient infrastructure system, economic, social and environmental sustainability, and the enhancement of the territories and communities served.

AGAW (Arbeitsgemeinschaft Alpine Wasserkraft): AGAW's activities aim to promote the use of hydropower resources according to the highest technical and ecological standards. In addition to concrete projects in the field of hydropower, the aim is to raise public awareness of the indispensable contribution of hydropower, which, as a clean source, is crucial for the achievement of the European climate targets.

Italian National Committee for Large Dams (ITCOLD): ITCOLD is the Italian national committee under ICOLD (International Commission On Large Dams) that works together with international partners to ensure that new dams are safe, efficient, cost-effective and have no impact on the environment. In addition to Alperia, members of the committee include some of the largest national concessionaires, including A2A, Edipower, Edison and Enel.

Euroheat & Power*:* Alperia is part of Euroheat & Power, an international association representing the district heating and cooling sectors in Europe. By bringing together industry players, policy makers and academia, Euroheat promotes sustainable heating and cooling.

Assoesco: Alperia Green Future is a member of Assoesco, collaborates with the Energy & Strategy Group of the Politecnico di Milano and is a member of CESEF – Centro Studi sull'Economia e il Management dell'Efficienza Energetica – of Bocconi University. Alperia Green Future is also associated with Assolombarda, has carried out projects in collaboration with Sparkasse, and has collaborated on thesis projects with Milan Polytechnic, Turin Polytechnic, University of Padua, Polytechnic University of Marche and University of Verona**.**

Elettricità Futura: is the main Italian association of companies operating in the electricity sector, created to create the basis for an efficient electricity market capable of meeting the challenges of the future. Alperia is a member and part of the Strategic Committee. The association is made up of 600 operators holding more than 75,000 MW of installed electric power, including conventional and renewable, and about 1,150,000 kilometres of lines**.**

Sustainability Makers: is the national association that brings together professionals in all types of organisations (companies, business foundations, professional societies, public administrations, non-profit organisations) dedicated to the management of socio-environmental and sustainability issues related to business activities**.**

Zero Carbon Policy Agenda 2023: Alperia participates in the project, in collaboration with other national companies, with the aim of defining a concrete guide to foster decarbonisation.

UNIBZ: Alperia is a partner of the UNIBZ Competence Centre. The centre aims to promote training in the field of sustainability in the region in order to accelerate South Tyrol's transition to a more sustainable economy.

Business for Societal Impact (B4SI): the B4SI Network is a forum for companies to learn best practices for measuring and managing their social impact activities and to encourage their colleagues to do the same. Alperia is part of the working group that defines guidelines for measuring and reporting on individual "beneficiaries" of social impact activities.

CESEF – Centro Studi sull'Economia e il Management dell'Efficienza Energetica: Alperia Green Future collaborates with CESEF of Bocconi University with which it is working to support the Ministry of Ecological Transition in redefining the Minimum Environmental Criteria of energy services dedicated to public administration.

1.4. The value chain

Our resources: renewable, tracked and local

Alperia's sources of supply are renewable, traced and, whenever possible, local. As defined within the materiality analysis survey, we want to develop a responsible and secure relationship with communities, involving suppliers in this process. In order to create **shared value** in the medium and long term, we only choose materials that correspond to a precise value chain. In particular:

Water:
1. only comes from South Tyrol, to which it is returned in the form of sustainable energy products and services. The water withdrawn is only used for the production of hydroelectric power and is subsequently returned to the watercourse. The energy produced is certified with Guarantees of Origin certifying that the energy was produced from a renewable source.

Biomass:
2. predominantly local biomass or from the Alpine arc within 200 kilometres and from border areas.

Natural gas:
3. purchased in Italy, is a mix of gas extracted domestically and gas extracted abroad. Italy imports more than 90% of its gas (against an EU average of about 70%). Natural gas arrives in Italy through pipelines: between January and mid-November 2023, Italy imported 53.3 billion cubic metres of gas, 37.9% from Algeria, 16.3% from Azerbaijan, 11.1% from Northern Europe, 4.5% from Russia and 4.1% from Libya. The 'liquefied natural gas' (LNG), i.e. that which arrives in a liquid state and is returned to a gaseous state in regasifiers, on the other hand, amounted to 12.3 billion, or 26.1% of the total.

Palm oil:
4. for our subsidiary Biopower Sardegna S.r.l., we use palm oil to fuel a biomass power plant that produces an average of 270 GWh per year. It is sourced only through ISCC EU certified suppliers. This certification guarantees the sustainability of the entire supply chain: from cultivation to milling, from storage to transport. The quality of the CPO (Crude Palm Oil) is chemically analysed by third-party companies, both when the product is loaded onto the ship and before it is unloaded, in order to verify its full compliance with the limits contained in the Environmental Impact Authorisation (AIA) issued by the Arpas of Nuoro. In addition, particular attention is paid to reducing the use of fossil fuel (indispensable in the frequent start-up and shutdown phases of the plant), containing it to an increasing extent, up to a use of about 0.2% below the authorised limit of 5%.

Heat:
5. coming directly from the Bolzano waste-to-energy plant.

Electricity:
6. Alperia Trading trades on the main European power exchanges as well as on the Italian power exchange to optimize, with buying and selling activities, its own needs to cover the portfolios for the Alperia Group's hydroelectric power plants and the portfolios for the needs of other Alperia Group companies, such as Alperia Smart Services and/or third-party wholesale companies.

1.5. Awards won by the Alperia Group

- **Promotion Award 2023**: closeness to families and respect for the environment led Alperia to win two important prizes in the Promotion Awards 2023: first place in the Field Marketing category with the "Alperia Family Day" campaign and first place in the Shopper Marketing & Brand Activation category with "Drive To Green Energy".
- **Most climate-conscious companies**: Corriere della Sera, Pianeta 2030 and Statista, a company specialising in market research ranking and analysis of company data, have compiled a list of the 'Most climate-conscious companies'. Alperia is in ninth place among the utilities, with a rating of 19.44%.

1.6. Ratings obtained by the Group

In 2023, Alperia was awarded a score of 75 out of 100 by **EcoVadis**, **the international eco-sustainability rating** that reliably assesses the sustainability performance of companies, providing them with comprehensive feedback, a benchmarking system and tools for continuous improvement. Alperia achieved a score of **75 out of 100,** improving by ten points on the result of the previous survey. The highest scores were obtained in Environment and Human Rights, while the areas where Alperia needs to improve are Ethics and Sustainable Procurement. In light of the findings of this assessment, Alperia has included the following objectives in its business plan, among others the revision of the current procurement process from an ESG perspective by 2027, the introduction of minimum criteria in individual tendering procedures (2025), initiatives to raise awareness, training of employees on the Code of Ethics, the gradual introduction of requirements to certify as Group suppliers, the allocation in procurement procedures of scores linked to sustainability criteria by 2027 and the introduction of a system to monitor increased spending.

In 2023, Alperia also received confirmation of its investment grade "BBB" rating from the Fitch agency, with outlook "negative " and received an ESG rating from the Fitch rating agency with an overall score of 80/100, underlining the effectiveness of the company's ESG performance. Alperia's Green Bond 2023 received the highest score (1), highlighting the high environmental and social standards in its financial instruments. The Green Financing Framework received a rating of 2, reinforcing the robustness and transparency of Alperia's ESG framework. Finally, Alperia was the first Italian utility mentioned by the Financial Times among Europe's Climate Leaders 2023. The mention recognises the progress made in reducing greenhouse gas emissions and the commitment to concrete actions to protect the environment.

1.7. Certifications obtained by the Group

- **ISO 9001** for quality management
- **ISO 14001** for environmental management
- **ISO 14067:** Product Carbon Footprint
- **ISO 45001** for occupational health and safety management
- **ISO 27001** for security and data protection
- **ISO 50001** for energy management systems (for two locations)
- **UNI CEI 11352** for Energy Services Companies (ESCOs), companies that carry out interventions to improve the energy efficiency of their customers with direct assumption of risk and guarantee of success of the initiative.
- **Family and Work Audits**
- **IQNET**: IQNET is the largest global network for management system certifications. IQNET partners are selected after a strict qualification procedure and a best practice evaluation model supports their continuous improvement and constant customer orientation. IQNET strives to meet international benchmark standards in terms of auditing and certification. Therefore, IQNET certificates enjoy high credibility/reliability worldwide.
- **EMAS**: EMAS (Eco-Management and Audit Scheme) registration is a voluntary environmental certification tool established by the European Union for companies and public bodies to assess, report and improve environmental performance. The main focus of this instrument is the environmental statement in which the organisation explains its processes, the related environmental impacts, the legal requirements and voluntary standards complied with, and the improvement programme to zero or minimise environmental impacts.

2. THE CONTEXT OF SUSTAINABILITY

2.1. Climate change urgency. 2023, the hottest year ever

2023 was the hottest year ever recorded. In July, in particular, the mercury rose as never before in the last 125,000 years. According to data from the Copernicus Climate Change Service, average global temperatures exceeded the 1.5 degree Celsius limit compared to pre-industrial levels for about 86 days. Global carbon dioxide emissions from fossil fuels also reached a new peak with an increase of 1.1% compared to 2022. In parallel, the world experienced extreme weather events in Greece, Canada and Hawaii, but also in Libya, China and the Philippines. And Italy has also experienced climate-related phenomena of great impact, demonstrating how climate change is a reality with which we will have to increasingly confront in the coming years.

For this reason, it is urgent that governments, businesses and civil society unite to limit the rise in average global temperatures to well below 2 degrees Celsius, doing everything not to exceed the 1.5 degree Celsius threshold as stipulated in the 2015 Paris Climate Accords. A goal reaffirmed by COP28: the United Nations Climate Change Conference closed with the signing of a historic agreement in which, for the first time, states made a joint commitment to encourage the 'transitioning away', the transition and phasing out, from fossil fuels.

In 2023 the effects of climate change and environmental threats to wildlife reached new records. According to ISPRA (the Italian Institute for Environmental Protection and Research), the areas affected by large fires between January and August 2023 amounted to almost 60,000 hectares, including more than 9,400 hectares of forest ecosystems. In Canada alone, fires emitted 410 million tons of carbon dioxide into the atmosphere. On the other hand, in Antarctica, sea ice fell to an all-time low, while in Greenland, on 26 June, temperatures at the station on the ice sheet exceeded zero, a temperature seen only five times in the last 30–40 years. In Italy, things were no better: the waters of the Mediterranean Sea reached a surface temperature of over 30 degrees Celsius during the summer, with serious consequences for the functionality of marine ecosystems, violent cloudbursts hit Milan and Lombardy, Emilia-Romagna was hit by a severe flood, and heatwaves swept across the country, particularly in the central and southern areas.

As also highlighted in the latest IPCC synthesis report[2] published in March 2023, a person born in 2020 will be much more likely to experience similar extreme events than their grandparents born in the 1950s and 1960s. All this leads to a new and more pronounced awareness: the climate crisis is **a global issue** that requires action from everyone. It is a challenge that companies must also look at, analysing their own impacts on the climate and the environment, but also the risks they in turn face as a result of climate change. Without adequate adaptation and mitigation strategies for climate risks, companies will be exposed to financial risks, image, capital and operational damages as well as legal risks. As also revealed by a Deloitte report on the status of the implementation of the Recommendations of the Task Force on Climate-Related Financial Disclosures, almost all Italian listed companies consider climate change to be material for themselves and their stakeholders.

Alperia, given the nature of its business, keeps a close eye on climate change and implements measures to make consumption more efficient, reduce emissions and expand the supply of energy from renewable sources, increasingly orienting the business towards sustainable services and products. The water crisis, which, according to the World Economic Forum, is the fourth most feared global risk in terms of its impact on society, is strongly monitored. The reduced availability of water resources is combined with the increased need for water, particularly for agriculture, which requires ever greater quantities. For Alperia, in particular, water represents a fundamental resource for energy production (for more information on how we manage water resources, please refer to the chapter "Water and Biodiversity"). In addition to these risks, there are others considered relevant to our business such as cyber security and liquidity risks (for more information on these issues, please refer to the chapter "Risk Management").

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[2] https://www.ipcc.ch/report/ar6/syr/

Climate Plan South Tyrol: road map against climate change

Like many other EU countries and member states, South Tyrol has also recognised the need to implement the climate targets set by the 2015 Paris Climate Conference faster than 2050, by setting them at 2040. For this, the South Tyrol Climate Plan was drawn up, which aims to:

- reduce CO_2 emissions by 55% by 2030 and 70% by 2037 compared to 2019 levels, reaching climate neutrality by 2040;
- increase the share of renewable energy from the current 67% to 75% in 2030 and 85% in 2037, and finally to 100% climate neutrality in 2040;
- reduce agricultural emissions, consisting not only of CO_2 but also of nitrous oxide and methane emissions, by 10% by 2030 and 40% by 2040 compared to 2019 levels;
- reduce the share of the population at risk of poverty by 5 percentage points by 2030 compared to 2019 levels (around 18% in 2019);
- lead to an overproportional growth of the South Tyrolean economy's share of emerging and growing markets as a result of the climate transition.

South Tyrol wants to position itself as a front runner towards climate neutrality, but the transformation will require considerable investment from companies, the public sector and private individuals. A challenge to which Alperia intends to contribute through direct and indirect actions.

Mission No. 2 of the NRP

Within the framework of the National Recovery and Resilience Plan, mission No. 2 was dedicated to the **'Green Revolution and Ecological Transition'***.* The mission aims to close the structural gaps that hinder the achievement of a new and better balance between nature, food systems, biodiversity and circularity of resources, in line with the objectives of the Action Plan for the Circular Economy launched by the European Union. The mission is divided into four components: sustainable agriculture and circular economy; renewable energy, hydrogen, grid and sustainable mobility; energy efficiency and building upgrading; and land and water resource protection. A total of EUR 55.52 billion, or 28.56% of the NRP, is dedicated to the mission. Funding is provided for R&D projects to increase energy produced from renewables, incentives for sustainable public transport, the development of industrial supply chains in the photovoltaics, wind and battery sectors, energy efficiency in buildings, frontier research in hydrogen, and the enhancement of the capacity, reliability, security and flexibility of electricity grids and water infrastructures, with the aim of reducing losses in drinking water networks by at least 15%. Finally, measures are planned to improve waste management, to prevent and restore land in the face of significant hydrogeological risks, and to safeguard biodiversity and the availability of water resources.

Alperia Ecoplus obtained funding for the expansion of the district heating network in Chiusa and the replacement of the cogeneration plant with a biomass plant.

Edyna won the tender for the financing of two projects focused on Resilience and Smart Grid respectively. The Resilience project includes the construction of a new underground medium-voltage line in Val Senales, while the Smart Grid project includes the construction of a new primary substation in Vandoies, the upgrading of primary substations in San Leonardo and Val di Nova, and the laying of two new underground medium-voltage lines between Dobbiaco and Sesto.

Alperia Greenpower obtained funding for the construction of a hydrogen refuelling station in the municipality of Bruneck for passenger cars, buses and trucks.

Alperia, in cooperation with SASA S.p.A., won the Hydrogen Valley tender for the construction of a renewable hydrogen production plant at the Bolzano Sud site near the former waste-to-energy plant.

European milestones to accelerate the transition

The European Union has played an important role in combating climate change since 1990. Accession to the **Kyoto Protocol** was the first step towards reducing greenhouse gas emissions, which was followed by the very important Paris Agreement, signed in 2015, whereby signatory governments committed to limit the temperature increase to below 2 degrees Celsius compared to pre-industrial levels, with efforts to stay within 1.5 degrees Celsius, to peak emissions as soon as possible and achieve Net Zero in the second half of the century. The Paris Agreement, which entered into force in 2016, applies from 2021 and fits into the broader framework defined by the **2030 Agenda for Sustainable Development** (the Programme of Action unanimously adopted by the 193 member countries of the United Nations in September 2015), starting with Goal 13 'Combating Climate Change'.

In this context, European countries have committed themselves to the goal of climate neutrality by 2050 by defining the strategy of the European Green Deal. The **Green Deal emphasises** the need for a holistic, cross-sectoral approach in which all relevant policy areas contribute to the ultimate climate goal. The package includes initiatives on climate, environment, energy, transport, industry, agriculture and sustainable finance, all strongly interlinked sectors. Within it, the 'Ready for 55%' package was drafted, which aims to translate the climate ambitions of the Green Deal into legislation. With the European Climate Regulation, the political ambition to achieve climate neutrality by 2050 has become a legal obligation for the EU, based on an impact assessment by the Commission. The main actions under the regulation aim to **reduce net greenhouse gas emissions by at least 55% by 2030**. The measures include:

- better data collection and sharing
- nature-based solutions to create resilience to climate change and protect ecosystems
- the integration of adaptation into macro-fiscal policies

To support a just transition, Europe has introduced a mechanism for financial support and technical assistance to the regions most affected by the transition to a low-carbon economy that will help mobilise at least EUR 55 billion over the period 2021–2027. The **Just Transition Fund** will support investments in:

- SMEs and start-ups
- research and innovation
- clean energy technologies and emissions reduction
- retraining of female workers and assistance in finding employment

Not only that: in June 2022, EU environment ministers agreed on the Council's negotiating position for the creation of the **Social Climate Fund**. In December 2022, the Council and the European Parliament reached a provisional political agreement on the proposal for the Fund. The new rules were adopted by the Council in April 2023. In addition, a provisional agreement was reached on the **Carbon Border Adjustment Mechanism** (CBAM), which aims to ensure that the EU's emission reduction efforts are not offset by increased emissions outside its borders through the relocation of production to third countries (where policies adopted to combat climate change are less ambitious than those of the EU) or through increased imports of carbon-intensive products.

In March 2023, the Council also adopted new binding annual greenhouse gas emission targets for Member States. The new rules, as part of the 'Ready for 55%' package, increase the EU-wide greenhouse gas emission reduction target for 2030 from 29% to 40% compared to 2005 in the sectors concerned. Also in 2023, the Council adopted a revision of the Renewable Energy Directive of the 'Ready for 55%' package with which it intends to increase the current EU-wide target of at least 32% renewables in the overall energy mix to **at least 40% by 2030**. Likewise, the European Energy Efficiency Directive was revised by reducing the EU-wide final energy consumption by 11.7% in 2030 compared to 2020 projections. In December 2023, the Council and the Parliament also reached a **provisional political agreement** on a regulation establishing common rules for the internal market for renewable gas, natural gas and hydrogen. The aim is to **switch from natural gas to renewable and low-carbon gases** and to **promote their deployment** in the EU by 2030 and beyond.

Finally, we would like to remind you that as of 2024, the Directive (EU) 2022/2464 Corporate Sustainability Reporting Directive within the European Green Deal will be effective, which regulates the non-financial reporting obligation for certain organisations by requiring companies to disclose ESG factors in order to foster an objective and shared measurement of the organisation's environmental, social and governance activities.

2.2. Regulatory compliance

Sustainable finance – technical criteria for combating greenwashing

The EU Taxonomy – In 2020, with Regulation (EU) 2020/852, the Taxonomy of eco-friendly economic activities was introduced into the European regulatory system: a classification of activities that can be considered sustainable on the basis of alignment with EU environmental objectives and compliance with certain social clauses. The Taxonomy is a guide: for companies to assess their activities, to define corporate policies with a view to greater environmental sustainability and to report to stakeholders in a more complete and comparable way; for investors to integrate sustainability issues into investment policies and to understand the environmental impact of the economic activities in which they invest or could invest; for public institutions, which can use the Taxonomy to define and improve their policies for ecological transition.

According to Art. 8 of Regulation (EU) 2020/852, organisations subject to the Non-Financial Reporting Directive (NFRD) and, subsequently, to the new Corporate Sustainability Reporting Directive (CSRD) will be required to disclose information on Taxonomy alignment using certain indicators: turnover, capital expenditure and operating expenditure. Among the requirements, the disclosure of the share of capital expenditure aligned to the Taxonomy is of particular relevance – in view of the transition to an economic system that is increasingly less dependent on fossil fuels. This is a dynamic and prospective indicator that identifies the strategic plans defined by companies in order to achieve progressive decarbonisation within a given timeframe. It is also important to understand – through the analysis of operating expenses (OpEx) – to what extent the company is pursuing the intermediate objectives of the strategic ecological transition plan. This data allows the investor(s) to carry out an analysis of the alignment of companies with environmental objectives, taking into account their decarbonisation plans. This should direct them, in a more transparent and conscious manner, towards sustainable low-carbon investments (such as renewable energies). Furthermore, in the sectors with the greatest climate impact (e.g. energy, construction and transport), such information makes it possible to select companies that have embarked on green transition paths. Finally, thanks to the availability of data on the alignment of business plans with the Taxonomy, investors can make their engagement actions more effective by measuring their effects over time and strengthening the dialogue with the invested companies.

2.2.1. Corporate Sustainability Reporting Directive – towards harmonised and transparent reporting

Europe has confirmed its commitment to creating a framework that increases corporate responsibility for sustainability reporting with the final approval of the Corporate Sustainability Reporting Directive by the European Council. Thanks to the Corporate Sustainability Reporting Directive, companies will be in a position to provide investors and stakeholders with the information they need to correctly assess the company's impact. The CSRD strengthens the already existing rules of the NFRD (Non-Financial Reporting Directive) by introducing more precise and detailed reporting requirements, with a broadening of the scope of companies involved. The CSRD will require disclosure of information relating to EU Taxonomy, equal opportunities, fundamental freedoms and the roles of governing bodies, sustainability aspects, political affiliations and lobbying, transparency in business dealings, internal controls and risk management. Large companies and SMEs will be required to report on sustainability issues in terms of environmental impact, social rights, human rights and governance factors. The CSRD regulation will apply to all large companies and all companies listed on regulated markets, with the exception of listed micro-enterprises. These companies are responsible for the information to be provided by their subsidiaries. On 28 November 2022, the European Council approved the new directive imposing detailed Environmental, Social and Governance (ESG) performance reporting obligations on companies. The directive is in line with the objectives of the European Green Deal, with the aim of fostering the transition to a sustainable economy by discouraging greenwashing practices.

2.3. The Sustainable Development Goals

The United Nations General Assembly has drawn up a global plan of action for the sustainable transformation of society, the economy and the environment. This plan is represented by the 2030 Agenda and consists of **17 Goals** (SDGs) and **169 targets** that balance the three dimensions of sustainable development (social, economic and environmental) plus the institutional dimension. These are common targets on important development issues such as combating poverty, eradicating hunger and combating climate change. These goals concern all countries and all individuals: no one is excluded, and no one should be left behind along the way.

According to the findings of the latest survey by the Italian Alliance for Sustainable Development (ASVIS), Italy is far from achieving the 2030 Agenda goals: in 2023, halfway along the path towards the implementation of the 2030 Agenda for Sustainable Development, our country is lagging far behind and risks failing to meet the commitments made in 2015 at the UN. Compared to 2010, for eight of the seventeen Sustainable Development Goals there has been little improvement, for six the situation has worsened, and for three it is stable. The accumulated delays could be partly made up, but a series of interventions and reforms must be implemented urgently and incisively. Only a decisive and rapid change in public policies would make it possible to make up lost ground, reduce poverty and inequality, improve the quality of the environment and accompany businesses in reaping the benefits of the ecological and digital transition.

2.3.1. Alperia and the SDGs

Through its activities, Alperia can contribute more to the achievement of ten of the seventeen UN Sustainable Development Goals.

In order to underline our commitment to achieving the SDGs, we assessed the contribution of the goals we set in our strategic documents on the achievement of the various targets.

Namely:

SDG 3 – ENSURING HEALTH AND WELL-BEING
We promote a healthy and safe working environment and, through our products and services, we strive to reduce pollution
- **Target 3.6: Reduce road injuries and fatalities** → We have adopted a plan to encourage green and smart mobility of our employees through the use of public transport and/or bicycles and scooters. With the HSE department, we monitor accidents and injuries that may occur in our plants, including road accidents. We conduct both off-road and on-road driving courses every three to four years at Edyna S.r.l., which is the company with the largest car fleet within the Alperia Group.
- **Target 3.8: Achieve universal health coverage by extending access to good quality health services and medicines** → We provide supplementary health insurance to our people and provide specific activities and services in the Welfare package. With Care4u, a company in which we have part ownership, we have developed a service and technology for the nursing care of patients in RSAs and clinics, and we have also launched a service at home.
- **Target 3.9: By 2030, reduce the number of deaths and illnesses due to pollution and contamination of air, water and soil** → We are working to reduce emissions, reduce CO_2 and greenhouse gases, produce clean heat with district heating and reduce energy waste, with the ultimate goal of accelerating the achievement of Net Zero.

SDG 5 – ACHIEVING GENDER EQUALITY
We are committed to achieving gender equality and women's empowerment
- **Target 5.4: Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the family unit, in accordance with national characteristics** → We are a family-friendly company, certified with the 'Family and Work Audit' awarded by the Family Agency of the Autonomous Province of Bolzano and its Chamber of Commerce. Among the tools we adopt are: reduced and flexible working hours, reconciliation measures, promotion of parental leave, especially voluntary leave, and smart working. We carry out awareness-raising campaigns on fatherhood, combating gender violence and improving gender equality.
- **Target 5.5: Ensure women's full and effective participation and equal leadership opportunities at all levels of decision-making in political, economic and public life** → We are working to attract more women into technical professions and to increase the proportion of female managers. Since 2019, the Chairwoman of our Management Board has been a woman, and the board itself is 33% female. We have also started to develop leadership plans specifically for women. Today, the percentage of women among Alperia employees is 28%, with a growth from 2019 of 5 percentage points, and the gender pay gap is 9% for female employees.

SDG 6 – ENSURING THE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER FOR ALL
We optimise water management, reduce the impact of our activities and work to protect the aquatic environment
- **Target 6.5: By 2030, implement integrated water management at all levels, including through cross-border cooperation as appropriate** → We work to modernise our water infrastructure and ensure that our facilities are always reliable and safe. An example of this is the Smart Land project, which aims to use IoT technology in agriculture to have more efficient water consumption in the irrigation process. We make our water resources available for agricultural irrigation and as an anti-freeze. We actively involve farmers in empowering them with regard to water management, both inside and outside South Tyrol.
- **Target 6.6: Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes** → We want to minimise the impact of our hydropower plants on nature and the environment and actively protect the biological diversity of watercourses. To this end, we operate in full compliance with the legal provisions concerning the Minimum Vital Flow, build new fish runs, implement compensation measures, and engage in renaturation and sustainable sediment management.

SDG 7 – CLEAN AND AFFORDABLE ENERGY
We ensure access to affordable, reliable, sustainable and modern energy systems
- **Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services** → We want to ensure a secure and efficient energy supply, which is why we invest in developing sustainable energy solutions and modernising our plants and networks to make them more resilient and reliable, even in the event of emergencies or disruptions.
- **Target 7.2: By 2030, significantly increase the share of renewable energy in the global energy mix** → We aim to produce our energy primarily from renewable sources (already 93% today), also involving our supplier(s). We want to increase this percentage through: targeted investments; adoption of new business models, services and products such as Green Gas and Alperia MyHome; monitoring and reporting on the amount of energy produced, purchased and consumed by source; and development of green hydrogen. We are also a partner for the energy transition of our stakeholders.
- **Target 7.3: By 2030, double the overall rate of improvement in energy efficiency** → We want to make our energy consumption more efficient, which is why we are taking steps to reduce the energy consumption of our buildings and facilities through targeted initiatives (among them, ISO 50001 'Energy Management Systems' certification for the Ponte Gardena hydroelectric power plant, the Bolzano district heating plant, the Dodiciville site and the Sesto district heating plant, and Edyna's certification with ISO 14067, the first distributor to hold such a certification). We are developing new technologies and new services that will improve energy efficiency and reduce energy demand, and we are developing new products, services and business models that will help our customers reduce energy demand and improve efficiency, also thanks to Alperia Greenpower's know-how. Finally, with Edyna, the operator of our network, we are continuing to replace the meters of more than 200,000 customers with next-generation Smart Meters that will enable a more efficient management of energy resources, and with Alperia Green Future we are also promoting more sustainable consumption through Sybil's artificial intelligence.

SDG 8 – DECENT WORK AND ECONOMIC GROWTH
We foster inclusive and sustainable economic growth and decent, secure employment

- **Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value** → We have harmonised the Alperia Group's trade union agreements and HR policies with the aim of achieving uniform and fair framework conditions for all our employees. We have a Diversity Policy and have initiated a series of actions with the Diversity Manager to enhance diversity and promote inclusion.
- **Target 8.6: Substantially reduce the proportion of unemployed young people not in education or training** → We promote internal training and career development activities and develop leadership programmes. We hired 59 'under 30' (39% of hires) and 43 '31–40' (28% of hires) in 2023. We support their development and training with special programmes.
- **Target 8.8: Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, especially migrant women, and those in precarious employment** → We actively promote the health of our employees, ensuring the highest level of occupational safety to protect staff, the population and the surrounding areas. We take measures to monitor and maintain facilities and promote wellness initiatives at each of our locations. We have installed 30 semi-automatic defibrillators from the Red Cross and White Cross, which will be operational both inside and outside Alperia premises and some customer offices.

SDG 9 – ENTERPRISE, INNOVATION AND INFRASTRUCTURE
We build and maintain safe and resilient infrastructure, foster innovation and support equitable, responsible and sustainable development

- **Target 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on equitable access for all // Target 9.4: By 2030, upgrade infrastructure and modernise industries to make them sustainable, with greater efficiency of resources to be used and increased adoption of clean and environmentally friendly technologies and industrial processes, so that all countries take action in accordance with their respective capabilities** → We ensure secure and efficient energy supply with modern, well maintained and efficient distribution networks. We are continuing to decommission unreliable MV and LV lines and use fibre optics for more reliable control of installations. We will continue to work on network resilience to increase the quality and continuity of the electricity service.
- **Target 9.5: Strengthen scientific research, promote the technological capabilities of industrial sectors in all countries, particularly in developing countries, including by encouraging innovation by 2030 and substantially increasing the number of R&D workers and public and private R&D expenditure** → We want to actively contribute to the energy future and develop new technological solutions with innovative research projects. We cooperate with many institutes internationally to promote research and innovation in the energy sector.

SDG 11 – SUSTAINABLE CITIES AND COMMUNITIES
We want to make cities more inclusive, safe and energy-efficient

- **Target 11.6: By 2030, reduce the per capita negative environmental impact of cities, also paying special attention to air quality and urban and other waste management** → With Smart Region, Alperia is dedicated to creating a sustainable, integrated and efficient community. All investments are oriented towards the implementation of high-tech initiatives for cities and citizens, such as the efficiency of buildings, the development of domestic photovoltaics, facility management for PA, and the development of sustainable mobility with the consequent infrastructure of the territory. Also continuing: the sustainable expansion of district heating networks; the Smart Land project; investments in Green Mobility developed with Neogy; energy communities and sustainable mobility initiatives for Alperia employees.

SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION
We promote sustainable models of production and consumption

- **Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information in their regular reports** → We have anchored environmental, social and economic sustainability in our governance and management processes. We have a Sustainability Plan, a Sustainability Policy and a CSR procedure, we have integrated at least one Sustainability Goal into the Management by Objectives (MBOs) of the Group's managers, and we have put sustainability at the heart of our Business Plan 2023–2027 and Vision 2031. We draw up the Non-Financial Statement reporting everything we do from a social and environmental perspective. As part of this, we submit EMAS declarations every year and develop the Environmental Plans agreed with the Autonomous Province of Bolzano and the local municipalities. With Alperia Green Future, we promote more efficient and sustainable consumption with consultancy and ad-hoc measures. Through targeted marketing measures and information campaigns, we also aim to make our customers aware of more sustainable consumption patterns and implement our portfolio with green products and services.
- **Target 12.7: Promote sustainable procurement practices in accordance with national policies and priorities** → We want to make our procurement as local and ecologically and socially sustainable as possible. Through the supplier selection process, we ensure that all suppliers maintain sustainability standards and that purchased products also meet these standards.

SDG 13 – COMBATING CLIMATE CHANGE
We take specific measures to combat climate change and its consequences

- **Target 13.1: Strengthen resilience and adaptive capacity to climate-related risks and natural disasters in all countries // Target 13.2: Integrate climate change mitigation measures into national policies, strategies and plans // Target 13.3: Enhance education, awareness and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning** → The Alperia Group has offset all emissions in 2020 against operational emissions (Scope 1 and 2) and is accelerating its path to Net Zero. We have signed the Science Based Targets Initiative (SBTi), an initiative that promotes greenhouse gas reductions based on scientifically calculated targets. In the 2023–2027 Business Plan and Vision 2031, we set a target to reduce our CO_2e (Scope 1,2 and 3) emissions by 46% by 2027, compared to 2021, with the ultimate goal of reaching Net Zero by 2040. We assess and update our risks according to climate change (water scarcity, storms, extreme events, regulation, etc.), invest in the production and use of products with lower greenhouse gas emissions and foster the development of internal and external e-mobility solutions. Alperia Smart Region has the fight against climate change at its core. We develop slope monitoring initiatives, we make sworn affidavits on penstocks, we certify SF6 gas management personnel, and we carry out exercises with the Civil Defence. We have equipped ourselves with a video surveillance system for hydraulic works and technologies that allow early warnings and immediate management of emergencies. We strive to increase awareness of environmental issues among our citizens and stakeholders.

SDG 15 – LIFE ON EARTH
We ensure the conservation of ecosystems and the protection of biodiversity also through the use of innovative technologies

- **Target–15.1: Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements // Target–15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development // Target–15.5: Take urgent and significant measures to reduce the degradation of natural habitats, halt the loss of biodiversity, and protect and prevent the extinction of endangered species // Target–15.6: Promote the fair and equitable sharing of the benefits arising from the use of genetic resources and promote adequate access to these resources, as agreed internationally** → We work to protect the environment and its biodiversity and to comply with the compensation measures envisaged by the Autonomous Province of Bolzano. We have initiated two Community Investment projects in this direction: one dedicated to the promotion of biodiversity and one to reforestation with the collaboration of the Climate Network. We implement various measures to consolidate fish stocks, build fish ladders to the intake structures, carry out improvements to watercourses and monitor and manage the MVF (Minimum Vital Flow). We also implement measures to promote sustainable water use, in cooperation with local farmers and municipalities.

3. STAKEHOLDER ENGAGEMENT

We are certain that ambitious goals such as energy transition and sustainable change can only be pursued through a joint commitment. Therefore, involving stakeholders is a priority that we pursue at both strategic and operational levels. We communicate regularly and consistently with our stakeholder(s), nip conflicts in the bud, avoid complaints, improve our reputation and create long-term partnerships, strengthening our ties with the region. Stakeholder engagement is also required as compliance with laws and standards (GRI, ISO, Legislative Decree 254/16) to impart knowledge and create greater awareness with respect to corporate strategy, proactively communicate projects and identify new issues early on.

The stakeholder management process starts from the mapping of stakeholders identified following internal workshops and their needs (based on the criteria defined in the AA1000 SES reference standard with a rating scale from 1 to 5), goes on to the definition of an involvement plan, with which Alperia defines the topics and methods of dialogue, continues with the implementation of the plan and finally culminates in monitoring/follow-up. The reputational risk framework, materiality analysis, planning and reporting processes of sustainability are also linked to stakeholder management.

Our stakeholders

- Co-workers
- Owner(s) and investor(s)
- Business community
- Interest Groups
- Suppliers
- Community
- Institutions
- Customers
- Research and education institutions

During 2023, we developed several initiatives to connect with stakeholders. In particular:

Employees: we organised numerous training courses dedicated to innovation, ESG, design thinking and complexity management; we concluded the language tandem project and the mentoring plan with positive feedback; we launched sports courses to improve employee health, and we plan to launch mental health courses. We launched the first Leadership forum and took part in the Great Place to Work assessment, achieving a ten-point increase since the last assessment, thus 60%.

Customers: we opened a new Energy Point at the Conè shopping centre in Conegliano (Treviso), we extended our presence to the provinces of Brescia and Mantua by opening Energy Corners, and we launched a communication campaign in Veneto, Lombardy and Friuli-Venezia Giulia; we set up the "Complaints & Conciliation" department and the "Contact Centre" unit to respond to customer requests and handle complaints even more effectively and quickly. We participated in many public events, such as KeyEnergy, the largest energy fair, and Il Salone della CSR, and with Alperia Green Future we organised an event in Verona inviting around 50 customers and prospects for a sustainability-themed workshop.

Supplier(s): Alperia has involved its supplier(s) in the search for environmentally sustainable solutions, in particular for the construction of its new premises, which must meet certain sustainability and well-being criteria. We have continued to search for the most local and sustainable solutions wherever possible. We would like to remind you that in our tenders we always consider sustainability and human rights criteria that suppliers must comply with.

Owners and investors: the Alperia Sustainability Report is presented at the Shareholders' Meeting. Meetings are held with the Management Board and Supervisory Board to outline and discuss key aspects of sustainability, including an induction session on the main developments in recent years. In May 2023, the assembly of the Consortium of South Tyrolean Municipalities was exceptionally held at Edyna's headquarters in Bolzano and was an important moment of dialogue between Alperia and the mayors of the area as well as an opportunity to present innovative projects and solutions for public administrations. Furthermore, having launched our first 'green' public bond in 2023, we organised a virtual roadshow for potential investors.

Interest groups: Alperia is involved in organisations and associations dealing with energy issues and innovation. With Edyna, the distribution company, we act as an intermediary between the Autonomous Province of Bolzano and the national grid operator TERNA, taking forward the demands of the region. We also work with CSIRT, a working group of Utilitalia, the Italian federation of energy, water and environmental companies, on the study of safety risk KPIs to be used as an inter-company benchmark. With our Deputy General Manager, Paolo Acuti, we are also part of Utilitalia's Executive Council and Energy Board.

Research institutes: Alperia is a partner of the Competence Centre for Economic, Environmental and Social Sustainability at the Free University of Bozen/Bolzano: we are involved in research and innovation projects with economic, environmental and social sustainability at their core. We financed the birth of the project and support it with our know-how on a daily basis. We also collaborate with Eurac Research, with which we are developing the LIFE4HeatRecovery project for the development of a new generation of intelligent district heating networks, and we have participated in numerous sector debates, including the Energy Saving working tables of the Politecnico di Milano, with a specific focus on the Zero Carbon Policy Agenda.

Community: we created a function in Alperia that deals with developing long-term investments for the community. After meeting the stakeholders and defining with them the five key issues on which to generate a positive impact, we identified three main projects on which to start working. These projects are in addition to those we carry out on a daily basis to strengthen our relationship with the local community, such as the Open Days at our power plants, sustainability education projects for schools, and meetings with the municipalities of Val d'Ultimo in view of the possible construction of a new hydroelectric power plant.

4. MATERIALITY ANALYSIS

Our material topics

Alperia adopts a reporting system based on the "Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI). The aim is to track and monitor sustainability performance within the company. The core element of the standards is the Materiality Analysis, which identifies the issues and sustainability indicators that are essential for Alperia. Consistent with the revision of the GRI 3: Material Topics, together with the recent evolutions of the standards proposed by the European Reporting Lab (EFRAG), in the materiality analysis, Alperia adopted an approach aimed at carrying out a first dual materiality assessment, i.e. identifying two ways to consider ESG issues: how they affect company performance and value in the long term (impacts experienced) and what effects the company has on society and the surrounding environment (impacts generated).

In 2021, the matrix was updated with the involvement of the Group's main internal and external stakeholders, who were involved in five roundtables (two in Veneto and three in South Tyrol). At each roundtable, the material topics were considered, and for each the measures taken were assessed and possible improvements were proposed. Following the roundtables, an email survey was sent out based on the results, to which over 790 people responded. The results of the survey helped to define the new matrix. In particular, the process of defining the core topics was as follows:

- **IDENTIFICATION OF TOPICS:** we prepared a "long list" of sustainability topics based on competitor analysis, megatrends, the media, stakeholders' feedback (roundtables) and Alperia's activities. We have thus identified 28 topics;
- **DEFINITION OF THE IMPACTS GENERATED ON STAKEHOLDERS:** we have prepared a short list of 21 selected topics. To understand Alperia's ability to generate impact with stakeholders on these topics, we sent out an anonymous online survey to which more than 790 people responded. The results were aggregated and weighted according to the relevance of the stakeholder categories with the intention of forming an overall ranking of the impacts generated on a scale of 1 to 4;

The 16 topics relevant to Alperia thereby emerged. During 2023, a further evaluation of the update based on a peer and market review was carried out, which confirmed the relevance of the topics identified by the materiality analysis.

LIST OF MATERIAL TOPICS				
	1	Asset integrity	9	Sustainable energy products and services
	2	Security and accessibility of supply	10	Emissions
	3	Occupational health and safety	11	Cyber security
	4	Innovation, digitisation, research and development	12	Integrated governance and good corporate governance
	5	Added value for the local area	13	Employee involvement and development
	6	Energy	14	Supply chain
	7	Customer satisfaction	15	Diversity and equal opportunity
	8	Economic development and business model resilience	16	Water

Business & governance

Environmental

Social

Analysis of risks and impacts[3]

In addition, a preliminary exercise was carried out regarding how risks related to sustainability issues affect a company's performance and long-term value (impacts experienced). Starting from the list of material topics identified above, the following activities were carried out:

- **DEFINITION OF THE IMPACTS EXPERIENCED BY THE GROUP:** we internally assessed the impacts experienced by Alperia through: 1) the assessment of the original, ESG and reputational risks associated with the issues with the involvement of Enterprise Risk Management; 2) the assessment of the impacts of the issues on Alperia's business model through a workshop with Top Management; 3) the assessment of the issues in Alperia's pillars and strategies through a desk analysis. The three components were aggregated to form an overall ranking of the impacts suffered on a scale of 1 to 4.
- **GRAPHICAL REPRESENTATION OF IMPACTS GENERATED AND EXPERIENCED**: we prepared a graphical representation considering the two dimensions analysed, selecting and ranking the issues according to the impacts generated and experienced.
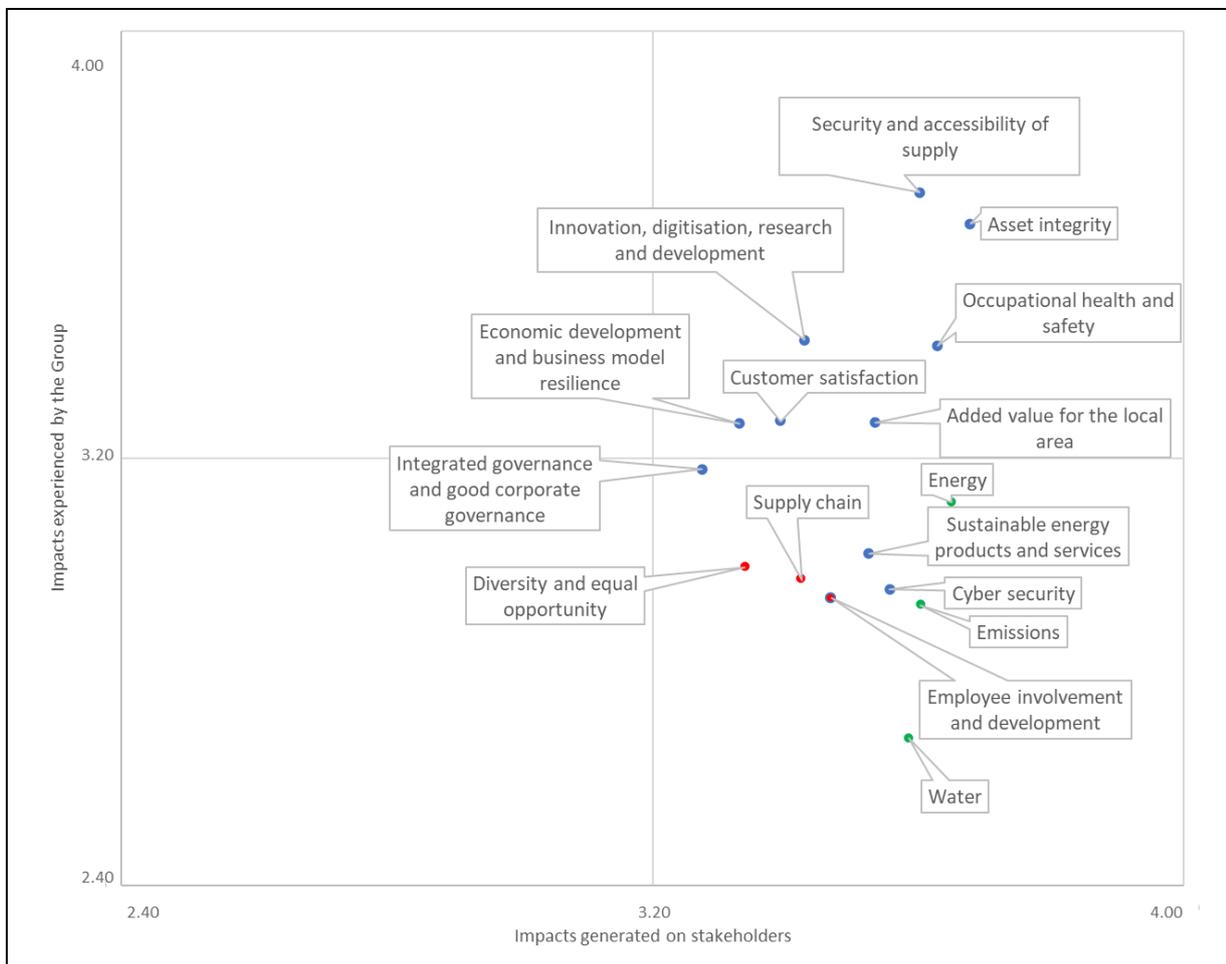
Alperia Group materiality matrix (source: Alperia)

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[3] This preliminary exercise was not audited by the auditor of the non-financial statement.

5. INTEGRATED STRATEGY

How we manage the topic

As one of the largest companies in the area, the Alperia Group's strategic choices have direct and indirect impacts, both internally and externally. The economic development brought about by economic activities contributes to increased income and employment in the province and improves access to essential services such as education and health. In addition, the ability of our business model to be resilient even in the face of shocks or challenges allows us to protect the interests of our stakeholders, such as employee(s), customer(s) and shareholder(s), contributing to the well-being of the community and the environment in which it operates. Through the investments envisaged in the Group's strategy, various environmental and social impacts are expected in the area in which Alperia operates.

The impacts described derive from the externalities caused by the Group's business strategy, which in addition to setting out economic objectives, defines how Alperia interacts with natural and social capital, determining the company's impact in the local socio-economic context. Alperia aims to create economic value in the long term (e.g. through dividends, taxes, investments) for all stakeholders and to improve the resilience of the business model to cope with new evolutionary and competitive scenarios.

The Management Board and the Supervisory Board are responsible for defining and approving the Group's strategic direction. The Group's strategy is periodically re-evaluated by these bodies, based on any significant events that could lead to changes in the energy market. The main results of the materiality analysis and the sustainability objectives that emerged from discussions with the various stakeholders were taken into account when defining the corporate strategy.

What has been done

Sustainability is central to every aspect of Alperia's business. For this reason, we have integrated the principles of sustainable development into our business strategy by defining to which Sustainable Development Goals set by the United Nations we want and are able to contribute within our business with appropriate solutions and measures, within a certain time frame and according to certain indicators. Alperia has equipped itself with a long-term vision that will guide the Group until 2031. The goals identified by the vision will be realised through the 2027 Business Plan, in which we have integrated sustainability at a strategic level.

5.1. Vision 2031

Vision 2031 sets out the objectives that Alperia intends to achieve in the medium to long term, starting from an analysis of the main trends, market developments, the main risks for Alperia and its prospective positioning.

The **main trends** identified concern: the scarcity of natural resources, the advancement of digitalisation and the acceleration of innovation, the development of 4.0 mobility, the increase in geopolitical tensions, the progressive ageing of the population, the greater sensitivity towards social responsibility with the widespread adoption of the Benefit Company model (already adopted in Italy by more than 2,146 companies) and the impact of climate change. Consequently, the cornerstones of Vision 2031 are the following two: sustainability and integrated positioning along the energy value chain. These macro-areas have been identified starting from a preliminary analysis of the risks Alperia could face (risks include: the imbalance of EBITDA on hydropower generation, the evolution of regulations and the expiry or withdrawal of hydroelectric concessions and grids, the impact of climate change, ESG positioning for access to capital, the difficulty in finding and retaining talent, the acceleration of technological obsolescence and innovation and the increase in cyber risk) but also opportunities (including: the growth of the renewables market, the possibility of becoming an energy transition partner for businesses and citizens, maximising the value of the customer base through a customer-centric approach based on sustainability and simplification, and investing in services that will support the energy transition).

Utilities can be the engine of the energy transition, a mission of which we are fully aware and which we have made central to our Vision. All of this will lead us to work to achieve the goals we have set ourselves by 2031, cutting emissions, creating added value in the territory also by adopting D&I policies and building an integrated governance model, strengthening the businesses we already oversee and improving our financial exposure with a sustainable finance framework. Lastly, we will continue to invest in innovation, developing services and businesses consistent with the energy transition (e.g. hydrogen, CER, photovoltaics, biomethane) and transforming the organisation with a view to customer centricity.

5.2. Business Plan 2023–2027

The document that shows the road that Alperia will have to travel until 2027 is the Industrial Plan, which sets out the goals we intend to achieve. By 2027 we plan to invest EUR 850 million with a focus on economic and social spillover, of which EUR 560 million in the Group's traditional sectors: hydroelectric generation, distribution and district heating. These investments should enable Alperia to reduce emissions by 46% by 2027, by 70% by 2031, with offsetting of non-avoidable emissions and achievement of Net Zero by 2040. In particular, through the following measures:

- Scope 1 through:
    - increasing energy production from renewable sources
    - switching to district heating plants using biomass or other low-carbon sources or more efficient technologies
    - electrification of the corporate fleet
    - the implementation of efficiency measures within our operations
- Scope 2 through:
    - the complete transition to electricity consumed from renewable sources
    - the reduction of network losses
- Scope 3 through:
    - increasing the sale of electricity from renewable sources
    - increasing the sale of biomethane or other green gases

In addition to these, there **are objectives of a social nature** such as:

- **Valuing diversity, equity and inclusion**: we have drawn up and published a corporate policy; we launch awareness-raising initiatives for HR and management; we are working to increase the proportion of women in the company and in first- and second-level management and to reduce the gender pay gap between employees; we promote voluntary equal parental leave and help bridge the age gap with projects such as m'entoring; we support cultural exchange by launching a language tandem project in a trilingual area like South Tyrol; we collaborate with schools and universities; we develop corporate wellness measures (investing in internal communication, launching stress management training and a programme on ergonomics and mental health) and adopt smart working.

With reference to the **territory:**

- By 2027, we will revise the current procurement process from an ESG (Environmental, Social, Governance) perspective with a gradual introduction of minimum standards for qualifying as a Group supplier, awarding predefined scores to sustainability criteria (e.g. ESG rating) and introducing a system for monitoring the increased expenditure. We want to introduce minimum criteria in individual tendering procedures and raise supplier awareness of this issue. We intend to increase the added value generated for the region, particularly in South Tyrol and Veneto, and have defined an implementation plan for Community Investments.

In **Governance**:

- We have defined an ESG Investment Framework and obtained an ESG Rating; we are digitalising the ESG reporting process; we will increase the weight of the variable remuneration part linked to ESG performance for Top Management and we will insert new specific objectives linked to ESG for middle management; we have carried out a climate risk analysis in alignment with reporting requirements and plant/building mapping, identifying primary vulnerabilities; we have set ourselves the goal of obtaining the legality rating already obtained for Alperia S.p.A. also for pivot companies and to structure a stakeholder reporting management process.

In **Innovation**:

- We want to define a clear process for innovation management to evaluate initiatives; we will implement a process to monitor innovation spending, evaluate acquisitions of companies that offer particular technological solutions and/or products and capabilities that can be integrated with Alperia's current ones.

In **IT & Digital**:

- We are working on increasing the level of digital business skills; we support business plans with a multi-channel strategy and are expanding the customer base nationwide; we will introduce new offers, integrate business data with decision support, and support different types of users and expand the modes of interaction.

In **Facilities**:

- We are carrying out energy-efficiency measures on civic buildings, reducing their CO_2 emissions, and achieving ISO 50001 certification for all buildings; we have defined a plan for green mobility both internally and for home–work journeys; we are increasing photovoltaic energy production and are building new premises with a focus on sustainability and well-being requirements; we will implement BIM (Building Information Modeling) and adopt consumption monitoring and BMS systems; we will launch water-saving initiatives and promote incentives for home–work mobility.

In the **Personal** sphere:

- We will implement initiatives to increase talent acquisition and reduce turnover (with new contractual arrangements, such as new forms of part time and flexible hours; with the talent management project and the development of career plans; with job rotation systems and leadership training programmes); we have increased employee satisfaction from 50% to 60%, and we want to reduce the absenteeism rate (<3.5%). In addition, we are implementing the succession plan and plan to improve HR tools and planning, including using specific KPIs.

The objectives set will be implemented in the individual BUs through different priorities and growth actions:

- **BU Generation**: the Industrial Plan envisages the activation of a task force for the renewal of the eight concessions expiring in 2024, the maintenance and modernisation of hydroelectric plants to protect existing capacity, the launch of projects on pumping systems and the development of electrochemical/hydrogen storage systems, and the increase in the capacity of photovoltaic plants.
- **BU Networks**: the divestment of the plants in Dobbiaco, San Candido and Villabassa, the acquisition of the grid in Mareta in Val Ridanna, the completion of the voltage unification process, the burying of lines and the increase in automation in the electrical substations are underway/planned, the reduction of CO_2 emissions through the reduction of grid losses, the increase of hosting capacity and the unification of the medium-voltage grid, the reinforcement of the grid in view of the 2026 Olympic and Paralympic Games in South Tyrol, the acceleration of the installation of 2G meters, and the receipt of EUR 18.7 million of PNRR funds.
- **BU Sales and Trading**: we are enabling new business models to reach customers via digital channels and are revisiting the role of physical channels. In particular, the Industrial Plan envisages: growing the customer base by pushing into the retail and SME market, participating in auctions with graduated protection, maintaining a multi-channel strategy, and selling 100% green 'shelf' products (power and gas).
- **BU Heat and Services**: the Industrial Plan envisages an increase in thermal energy sold through the expansion of existing networks, the construction of six new plants, three of which are biomass plants, the acquisition of two biomass plants, a feasibility analysis for the use of deep geothermal energy, and the obtaining of PNRR funds.
- **BU Smart Region**: the Business Plan envisages the entry into the public administration sector, the search for a financial partner, and the valorisation of activities to become a key player in the energy management of energy-intensive public facilities.

5.3. Sustainability Plan 2022–2027

Sustainability is an integral part of the Alperia Group's vision and strategy. The **Sustainability Plan 2022–2027** aims to strengthen the Group's green growth with clear targets and KPIs for each material topic. The five strategic action areas we have identified are:

- **Governance and resilience:** we want to anchor ecological, social and economic sustainability in our governance and management processes and build an integrated governance model. We want to create economic value in the long term (e.g. through dividends, taxes, investments) and make our business model resilient in order to cope with new evolutionary and competitive scenarios. We want to ensure a reliable energy supply that is energy-efficient and sustainable, creating long-term safe, efficient and sustainable supply of energy with secure facilities, which ensure the protection of personnel, the population and the surrounding areas. We want to actively contribute to the energy transition and develop new technological solutions with innovative research projects, which help to limit negative externalities. We want to ensure the security of information systems and the protection of all data.

- **Customers:** we promote an integrated value proposition (commodity and services) focused on the energy transition with 100% green offers and enabling solutions for the decarbonisation of customers. We want to offer our customers fast and solution-oriented customer service and improve the customer experience.

- **Green Mission:** we want to make our energy consumption more efficient and achieve Net Zero by 2040 by significantly reducing our greenhouse gas emissions. We want to minimise the impact of our hydropower plants on nature and the environment, actively protect the biological diversity of watercourses and promote the efficient and responsible use of water resources.

- **Territory:** we want to create added value for our territory in several areas, including with regard to jobs, local taxes and social commitment. We want to make our purchases as local and sustainable as possible, both ecologically and socially.

- **People:** we want to promote a healthy and safe, inclusive and equal environment and invest in a shared corporate culture based on trust, promoting the development and empowerment of employees.

For the complete Sustainability Plan, please refer to the dedicated section on the Alperia website.

Governance and Resilience

We want to integrate sustainability aspects into corporate governance; for example, into policies, procedures, plans and compliance and risk management, in order to spread good practices throughout the Group and promote a corporate culture based on ethics and transparency.

Developing energy products and services with the lowest possible environmental impact and capable of ensuring a reliable energy supply that is energy efficient and sustainable supply, creating longterm economic value for the company itself and the territory, as well as increasing the resilience of the business model to cope with new evolutionary and competitive scenarios.

6 CLEAN WATER AND SANITATION — We optimise water management, reduce the impact of our activities and work to protect the aquatic environment

7 AFFORDABLE AND CLEAN ENERGY — We ensure access to affordable, reliable, sustainable and modern energy systems

8 DECENT WORK AND ECONOMIC GROWTH — Promoting an inclusive and sustainable economic growth and decent and safe employment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — We build and maintain safe and resilient infrastructure, promote innovation and support equitable, responsible and sustainable development

11 SUSTAINABLE CITIES AND COMMUNITIES — We want to make cities more inclusive, safe, energy efficient and sustainable

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — We ensure sustainable patterns of production and consumption

Supply interruption duration per customer (in minutes)	**18.8**	Instances of theft, dissemination or loss of data relating to identified customer(s)	**0**
Rate of participation in computer security training	**94%**	Availability of hydroelectric plants	**86.17%**
Underground power lines	**77%**	Percentage of renewable energy produced	**93%**

6.1. Integrated governance and good corporate governance

How do we handle this issue?

In order to spread best practices throughout the Group and promote a corporate culture based on ethics and transparency, we have formalised the management of impacts on various sustainability issues within corporate procedures. The Group's effects and impacts related to governance derive from the policies and procedures applied internally. They affect the way the Group interacts with different categories of stakeholders.

During 2022, Alperia updated its sustainability policy of 2019, making explicit the integration of sustainability aspects in corporate governance with policies, procedures, plans, as well as compliance and risk management. The aim is to spread good practices throughout the Group and promote a corporate culture based on ethics and transparency. The policy describes, for each of the five areas of action Governance and Resilience, Customers, Green Mission, Territory and People, how the Group intends to pursue its ESG objectives and the key principles to be followed in carrying out its business activities.

Alperia integrates aspects of corporate responsibility into the day-to-day management and decision-making of the company in the following areas: risk management, strategies, programmes, policies and procedures, reporting and corporate culture. In particular in its:

- **Sustainability Policy**: we have integrated the economic, social and environmental aspects of sustainability and stipulated that all company activities are evaluated, continuously improved and implemented in relation to them, in the five strategic fields of action Governance and Resilience, Customers, Green Mission, Territory and People.
- **Business Strategy**: (Vision 2031 and Business Plan 2023–2027) defining the indicators and targets to be achieved within the time frame of the strategic plan.
- **CSR Procedure:** we have drawn up a specific procedure in order to document the processes and relevant actors of sustainability in the company, in order to enable the planning of the IMS (Integrated Management System) in an integrated manner with CSR.
- **Risk Management**: we identified, assessed and managed non-financial risks in the Group's Enterprise Risk Management.
- **Remuneration Systems**: we have integrated non-financial components into the company's remuneration systems. The bonus paid to employees at the end of the year is linked to the percentage of achievement of the Sustainability Goals in the Sustainability Plan, while a target linked to the MBO is set for each manager.
- **Grievance Systems**: in order to manage conflicts or disagreements with individual stakeholders or stakeholder groups, we have made available written information, forums where stakeholders and the organisation can present their views and seek solutions (e.g. stakeholder roundtables) and systems that allow people to report wrongdoing without fear of retaliation (e.g. whistleblowing platform).

The monitoring and assessment of the effectiveness of the actions taken during the year is carried out annually on the occasion of the preparation of the Sustainability Report and the progress of the objectives declared in the Sustainability Plan 2022–2027 through specific KPIs. In addition, results are presented and evaluated by the top corporate bodies.

We involved stakeholders in the definition of governance projects and initiatives during meetings of the Control, Risk and Sustainability Committee as well as of the CSR Steering Committee and with specific meetings with management during which the opinions and views of internal stakeholders on the initiatives were collected. The opinions of external stakeholder(s) and the communication of Alperia's initiatives to them were collected during roundtables held when the materiality analysis was updated.

Finally, a very important aspect was the assessment of the integration of sustainability in governance, with the Integrated Governance Index performance (IGI). The Integrated Governance Index, a project of ET.Group, now in its eighth edition, is the only quantitative analysis model of the degree of integration of ESG factors in corporate strategies. It involves not

only the top 100 listed companies, but also the companies that drew up the DNF in 2021 (Consob basket) and the top 50 unlisted Italian companies. The IGI measured the controls and processes that Alperia adopts to achieve its sustainability goals. The survey areas assessed were: 1) Self-disciplinary codes and sustainability; 2) Diversity, professionalism, board independence; 3) ESG integrated in remuneration; 4) ESG integrated in business strategies; 5) Board committees and sustainability; 6) Purpose, materiality and stakeholders; 7) Succession plans; 8) Finance; 9) HR and human capital; 10) ESG Digital Governance; 11) Extraordinary – ESG Identity. Alperia improved its result, ranking fifth among unlisted companies.

We set up a table to define a procedure for reporting undesirable events and prepared a model for gathering information, evaluating causes and implementing appropriate solutions. In the area of due diligence, we also improved the process of tracking and communicating solutions to the stakeholders for Alperia Greenpower.

Strategic objective: we want to anchor ecological, social and economic sustainability in our governance and management processes and build an integrated governance model.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Due diligence: formalise the handling of complaints in a procedure and implement measures to make the process more usable by stakeholders in AGP (e.g. electronic reporting of events)	An internal procedure has been put in place for the management of information on undesirable events aimed at analysing the causes and defining/executing corrective actions. On 18 September 2023, PRO GP 313 – Management of Undesirable Events was published in MyAlperia.	2023	Internal procedure			✓	SDG 12
Due diligence: improve the process of tracking and communicating solutions of challenges to stakeholders in AGPs	An internal procedure has been put in place for the management of information on undesirable events aimed at analysing the causes and defining/executing corrective actions. On 18 September 2023, PRO GP 313 – Management of Undesirable Events was published in MyAlperia.	2023	Internal procedure			✓	SDG 12
ESG rating: conducting an ESG rating according to an international frame work	EcoVadis rating, obtaining Gold and Fitch rating	2023	-	-		✓	SDG 12
Culture: training for all employees on the Code of Ethics		2025	% employees trained on the Code of Ethics	100%		On-going	SDG 12
ESG Rating: assessing EcoVadis membership and subsequent completion of the questionnaire	Conduct of the EcoVadis Rating	2025	-	-		✓	SDG 12
Reporting: digitising the ESG reporting process		2026	-	-		On-going	SDG 12
Due diligence: structuring a central stakeholder reporting process		2027				On-going	SDG 12
ESG rating: evaluating the extension of the CDP rating to the entire Group		2027	-	-		On-going	SDG 12

6.1.1. Corporate Governance

Stable, effective and balanced

Alperia S.p.A. adopts the **dualistic system** that provides for a Management Board, composed of six members, and a Supervisory Board, also composed of six members, three of whom are appointed by the shareholders Autonomous Province of Bolzano and Selfin S.r.l. and three by the shareholders Municipality of Bolzano and Municipality of Merano. The Management Board is chaired by Chair Flora Emma Kröss, while the Deputy Chair is Mauro Marchi. The other members of the Management Board are Markus Mattivi, Daniela Vicidomini, General Manager Luis Amort and Deputy General Manager Paolo Acuti. The Management Board is exclusively responsible for the broadest administration and management of the Company, as well as for the preparation and implementation, once approved by the Supervisory Board, of the general planning and strategic guidelines of the Company and the Group. The Supervisory Board consists of Maurizio Peluso (Chairman), Luitgard Spögler (Deputy Chairman), Wolfram Sparber, Manfred Mayr, Silvia Paler and Stefano Parolin. The Supervisory Board oversees compliance with the law, the company's articles of association and the principles of proper administration and management of the company, and approves transactions resolved upon by the Management Board and deemed strategic by the articles of association. In the two top bodies of the Company, women represent a total of 33% of the ten external members. As of 31 December 2023, the operational management of the Company was entrusted to the Management Board, composed of the General Manager, Luis Amort, and the Deputy General Manager, Paolo Acuti.

The General Manager represents the top of the structure, directs and manages the Company's activities, supervising its technical, administrative and financial activities. He holds, like the Deputy General Manager, the dual role of manager and member of the Management Board, helping to form the will of the Board. The Deputy General Manager, Paolo Acuti, is also a member of the Executive Board and the Energy Board of Utilitalia, the Italian federation of energy, water and environmental companies. The Supervisory Board is supported by three endo-consiliar committees in carrying out its tasks.

Alperia's governance structure is completed by the Internal Audit function that performs an independent and objective activity according to the mission (provided by international standards) of "protecting and increasing the value of the organisation, providing objective and risk-based assurance, advice and expertise". In its activity, it assesses the adequacy and effectiveness of the Alperia Group's Internal Control and Risk Management System (SCIGR) and assists the organisation in the pursuit of its objectives, thus verifying the adequacy of risk management and corporate governance processes and their effective functioning. Internal Audit also assesses the operating methods of the corporate functions and departments, the systems, processes, directives, procedures and practices adopted, both of the Parent Company and of the Companies belonging to the Group.

In 2023, a quality assurance activity of the function's internal activities was implemented, with a modification of the operational audit process, more in line with the current international internal audit standards with regard to both planning and method reporting (reporting), leading to a deepening of the issues and a more "risk-based" approach in the various activities. The activities were carried out both in person and remotely.

Internal Audit also cooperates with the Supervisory Bodies pursuant to Legislative Decree 231/01 (Supervisory Board) of certain Alperia Group companies, in line with the independence characteristics envisaged for such bodies. In 2023, the information flows envisaged towards the Supervisory Bodies of some companies were reviewed and perfected, also in view of the periodic renewal of the members, which took place during the year.

In order to increasingly spread the culture of sustainability, Alperia organised a workshop on climate change risk in 2023, which was initiated by the Supervisory Board. The event was attended by representatives of the Supervisory Board, the Management Board and the Top Management of Alperia, as well as some experts from Eurac Research. ESG training was also carried out to make Alperia's Board and management better informed on these issues.

Strategic objective: we want to anchor ecological, social and economic sustainability in our governance and management processes and build an integrated governance model.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
CoG/CdS: creation of a Sustainability Committee	Inclusion of sustainability issues in the Risk Committee at Board renewal in summer 2022	2022				✓	SDG 12
CdG/CdS: preparation of a succession plan for Top Management with definition of selection criteria	Procedure and succession plan prepared	2022				✓	SDG 12
CdG/CdS: assessment of the appropriateness of the benefits of identifying independent directors	Will be evaluated when appointing the new Board of Directors in 2025	2023	-	-		X	SDG 12
CdG/CdS: definition and implementation of an ESG induction programme	Introduction (update) ESG	2023	Number of Board induction meetings on ESG topics	6	6	✓	SDG 12
BoG/CdS: establishment of a process for disseminating remuneration-related information on the Alperia website	Postponed to 2024	2023	-	-		X	SDG 12
CoG/CdS: implementation of the annual self-assessment of the CoG/CdS and committees (through a formalised process) including considerations of ESG aspects ('ESG self-assessment')		2024	-	-		On-going	SDG 12

6.1.2. Sustainability Governance

Alperia plans its activities with the impact they may have on the environment and communities in mind. That is why we **adopt a structured CSR management** and have defined a **Sustainability Policy** that we have updated in 2022 and made available on our website together with the **Sustainability Plan 2022–2027**. The objectives and KPIs of the plan were identified with five roundtables involving stakeholders from South Tyrol and the Veneto region, internal and external to the Group (customers, interest groups, mayors, representatives of the province, etc.). Alperia's strategic fields of action indicated in the **Sustainability Policy** are: Governance and Resilience, Customers, Green Mission, Territory and People. On the basis of the Group Policy, each company can issue a policy that integrates Alperia's with its own specificities, setting specific strategic objectives for its core business processes. The topics are discussed in more detail in sections **6.2.1** and **5.3**. Furthermore, we have integrated the principles of sustainable development into the corporate strategy by defining to which Sustainable Development Goals set by the United Nations we want and are able to contribute. We have integrated sustainability at the strategic level in both Vision 2031 and the Business Plan 2027. Please refer to Chapter 5 for more details.

Alperia also has a **CSR management procedure** in which it documents the relevant processes for CSR management according to DIN ISO 26000. The procedure indicates: mission, regulatory references, functions involved and steps in the CSR management process. All activities relating to corporate social responsibility are managed by the CSR Management function within the Strategic Marketing & Communication Department. It has the task of promoting integrated ESG governance at all levels of the organisation, monitoring and implementing new requirements, supporting the competent governing and control bodies in defining the Sustainability Plan, overseeing the drafting of the Sustainability Report to be submitted to the competent bodies for approval, designing, implementing and monitoring CSR activities and coordinating them at Group level, preparing regular reporting and communication to the competent bodies and coordinating stakeholder management at Group level. The other bodies involved in sustainability management are: the Supervisory Board, the Management Board, the Management Circle, the Control, Risk and Sustainability Committee, the CSR Steering Committee, the BUs and the relevant departments. For further details on the updating of the procedure, please refer to Section 6.2.1.2 'CSR Management Procedures'. In addition, mention should be made of the **Control, Risk and Sustainability Committee,** which also met periodically in 2023 and is composed of members of the Supervisory Board, whose responsibilities also include verifying the adequate integration of sustainability in corporate governance.

During the year, we implemented an **ESG training plan** for the workforce and management with the aim of increasing the trained population to 90% by 2027. The training was implemented in the companies Alperia Green Future, Hydrodata, Alperia Smart Services and Alperia Trading and focused on: ESG definition, regulatory environment, Alperia's objectives and sustainable finance. Alperia realised its first **Green Financing Framework** with the issue of a **public Green Bond**.

Aware of how important it is to act for the climate, limiting the global temperature increase to 1.5 degrees Celsius and reducing global emissions with the goal of reaching Net Zero, we have also submitted our targets to the **Science Based Target initiative** and are awaiting validation. At the same time, with the aim of activating long-term projects with a positive impact on the local area and communities in which we operate, we created the **Community Investment** function. Following a discussion with stakeholders, we defined priority themes on which to act and selected three projects, two of which have already started in 2023, dedicated to biodiversity and reforestation. Please refer to the relevant section for details.

In 2023, we also received the **first EcoVadis rating** by obtaining the Gold medal. The award was given in recognition of Alperia's sustainability achievements in four key areas: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. Alperia was also named **Europe's Climate Leader 2023 by the Financial Times**: it is the first Italian utility to be included in the prestigious ranking, also thanks to the progress made in reducing greenhouse gas emissions and its commitment to concrete actions to protect the environment. This result confirms our commitment to the energy transition process. In addition, we have been recognised by the Corriere della Sera, Pianete 2030 and Statista (a company specialising in market research, ranking and analysis of company data) survey as one of the '**most climate-conscious companies**', thanks to our commitment to reducing our CO_2 emissions (in relation to turnover). Lessons learned were also the subject of the Leadership Interview we gave to the international news agency Reuters on the occasion of **COP28**, the United Nations Conference of the Parties on Climate Change, held in Dubai from 30 November to 12 December 2023.

Finally, Alperia underwent an assessment of the integration of sustainability in governance for the fifth time, with the Integrated Governance Index performance (IGI), evaluating its positioning in relation to key sustainability aspects and obtaining an improved rating compared to the previous result, which placed it **fifth among unlisted companies.** The IGI measures the degree of progress in sustainability governance or integrated governance. The survey areas assessed were: 1) Self-regulatory codes and sustainability; 2) Diversity, professionalism, board independence; 3) ESG integrated into remuneration; 4) ESG integrated into business strategies; 5) Board committees and sustainability; 6) Purpose, materiality and stakeholders; 7) Succession plans; 8) Finance; 9) HR and human capital; 10) ESG Digital Governance; 11) Extraordinary – ESG identity.

Alperia improved its result, placing fifth among unlisted companies. Specifically, Alperia achieved a score of 76% (up from 29% in 2019) compared to the best score of unlisted companies. Compared to the "Energy, Utilities and Unlisted Utilities" sector average of 37 points, Alperia scored 48 points and entered the Top Five of unlisted companies for the first time**.**

6.1.2.1. Sustainability Policy

Alperia has developed a Sustainability Policy, first defined in 2019 and updated in 2022, to define how to address sustainability issues. All company activities are assessed, improved and implemented in relation to these aspects in five strategic areas**:**

- **Governance and Resilience:** Alperia integrates sustainability aspects into corporate governance, for example into policies, procedures, plans and compliance and risk management, in order to spread good practice throughout the Group and promote a corporate culture based on ethics and transparency. We create long-term economic value for the company and the region, increase the resilience of the business model to cope with new evolutionary and competitive scenarios, protect data and systems, and prioritise the technical security of facilities and the resilience of infrastructures to protect employees and the corporate population.
- **Customers:** we involve customers throughout the lifecycle of our products and services and improve customer care with the aim of building a lasting relationship with them, we promote an integrated value proposition (commodity and services) focused on the energy transition with 100% green offers, we carry out communication and awareness campaigns on sustainability.
- **Green Mission:** Alperia is committed to achieving Net Zero by reducing its greenhouse gas emissions and promoting low-emission energy production as well as keeping its environmental impact as low as possible by implementing biodiversity conservation programmes, promoting responsible energy consumption and implementing energy-saving measures.
- **Territory:** we create added value locally, including in terms of jobs, taxes and supply contracts and social commitment. We have developed a plan for community investment, activating two projects dedicated to reforestation and biodiversity protection. By defining minimum ecological and social requirements in tenders, supplier selection, supplier assessments and audits, we contribute to the sustainable design of the entire supply chain.
- **People:** Alperia pursues responsible human resources management with continuous staff training, the creation of a family-friendly environment, the promotion of diversity and equal opportunities, and the application of appropriate measures to protect the health and safety of employees.

For the complete Sustainability Policy, please refer to the dedicated section on the Alperia website.

6.1.2.2. CSR Management Procedures

The CSR management procedure documents the processes relevant for CSR management according to DIN ISO 26000. The bodies responsible for sustainability management, in addition to CSR Management, are:

- **The Supervisory Board** is obliged to monitor the implementation of Decree 254/2016, to approve and monitor the implementation of the Sustainability Plan, to approve the Sustainability Report, to report to the shareholders' meeting on the approval of the Report and on the supervisory activity carried out, to assess the efficiency of the internal control system and to manage communication to the shareholders.
- **The Management Board**, which is called upon to prepare and implement the Sustainability Plan, with policy and strategic objectives, and to prepare and implement the draft Sustainability Report.
- **The Management Circle**, consisting of members of the Group's operational Top Management, is called upon to carry out short-term planning in compliance with the programmatic and strategic objectives, to make decisions on incentive and loyalty systems for the Group's managers and employees, to implement the provisions of the Sustainability Plan and to ensure the quality of the data on ESG indicators.
- **The Audit, Risk and Sustainability Committee**, composed of members of the Supervisory Board, has the task of providing the latter with non-binding opinions, suggestions and support in the fulfilment of its statutory duties (these include ensuring that the main risks affecting the Company and its subsidiaries, including sustainability-relevant risks, are adequately identified and managed); verifying the adequate integration of sustainability into corporate governance; reviewing and assessing sustainability issues related to the conduct of the Company's business and the dynamics of interaction with stakeholders; evaluating the system for collecting and consolidating data for the preparation of the Group's Sustainability Report; monitoring the Company's positioning in sustainability-related issues; and issuing opinions on other sustainability issues at the request of the Supervisory Board.
- **The CSR Steering Committee**, a committee composed of CSR Management and the contact persons of the relevant functions and BUs. It acts as an interface between the Group's employees and CSR Management and is responsible for providing information on current activities, monitoring ESG performance, presenting proposals for improvement, measuring the objectives to be achieved and the actions to be implemented, and promoting awareness of sustainability issues.
- **The relevant functions and BUs** whose responsibility is related to the operational implementation of objectives and measures, the identification of further developments for CSR and the collection of data for reporting and annual external reporting.

The CSR procedure sets out how Alperia interacts with its stakeholders, how it acknowledges their needs and how it responds to them, the criteria by which the materiality matrix is constructed, how the Sustainability Plan and Sustainability Report are drawn up, and how sustainability is applied to the Parent 'Company's affiliated companies. The document also emphasises the dissemination of an increasingly sustainability-focused corporate culture with direct management involvement in the pursuit of sustainability goals.

Continuous Improvement – Each year, management and key functions review the effectiveness and efficiency of the **IMS Integrated Management System**, assessing possible improvements both at individual BU and Group level. The reviews are carried out at both individual BU and Group level. To carry out the subsidiary review, the Management is supported by the BU HSE and the person(s) responsible for the key processes of the individual company (e.g. Budgeting & Controlling, Corporate HR & Organisation). The BU HSE co-ordinates the collection of data and reports and prepares a report containing 'input elements' (e.g. the entry into force of new regulatory or other requirements, changes in the external factors considered in the risk assessment, complaints from interested parties and results of any audits by the relevant bodies, etc.) and 'output elements' (e.g. the need for resources, multi-system improvement programmes at individual company level, indications from the competent doctor, etc.). The same dynamic applies for the Group review, with the assessment of 'input' and 'output elements'. Within the framework of management reviews, one of the main outgoing elements are the improvement programmes, whereby improvement activities are identified for the various schemes with their performance targets. These targets refer in particular to the improvement of the efficiency and effectiveness of the management system and may have a multi-year time span.

Strategic objective: we want to anchor ecological, social and economic sustainability in our governance and management processes and build an integrated governance model.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Procedures: approval of a CSR Management Procedure to formalise ESG Governance and non-financial reporting	Approved procedure	2022				✓	SDG 12
Procedures: integrating sustainability aspects into procedures and new companies	Definition of a process for evaluating procedures according to ESG aspects Innovation Management procedure evaluated	Annual	Number of procedures evaluated		1	✓	SDG 12
Culture: creation and implementation of a plan to include ESG topics in corporate training programmes to raise awareness of ESG issues and create a culture of sustainability and corporate social responsibility among our management and employees	Thirteen CSR and ESG courses were organised during the year 2023, one of which was delivered for a Group company by an internal lecturer from the CSR department (44 participants).	2027	Population trained for ESG (%)	90%		Ongoing	SDG 12

6.1.3. Risk Management

Risk monitoring, management and control

Alperia's risk management system plays a key role in the Group's decision-making processes, constantly oriented towards a comprehensive and accurate assessment. In our corporate analysis, we have carefully integrated the non-financial risks associated with the main areas of action outlined in the Sustainability Report (Employees, Green Mission, Territory, Customers, Development, ESG and Innovation) and the objectives set. Each risk has been meticulously classified according to its type, assessing it in terms of impact and probability.

The Risk Management function, which is at the heart of the implementation and development of risk management, finalised the Enterprise Risk Management (ERM) governance in 2023. This methodology, based on the COSO Framework and ISO 31000 standards, aims to achieve certification within the next five years. Supported by dedicated software, it enables comprehensive risk management: from identification to assessment, mitigation and periodic reporting to senior management.

Climate Risk

According to EU Taxonomy regulations, Alperia is legally obliged to disclose turnover, capital investments and operating expenses resulting from green business activities.

The Corporate Sustainability Disclosure Regulation (CSRD) therefore requires companies, such as Alperia, to disclose so-called transitional climate risks and opportunities as of the reporting year 2024. Therefore, Alperia decided to integrate transition risks and opportunities into its climate risk management process. This process is also based on the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD), which has developed guidelines to enable companies to more effectively disclose all types of climate-related risks and opportunities.

Moreover, clearly aware of how decisive climate change can be for its business, Alperia decided to undertake an in-depth climate change risk analysis, defining impacts and possible mitigation with the Climate Risk and Vulnerability Assessment.

At the end of this operation, we want to estimate an inherent risk profile for each area to make it more comparable.

A description of ESG risks and how they are managed is given at the end of this report.

The Alperia Climate Risk Handbook is the central document in Alperia's climate risk management process. This document has the following aims and objectives:

- describe the climate risk management process
- define physical and transitional climate risks and opportunities
- describe the economic activities impacted by climate change in the Business Units
- provide an overview of Business Unit investigation objects
- create a process in which climate risks are monitored and mapped

Enterprise Risk Management coordinates the climate risk management process and as part of the coordination function:

- determines the overall approach and methodology of the climate risk management process
- coordinates input from external scientific research organisations such as Eurac
- establishes knowledge and awareness of climate risks within Alperia
- consolidates, prepares and visualises information collected by Business Units
- creates internal and external relationships related to climate risks

In accordance with the EU Taxonomy, the Climate Risk and Vulnerability Assessment comprises three key steps:

- identification of relevant physical risks that could affect the economic activity during its lifetime
- assessment of the impacts of these risks through the use of different future climate scenarios; the scenarios used during the process were developed by the Eurac Research Institute and are IPCC RCP 4.5 and IPCC RCP 8.5
- development and implementation of adaptation solutions that reduce the identified physical risks.

Through the Climate Risk Handbook, Alperia not only outlines a robust climate risk management process but also clearly defines physical and transitional risks, identifying climate-related opportunities and detailing the implications for the various business units. The use of climate scenarios developed by external research institutes such as Eurac reflects the willingness to adopt rigorous scientific methodologies.

In conclusion, Alperia is committed to maintaining high standards of transparency and accountability by consolidating, preparing and visualising the information collected by the different Business Units in internal and external reports. The continuous monitoring of climate risk and its integration in ESG reports underlines Alperia's holistic approach and long-term vision towards sustainability.

Cyber Security – Applying the ''Risk-Based Thinking' approach to the continuous improvement process required by cyber security regulations, the security plan was developed.

The process of implementing the plan provides for different approaches according to the scope of intervention, following internationally recognised standards, guidelines and best practices, as well as the state of the art for cyber-security aspects. From a series of analyses carried out in cooperation with the Digital & Technology Department, areas for improvement emerged, not only on the technical side but also on the organisational side. The mitigation opportunities identified were then shared with the operational part in order to identify deliverables, times and costs, which were then merged into a project that allowed the countermeasures to be divided into 16 sites, defining the terms for their implementation.

Following approval by top management, the security plan was launched in its operational phase and its progress monitored through periodic meetings with project contact persons. In addition to being aligned with the Alperia Group's Sustainability Policy, the plan is part of a multi-year cyber risk reduction strategy and envisages various activities, some preparatory to the subsequent ones, to be carried out with a precise sequencing in order to obtain the maximum benefit from the ever-increasing security posture.

Some of the beneficial effects brought about by the applied mitigations have been immediately tangible (e.g. reduction in insurance premiums, greater detection capacity and responsiveness of security systems, etc.), others will see their expression in the remediation activities planned for 2024 (e.g. new organisational procedures in the cyber field, extension of regulatory certifications, etc.). Finally, the aspects listed above are also part of the activities envisaged by the regulations to which the Alperia Group refers, certifying compliance where possible.

Liquidity risk – The Group has launched a project dedicated to liquidity risk planning and management aimed at optimising financial risk management and ensuring a stable exposure to financial instruments. Through an in-depth benchmark analysis, the Group assessed its positioning against industry standards, identifying areas of strength and points for improvement. Also noteworthy is the establishment of a Liquidity Committee, which meets monthly to closely monitor risk and ensure constant alignment of operational policies with the Group's strategic objectives. These actions reflect the Group's commitment to advanced and transparent financial management, preparing it for future challenges and opportunities in the economic landscape.

Strategic objective: we want to anchor ecological, social and economic sustainability in our governance and management processes and build an integrated governance model.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Risks: identification of scenarios and risks associated with the supply chain of raw materials for thermal energy production and identification of feedback solutions		2023	-	-	-	✓	SDG 12
Risks: conducting a thorough climate risk analysis, aligning it with legislative reporting requirements	Completed the climate change risk management project where the main climate risks of all BUs were mapped	2023				✓	SDG 12
Risks: establishment of an integrated and periodic monitoring and reporting process for risk management at Group level	Defined annual update of the climate risk inventory for each BU	2024	-	-		✓	SDG 12
Risks: ISO 31000 certification		2024	-	-		Ongoing	SDG 12
Risks: preparation of an action plan (gaps-mitigants) related to cyber risk	Security Plan 2023 with 16 organisational and technical sites. Thirteen activities have been closed, two will continue in the coming years as planned, one has been stopped for re-evaluation.	2024	-	-		Ongoing	SDG 12
Risks: evaluation of ISO 37001 (anti-bribery certification)		2025	-	-		Ongoing	SDG 12
Risks: legality rating already obtained for Alperia S.p.A. also for pivot companies	ASS and AGF legality rating obtained	2027					SDG 12

6.1.4. Remuneration linked to Sustainability Goals

Already since 2020, we have linked the production bonus of employees and the Management by Objectives (MBO) of Top Management to the achievement of Sustainability Goals. Also this year, we have indicated in the Sustainability Plan 2022–2027 the implementation of measures to integrate the company's remuneration systems into the achievement of specific Sustainability Goals. In particular:

- **Production bonus**: the achievement of at least 65% of the targets defined in the Sustainability Plan each year influences the production bonus.
- **Management by Objectives (MBO)**: objectives are defined and proposed annually in consultation with Corporate HR & Organisation and CSR Management. We work to increase the part of variable remuneration linked to ESG performance by at least 20% by measuring it through explicit real targets.

Strategic objective: we want to anchor ecological, social and economic sustainability in our governance and management processes and build an integrated governance model.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Remuneration: increase the weight of the part of variable remuneration linked to ESG performance (measured through explicit real targets) by at least 20%	The weight of targets related to ESG performance has increased since 2022	2024	Percentage of variable remuneration linked to ESG performance	=>20%	18%	X Planned for 2024	SDG 8 SDG 12
Remuneration: inclusion of ESG targets for middle management		2027	Middle Mgmt population with ESG targets (%)	100%	0%	Ongoing	SDG 8 SDG 12

6.1.5. Sustainable finance

In 2023, Alperia launched its **first public Green Bond.** The transaction attracted great interest from international investors, mostly specialised in sustainable finance products, demonstrating their trust in the Group. Around EUR 1 billion was subscribed and more than 10% of the new Green Bond was subscribed by local banks and funds. A corresponding amount of EUR 500 million was used to finance and/or refinance projects that generate significant environmental benefits, the so-called 'Eligible Green Projects', selected on the basis of the evaluation criteria defined in the Green Financing Framework (GFF) that Alperia published in May 2023, and the corresponding costs operating and capital. These projects, which pursue one or more of the goals of the UN 2030 Agenda, or Sustainable Development Goals (SDGs), are divided into the categories 'Renewable energy', 'Energy efficiency' and 'Clean transportation'. The new non-convertible bond is therefore part of the sustainability strategy aimed at decarbonisation and the responsible use of water resources.

The Green Financing Framework is, for us, a concrete step to mobilise stakeholders on ESG objectives and allows us to showcase our sustainability strategy through the use of different sustainable financing instruments to finance various significant projects. The Framework was drafted to align with the latest versions of the International Capital Market Association's (ICMA) Green Bond Principles 2021 and the Green Loan Principles 2023 managed by the Loan Market Association and their four core components:

- use of proceeds
- project evaluation and selection process
- income management
- reporting

The Framework is aligned with ICMA's Green Bond Principles (GBP) 2021 and LMA's Green Loan Principles 2023 and is prepared to align with the proposed EU Green Bond Standard and the EU Regulation establishing a framework to facilitate sustainable investments (Regulation (EU) 2020/852, the "EU Taxonomy"). The Taxonomy will apply to all sustainable financing instruments used by Alperia and will be in force as long as the sustainable financing instruments are in place.

Eligible Green Projects to be financed will contribute to the achievement of the environmental objectives embedded in Alperia's Sustainability Strategy and are aligned with the main eligible categories of the ICMA Principles on Green Bonds and the LMA Principles on Green Loans. Eligible projects may include capital expenditures, operating expenses related to improvement and maintenance activities, including, but not limited to, research and development expenses, material purchase costs and acquisitions. As far as possible, the selection criteria were set in accordance with the EU Taxonomy for Environmentally Sustainable Activities.

Alperia has established a dedicated Sustainable Finance Committee, chaired by the Head of M&A – Structured Finance and represented by the CSR Manager, the Administration and Finance Manager, the Engineering and Consulting Manager, the Energy Manager and the Budgeting & Controlling Manager. Business Units related to specific projects and KPIs will also be involved on an ad-hoc basis. The Committee will be responsible for:

- the review, selection and validation of Eligible Green Projects
- annual monitoring of selected projects throughout their duration
- the identification of a replacement project in the event of postponement, cancellation, discontinuation or ineligibility of a previously identified project
- the identification, implementation and monitoring of alignment between projects and the EU Taxonomy
- the review of planned investments in the various Business Units in line with the EU Taxonomy
- the alignment of the budgeting and planning process with the objectives set by the Sustainable Finance Committee
- validation of impact and allocation reporting
- the evolution of international standards in sustainable finance, particularly in relation to disclosure and reporting, to ensure that Alperia is in line with best market practice

The Green Bond is part of a strategy that sees Alperia's financial sphere increasingly linked to sustainability. In 2022, Alperia closed a financing round of EUR 1.4 billion from a **pool of banks** consisting of, among others, Mediobanca – Banca di Credito Finanziario, Intesa Sanpaolo S.p.A., Bnp Paribas, Italian branch, UniCredit, Banco Bpm, Crédit Agricole Corporate & Investment Bank, Milan branch, Cassa Centrale Raiffeisen dell'Alto Adige, Cassa di Risparmio di Bolzano, Banca Nazionale del Lavoro and Barclays Bank Ireland. Part of these funds were converted into a long-term loan (bridge to bond). With the new Green Bond, Alperia changed its debt structure from a variable to a fixed rate and lengthened the average maturity of its financing sources. Alperia also updated its EMTN programme with a maximum amount from EUR 600 million to EUR 1.5 billion.
We also recall that Alperia had already placed other Green Bonds on the European market in the past. For further details

please refer to the underline dedicated section of the Alperia website.

Alperia received ESG ratings from the rating agency Fitch: the ratings include an overall score of 80/100, underlining the effectiveness of the company's ESG performance. Alperia's Green Bond 2023 received the highest score (1), highlighting the high environmental and social standards in its financial instruments. The Green Financing Framework received a score of 2, reinforcing the robustness and transparency of Alperia's ESG framework.

Strategic objective: we want to create economic value in the long run (e.g. through dividends, taxes, investments) and make our business model resilient in order to cope with new evolutionary and competitive scenarios.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Finance: establish an investment, CapEx, OpEx and revenue reporting process aligned with the EU Taxonomy to meet the legislative reporting requirements for the DNF 2022	A document was drawn up summarising the process for which taxonomic KPIs are calculated, timelines and responsibilities	2022				✓	SDG 12
Finance: issue of a new sustainable financial instrument (Green Bond/sustainability-linked bond)	Green Bond issued in June 2023	2023				✓	SDG 12
Finance: update of the ESG Investment Framework	Drafting Green Bond Framework	2023				✓	SDG 12

6.1.6. Good business conduct

6.1.6.1. Anti-corruption measures

Alperia is committed to preventing the commission of any offence pursuant to Legislative Decree 231/2001 through the adoption and implementation, for all the major companies belonging to the corporate Group, of **Organisation, Management and Control Models pursuant to** Legislative Decree 231/2001 (hereinafter referred to as Model(s) 231). The adoption by the corporate Group of ethical principles relevant to the transparency and correctness of corporate activity and useful for the prevention of offences pursuant to Legislative Decree 231/2001 constitutes an essential element of the preventive control system. These principles are included in the Group's Code of Ethics, which is an integral part of the individual Models 231, containing the set of rights, duties and ethical principles adopted by the entity with respect to 'stakeholders' (employees, PA, shareholders, third parties). It is aimed at recommending, promoting or prohibiting certain behaviours, beyond and independently of what is provided for at a regulatory level, defining the principles of "company deontology" that the company recognises as its own and on which it calls for the observance of all addressees.

6.1.6.2. The Organisation, Management and Control Model 231

In 2023, a project was started and concluded, in agreement also with the Supervisory Board 231, aimed at updating the analysis of Alperia S.p.A.'s 231 risks, with a twofold objective: to update the analysis with regard to the new offences under Legislative Decree 231/2001, introduced since the last update; to carry out a weighing of the level of inherent risk associated with the individual 231 offences potentially applicable to the Company and the calculation of the residual risk for 231 offences with medium and high impact. The methodology developed will be applied to all other Group companies with a 231 Model.

In 2023 new Supervisory Boards were appointed for Alperia S.p.A. and all investee companies. The Supervisory Boards of the investee companies also include an external member of the Parent Company, a representative of the Internal Audit Department, in order to have constant information flows between the Supervisory Boards of the Parent Company and the investee companies, without prejudice to the independence of the individual Supervisory Boards. During the year 2023 no violations of the 231 Organisational Model and corporate procedures emerged (for details see the 2022 Report of the Supervisory Body 231 of Alperia S.p.A.).

The activity of drafting/updating Models 231 is managed by the Compliance area, under the Legal and Corporate Affairs Department of the Company. Since September 2023, the regulatory and legal compliance activity has been carried out by means of a dedicated software with notifications to the persons directly concerned and the monthly publication of a report containing all regulatory and legal news on the MyAlperia portal, accessible to all employees. The monthly reports are also discussed and examined, before publication, with the Risk Management area of Alperia S.p.A. and with the regulatory functions of Alperia Ecoplus S.r.l., Edyna S.r.l. and Alperia Smart Services S.r.l.

6.1.6.3. Our Code of Ethics

The **Code of Ethics** is the manifesto in which Alperia presents its values, principles and rules on which the activities and conduct of those working in the Group must be based. It is an integral part of Model 231 and is addressed, without exception, to the directors and employees of the Group's companies and to all those who work with them in various capacities. All the addressees, without prejudice to the respect of religious, cultural and social specificities, are bound to conduct themselves in line with the general principles of the Code of Ethics, which integrates the rules of ordinary diligence to which the providers of labour are bound, governed by the regulations on labour relations. The Code of Ethics also expressly states that the Alperia Group shall ensure that the rights set forth in the "Universal Declaration of Human Rights" are respected.

The Code of Ethics is binding for the conduct of all of Alperia Group's personnel, i.e. all those who, in any capacity, and regardless of the type of contractual relationship, contribute to the achievement of the company's aims and objectives. The Alperia Group undertakes to require that the principles of this Code are also observed by all those with whom it comes into contact in relation to the achievement of its objectives. Under no circumstances may the achievement of the Alperia Group's interest motivate any behaviour in conflict with the Code of Ethics and the laws in force.

The Supervisory Board of Alperia S.p.A. coordinates appropriately with the Supervisory Boards present in the companies of the Alperia Group and the relevant corporate functions in order to achieve proper implementation and control of the principles contained in the Code of Ethics. The Code is published on the company intranet portal and on Alperia's corporate website.

In the course of 2023, no cases of non-compliance pursuant to Legislative Decree 231/2001 that resulted in sanctions emerged.

6.1.6.4. Our Golden Rules and Disciplinary Code

At Alperia we share **ten Golden Rules** that help us to create an equal and proactive working environment, in which each resource can contribute responsibly and according to his or her abilities. The golden rules are posted in every company office and are also communicated in the newsletter sent by the Communications Department to employees. A 'Golden Rule' is attached to each project in order to further strengthen its value for employees. Our ten Golden Rules are:

- **The customer, external and internal, is the focal point for us**: our actions are characterised by the awareness that we are service providers. Accordingly, we develop our business processes in the interest of our customer(s).
- **We aim for our own growth and the continuous development of our competences**: we are convinced that continuous learning at work is essential to maintain the productive capacity of our employees. We want to build on experience, technical skills, innovative ideas and social skills in our company. We aim to empower individuals to use the opportunity to develop and train themselves professionally.
- We are **aware of the importance of our company**: we want to create a future for energy and build the future of South Tyrol as a Smart Region. Our long experience in the energy sector as well as our expertise and know-how help us to develop innovative solutions for the future. We think today about tomorrow and want to be a leader in the service sector and offer our customers a smart and digital future in energy.
- **We prefer to dialogue directly rather than through hierarchy:** being open in day-to-day communication and communicating our expectations allows us to act consistently. That is why we seek direct dialogue with our colleagues before communicating through our managers.
- **We support each other:** we work together and support each other not only in the team but also in the company and the Alperia Group.
- **We communicate** clearly and transparently: we share our expectations and goals in a clear and transparent way. This helps mutual understanding and communication.
- **Fair mutual behaviour is a core value in our company:** fair leadership and fair mutual treatment are important conditions for motivated employees and long-term business success. In addition to business success, management also considers the needs of employees and ensures fairness in the company.
- **For us, behaviour that is based on trust and mutual respect is fundamental**: respectful treatment of each other increases mutual trust, which in turn has positive consequences on cooperation and work results.
- **We prefer clear and equal rules for everyone:** transparency and uniform procedures create and promote trust and clarity. This in turn creates clarity in delegation and the commitment of individuals, leading to a productive well-being that creates a stable and efficient company.
- **Our solution-oriented acting** requires a change in our way of thinking: the focus is no longer on the problem but on the solution. This leads us to act future-oriented.

Associated with the Golden Rules is the Disciplinary Code, which sets out the duties of employees in the exercise of their work activities, internal company rules and regulations. Both documents are available in German and Italian on the Group's intranet page.

6.1.6.5. Whistleblowing

Whistleblowing channels were further implemented in 2023 in view of the entry into force of the new legislation (Legislative Decree 24/2023), which broadened the subjective and objective scope of application of the rule.

Whistleblowing is a tool available to Alperia's employees and all interested parties, through which they can report any risk situations (frauds, crimes, offences or irregular conduct committed by persons within the organisation). Introduced by Law 179/2017 and extended by Legislative Decree 24/2023, it is an integral and mandatory part of the 231 Organisational Model. The Supervisory Board (or the Transparency and Corruption Prevention Manager, where present) is the person appointed to receive reports, which in the Alperia Group can arrive either through the e-whistle platform or through the other channels provided for and made available on Alperia's institutional website in the "Corporate Governance" section. The tool is managed in such a way that communications can be confidential and handled only by the bodies in charge, in line with what is also provided for by the Guidelines of the National Anticorruption Authority (ANAC) and by the Privacy regulations (Regulation (EU) 679/16).

6.1.6.6. Conflicts of Interest

The Group has defined a procedure to identify, monitor and manage conflicts of interest of the Company's corporate bodies, employees, collaborators, professionals and suppliers of the Company who, for various reasons, exercise decision-making, control or investigative functions within the management of processes with a significant reputational and/or strategic impact for the Company. In order to avoid situations of conflict of interest, the Company, at the time of the assumption of a corporate office, the assignment of a task or the start of work, a collaboration or supply relationship, requires the recipient(s) to sign a specific declaration highlighting any relations that may generate situations of conflict.

In the event of a conflict of interest, the person involved shall promptly inform the Corporate Affairs area, which shall identify, together with the General Management of Alperia S.p.A. or, if applicable, the Management Board, the operational solutions suitable to safeguard, in the respective case, transparency and correctness of conduct in the performance of activities.

Strategic objective: we want to create economic value in the long run (e.g. through dividends, taxes, investments) and make our business model resilient in order to cope with new evolutionary and competitive scenarios.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Conversion of the Group's sales company into a benefit company		2027				On-going	SDG 12
Conducting a GAP analysis with the ESG Hydropower Sustainability Standard of the IHA (International Hydropower Association) on our plants and developing an action plan based on the results		2025				On-going	SDG 6 SDG 12

6.2. Security of supply

How we manage the topic?

Alperia carries out constant monitoring and maintenance activities to guarantee safe installations, avoid breakdowns and inefficiencies for users and eliminate inefficiencies, waste of resources and energy. Direct impacts on customers are given by the electricity production and distribution activities carried out by Alperia. A reliable and secure energy supply is essential to guarantee the functioning of industries, infrastructures and daily activities, ensuring the well-being of the local population and guaranteeing the services necessary for society to function.

Alperia's impacts related to this issue are limited to its core business, i.e. electricity production and distribution, which, in the event of mismanagement, could cause negative impacts on stakeholders, which would lead to reputational and economic damage for the Group. In addition, a multitude of essential services depend on the constant supply of energy: a lack of supply could have significant impacts on the well-being of the stakeholders.

As the largest energy supplier in South Tyrol, Alperia pursues the goal of ensuring a secure and efficient supply of electricity from renewable sources. This is also in light of the Climate Plan of the Autonomous Province of Bolzano-South Tyrol, which provides for the promotion of renewable energies.

In view of the growing demand for electricity in South Tyrol, it is essential to produce and supply sufficient renewable energy in the future as well. The distribution system is becoming increasingly complex and decentralised and must react more and more flexibly to energy production and demand.

Responsibilities are defined within the Group. The telecontrol centre in Bolzano responds to reports of inefficiencies and faults in the electricity supply. The service, carried out by bilingual operators, is available 24 hours a day, 365 days a year. Investments to improve service quality and modernise the network infrastructure to increase its stability are budgeted and reported annually in the sustainability reporting under investments.

The involvement of stakeholders in the definition of procurement projects and initiatives took place mainly during meetings of the Control, Risk and Sustainability Committee and CSR Steering Committee and with specific meetings with management during which the opinions and views of internal stakeholders on the various initiatives were collected. The opinions of external stakeholder(s) and the communication of Alperia's initiatives to them were collected during a number of roundtables held to update the materiality analysis, in addition to the contacts made with customers during the year through the toll-free number and the Energy Points.

In order to guarantee safe installations and avoid breakdowns and inefficiencies, Alperia carries out constant monitoring and maintenance activities. These activities also help eliminate inefficiencies and the waste of resources and energy.

6.2.1 Green energy supply

In 2023, Alperia produced **4,258 GWh of** energy from renewable sources, with a hydropower capacity of about 1.4 GW. Specifically, we produced **4,032 GWh of hydroelectric power**, **0.31 GWh of solar power**, **248 GWh from district heating** and **226 GWh from biofuel**.

Net energy production by energy source[1] {GRI EU 2}

		Unit	2023	%[3]	2022	2021	Variation
Total net electrical energy produced		GWh	4,323		3,147	4,135	37%
of which:	Hydroelectric	GWh	4,032	88	2,842	3,814	42%
	Photovoltaics	GWh	0.31	0	0	9	194%
	Cogeneration (gas/diesel)[4]	GWh	65	1	57	51	14%
	Biofuel	GWh	225	5	248	262	-9%
Thermal energy produced[2]		GWh	248	5	234	248	6%
Total net production		GWh	4,571		3,381	4,383	35%

[1] Net energy production includes energy produced in our established plants (35 hydroelectric plants, 5 heating plants, 3 photovoltaic parks and 7 plants, 1 biofuel plant) at 100%.
[2] Includes thermal energy produced from biomass, gas, petrol and energy acquired from waste plants.

[3] Percentage of total energy production.

[4] Electricity produced from natural gas (EP Merano +EP BZ + EP Chiusa).

6.2.2 Our distribution network

The supply of electricity in South Tyrol is managed by Edyna with a network length of **9,348 kilometres and 96 connected municipalities** (out of a total of 116). In four municipalities, Edyna also handles the distribution of natural gas. In total, we distribute 2.59 TWh of electricity to more than 240,806 supply points with:

- 5,608 km low voltage lines (of which 4,608 km underground, 82%)
- 3,566 km of medium voltage (of which 2,446 km underground, 71%)
- 174 km of high voltage (of which 22 km underground, 12%)
- 39 primary cabins HV/MV
- 4,210 MV/LV secondary substations
- 43 MV sorting cabins

Distribution network[1] {GRI EU 4}

Distribution network	Unit	2023				2022				2021			
Length of the distribution network		Surface	Under-ground	Total	% under-ground	Surface	Under-ground	Total	% under-ground	Surface	Under-ground	Total	% under-ground
High voltage	km	152	22	174	13%	221	21	242	9%	220	21	241	9%
Medium voltage	km	1,020	2,546	3,566	71%	1,048	2,462	3,510	70%	1,086	2,405	3,491	69%
Low voltage	km	1,000	4,608	5,608	82%	1,031	4,416	5,447	81%	1,068	4,290	5,358	80%
Total	km	2,172	7,176	9,348	77%	2,300	6,899	9,199	75%	2,374	6,716	9,090	74%

[1] The distribution network includes the network of Edyna S.r.l., the municipality of Parcines and the municipality of Laces

Gas distribution network

	Unit	2023	2022	2021	2020
	km	114	114	113	113

Municipalities supplied with electricity and gas out of a total of 116 South Tyrolean municipalities

	Unit	2023	2022	2021	2020
No. Municipalities		97	96	96	96

Customers connected to the electricity grid[2]

	Unit	2023	2022	2021	2020	Variation
No. PODs		240,806	238,676	237,423	235,585	1%

[2] From 2020, all PODs (including interconnected distributors) are included, and only active customers on 31/12.

Distributed electricity in South Tyrol[3]

	Unit	2023	2022	2021	2020	Variation
	TWh[3]	2.6	2.6	2.7	2.6	0

[3] As of 2020, all PODs (including interconnected distributors) of active customers as at 31/12 are included.

Substations[4]	Unit	2023	2022	2021	2020	Variation
HV/MV primary cabins	No.	39	39	38	37	0%
MV/LV secondary substations	No.	4,210	4,166	4,156	4,131	1%
MV sorting cabins	No.	43	44	44	45	-2%

[4] Includes the cabins of Edyna S.r.l., the municipality of Parcines and the municipality of Laces.

To further improve the resilience of the network, in 2023 Edyna carried out activities:

- burying of lines (currently 77%)
- decommissioning of 110,522 metres of MV lines
- line voltage change (100% completed)
- replacement of secondary substation transformers (51% completed) and PTP pole substations using vegetable oil transformers
- 1,425 secondary cabins are remote-controlled as of 31/12/2023 (in 2023, 127 secondary cabins were remote-controlled)
- infrastructure modernisation
- switching of network operation from isolated neutral to compensated neutral via Petersen coil
- cutting plants

For the first time in 2023, aerial inspections were also carried out by drone as well as by helicopter, thus validating the use of increasingly competitive technology for this type of activity. The inspections consist of inspecting overhead power lines, which are difficult to check from the ground, in order to detect any anomalies. It is a prevention and maintenance activity that Edyna carries out periodically (every two years) to guarantee the population and businesses in the area a reliable and resilient electricity network. The inspections are carried out without resorting to any interruption of the electricity supply service, and therefore without causing any inconvenience to customers. Thanks to the activities implemented, service continuity has improved, as the SAIDI and SAIFI data below show:

Average System Outage/Duration and Frequency Index (SAIFI/SAIDI) {GRI EU 28; GRI EU 29}

	Unit	2023	2022	2021	2020	Variation
SAIFI (Frequency of interruptions per customer)	No.	1.32	1.40	1.68	1.91	-6%
SAIDI (Duration of power cuts per customer)	Minutes	18.8	17.28	24.56	29.82	7%

As usual, outages are analysed every month during meetings attended by the four area managers (East Zone, West Zone, Central Zone, South Zone) and the managers of the Technical area and Network Operations in order to identify the lines with the highest incidence of problems and their causes and to take improvement measures.

In 2023, work continued on the networking of **small energy producers** through photovoltaic systems that generate micro feed-in to the distribution system, with significant growth. Specifically: from **2021 to 2023, we went from 6,450 to 10,704** small producers.

The tender for the upgrade of the **Bolzano Remote Control Centre** will also be launched shortly. This is a very important monitoring centre which, in the event of faults, intervenes both with a 24-hour emergency service with bilingual personnel who collect telephone reports and with experts who work directly in the field. During the year, work began on the **new primary cabin in Vandoies,** financed with PNRR funds (see below for details), and the authorisation process for the Sesto and Ega cabins is in preparation. These will be followed by St. Antony 220kV and Eppan.

In addition, there are **projects financed through PNRR** for a total amount of EUR 18.2 million. The first intervention is within the scope of 'Resilience of the electricity distribution 'grid' and is the project for the reinforcement of the medium-voltage grid in Val Senales, with funding of EUR 5 million, the work on which has already started (scheduled to be completed by the end of June 2024). The second intervention is within the scope of the 'Smart grid reinforcement' and the project includes the construction of a new primary substation in Vandoies, the construction of the new connection between the primary substations in Dobbiaco and the future substation in Sesto Pusteria as well as the installation of a new transformer at the primary substation in Val di Nova, for a total of EUR 13.2 million. The tenders for awarding the works for this second project have started: the new primary cabin in Vandoies must be completed by 2025, as its role will be crucial for the energy supply in the framework of the Winter Olympic Games to be held in South Tyrol in 2026.

The plan for remote controls on secondary cabins was also continued at a rate of about 150 new remote controls per year. The **plan for FNC on primary cabins** was also continued with the activation of the primary cabins at Prati di Vizze (Sterzing, Zl Sterzing, Fleres, Casateia, Montecavallo, Sasso Vizze lines) and Brenner (Brenner and Giggelberg lines). In 2023, again with the aim of reducing the duration of power outages, there were activations in Corvara, Resia 20kV, Sarentino, San Leonardo, followed by Cardano, Sant'Antonio and Laives. In Val d'Ultimo, a black start was carried out with Terna with excellent results. In addition, a blank test was carried out with Terna: **PESSE** (Piano di Emergenza per la Sicurezza del Sistema Elettrico – Emergency Plan for the Safety of the Electricity System), i.e. an emergency plan issued by Terna to be activated in the event of major faults or production deficits, a procedure that distributors have been required to carry out and communicate for some years now.

As is customary, Edyna held regular discussions with the **South Tyrolean municipalities** during the year in order to strengthen collaboration. Not only that: one of the meetings of the **Consortium of South Tyrolean Municipalities was exceptionally held at Edyna's headquarters in Bolzano,** renewing the dialogue between Alperia and the local mayors.

The mayors paid a visit to Edyna's remote control centre for the distribution network, and Alperia presented the municipalities with the new 'Integrated Drinking Water Circuit' pilot project, a programme aimed at public administrations for more efficient management of the water network, using artificial intelligence tools and innovative technologies. Also discussed were Renewable Energy Communities, an innovative model for generating, exchanging and consuming energy through intelligent producer and consumer networks.

Similarly, the Alperia Group company acts as a mediator between the Autonomous Province of Bolzano, the South Tyrolean municipalities and **Terna**, participating in working tables at which it takes forward the demands of the region. An intensive investment programme is planned in many areas of South Tyrol, such as Bolzano, Val Gardena, Val Badia, Val Pusteria and Valle Isarco.

Edyna has also always been involved in **research** and **innovation projects**, including:

- **eFort**: European project developed by a consortium of 24 companies (such as universities, research institutes, DSOs, TSOs, industries ...) and funded by the EU Commission under the Horizon 2020 plan. To make European electricity grids more resilient and reliable against failures, cyber attacks, physical disturbances and data privacy issues, technological innovations will be developed for the detection, prevention and mitigation of risks and vulnerabilities with positive impacts on the operation and stability of the electricity system. eFort solutions will be demonstrated at TSO (Transmission System Operators), DSO, substation and consumer levels in four real-world demonstration grids that have been selected considering their complementarities and relevance to addressing the main threats to European energy systems. In particular, there are three objectives: to provide an in-depth understanding of the vulnerabilities and risks of the European electricity grid, both current and future, in its transition towards a more digitised and decentralised system; to develop a robust electricity system defence system composed of secure technologies by design capable of dealing with a wide range of potential threats in real time; and to develop a secure grid structure addressing privacy and data management issues;
- **SUSTAINGrid**: Project developed with Eurac Research to analyse the impact of photovoltaic generation on the grid and possible solutions. The central role of photovoltaic (PV) systems in the energy transition and the current global geopolitical situation are favouring an increase of photovoltaic generation in the South Tyrolean distribution grid. Given the limited capacity of the distribution network to accommodate large amounts of distributed generation in order for the system to be reliable as well as sustainable, it is necessary to combine both the technical aspects of the existing infrastructure and the future energy targets. The objective of this project is to realise a modelling and analysis framework capable of identifying the areas of the distribution network with the greatest potential for PV installation (also due to the future spread of energy communities) to assess their impacts and to develop a methodology for comparing possible mitigation solutions from a technological/economic point of view (e.g. use of storage) while also considering their circular economy aspects. The project is financed by the Bolzano Savings Bank Foundation and will end in March 2024.

In contrast, the European **Flexigrid** project whose objective was to make the operation of the distribution network more flexible and cost-efficient by developing four hardware and four software solutions ended in 2023. A single open-source platform integrates the different solutions and makes them interoperable with the IT systems used by energy players. The project defined eight case studies, one of which involved South Tyrol and Edyna, and also set itself the goal of improving the security of supply for MV/LV networks, increasing resilience against major weather events (e.g. snowfall), which could cause major blackouts lasting up to several hours and consequently give rise to security problems, and the real-time measurement of the most important producers and DSOs (Distribution System Operators) already available on the EDYNA SCADA system. At the end of the project, field black start tests were also carried out in Val Sarentino with positive results.

Edyna also continued to work on the **bird protection** project on the instructions of the Province's Nature Office. The project involved the identification and mapping of potentially dangerous power lines and pylons and the isolation of a number of power pylons in the St. Mauritius area in Bolzano in order to avoid sources of danger to the eagle owl. The costs amounted to EUR 48,000 from the environmental funds of the Cardano power plant.

Guaranteeing the safety and health of operators is fundamental for Edyna, which is why, in addition to following the provisions of sector regulations and company measures, it participates with four other electricity distribution network operators (AcegasApsAmga Trieste, Deval Valle d'Aosta, E-Distribuzione at national level and SET Distribuzione Trento) in a project against **accidents at work.** This is a process of sharing the practices adopted to ensure the best safety conditions for their technicians and the many companies that collaborate in the development and management of the plants. The companies in the sector decided to share some of their most significant experiences, such as: the new devices for working safely on roofs and supports by Edyna, the "BOSS" project on behavioural safety by SET Distribuzione, the "Arc Flash" electrical risk assessment by AcegasApsAmga, the concrete management of a near miss by Deval, and, last but not least, the new didactics and the Buddy project by E-Distribuzione.

During 2023, there were **no critical events**, with the exception of a windstorm (up to 130 km/h), a phenomenon that is also gradually increasing in South Tyrol and that will require ever greater supervision.

Lastly, it should be noted that in line with the provisions of national and European regulations on **whistleblowing**, Edyna has adapted its reporting channels that guarantee the confidentiality of the identity of the reporting personnel, the person involved and anyone mentioned in the report, as well as the content of the report. In **2024,** Edyna will activate new balancing reactors to reduce reactive power flows in the grid and maintain high transmission capacity. This is a necessary measure due to the increase in the number of underground lines.

Strategic objective: we want to ensure a secure, efficient and sustainable energy supply.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Definition of which plants connected to our network can be used in the desired island		2022	-	-		✓	SDG 7 SDG 9
Reducing the duration of power outages		Annual	SAIDI (minutes)	Target level dictated by ARERA	18.8	✓	SDG 7 SDG 9
Reducing the number of power outages		Annual	SAIFI (number of interruptions per user)	Target level dictated by ARERA	1.32	✓	SDG 7 SDG 9
Increase of remote-controlled CS/disconnectors and automations on MV lines to reduce the time and number of interruptions	Remote control 140 CS/Disconnectors Replaced 53 old remote controls with 2G communication FNC automation activated on the MV lines of CP Corvara and S.E. Resia	Annual	Number of CS/ discon- nectors and MV lines (annual)	Number defined in the FNC annual remote control and automation plan	126 CS/Sec . 50 tlc renewa ls	✓	SDG 7 SDG 9
Increasing cable burial to increase the resilience of the electricity grid to extreme weather events		Annual	Underground cables/total grid (total)	-	77%	✓	SDG 9
Participation in tenders for the re-allocation of expiring AGP concessions and simultaneous acquisition/allocation opportunities for new hydroelectric plants		2024	Installed hydroelectric power	1.52 GW		Ongoing	SDG 7 SDG 9

6.2.3 District heating

Alperia Ecoplus, an Alperia Group company, owns and operates six plants in South Tyrol: Bolzano, Merano, Verano, Sesto, Chiusa and Lazfons. It also operates the district heating in Silandro, in which it holds 49% of the shares (ownership is held by the municipality of Silandro). Alperia Ecoplus S.r.l. is also the sole director of Biopower Sardegna S.r.l., whose plant is being decommissioned. With about 248 GWht produced and distributed, Alperia Ecoplus is one of the largest national operators.

Alperia Ecoplus district heating is closely linked to the region: to produce thermal energy it uses both biomass (60% local) and natural gas, but also waste heat from industrial processes and heat from the Bolzano municipal waste incinerator. In total, there are **2,184 consumers** serving thousands of South Tyrolean households. In the event of an emergency, Alperia Ecoplus has made a toll-free number available to its customers.

The particularly innovative Bolzano plant is equipped with a powerful pumping station and a storage tank with a volume of 5,600 cubic metres of hot water. By integrating the waste-to-energy plant, a heat demand coverage of 60% is achieved from waste heat from the waste-to-energy plant, and with the storage tank, 95% coverage is achieved, with a significant reduction in CO_2 emissions. The utilisation of the heat recovered from the waste-to-energy plant in Bolzano is essential to offer a safe and economical supply to district heating customers. All this is accompanied by a further positive effect for the city: winter pollution from nitrogen oxides and smoke from the individual thermal power plants has significantly decreased, residual heat has been utilised 137.5% more, and CO_2 emissions have been reduced by 60% (data between 2013 and 2019). For peak demand or in the event of biomass boiler failures (where present), the district heating plants have gas and oil boilers, but the aim is to increasingly raise the share of biomass used to generate thermal energy. In eight plants (four of which are installed in premises not owned by Alperia Ecoplus S.r.l.), cogenerators (plants that produce electricity and heat at the same time and thus guarantee very high levels of energy efficiency) that run on natural gas have also been installed. According to the 2027–2031 Business Plan, the BU will continue the development of district heating and build six new plants, three of which are biomass plants (one of which has already been built). In particular, in line with the planned objectives, Alperia Ecoplus in 2023 carried out the following operations:

- **Bolzano**: extension work on the district heating network in Viale Duca d'Aosta and Via Milano has made it possible to connect more buildings to the network and to make the waste heat from the waste-to-energy plant even more efficient. Among the new connections are also a number of provincial buildings, including the headquarters of Eurac Research, the fire station, the Max Valier school, the Gutenberg school, the Tessmann library and Rottenbuch Palace. Another important achievement in 2023 was the signing of the concession contract with the South Tyrolean Health Authority, which will commit Alperia to cover, starting from 2026, 100% of the heating needs of the St. Mauritius hospital in Bolzano and about 50% of the electricity consumed annually by the hospital. By 2026, therefore, the trigeneration plant (electricity, heat and cold) that will intervene in the event of a breakdown of the waste-to-energy plant will be operational. Also thanks to a timely information campaign for the population, district heating is gradually expanding, so much so that today the Alperia Ecoplus network extends over 56.8 kilometres, with 444 connected buildings serving about 8,440 domestic customers and 388 business customers, supplying energy for 162 MW of connected power. When the investment plan in Bolzano will be completed, about 7.5 million cubic metres of gas will be saved per year, avoiding about 15,000 tons of CO_2e.
- **Merano**: 100 MW of connected power was reached thanks to the active continuation of the development plan, which now has 517 substations, 6,230 domestic customers and 571 business customers. During the year, fine-tuning activities were carried out on the biomass power plant. The power station with an output of 8 megawatts covers approximately 30% of the Merano-Lagundo district heating network's thermal energy needs, thus saving 3 million cubic metres of methane gas per year and avoiding carbon dioxide emissions of 5,800 tons. Virgin wood from forests is burned in the new power station. Thus, by using a renewable source, the plant contributes to the reduction of climate-altering gases. In the process of burning wood biomass, the same amount of CO_2 is emitted as the plants have absorbed during their life cycle. Wood from sustainably cultivated forests does not increase the amount of carbon dioxide in the atmosphere. Overall, the district heating system in Merano avoids the emission of 8,000 tons of CO_2 each year. The plant opened its doors to the population for the first time during the 'Cycling to the Merano biomass district heating plant' day, a sustainability and energy-saving awareness-raising initiative held during the European Sustainable Mobility Week. Children's games were played outside the power station, with the possibility of trying out new activities such as archery or rugby.
- **Verano:** Alperia Ecoplus operates the Verano district heating plant, the first bio-solar district heating plant in South Tyrol, acquired by Alperia in 2022. In order to bring the new plant up to Alperia's standards, various works were carried out during the year, such as: repairs to mitigate leaks, installation of the power station piping and the biomass self-loading crane, and construction work on the walls, in parallel with a structured network rehabilitation project. The plant is managed directly by the Merano personnel through the remote control system. Finally, we would like to remind you that in order to facilitate work on the plant, the Südtirol Pass, the annual electronic pass for public transport in South Tyrol, has been activated for Alperia Ecoplus employees to enable them to reach the Verano plant by cable car from Postal.

- **Chiusa and Lazfons:** connections continued at both Chiusa and Lazfons, and an upgrading project was activated for the Chiusa plant. Efficiency enhancement activities also continued at both sites, also thanks to the adoption of an automatic scheduler with a forecasting model that allows one to react in advance with respect to network demand.
- **Sesto:** the plant was certified to ISO 50001.
- **Silandro**: Alperia started work on the biomass heat recovery plant in 2023.

For all plants (except Verano), the conversion factor has been certified and the CO_2e emitted will be calculated to offset operational emissions with green gas.

Alperia Ecoplus' district heating plants are in the process of obtaining TLR Efficient qualification on the GSE portal in accordance with the new procedures; for the plants in Chiusa Latzfons and Sesto Pusteria, the GSE Efficient TLR qualifications have already been obtained, while for the remaining plants the procedure is in progress. All plants managed by Alperia Ecoplus (except Verano) as of 31/12/2023 are certified as TLR Efficient with third-party certification.

The actions of Alperia Ecoplus are geared towards reducing the CO_2 footprint and optimising consumption, as set out in the 2023–2027 Business Plan, Vision 2031 and the South Tyrol Climate Plan. This will involve investments in renewables, the expansion of the biomass plant in Merano, and the development of initiatives related to deep geothermal energy. A process that will directly involve the municipalities and will be developed in alignment with provincial regulations.

In harmony with the territory – The district heating plants were built in harmony with the territory. In Bolzano, for example, the power station was designed in cooperation with the Bolzano Association of Architects, through a competition of ideas. In Chiusa, the power station is shaped like a large wing rising from the ground. In Sexten, due to its proximity to the Nature Park, the structure was made entirely of wood. In Merano, the geometry of the cubature was chosen to blend in with the surrounding landscape and take advantage of the slope for the installation of a photovoltaic system. In the Bosin power station, the Corten finish and a green roof stand out, as well as numerous external green areas with planted trees of various species.

The integrated system of Alperia Ecoplus is certified according to UNI ISO 9001:2015, UNI ISO 14001:2015, UNI ISO 45001:2018 and has an EMAS declaration. The Sesto plant, as anticipated, was certified to ISO 50001 in 2023, in addition to the Bolzano plant, which was already certified in 2022.

Biomass

The total forest area in Italy amounts to 11,054,458 hectares, a figure that has doubled in the last fifty years, of which 82.2% is classified as forest (9,085,186 ha), equal to 30% of the national territory. Today, solid biomass is the most widely used renewable source in the thermal sector: it produces about 6.8 Mtoe of direct consumption each year, mainly in the domestic sector in the form of firewood or pellets. The current rate of forest harvesting in Italy is estimated at around 30%, well below the European average (73%, data: State of Europe's Forests, 2020). But the Italian agroforestry sector as a whole would be able, if properly oriented and supported, to avoid the import of more than 10 billion cubic metres of natural gas per year. For this reason, the use of woody biomass as an energy source is at the centre of the revision of the PNIEC with the goal of aiming at 16.5 Mtoe of thermal energy produced from bioenergy by 2030, equal to about 146 GW of installed power.

The Bolzano district heating system in detail

The Bolzano district heating system (source: Alperia)

From waste comes heat. (1) The steam produced by combustion in the Bolzano waste-to-energy plant drives a turbine (2) to generate electricity. The residual heat (3) is used by the Alperia district heating plant, meeting the needs of citizens. In addition to the heat from the waste-to-energy plant, Alperia has a heat storage tank (4) and backup boilers and cogenerators (5) to cope with peak demand. From the power station, the heat, in the form of hot water, is fed into the district heating network (6) consisting of a closed circuit of underground pipes. The heated water flows through the district heating network to the individual homes. Here, thanks to a heat exchanger (7), the energy is used to heat domestic water in the homes and heating systems. All, without the passage of water. After releasing the heat, the water through the district heating network returns to the power station (8) to be reheated and resume its journey. In addition to heating private homes, the district heating plant provides the energy needs of many public buildings in the city, including the Bolzano hospital (9).

Strategic objective: we want to ensure a secure, efficient and sustainable energy supply.

Operational objectives	Implemented measures in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Biomethane: construction of four biomethane production plants	The construction of a biomethane production plant with a production capacity of 496 Smc/h is currently under negotiation. The risk assessment phase is ongoing.	2027	Annual capacity (MSmc)	8		Ongoing	SDG 7 SDG 9
Project start-up on pumping systems and development of electrochemical/hydrogen storage systems	Pumping: Together with Alperia E&C carried out a screening of possible suitable sites. Identified that of Santa Valburga (Val d'Ultimo). Planning for authorisation purposes started. Electrochemical storage: Together with Alperia Trading, studies were carried out for possible small-scale pilot projects connected to MV plants.	2027	-	-		Ongoing	SDG 7 SDG 9
Feasibility analysis for the use of deep geothermal energy		2027				Ongoing	SDG 7 SDG 9
Development of six new district heating plants, three of which are biomass, two with high-efficiency gas and absorbers and one backup		2027	No. of new district heating plants	6		Ongoing	SDG 7 SDG 9
The acquisition of two biomass plants with estimated commissioning in 2025 and 2028		2027	Nno. of newly purchased district heating plants	6		Ongoing	SDG 7 SDG 9

6.3. Asset integrity

How we manage the topic?

For Alperia, this theme includes the use of asset integrity management solutions to protect employees and residents in the area, as they are potentially subject to the direct and indirect impacts that the Group's industrial and commercial activities have on the environment, economy and society. Our asset integrity practices aim to ensure that our facilities are maintained in the best possible condition, so as to protect the environment and the people living around them, guaranteeing a reliable and safe supply of energy to our customers and ensuring that our activities are carried out while eliminating or minimising any negative impact on people's health or the environment in which they live.

Failure to secure the facilities could have serious consequences for the workers, the territory and the society living there, involving large numbers of people and/or damaging the flora and fauna.

Alperia's distribution infrastructure and power generation plants, with dams and other hydraulic works, are considered sensitive locations in terms of accidents, natural disasters or terrorist attacks. Alperia pursues the goal of minimising risks through investments in security and modernisation work. In order to be prepared in case of an emergency, regular drills are carried out and activities are planned with the Civil Defence. A serious accident would not only have an impact on the surrounding areas, but would also directly affect the company. The respective responsibilities have been allocated within the individual Business Units.

The monitoring and evaluation of the effectiveness of the actions taken during the year is carried out annually when the Sustainability Report is drawn up and the progress of the objectives declared in the Sustainability Plan is assessed by means of specific KPIs.

Furthermore, the results are presented and evaluated by the top corporate bodies.

Stakeholder involvement took place through specific meetings with local communities during which the opinions and views of the various stakeholders were collected on initiatives and projects to make plants safe, in addition to communicating Alperia's initiatives to them. In the event of accidents, the Group acts promptly to involve the affected community and inform it of the measures taken to remedy any damage caused to the environment and society.

Availability of hydroelectric plants and environmental accidents

Each year Alperia produces an average of about 4,000 GWh of renewable energy through 35 large, medium and small hydroelectric plants owned and/or subject to management and coordination (another five plants are owned by Alperia Greenpower but not subject to Alperia's management and coordination): these plants include 13 large dams, seventeen smaller reservoirs, 160 kilometres of tunnels and 21 kilometres of penstocks. These are complex and sensitive infrastructures for which we regularly plan monitoring and investment and maintenance work to keep them reliable, safe and efficient at all times. In 2023, Alperia Greenpower and Alperia Vipower invested more than EUR 62 million in activities to improve the performance of the plants in terms of safety, reliability and efficiency, guaranteeing an 86.17% availability of the generating units.

Energy availability {GRI EU 30}

Energy availability [1]	Unit	2023	2022	2021	Variation
Hydroelectric	%	86.17	84.15	84.49	2.02%

[1] This indicator refers only to AGP (100%) and Vipower (100%) plants. The availability factor of a power plant is the amount of time it is able to produce electricity in a given period.

> *"A secure supply of primary energy is the basis of a functioning society. As extreme weather events such as the snowfalls of winter 2020 will become even more frequent due to climate change, we should take precautions and prepare the infrastructure to deal with them."*
>
> Comment by a female employee; Stakeholder Survey 2021
>
> ***Alperia replies:*** *We are aware of how much climate change will impact our operations, and we work every day to make our infrastructures more resilient. We strive not only to secure them with ordinary and extraordinary maintenance activities, but also to make them more innovative and sustainable. These measures include, for example, the replacement of mineral oil transformers with vegetable oil transformers, the securing of the St. Valentin tunnel, the connection through fibre and the burying of cables. In addition, collaboration with the Civil Defence and start-ups to design and apply innovative systems to our infrastructure goes in this direction.*

The safe fibre

One of the projects in which the Alperia Group has invested in order to increase the availability of its facilities concerns the connection of communication infrastructures by means of fibre optics. Unlike traditional telephone networks, which can suffer blackouts in the event of violent weather phenomena, fibre ensures greater stability. The cables, being buried underground, are more secure and favour redundancy in communication channels. After the main sites, which have already been completely cabled, Alperia is also continuing this activity in the secondary plants.

From mineral oil to vegetable oil

Also in 2023, Edyna continued with the replacement of mineral oil transformers with **vegetable oil transformers.** This is one of the most important projects implemented by Edyna to reduce the risk of environmental accidents. Vegetable oil has twice the burning point of mineral oil; therefore, it significantly reduces the risk of fire compared to the mineral oils currently used. Vegetable oil is neither dangerous to humans nor to the environment, can be reused and is biodegradable. Edyna purchases its vegetable oil transformers in Italy, after subjecting them to strict controls to ensure that they meet certain technical specifications. When planning replacement operations, priority is given to areas under protection, such as nature parks or areas crossed by rivers and/or streams within 15 metres. In 2023, there were no significant environmental accidents from mineral oil.

Environmental incidents

	Unit	2023	2022	2021
Number of environmental accidents	No.	4	0	2
Number of significant environmental incidents	No.	0	0	0
Financial impact of environmental incidents[1]	EUR	35,400	0	0

[1] Includes fines paid and clean-up costs. In 2023, clean-up costs only.

The safety of our dams

Alperia strives to keep its infrastructure safe through regular checks and maintenance and the application of new technologies.

The operation and maintenance of large dams are placed, by law, under the control of the Ufficio Tecnico per le Dighe di Venezia (Venice Dams Technical Office), which is part of the Direzione Generale Dighe (Directorate General for Dams) of the Ministry of Infrastructure and Transport. The Terms and Conditions for Dam Operation and Maintenance precisely regulate the management methods and indicate the parameters relating to inspections and detection frequency. Every 'large dam' (with a reservoir greater than 1 million cubic metres of water and/or dam height greater than 15 metres) has a Civil Protection Document drawn up by the Autonomous Province of Bolzano. Twice a year, officials from the General Directorate for Dams of the Ministry of Infrastructure and Transport carry out inspections together with the Responsible Engineer appointed by Alperia Greenpower or his deputy. For inspections of "minor" hydraulic works, the Office for Hydrology and Dams of the Autonomous Province of Bolzano is in charge, whose official(s), accompanied by the technician(s) appointed by Alperia Greenpower, carry out inspections normally on an annual basis. The general criteria for managing flood events are set out in an Alperia Greenpower Operating Procedure called "Flood Management – Large Dams". The operation of the reservoirs, during the upward phase of flood events, ensures that the flow rates allowed to flow downstream from the dams are always lower than, or at most equal to, those arriving at the reservoirs themselves. In

the decreasing phase of the event, the flows downstream of the dams will always be lower than the maximum flows reached in the increasing phase.

The presence of the dams helps to delay and attenuate flood phenomena and to reduce, as far as possible, any damage produced by natural flow rates. The progress of the phenomenon is continuously monitored by the personnel of the Cardano Remote Control Centre, to which all data collected on the plants, including the dams, are sent. In the event of major weather events, Alperia Greenpower provides for a reinforced garrison of the dams with specialised technical personnel. The first phase of a flood event is not considered an emergency, since the dams are able to delay or reduce the downstream flow rates compared to the incoming flow rates (lamination effect). This ensures greater safety for the population and limits the destructive effects on the ecosystem of the territories immediately below. During flood events, real-time data on reservoir height, discharged and derived flows from the large dams managed by Alperia Greenpower are also sent to the operations room of the Civil Protection of the Autonomous Province of Bolzano. Even under normal operating conditions, the dams are equipped with an extensive automatic monitoring system, supplemented by measurements and checks carried out by supervisory personnel, who are also professionally qualified and authorised to carry out manoeuvres on the outflow organs, even in the absence of telephone communications. Alperia Greenpower provides periodic training for flood management personnel and carries out drills with the cooperation of the local Civil Protection forces. Approximately half of Alperia Greenpower's 200 employees are in charge in various capacities of controlling and maintaining the dams and all the electromechanical components of each hydroelectric plant.

In order to be even more at the forefront in the safe management of its plants, Alperia Greenpower has developed the **Hydrosim 4.0** project, aimed in particular at better managing flood events through 'intelligent' dam operation. The innovative solution, developed together with MIPU Energy Data Società Benefit, is based on the processing of complex flow data and three-dimensional weather forecasts, and is an example of how technology can support processes aimed at environmental, economic and social sustainability in both the production and research sectors. By exploiting artificial intelligence models, it is possible to predict flood waves with excellent accuracy. The dam simulator, developed with partner SVG in Belluno, uses complex mathematical models to calculate the optimal management of the dam, with the aim of achieving the greatest possible reduction in the peak value of the flood wave. Based on the experience gained from past flood waves, a significant reduction in flood peaks has been demonstrated, with a positive impact on possible flood damage, which has increased significantly in recent years. Correct forecasting of these phenomena makes it possible to reduce the flood wave by 30–40% and even to eliminate, or at least limit, flooding downstream. The system was tested in particular on the Fortezza dam during real floods: together with the accuracy of the weather forecasts, it made it possible to predict the flood event approximately 24 hours in advance, thanks to the preventive lowering of the reservoir level and the subsequent lamination of the flood peak retained in the reservoir. Not only that, Hydrosim 4.0 also showed another important advantage, namely the possibility of reducing the impact on fish generated by excessive water turbidity. By performing a controlled sediment discharge, it is possible to dilute the tail of the flood, transporting the material evenly over the river bed downstream. In this way, the impact on fish fauna is reduced. The system has also made it possible to prepare a dynamic lamination plan for the Fortezza basin, which is currently being finalised with the provincial offices and will become the subject of a permanent collaboration with the Civil Defence. The purpose of the dynamic lamination plan is to mitigate the effect of a flood on the territories downstream of the dam and at the same time manage the sediments in the basin in a more environmentally sustainable manner. The Hydrosim 4.0 project was also presented at the national conference 'Ital-IA, Italy artificial intelligence', organised by CINI and the National Research Council (CNR) on artificial intelligence with MIPU Energy Data Società Benefit.

On the other hand, the project run with Fieldbox (FR) for the application of artificial intelligence to penstocks has come to an end.

Resilient Communication | TETRA Project

With the aim of making communication more resilient in the event of adverse events or in the event of a lack of telephone coverage, Edyna has signed the TETRA project with the Civil Defence. We are talking about a **TETRA-type digital radio system** that enables direct communication between the individual intervention forces of the various organisations. Radio waves are transmitted via antennas placed on repeaters more than 20 metres high. Blackout simulations were carried out to test the ability to respond promptly to emergency situations, ensuring energy security for the population and business continuity for companies.

Strategic objective: we want to ensure a secure, efficient and sustainable energy supply.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Hydroelectric plant availability index increased to over 88%.	Improved system for capturing and monitoring unscheduled unavailability	2024	Hydroelectric plant availability index (%)	88	86.17	Ongoing	SDG 7 SDG 9
Development of a system for scheduling and planning maintenance measures to make our plants safer, with a focus on maintaining a balance between environmental impacts and production optimisation	Conducted courses on the use of PI Vision as a tool for medium- and long-term control and monitoring of production facilities	2024				On-going	SDG 7 SDG 9
Increased capacity of photovoltaic plants (+13 MW)	Together with Alperia Green Future initiated activities for maximum installations of small-scale systems on roofs of Alperia's industrial sites	2027	Increased photovoltaic capacity	+13 MW		On-going	SDG 7 SDG 9

Strategic objective: we want to ensure maximum safety and security in our plants, the protection of personnel, the population and the surrounding areas.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Increasing cable burial to increase the resilience of the electricity grid to extreme weather events		Annual	Underground cables/total grid	-	77%	✓	SDG 9
Continuation of the Hydrosim 4.0 project	The fine-tuning of the AI flood prediction model for the Fortezza dam continued. Improved operator interface for using the system. First uses during actual floods, with encouraging results.	2023	-	-		✓	SDG 6 SDG 9
Definition of a communication plan in order to make AGP's commitment to ensuring the safety of its facilities more visible to stakeholders and to report KPIs (e.g. inspections performed and solutions implemented) and progress within the DNF	Opened a discussion round table with the Strategic Marketing & Communication function to improve external communication methods	2024	-	-		On-going	SDG 9
Creation and implementation of a plan to proactively engage communities (e.g. road shows) on asset integrity	Meetings were held with the territory to illustrate how the dams are managed from the point of view of safety. In November 2023, a meeting was held in Val Martello with municipalities and authorities.	2024	-	-		On-going	SDG 9
Mapping/standardisation of facilities/buildings and identification of primary vulnerabilities, taking climate risk into account	Qualitative analysis using the climate change risk management process	2026	Plants mapped by climate risk (%)	100%	0%	On-going	SDG 9

6.4. Innovation, digitisation, research and development

How we manage the topic?

Alperia promotes innovation in the energy sector through numerous research projects and continuous improvement of its business processes and supporting information systems according to the best standards on the market. These projects can therefore have direct and indirect impacts on society, the environment and the economy through the development of new products/services. Our aim is to improve Alperia's effectiveness and resilience in fulfilling its mission.

It is important to remember that innovation can have impacts on people's human rights, both positive and negative. For example, the adoption of new technologies can improve access to education, health and other essential services, but it can also result in the loss of jobs or the exclusion of certain categories of people who do not have access to the technologies or skills needed to take advantage of the opportunities offered by innovation. Furthermore, innovation can affect the protection of privacy and the use of people's personal information. This is why Alperia has a "broad" approach to innovation that does not only concern R&D in the strict sense, but also the continuous improvement of its modus operandi to always have a responsible impact on the economy, the environment and human rights.

Innovation, being also the result of cooperation between different actors, can have impacts caused by both activities and collaborative relationships with other entities (e.g. start-up incubators).

Alperia invests in innovation and research in order to efficiently and effectively meet the challenges of the energy market and to ensure a modern energy supply and state-of-the-art energy services in the future. Together with local and international partners, the Group participates in various projects to promote research and development of intelligent systems for efficient energy distribution and production (e.g. smart grids, smart cities, smart meters).

Responsibilities are defined within the company with the involvement of the parent company Alperia S.p.A. and all business units.

Starting in the second half of 2022, projects are tracked through a structured procedure that involves intercepting them from their conception and monitoring their progress until their completion. This procedure is supported by a proprietary software tool of the Group that facilitates the tracking and monitoring. This information is then periodically summarised in a management report that presents the main KPIs relating to project progress.

In addition, in 2023 Alperia also introduced in its management control system the monitoring of external costs and internal resources dedicated to these projects. As of the 2024 budget, it will therefore also be possible to have economic data on each project.

Our procedure – According to Vision 2031, innovation shall be increasingly oriented towards promoting sustainable and customer-centric services/products and developing new businesses useful for decarbonisation (H_2, biomethane, CER and photovoltaics). Investments are subjected to an internal procedure during which the effectiveness of individual projects and the allocation of resources are evaluated in order to standardise and strengthen their management. A focus on innovation also takes place in **training**.

Furthermore, in order to increase effectiveness in project management, Alperia started an internal training course on project management. In 2023, a pilot course was held for the Digital organisational area and in 2024 the course will be open to all Group employees.

Alperia Process Map

The APM project was launched in 2023 with the aim of supporting employees in getting to know the Alperia Group's business processes and their respective process documentation.

In the first project phase, the process taxonomy of the following companies was revised: Alperia S.p.A., Alperia Greenpower S.r.l., Alperia Trading S.r.l., Edyna S.r.l., Neogy S.r.l., Alperia Ecoplus S.r.l., Alperia Green Future S.r.l. and Alperia Smart Services S.r.l.
The second phase of the project was dedicated to digitising the Alperia Group's process taxonomy and linking all process documentation to the individual processes defined.

The new **Alperia Process Map (APM)** information application was released in January 2024. The new application includes search functions and filters to make it easier for employees to research company processes and the respective process documentation.

Introduction of project management methodology in Alperia

Starting in the second half of 2022, Alperia has initiated a structured process to manage innovative projects. This process (governed by the Alperia Process Map) describes how to carry out the different project phases from an end-to-end perspective: from conception to feasibility to execution and conclusion. Various tools have been introduced to support this project, the main ones being:

- the project fiche indicating the objectives, timing and organisation of the project, to be prepared once the feasibility phase has been finalised
- a presentation template for the project kick-off meeting, to start the implementation phase and engage all Alperia stakeholders involved
- a database for monitoring the progress of projects

The new process is accompanied by an internal project management training course for all Alperia employees. This project has thus made it possible to spread a project management culture in the Alperia Group and to periodically update the Executive Board on the progress of projects by means of a special report.

6.4.1. Digital transformation

2023 saw the reorganisation of the Digital & Technology organisational unit in order to better identify responsibilities and support the digital transformation. In particular, the three coordination areas focused on standardising, rationalising and consolidating technological and application solutions that enable synergies and specialisation within the Group, with particular attention to the development and professional growth of internal resources.

Infrastructure. The goal of the Infrastructure area regarding digital transformation is to ensure a high level of infrastructure reliability, resilience and security, pursuing SDG 9 in the aspect of infrastructure resilience. During 2023, the proprietary fibre-optic network was further developed to ensure the highest level of availability of IT network services with a focus on remote control of power generation and distribution plants. During the year, several cyber security tests were carried out in order to measure the state of the art and identify actions and paths for continuous security improvement.

With reference to SDG 12, the conscious use of energy, activities were carried out to improve power supplies and implement software tools to optimise the management and maintenance of various systems within the technical areas. In particular, intelligent PDUs (Power Distribution Units) have been installed in the data centres that can provide real-time information on energy use and other data such as heat and air humidity. These solutions ensure the timely monitoring of consumption and environmental conditions and, as a result, make it possible to increase the operating temperature in a controlled manner by reducing the use of air conditioning systems.

Applications. In 2023, the main objective of the Applications area was to rationalise and consolidate the BUs' application maps with a specific emphasis on applications related to the Sales Company and the District Heating Company. This involved two key issues: firstly, consolidating existing applications and secondly, conducting market analysis and implementing a new application portfolio tailored to the sector. The new applications are designed to support the billing, CRM and customer portal processes. Their overall objective is to improve the customer experience and realise customer centricity within the Alperia Group between the Sales Company and the Product Companies by providing the customer with a single virtual shop. The initiatives started in 2023 will be completed in 2024 and will continue with a view to consolidating Reporting and Analytics systems as well as integration systems.

IT Systems & Operation. After consolidating systems and practices and defining standards in 2023, ranging from the identification of standards for meeting rooms and workstations, the focus in 2024 will be on the global extension of standards within the Alperia Group. The main objective will be to ensure uniformity and consistency, enabling a more efficient and integrated management of business processes for the benefit of internal customers. Standardisation will remain the guideline for improvement.

Strategic objective: we want to actively contribute to the energy transition and develop new technological solutions with innovative research projects that help limit negative externalities.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Increased investment in research and innovation	An updated innovation procedure will be implemented in 2023. This will support even more innovation projects.	2027	% average CapEx Innovation on Group average CapEx	11%		On-going	SDG 9
Increase of employees involved in innovation processes	An updated innovation procedure will be implemented in 2023. This will support even more innovation projects and more people involved in the projects.	2027	Equivalent dedicated FTEs	11	5.76	On-going	SDG 9
Collection and evaluation of ideas proposed by employees		Annual	No. of proposals on the MyIdeas portal	10	12	✓	SDG 9
Institutionalise an annual course with HR on creating a project culture (MyIdeas, PM, Vision)		Annual	x courses/year	At least one course		✓	SDG 8 SDG 9
Completion of the Smart Meter Return Plan from the Province	Compliance with the plan shared and approved with the authority	Annual	No. of smart meters installed	Compliance with the plan shared and approved with the authority	78,037	✓	SDG 7 SDG 9
Assessment of the integration of sustainability criteria in the choice of suppliers for PV panels (circular economy: how products are manufactured and can be reused and recycled)	Specific sustainability requirements were included in the Alperia supplier portal (presence of an ESG rating, adoption of ISO 14064/14067 certification, projects in line with Science Based Targets Initiative)	2023	-	-		✓	SDG 9 SDG 12
Creation of a classification of project impacts	Definition of prevailing impacts into which to classify projects	2023	-			✓	SDG 9
Definition of a plan to present the Smart Edyna project to stakeholders (e.g. public, schools, customers)	Project deleted					✓	
SDGs-related innovation projects		Annual (after 2024)	SDGs-related innovation projects (or investments) /total innovation projects (or investments)			On-going	SDG 9 SDG 12
Increasing our commitment to the development of technologies to create and exploit hydrogen		2027	H2 production/day (t)	5		On-going	SDG 7 SDG 9

Strategic objective: we want to create economic value in the long run (e.g. through dividends, taxes, investments), and make our business model resilient in order to cope with new evolutionary and competitive scenarios.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Assessment of whether new engineering projects for the Alperia Group are aligned with the EU Taxonomy	Integration in feasibility studies	Annual (after 2024)	% of engineering projects aligned to the Taxonomy			On-going	SDG 12
Assessment of whether new innovation projects for the Alperia Group are aligned with the EU Taxonomy		Annual (after 2024)	% of innovation projects aligned to the Taxonomy	>80%		On-going	SDG 12
Completion of phase 2 of the AIFA (Advanced Inflow Forecast Algorithm) project to improve water resource management with regard to both plant performance and placement on the power exchange	AIFA execution phase 2(a): completed and continuation with phase 2(b)	2024	-			On-going	SDG 6 SDG 7 SDG 12
Evaluation of investment possibilities in storage technologies (H_2, pumping stations, thermal storage, batteries)		2027	-			On-going	SDG 11 SDG 12

6.4.2. Cyber security

How we handle the issue

Since 2023, Alperia has been managing cyber security activities through the Data Protection and Cyber Risk areas, as well as the Digital & Technology department. The Data Protection area is responsible for the protection of personal data managed by the Alperia Group (e.g. personal data of customers, employees, etc.), i.e. the implementation of and compliance with the General Data Protection Regulation (GDPR) and the applicable data protection legislation in general. Overseeing this activity is the DPO (Data Protection Officer), a figure envisaged by the GDPR and specifically appointed in the cases envisaged by the legislation. The Cyber Risk area, on the other hand, oversees IT security and the integrity of management systems. The Digital & Technology department, finally, is engaged in the operational management of technologies for the protection of systems and information. IT security, in particular, covers the following boundaries and operating environments: data centres, cloud computing, Wi-Fi, mobile and local area network, Internet of Things, production facilities, distribution facilities, telecommunications, smart grids, transmission systems, fixed and mobile devices. Specific limitations arise from the business organisational structure of the different BUs and areas, each with its own particular requirements.

Failure to, or inadequately upgrade the IT infrastructure and prepare contingency plans in the event of cyber attacks could lead to a possible impact on the continuity of service delivery, resulting in data loss and reputational damage. Management approaches aim to establish a state-of-the-art, continuously updated data protection standard and a state-of-the-art security standard that optimally prevents and mitigates negative impacts inside and outside the company. Management approaches include, among others, ISO 27001 certification (which was renewed in 2023 by the Cyber Risk area) and ISO 27701 (Privacy management certification obtained by the Data Protection area), business continuity plans and security threat prevention plans. The Cyber Risk area and the Digital & Technology department have also introduced a new specific procedure for managing cyber incidents. In the Data Protection area, the procedures relating to Data Protection and Data Breach management have been updated, and new procedures relating to Privacy Risk Management and Data Retention have been introduced. As regards management schemes, the Cyber Risk area, responsible for ISO 27001, manages the ISMS – Information Security Management System, while the Data Protection area, responsible for ISO 27701, follows the PIMS – Privacy Information Management System.

The management systems are assessed at regular intervals (annual to daily intervals). Since 2015, the assessment of ISO 27001 certification has been carried out annually by an external auditor acting on behalf of a certification body. The effectiveness of the management systems is regularly reviewed and monitored on the basis of predefined indicators and indicative procedures. In the course of the year, necessary adjustments are implemented where required. The results of the initiatives are presented to the stakeholders when the Sustainability Report is drawn up and the progress of the targets stated in the Sustainability Plan is monitored by means of specific KPIs. The results are presented and evaluated by the top corporate bodies.

The involvement of stakeholders in the definition of cyber security projects and initiatives took place mainly during CSR Steering Committee meetings and with specific meetings with management and the reference function during which the opinions and views of the various internal stakeholders on the various initiatives were collected. The opinions of external stakeholder(s), and the communication of Alperia's initiatives to them, were collected during a number of roundtables when the materiality analysis was updated.

The Data Protection and Cyber Risk areas take part in numerous conferences and workshops on both security and data protection and in turn promote training on these topics within Alperia, directly involving employees.

What was done during the year?

Alperia has set up Data Protection and Cyber Risk structures with which it oversees data protection and compliance with GDPR, cyber risks, IT security and compliance with voluntary standards and legal requirements on cyber security and data protection respectively, so as to contribute to the operational continuity of the Group's information systems, by monitoring system vulnerabilities, introducing advanced security and data protection measures and promoting awareness and training programmes for employees on IT security and data protection.

In the course of 2023, the **Data Protection** area carried out, as usual, the first-party privacy audit and the monitoring and fine-tuning of all processing registers as well as other registers required by law (e.g. management of data subject requests). During 2023, the project for digitised management of data protection activities was completed. The aim is to ensure compliance in privacy management in accordance with the regulations through an integrated and participatory management process by the various stakeholders of recurring data protection documents. Furthermore, in June 2023, the privacy extension of ISO 27001 was obtained, namely ISO 27701, which specifies the requirements and provides guidance for implementing, implementing, maintaining and continuously improving a privacy information management system (PIMS).

The Cyber Risk area drew up the **2023 Security Plan**, placed within the Cyber Risk Strategy aligned to Alperia Group policies, in which a number of activities to be carried out in terms of analysis, measures and checks aimed at risk mitigation were identified. The plan, divided into 16 sites and for which a scale of priorities was defined with respect to the most urgent actions to be undertaken, was approved by management, presented to the Alperia Board and shared with the operational departments, which contributed to the emergence of various points for improvement. Already during the first implementation of the plan, cost reductions were noted. This activity involves the cooperation of the Digital & Technology department, which is in charge of installing and managing the technical and organisational measures and solutions identified. The objective is to try to reduce the residual risk as much as possible, through advanced technologies and employee training, therefore the risk manager is also kept up-to-date on the status of the plan.

The IT Systems & Operation area completed the introduction of multifactor authentication and the **Zero Trust** model, which led to a lowering of risks. Every network transaction must be authenticated before it can materialise. Therefore, in order to prevent possible attacks, all steps following access are checked and authenticated. It does not matter, therefore, whether the user has already accessed the network once or several times, because the identity is not considered trustworthy if it is not verified again. In practice, all users, systems and servers are to be considered untrusted until proven otherwise. In addition, audits of the new technologies introduced are carried out to ensure that specific international security standards are met. The Cyber Risk area together with the **IT Systems & Operation** area conducted audits of the cloud section to ensure that the CSA Star standard and ISO 27017 were followed, as well as having Adversarial Attack Simulation activities conducted on defined perimeters. In addition, through the Cyber Risk area, training sessions focused on cyber incident simulation were conducted with middle management and operational departments in order to increase awareness and resilience.

Another central aspect concerns continuous training and updating: the Cyber Risk and Data Protection teams participate in training and updating courses, workshops and conferences, collaborating with the main national and international sector associations such as: **Clusit** (Italian association for IT security), Trentino–Alto Adige **Postal Police**, **AIEA** (Italian Association of Information Systems Auditors), **CSA** (Cyber Security Angels), **Federprivacy** (Association of privacy and personal data protection professionals), **ISACA** (Information Systems Audit and Control Association, an international professional association focused on IT governance) and **Politecnico di Milano**. Alperia also collaborates with the Utilitalia working group, for the study of security risk KPIs to be used as an inter-company benchmark. In addition, the Cyber Risk area organises frequent training activities for Alperia Group employees with mini-courses, videos and information pills; similar training activities in the field of privacy are undertaken by the Data Protection area. Many of these e-learning courses use gamification methods and include tests to analyse the most vulnerable areas. These activities are supplemented with blind phishing simulations to field test the effectiveness of the teachings. In order to reduce the risks from external attacks, or at least mitigate them, equipping oneself with the best technologies is not enough. It is increasingly important to invest in greater awareness and training of the people who are exposed to such risks every day when working with IT systems. A total of 1,306 people were involved by the Cyber Risk and Data Protection areas in training activities, with 24 activities carried out during 2023 and divided as follows: four phishing campaigns, five security pills, three data protection courses, six security courses, four cyber event simulation sessions, two ISO 27001 courses.

As anticipated, in 2023 the Cyber Risk structure contributed to obtaining the renewal of the **ISO 27001** certification, concerning the information security management system, while the **Data Protection** area contributed to obtaining the ISO 27701 certification concerning privacy protection.

Privacy of consumers {GRI 418-1}

	Unit	2023	2022	2021	2020	Variation
Total number of complaints received regarding breaches of customer privacy	No.	0	0	0	0	0%
i. complaints received from external parties and confirmed by the organization	No.	0	0	0	0	0%
ii. complaints from regulatory bodies	No.	0	0	0	0	0%
Total number of leaks, thefts or loss of data of identified customer(s)	No.	0	0	0	0	0%

The numbers of security

In 2023, Alperia did not encounter any significant IT security incidents. The additional security measures introduced during the year partly changed the detection methodology, classification and consequently the number of detected threats. This has led to a review of some of the parameters used over the years to analyse their time trends, due to physiological changes resulting from new systems and methods for measuring events. It should be noted that, for some areas, data represented with absolute values will be replaced by percentage values. Furthermore, most of the statistics expressed do not depend on internal factors, but mainly on the evolution of safety contexts on which it is not possible to act.

Every day, protection systems **identified and blocked on** average:

- Approximately 13,600 malicious messages, or 21% of all incoming emails; As already mentioned, external and uncontrollable contextual factors also contribute to the formation of this indicator.
- Approximately 145 failed connection attempts, representing 5% of all external accesses blocked by security systems. This indicator, revised from previous years, relates to and depends on access attempts, measured on the external perimeter and protected by MFA technology.

Every month, security systems **identified and blocked on** average:

- Approximately 38 malware, i.e. antivirus system intervention that detected and blocked malicious activity on devices such as notebooks and servers. This indicator, revised from previous years, relates to the change in technology introduced and the method of measurement. As already pointed out, external and uncontrollable contextual factors also contribute to the formation of this indicator.
- An average of about 9 million internet activities are identified each month, of which about 9% are blocked by security systems. This indicator, revised from previous years, relates to the change of technology introduced and the method of measurement.

The results of Alperia's **cyber security and data protection awareness programme** are also reported:

- Safety awareness: 94% is the participation rate in safety training. 90% is the overall result of the final test score.
- Phishing simulation: 20% represents the number of people who opened the link in the message, while 3% corresponds to the credentials compromised during the simulation.
- Data protection: 94% is the participation rate in privacy training. 88% is the result of the final test score.

Other indicators related to cyber security and data protection:

Other cyber security indicators

	Unit	2023	2022	2021	2020	Variation
During the year, Alperia's protection systems blocked (daily average):						
Malicious emails	No.	13,600	9,400	11,200	2,000	45%
% of malicious emails out of total mail processed	%	21	24	29	24	-13%
Malicious connection attempts	%	5				
Every month, Alperia identifies and blocks an average of:						
Events detected and blocked by antivirus	No.	38				
% of blocked internet activities (previously malicious internet activities and applications)	%	9				
Every year, the results of Alperia's security awareness programme:						
Safety awareness: % participation rate in safety training	%	94	88% out of 1,300 users	90% out of 1,159 users		
Safety awareness: % overall test result	%	90	90	80		
Phishing simulation: % of clicked links	%	20	16	20		
Phishing simulation: compromised logins	%	3	1	7		
Data protection: percentage of participation in privacy training	%	94	80% of 200 users	88% out of 1,211 users		
Data protection: % overall test result	%	88	90	89		

[1] In 2021, malicious email categories were added in general, i.e. not only spam. This decision was made to harmonise the term 'malicious' also with data from other systems.

[2] Various strategies have been implemented (e.g. the move to the cloud controlled by antivirus systems, awareness-raising, increased measures on the perimeter firewall), which overall have reduced the number of viruses present on local systems (PCs and servers).

[3/4] Following the generational change of firewalls, blocking rules were rewritten and the level of detection of malicious activity was increased.

Strategic objective: we want to ensure the security of information systems and the protection of all data.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Obtaining and maintaining over the years ISO 27701 – Privacy Information Management System certification	Obtaining ISO 27701:2019 certification	2022	Achievement percentage	100%	100%	✓	SDG 9
Monitoring of IT systems in order to ensure proactive and reactive intervention in the presence of security events during the IT period being monitored	Maintenance of the SOC service and its gradual extension to further areas	2022	No. of security incidents notified by the SOC	-		✓	SDG 9
Creating a culture of information security and data protection among our employees in order to reduce overall system risks	Cyber Security & Data Protection Training Plan	2022	Percentage of participating employees out of the total of those invited to privacy and cyber GDPR courses	85%	94%	✓	SDG 9
Maintenance over the years of ISO 27001 certification for the agreed perimeter	Annual ISO 27001 audits	Annual	Cyber security and ISO 27001 compliance	100%	100%	✓	SDG 9
No security incidents with regard to information management and data protection	Implementation of a zero-trust solution	Annual	Safety-related incidents	0	0	✓	SDG 9
Ensuring business continuity in the event of IT incidents (e.g. server failures, power outages)	Platform expansion to ensure full compatibility of infrastructure with needs	Annual	Business continuity and disaster recovery	100%		✓	SDG 9

Customers

We want to give our customers all the tools to build a more sustainable future.
We do this by dealing with them in an open, transparent, agile manner, putting mutual trust and respect at the centre.

7 AFFORDABLE AND CLEAN ENERGY
We ensure access to affordable, reliable, sustainable and modern energy systems

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
We build and maintain safe and resilient infrastructure, foster innovation and support equitable, responsible and sustainable development

11 SUSTAINABLE CITIES AND COMMUNITIES
We want to make cities more inclusive, safe, energy efficient and sustainable

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
We ensure sustainable patterns of production and consumption

Total customers	**423,429**	Instances of theft, dissemination or loss of data relating to identified customer(s)	**0**
New customer(s) acquired in 2023	**+11%**	Complaint rate (per 100 customers)	**0.28**
Percentage of revenues from sustainable products and services	**71%**	Proportion of complaints processed promptly	**98.75**

7.1 Sustainable products and services

How we manage the topic?

Alperia is committed to developing and selling sustainable, innovative and green products and services that have a better environmental and social impact and meet the needs of its customers. The Group's choices in this regard generate direct impacts that mainly affect private customers and its business and indirect impacts on the environment in relation to the development of sustainable products and services that contribute to reducing the negative externalities due to their use by consumers. Furthermore, the failure to develop and promote sustainable products and services could lead to a slowdown in the path towards the energy transition and the achievement of Net Zero for Alperia, thus generating further negative impacts. The impacts generated are largely due to the Group's own activities, but some impacts may originate as a result of collaborations with other industry players in their business relations, for the dissemination of sustainable products or services (e.g. Neogy).

Alperia has set itself the goal to develop its current product portfolio in the direction of greater sustainability and to offer its customers sustainable and innovative products and services in order to achieve energy savings and a more efficient use of energy. The aim should be to use sustainable resources, save energy and use it more efficiently. Furthermore, it intends to work towards Net Zero, contributing significantly to the reduction of CO_2 emissions, as envisaged in the Climate Plan 2050 of the Autonomous Province of Bolzano-South Tyrol.

Alperia has set itself the goal of increasing its revenue share from sustainable products and services. The achievement of targets and implementation measures are regularly monitored and evaluated as part of sustainability management. Responsibility belongs to the respective Business Units. As part of the annual report, the share of revenue generated by sustainable products and services and investments to expand the range of sustainable products is recorded and published.

Stakeholder(s) were involved and consulted during the 2021 update of the materiality analysis . In addition, our customers are involved throughout the year through various initiatives, such as the Family Day programme, hockey match events organised at the Palaonda ice stadium in Bolzano in cooperation with HCB Alto Adige Alperia, and the Drive To Green Energy campaign organised in cooperation with the agency Beready at points of sale in shopping centres. The purpose of the campaign was to highlight the guiding principles of a company with a focus on sustainability. The project was created with the aim of guiding users to knowledge and a conscious choice of sustainable energy and to promote and raise awareness of more sustainable daily behaviour.

What was done during the year?

The energy produced by Alperia is 100% certified green. This certification is guaranteed by the electronic GO certificates that are issued by the GSE – the Gestore dei Servizi Energetici, a company controlled by the Ministry of Economy and Finance that plays a central role in the incentivisation and development of renewable sources – to certify the renewable origin of the sources used by IGO-qualified (identification of plants powered by renewable sources) plants. Alperia's Green Energy is produced from renewable sources through hydroelectric power plants. In 2023 these plants, together with solar energy and biomass, generated about **4.3 TWh/year** (about 3.1 TWh/year in 2022) of energy, which we made available to our customers, both private and corporate. In this way, Alperia's customers can supply themselves with clean energy derived from the power of water flowing from the mountains, contributing to climate protection. This is also important for companies who, by sourcing green energy, can obtain important environmental labels. In addition to Green Energy, we also supply gas, the emissions of which are offset with climate protection projects that comply with the Gold Standard (which rewards projects that contribute to CO_2 reduction and sustainable development) and/or the Voluntary Carbon Standard (one of the most widely used standards in the CO_2 voluntary market). These are programmes that meet the Kyoto Protocol's strict criteria for climate protection. The climate-neutral status is certified year after year by TÜV NORD, a renowned independent certification body. For more details on the projects supported, please refer to the dedicated page on the company website.

In 2023, a new division, **Price & Product Management**, was created, which is responsible for the creation of both commodity and non-commodity products, as well as for optimising the procurement of electricity, green energy and green gas certificates and the guarantee of origin. The work of the new area serves the strategic objective of increasing the share

of sustainable products sold. All energy and gas products are green and designed for SME Retail. For companies, Alperia also provides a free communication package including a Green Energy certificate, a metal plate or a Green Energy logo, which can be published on the website or printed on company materials and product packaging.

In 2023, the revenues generated by Alperia with sustainable products and services were **71%,** but the goal, according to Vision 2031 and in line with the South Tyrol Climate Plan, is to gradually increase this share. Already now, 100% of the products on sale on the free market in South Tyrol for residential customers are green and the share of compensated gas, which since 2019 has also be offered outside South Tyrol to domestic and business customers, has also increased. Furthermore, from 2020, through a unilateral contract amendment, we have ensured that all customers belonging to the free market can switch to Green Energy. Energy and gas will be joined in the future also by district heating, as well as electric mobility and energy-efficiency projects. In order to ensure that more and more businesses can use compensated gas, we have an agreement in place with the Südtiroler Wirtschaftsring, a body that brings together the six most representative business associations in South Tyrol – the Union of South Tyrolean Trade, Tourism and Services, the Union of Hoteliers and Public Shopkeepers of South Tyrol, the Confederation of Craftsmen, the Union of South Tyrolean Farmers and Direct Farmers, Assoimprenditori, and the Association of South Tyrolean Freelancers. This is work we continue to do outside South Tyrol so that more and more SMEs adopt renewable energy and compensated gas.

Quantity of products supplied[*1] {GRI 2-6}

	Unit	2023	2022	2021	2020	Variation
Electricity sold to/from end customers	GWh	4,783	6,854	6,636	5,372	-30%
of which green electricity sold to/from end customers	GWh	2,529	2,399	2,482	2,015	5%
	%	53	35	37	38	
Trading	GWh	471	978	1,834	3,166	-52%
Thermal energy sold to/from end customers[2]	GWh	248	234	246	222	6%
Gas sold to/from final customers	MSmc	358	503	450	421	-29%
of which green gas sold to/from end customers	MSmc	50	25	12	3	100%
	%	14	5	3	1	

[*1] The data include the quantities sold by the Group's sales companies, including Fintel, to/from end customers. Including resellers and the protected market.

[*2] It includes thermal energy produced from biomass, gas, petrol and energy acquired from waste plants.

Fintel, a company that joined Alperia in 2022 through a 90% takeover, also deals with green products. Fintel, which is one of the most important companies in the Marche region and operates nationwide, specialises in the marketing of energy and gas for private individuals on the free market and VAT accounts, as well as in the development of home photovoltaic systems. For Alperia, it is responsible for the sale of Green Energy, Alperia MyHome and Green Gas. In 2024, the company's integration activities for IT systems and HR will start. Among the activities followed by Fintel, there is a project born from the "Safe & Green" tender of the Marche Region (2018–19) dedicated to the rebirth of earthquake-prone territories, which has a green building as its symbol (67% owned by Fintel) equipped with a 10 kWh photovoltaic system with storage, consumption and control systems for CO_2 emitted by the building and evolved efficiency systems. By 2025, the acquisition of 100% of Fintel is also expected to be finalised, thus further consolidating Alperia's roots outside the Autonomous Province of Bolzano also in the sector of sales to/from end customers. The transaction allows the expansion of the portfolio with about 30,000 customers, mainly concentrated in the residential market (domestic customers and VAT numbers), and a sales network consisting of three branches managed by agencies, three directly managed branches, twenty-nine corners and fifty agents.

> ***"Green gas is greenwashing."***
>
> Comment by a female employee; Stakeholder Survey 2021
>
> ***Alperia's answer:*** *Green gas is natural gas whose emissions are offset by climate protection projects certified year after year by TÜV NORD, a renowned independent certification body. The gas distribution network always remains the same; however, customers who have chosen Alperia's Green Gas have the certified guarantee that the amount of CO_2 generated is offset by Alperia through investments in environmental protection projects. These projects comply with the Gold Standard and/or Voluntary Carbon Standard, the two most widely used certification standards that meet the requirements of the Kyoto Protocol for climate protection. Alperia's customers are therefore guaranteed that all greenhouse gas emissions generated are offset by a certified climate protection project. Specifically, in 2022 Alperia offset 121,493 tons of CO_2 .*

7.1.1. Smart Region

With its Smart Region Business Unit, Alperia invested EUR 13.6 million in 2023 (EUR 17 million in 2022) to develop and implement innovation projects that make the region more sustainable, more efficient and smarter. In particular:

e-Mobility: in 2023, Alperia inaugurated in Bolzano the first public recharging hub in Trentino-South Tyrol built by its joint venture Neogy and dedicated to electric cars. The hub is the first in Italy equipped with 400 kW charging stations and has 32 charging points powered by green energy, partly produced on site thanks to the Fiera Bolzano photovoltaic plant located directly above the charging hub. The Trade Fair is a strategic location for intermodality and, thanks to the newly installed stations, has a total of 40 charging points for electric vehicles. The 400 kW Hypercharger stations, a latest-generation model from the Bolzano-based company Alpitronic, allow cars to be recharged in just a few minutes to cover a distance of 100 kilometres, while the standard recharging stations (22 stations) are designed for those visiting the Fair or for those who want to leave their car for a longer period of time, for example to continue their journey by public transport. The project contributes to achieving the CO_2 abatement targets set out in both the provincial Climate Plan and Alperia's Business Plan and to making Trentino–Alto Adige the best-infrastructured territory in Italy and among the best in Europe for sustainable mobility (source: Smart Mobility Report of the Milan Polytechnic). In total, Neogy operates 643 inlets, 273 of which in South Tyrol. In 2024, a new hub is planned to be opened in Klausen and in late 2024/early 2025 also in Meran. In this way, it is intended to make the transition to electric vehicles easier, and the numbers on a territorial level prove it: South Tyrol has 12% registrations of electric vehicles, compared to 4% nationwide, and the energy supplied by the columns managed by Neogy has also increased again in 2023 by 79% (over 5 Ghw/h). The service is also highly appreciated by international tourists and is strengthened by car sharing activities with electric cars realised through the company AlpsGo!, founded by the cooperative Carsharing Alto Adige together with Alperia. The fleet has been considerably expanded and is being switched to exclusively battery-electric vehicles with their own charging points at numerous car parks. In addition, a new online booking platform will be introduced and registration and payment will be done digitally. The use of electric car sharing vehicles can also be adopted in companies with the Corporate Car Sharing formula, while for tourists access will be even easier thanks to the integration into Deutsche Bahn's international Flinkster network, as hotel companies will be able to directly access the offer and offer car sharing to their guests or fellow citizens.

To support the extension of e-mobility, Alperia participates with Neogy in several international research projects. In particular: after having completed the Mobster project (Electric Mobility for Sustainable Tourism, concluded in 2022), Alperia has started a collaboration with Eurac Research and Alpitronic for the **Vehicle-to-Grid** project: the V2G-BOOST project in South Tyrol intends to develop and disseminate Vehicle-to-Grid (V2G) technology, focusing on the design of V2G charging stations, experimenting with two-way electricity flow and developing an app to manage energy flows. The project will also explore the aggregation of vehicle battery storage capacity to provide monetised grid services. It will also assess the impact on the provincial Climate Plan, focusing on energy storage, grid balancing and climate neutrality targets. The project will also contribute to advanced research in energy systems and demonstrate the key role of electric vehicles in the energy transition and decarbonisation of transport.

In addition, the European project **Life Alps** (Zero Emission Services for a Decarbonised Alpine Economy), with which South Tyrol is to become a model region for zero-emission mobility in the Alps, is continuing. To this end, partners from all parts of South Tyrol have joined forces to expand the infrastructure network for zero-emission mobility, to bring pilot fleets onto the roads and to develop zero-emission services (e.g. taxis, shuttle services, goods transport). As part of the project, Alperia and Neogy installed and operated ten fast-charging stations throughout the Alps. In addition, the company continued to expand the provision of as-a-service operations with small utilities by developing a network dynamic made up of consultancy, technology and know-how, as well as renewing its charging solutions, such as 'Neogy ON', for private customers, with the installation of a charging station by a professional directly in the customer's garage or private car park. A solution offered to further strengthen the spread of electric mobility. Finally, it should be noted that Neogy is part of the

Motus E association, an association of industrial operators, the automotive supply chain and the academic world that aims to accelerate smart mobility.

Care4u: in 2023, the Alperia subsidiary dedicated to smart health, founded with the aim of providing the community with technology and expertise to improve the well-being of its citizens, launched a home care solution. The device was the subject of a pilot project launched with the White Cross in eight private flats in Merano. If an alarm is detected by the Care4u device, the White Cross surveillance service intervenes directly. This is a new frontier that will be further developed in 2024. During the year, activity in organised facilities also continued: Care4u is present in Bolzano (at Villa Europa, at the hospital, at the Residenza Girasole), in Terlano, in Egna, in Montagna and at the Civica di Trento. The aim is to further extend the deployment of the solution in the coming years, not only in South Tyrol, but also in Trentino and Veneto. As well as being an expression of innovative technology and cutting-edge know-how, the project has an important social value for Alperia, which in this way contributes to the well-being of the local population, focusing on a central issue for the future: the ageing population and its care.

Smart Land: in order to make the agricultural sector more efficient and reduce waste, Alperia has developed smart sensors which, when connected to a digital infrastructure for targeted irrigation in orchards, save 30% or more water. The sensors measure soil moisture in the fields and combine data from weather forecasts with current temperatures. As a result, Alperia's LoRaWan™ network enables the transmission of this measurement data – from the fields to the farmer – in real time, via an app. In order to make the solution accessible to all farmers, Alperia has partnered with local partners to distribute and sell the package. The sensor system has also been extended to the vineyards, and sales in the area have now been underway for three years. In cooperation with the Laimburg Research Centre, measurements are constantly evaluated in all the province's agricultural fields on hundreds of hectares. The amount of water saved for irrigation each year exceeds 50%. It will be increasingly important for Alperia to disseminate results of this kind and to foster the development of greater awareness of the issue.

Photovoltaics: as of 1 January 2024 Solar Total Italia, a company born from the experience of Solar Total Group, European leader in the supply of turnkey photovoltaic systems for private and corporate customers with more than 30,000 active customers in Europe, has been integrated within Alperia Green Future. Its expertise will be crucial for the development of photovoltaic expansion projects and energy communities. In particular, Solar Total's know-how will be instrumental in supporting the growth of Alperia MyHome, a product dedicated to home photovoltaics that has been very popular in the market. **Alperia MyHome** is a turnkey photovoltaic system with storage designed specifically for homes. The system allows customers to produce their own energy through solar panels, supplying their entire home and covering, with a well-dimensioned system, up to 80% of consumption. In addition, a storage system is included in MyHome so that part of the self-produced energy can be used even when the sun does not shine. The installation and activation of the contract is preceded by an inspection to assess the best solution for cutting costs in the bill, thanks to the latest generation panels designed specifically for each home. Five solutions are available: Small, Medium, Large, Extra Large and Special (also suitable for condominiums; will become the basis for the "MyBuilding" offer dedicated to collective condominium self-consumption).

Energy efficiency: **Alperia Green Future**, a company founded in 2022 by Alperia Bartucci S.r.l. and Greenpower Group, changed its organisation chart in 2023 following the company reorganisation. The main areas of activity are: energy transition (including corporate activities, activities based in South Tyrol, B2C & PA activities and B2B activities – the last two deriving from the previous areas dedicated to the energy requalification of buildings), Sybil HVAC (air conditioning), Smart, Teleassistance and FTV Residential / CER.

In addition to the three main areas of activity – strategic consultancy for companies, energy performance contracts (EPC) and artificial intelligence – two others are dedicated to the B2B world and public administration. The latter business line, in particular, represents an evolution of the area previously dedicated to the energy requalification of buildings in which Alperia Green Future operated as a general contractor in the development of energy-efficiency projects by acquiring the tax credit accrued by the end customer through state incentives (e.g. Ecobonus and Superbonus 110%).

In detail, during 2023, the company initiated 23 EPC contracts, with a clearly growing trend in photovoltaics (in parallel with a reduction in cogeneration activity). In contrast, there were 110 EPCs already reporting, i.e. already generating energy savings, in 2023.

In addition, Alperia Green Future has followed numerous consultancy activities for companies, also on an international basis, for decarbonisation projects, starting with the analysis of Scope 1, 2 and 3 emissions. These were flanked by energy diagnostics activities required by law and carried out on more than 150 sites (as of December 2023). There are four artificial intelligence solutions:

- **Alperia Sybil Home**, a smart thermostat that controls and manages the temperature in homes. Alperia Sybil Home devices have been supplied – among others – to Ater homes in Verona
- **Alperia Sybil CT** (thermal power plant), i.e. artificial intelligence for apartment blocks, schools, gyms or commercial buildings, already installed in several schools
- **Alperia Sybil HVAC**, a solution designed to optimise the air conditioning of high-volume buildings
- **Alperia Sybil Industrial**, artificial intelligence for companies that uses a mathematical model to make predictions about the future behaviour of the production process and is able to make it more efficient

Among the main collaborations undertaken in this field is the one with AFV Beltrame Group, a Vicenza-based steel group and leading European producer of merchant bars, which, with Alperia Green Future, has defined a plan for decarbonisation, developed energy-efficiency projects following the Energy Performance Contract model, and carried out the modernisation of burners for ladle heating and implemented the advanced control system with Alperia Sybil Industrial. Equally important is the collaboration with Suanfarma, a Spanish multinational company involved in the production and distribution of active pharmaceutical and nutraceutical ingredients. The company has optimised cold management in its production processes with the use of the artificial intelligence system Sybil Industrial. The manual control of the refrigeration plant generated periods of inefficiency caused by the imbalance between production and cold demand, which were solved by using Alperia's artificial intelligence system, which automatically adjusted the refrigeration energy according to the production plan to obtain the amount of cold needed for the process. Furthermore, with the Energy Performance Contract model, Suanfarma replaced two old refrigeration units with a larger and more efficient one, increasing safety levels and automation and reducing maintenance. Finally, Alperia Green Future has signed a partnership with Nippon Gases, a company that supplies technical gases and will support the deployment of Sybil technology for cold production.
These are complemented by **energy-efficiency and reduction** activities carried out in Alperia, for example by:
- Optimising the opening/closing of a sluice gate in Val Sarentino to improve water management: we automated the sluice gate that connects the two basins of the plant, helping to lower the imbalances and thus optimising the water resource. This allows the operators to focus on real time management of the plants. The utilisation of Sybil Water in this case is close to 100% of the operating time, confirming the validity of the technology in complex processes with numerous and unpredictable variables.
- The application of Sybil Industrial to the Klausen district heating network fulfils two objectives: optimising heat production and planning the sale of electricity produced by cogenerators. In the first case, Sybil TLR predicts the heat demand of the network by analysing weather forecasts and current demand data. The predictive control algorithms in the software calculate the best production mix to define which machines to run and at what power, with the aim of minimising production costs and guaranteeing thermal demand, in full compliance with safety constraints. In the second case, the software, specially adapted for the Chiusa power plant, incorporates an additional functionality: the planner, which also takes into account the electricity sales price forecast and the conditions of the power plant, in order to be able to issue the electricity sales plan for the following day by noon.
During the year, Alperia Green Future also participated in numerous trade fairs and B2B events such as Key Energy, Top Energy Meeting in Peschiera del Garda, Facility Management in Rimini, Sustainability Business Forum in Gubbio, CSR Salon in Milan at Bocconi University, Smart Building Expo in Milan, as a partner of the Venice Sustainable Fashion Forum and organised a workshop in Verona with 50 customers and prospects on the topic of sustainability.

In 2024, the company intends to further strengthen its partnerships with the **public administration** and work on the energy redevelopment of large properties with a focus on real estate companies. Finally, also in 2024, Alperia Green Future acquired the company Solar Total with which it will manage residential photovoltaics and CERs.

Strategic objective: we want to promote an integrated value proposition (commodity and services) focused on the energy transition with 100% green offers and a portfolio of solutions enabling the decarbonisation of customers.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Increase in avoided emissions from energy efficiency projects with customers in line with the Business Plan	The Emissions Avoided 22-27 Plan was revised in line with the new Industrial Plan	2027	Tons of CO_2 avoided with energy-efficiency services	244 kton CO_2 reduction by 2027 (cumulative value 22–27 compared to 2021 emissions)	21,061 tCO_2 avoided by EPC/EPS projects 1,207 tCO_2 avoided by installation of photovoltaic systems (residential FTV) 150 tCO_2 avoided by Sybil projects	Ongoing	SDG 7 SDG 11 SDG 12 SDG 13
Awareness-raising in the public sector on the connection of public buildings to the district heating network and the purchase of green electricity, in the framework of the new Climate Plan	Participation in the public consultation on the South Tyrol Climate Plan	2022				✓	SDG 7 SDG 11 SDG 12 SDG 13
Definition of internal guidelines to promote awareness among (corporate) customers of our green products, in line with the sustainable Alperia brand	Defined internal process to share objectives and customers in the green field between AGF and ASS. Also held joint workshops to promote specific topics on the subject	2023	Internal guidelines	-		✓	SDG 12
Definition of a target value for the share of turnover with sustainable products and services within the scope of Vision 2031/Industrial Plan and subsequent anchoring of the targets in the Business Plan		2023		-		✓	SDG 12
Internal and external communication campaign focused on the single point for energy transition of our customers	-Publication of articles in our magazine reporting on virtuous examples of customers who have opted for 'green' solutions -Publication of the same articles on MyAlperia (internal communication) -Commercial propositions to customers encompassing all services of the Alperia Group (commodities and services) and where AGF acts as a partner for the energy transition	2023	-	-		✓	SDG 12

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
	- Participation at events (e.g. Key-energy trade fair) where all Alperia Group services (commodities and services) were presented and where AGF proposed itself as a partner for energy transition - Intensification of communication activities as an energy transition partner						
Present among the various project options the one that is most sustainable in terms of impact (during construction, operation, decommissioning; also at the lifecycle level of the materials/equipment used)	Implementation of environmental sustainability checklist	2023	-	-		✓	SDG 12
62% of the gas sold (based on volume) is green gas (compensated gas and biomethane).		2027	% green gas sold	62%	13.1%	Ongoing	SDG 7 SDG 12 SDG 13
Share of green gas sold in line with the Business Plan	The ARERA resolution allowed the unilateral changes to take effect in November 2023 - considering only the second half-year, the target would have been achieved	Annual	% green gas sold	21% (2023)	13.1%	X	SDG 7 SDG 12 SDG 13
75% of electricity sold (based on volume) is green		2027	% green electricity sold	75%	50%	Ongoing	SDG 7 SDG 12 SDG 13
Share of green electricity sold in line with the Business Plan		Annual	% green electricity sold	47% (2023)	50%	✓	SDG 7 SDG 12 SDG 13
Development of wholesale volumes (ATR) in line with the Scope 3 emission reduction target		2031				Ongoing	SDG 12 SDG 13
Definition of measures and implementation to ensure that account managers are consistent with Alperia's green image with SMEs and corporate customers (e.g. e-car, documentation)	Integrated Corporate Retail Sales Convention AGF-ASS integrated working groups on customer centricity	2023	Approval of internal procedure/ performance of account workshops	-		✓	SDG 12
Evaluate compensation exclusivity project in line with SBTi		2025	-	-		Ongoing	SDG 13
Increase in thermal energy sold (+155 GWht, +57%) through expansion of existing networks, new		2023–2027	Thermal energy sold (GWht)	431		Ongoing	SDG 7 SDG 13

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
plants and acquisitions, reaching 431 GWht in 2027							
Increase in customers served by district heating		2024	% of new contracts signed by district heating	+25% public customers ; +14% non-public customers		Ongoing	SDG 7 SDG 11 SDG 13
District heating awareness campaign with municipalities	Open day at the FHW in Merano, articles on district heating on our blog and individual press releases	2022–2023	-	-		Ongoing	SDG 7 SDG 11 SDG 12 SDG 13
Increasing the uptake of domestic, corporate, condominiums, SMEs and PA photovoltaics	A partnership with Fintel/ASS was established to increase sales volumes	2027	Total cumulative installed power (MW)	84.8 MW		Ongoing	SDG 7 SDG 11 SDG 12 SDG 13
e-mobility: expanding the number of managed public charging infrastructures		2027	Public charging points (number)	3000	643 (columns)	Ongoing	SDG 7 SDG 11 SDG 12
Energy Communities: development of distributed self-consumption solutions	Awaiting the implementing decrees and possible changes to the legislation as the latter is very restrictive	2027	Cumula-tive number of prosumers	1431		Ongoing	SDG 7 SDG 11 SDG 12
e-mobility: expanding the number of private charging infrastructures		2027	Number of wallboxes sold	1000	399	Ongoing	SDG 7 SDG 11 SDG 12
e-mobility: promoting car sharing based on 100% electric vehicles		2027				Ongoing	SDG 7 SDG 11 SDG 12
e-mobility: increasing green energy delivery		2027	Energy delivered (GWh)	47		Ongoing	SDG 7 SDG 11 SDG 12
Increase the share of sales of sustainable products and services to 60%		2027	Share of sales of sustain-able products and services (%)	60	71	Ongoing	SDG 7 SDG 12
Care4u: expanding telecare services to serve healthcare facilities		2027	Active customers	400		Ongoing	SDG 11 SDG 12

7.2. Customer satisfaction

How we manage the topic?

Alperia is committed to involving customers throughout the lifecycle of the products and services it offers and envisages initiatives to improve and expand customer service with the aim of building a lasting and trusting relationship with the customer. The Group generates direct impacts on customers resulting from the activitỳ of selling electricity, gas and district heating. The impacts concern both domestic customers in the protected and free market and district heating customers as well as business customers (small and medium-sized) and large customers.

Impacts arise from the Group's sales activities of products and services to various customers, also in partnership with other industry players, such as through the Neogy joint venture with Dolomiti Energia.

Alperia pursues the goal of improving and expanding customer service and service quality while minimising complaints. For this, two areas have been established: Contact Centre and Complaints & Conciliation. In addition to these two divisions, another one was created, Price & Product Management, which deals with the creation of both commodity and non-commodity products. For complaints, a toll-free number has been made available to customers, which is answered by local bilingual operators. Customers can also contact the operators of the toll-free number or by email. Response times to complaints are strictly regulated by the national supervisory authority (ARERA), and operators are obliged to comply with these requirements and, if necessary, to improve them. The quality management system is certified according to the international ISO 9001 standard, and responsibilities have been defined in-house. A special control centre has been set up to ensure the timely processing of complaints.

The conciliation service, managed by the Conciliation Department, showed an increase in the number of cases, most of which were resolved with an agreement.

Stakeholder engagement and consultation on the issue took place during the 2021 materiality analysis update and during contacts with customers via the hotline, energy corners and satisfaction surveys.

What was done during the year?

Alperia supplies electricity, natural gas and district heating to more than 400,000 customers (380,914 in 2022), including households, large and small companies and public institutions. 76% of customers have signed contracts for electricity, 24% for gas and 0.5% for heat.

In order to strengthen relations with its customers, Alperia has reorganised its structure with a view to customer centricity, creating a department dedicated to complaints, one to conciliation (see section on "Complaints") and one dedicated to customer service. Within this new organisational unit, the Contact Centre was set up, which deals with answering the requests that arrive from/to its/their customers. Over 300,000 requests arrive each year, of which 174,000 are telephone calls and 142,000 written requests. The telephone response rate in the year 2023 rose from 85% to 96%, which is excellent compared to the national average. Thanks to the efficiency of the in-house Contact Centre Department, which is also supported by an external contact centre, customer files can be processed within a maximum of 48 hours. In addition, the employees of our Energy Points throughout the country are also equipped to handle customer service cases. Also within the new Customer Service organisational unit, the 'Service Support' unit was created to support the sales structure and liaise between all internal departments. Since its creation, the team has handled more than 20,000 requests, processing open tickets in a structured and timely manner.

In 2023, **a market survey** was carried out on Alperia's awareness and brand reputation in South Tyrol, and as part of the survey, **customer satisfaction** was also analysed. 73% of the respondents were satisfied (in particular: 26% very satisfied, 47% satisfied, 20% neither satisfied nor dissatisfied, 6% not satisfied and 1% not satisfied at all). Compared to the previous survey carried out in 2021, customer satisfaction has decreased (a total of 14 percentage points drop in the "satisfied" and "very satisfied" respondents, which mainly spill over into the intermediate band "neither satisfied nor dissatisfied"). However, the negative trend in customer satisfaction was also recorded among non-customers, denoting a trend that affects the entire sector and is affected by the repercussions of the energy crisis and the increase in energy prices recorded in the period prior to the survey. In addition, also thanks to the digitisation plan launched in the past, we were able to respond nimbly to customer requests in virtual form. The Alperia Facebook page has also been very useful for customer care, as the positive reviews show. Reviews that also reward us on Trustpilot.com, the website that hosts evaluations of companies all over the world compiled by consumers themselves. This testifies to our commitment to professional and competent customer care, both physically and digitally, and enhances our value in the eyes of consumers.

In order to be closer to the communities, Alperia has also opened several **Energy Points and Energy Corners** throughout Italy, including the Energy Point at the Conè shopping centre in Conegliano (Treviso), which opened in 2023, and Energy Corners in the provinces of Brescia and Mantua. Thanks to this new point of sale, Alperia will be even more reachable for customers in the area. Together with the Tiziano shopping centre, where Alperia is already present with an Energy Point, the Conè shopping centre is one of the most important in the province of Treviso. Alperia also has another Energy Corner in Padua, an Energy Point in Vicenza and two in Verona, as well as a new store. The other Energy Points/Corners are located in Alto Adige, Lombardy, Piedmont, Puglia, Lazio, Tuscany and Marche. We would like to remind you that access to our branches is by appointment: via the web or through the call centre, we have given customers the opportunity to make an appointment at a precise time, so that they do not have to wait in line, thus making the entire process more efficient and limiting dispersion time.

In the Promotion Awards 2023, Alperia was honoured for its proximity to families and respect for the environment. In particular, it won first place in the Field Marketing category with the "Alperia Family Day" campaign and first place in the Shopper Marketing & Brand Activation category with "Drive To Green Energy". The award is in addition to those already received in previous years such as the **Top Utility Performance Operative**, reserved for local utility companies active in the energy, waste and water sectors. Alperia was proclaimed the winner "for the high quality standards achieved in operational management thanks to the production and distribution of energy operated with respect for the natural environment in a delicate territory and in synergy with the local communities", thus the motivation of the award organisers. Alperia was also recognised by **Altroconsumo,** the magazine of the consumers' association of the same name and one of the most important in Italy, as the best operator in gas supply and the second-best operator in the electricity category.

In 2023, a new division called **Price & Product Management** was created that deals with the creation of both commodity and non-commodity products. The aim of the division is to optimise the procurement of green energy, green gas and guarantee of origin certificates. The area's work serves the strategic objective of increasing the share of sustainable products sold. All energy and gas products are designed for SME retail and are all green products. For extra commodities, a division has been set up that will create products bundled with energy and gas products. The aim is to focus on photovoltaics, e-mobility, and consumption efficiency with Sybil and Smart Land. The new organisation meets the goal of customer centricity: all Alperia customers will have Alperia Smart Services as their only interface. The department will also set up a forecasting system to ensure that purchasing and sales are increasingly aligned, with a 360-degree view.

The Retail Market Division, on the other hand, oversees the network of agents made up of 100 professionals prepared to manage customers in both the sales and after-sales phases, also through digital tools such as the new CRM. Each contract is validated by an Alperia employee so that each customer can have an immediate point of reference for their needs.

7.2.1. New partnerships

During 2023, several **new PPAs** (Power Purchase Agreements) were signed, i.e. long-term contracts with certified energy from renewable sources. Among the customers who signed PPAs during the year were Alupress, Nardi and Birra Forst. The Lagundo brewery will be able to exploit the green energy produced by its photovoltaic plants located in the Marche region: we have signed a contract whereby Alperia, through its subsidiary Alperia Trading S.r.l., undertakes to purchase the green energy produced by the photovoltaic plants owned by Birra Forst and then resell it to the brewery itself, correlated with a Certificate of Guarantee of Origin (GO), an electronic certification that attests to the renewable origin of the sources used by the IGO-qualified plants in accordance with Directive 2009/28/EC. The same mechanism applies to Nardi Outdoor, which will source green energy from the Marlengo power plant near Merano, one of the 35 Alperia power plants, among the largest in South Tyrol. Part of its annual production, amounting to approximately 250 million kWh of ''green, will be supplied to the Vicenza-based company, an ambassador in the world of Italian design in outdoor furniture, for its particular attention to sustainability and affinity of shared values. The PPA signed in 2022 with Barilla, which purchases green energy from the Resia power plant, also continues.

The collaboration with the **Juventus FC** sports club continues, of which Alperia is Official Green Partner, supplying 100% green energy to the Allianz Stadium. With the 100% green offer "Alperia Energia Juventus", for every victory of the team known as the "bianconeri" for their black-and-white club colors in the championship and in the European cups, the company gives away 12 kilowatt hours of 100% green energy. The agreement already in place between Alperia and **Südtiroler Wirtschaftsring – Economia Alto Adige and Rete Economia – Wirtschaftsnetz is** also moving in the same direction, so that each company can choose the most advantageous product based on its consumption profile. In line with Alperia's sustainable business strategy, all Alperia Eco Business customers receive 100% green energy from the South Tyrolean hydroelectric plants. Also in South Tyrol, there is a framework agreement with the South Tyrolean **Ropeway Operators Association** that allows ropeway companies to obtain certified green energy. Ropeway companies that choose Alperia, in addition to the competitive energy prices envisaged in the framework agreement, obtain "Green Energy" certification, which allows them to distinguish themselves as a sustainable reality. The structural agreement initiated in 2020 by Alperia with **Sparkasse**, the Bolzano savings bank, also remains valid. The initiative foresees that bank branches can offer electricity from South Tyrolean renewable sources and Alperia's green gas for domestic use, giving customers the opportunity to sign

contracts directly at the bank. A partnership that ensures a rational use of local resources and further strengthens Alperia's local presence. Thanks to Sparkasse's numerous branches in Alto Adige and Triveneto, Alperia will be even closer to its clients, spreading its green energy services in a capillary way. Sparkasse has more than 100 branches in total: 70% in Alto Adige and Trentino and 30 in Veneto, of which four in the Vicenza area.

7.2.2. Complaints management

In 2023, the Complaints & Conciliation Department was created, whose operations follow the procedure required by ARERA (Regulatory Authority for Energy Networks and Environment). Compared to the previous year, complaints increased due to the market price trend, due to a sellers' initiative to unilaterally modify contracts, due to automatic price changes, due to internal factors linked to the adjustment of Alperia's management system that generated delays on some bonuses such as the social bonus, and due to the increased use of the indemnity system. At the end of 2023, there were 883 complaints, but the complaint rate is well below the national average of 0.28. Alperia was able to respond within the required timeframe (according to regulations, the company is obliged to respond within a maximum of 30 days), except in a few cases (11) and in two situations for causes attributable to third parties (distributors).

In the event that the complaint is not satisfied or if there is no response to the complaint, the customer has the option of accessing the conciliation petition, which is a completely free but compulsory procedure (it fulfils the condition of procedural feasibility). In 2023, there were several conciliation petitions (45), which took place in a virtual room and were handled by an operator appointed by ARERA, by the end customer or his/her representative, by a representative of Alperia Smart Services and, in many cases, by the distributor. Almost all conciliations ended with an agreement: where no agreement was reached, it was because Alperia was certain to be right. There has been a slight increase in conciliation attempts in recent years, mainly due to energy issues. The figure should also be measured against the increase in customers. Both complaints and conciliation are regulated by ARERA's single texts, the Integrated Text of Quality Regulation (Testo Integrato Reclami and the Integrated Text of Conciliation), and the Complaints & Conciliation department is also formalising an internal procedure to make management even more effective and compliant with the institution's requirements.

In order to improve the quality of the service offered, Alperia promotes **training** days dedicated to front office staff and provides the MyRetail service, available in the MyAlperia space for the reference categories foreseen by the regulations (contracts, arrears and suspension, market, billing, metering, connections, work and technical quality, social bonus, commercial quality and others).

Strategic objective: we want to offer our customers fast, solution-oriented customer service and improve the customer experience.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
95% of calls to the hotline are answered	Reorganisation/ staff augmentation, call centre implementation in Salesforce External call centre evaluation	Annual	Share of telephone calls answered	95%	96%	✓	SDG 12
Standardisation and refinement of responses to complaints and monitoring of response times		Annual	Proportion of complaints processed promptly (within 30 days)	99%	98.75%	✓	SDG 12
Reduction in the number of complaints (number of complaints per 100 customers less than 0.14)		2023	No. of complaints per 100 customers	0.14	0.28	**X**	SDG 12
Reduction in the number of complaints (number of complaints per 100 customers less than 0.3)		Annual (after 2024)	No. of complaints per 100 customers	0.3		New	SDG 12
Increase in outlets accessible to customers with disabilities or from disadvantaged groups (e.g. pensioners)		2027	% of outlets accessible to customers with disabilities	-		Ongoing	SDG 12
Creation of communication channels accessible to customers with disabilities or from disadvantaged groups (e.g. pensioners) and website with simple language		2027	-	-		Ongoing	SDG 12

7.2.3. Transparent marketing and communication

Alperia communicates with its customers using different tools, so as to make stakeholders participate and get involved. In 2023, it activated the following marketing and communication actions:

- **Print and online**: advertisements, PR articles, web page for customers (www.alperia.eu) and institutional website (www.alperiagroup.eu), social media, online portal and app for customers. In total, 2,995 articles (2,946 in 2022) about Alperia appeared during the year, both in the press and on the web, of which 1,660 (1,663 in 2022) in the local press and 1,335 (1,167 in 2022) in the national press.
- **Websites**: all emissions from the www.alperia.eu website and the Group's websites have been offset. Alperia participates in the climate initiative "CO_2 neutral websites": carbon dioxide emissions generated both by the website and by the website users are neutralised through the implementation of new renewable energy projects, CO_2 reduction projects and through the purchase of carbon offsetting certificates.
- **Energy Points**: we continued the activity of the Energy Points in Alto Adige supporting, both in presence and digitally, our customers with qualified consultants and call centre staff. Furthermore, to reiterate our proximity to our customers, we opened a new Energy Point at the Conè shopping centre in Conegliano and extended our presence to the provinces of Brescia and Mantua by opening Energy Corners.
- Stakeholders: Alperia met with the stakeholders on numerous occasions – in Val d'Ultimo, to discuss the construction of a new plant, during town council meetings, with one-to-one meetings, during events organised by Alperia Green Future, events dedicated to the challenges of decarbonisation for companies (e.g. "Towards Sustainable Futures"), or for the definition of community investments. We also maintained an active dialogue with the Consumer Protection Service and all trade associations.
- **Events**: We organised several open days, such as the "Cycling to the Merano biomass district heating power plant" initiative during the European Sustainable Mobility Week, with the possibility for children to try out new sports activities with the archery section of the Sportclub Merano or rugby practice with the Dragons Merano rugby girls while discovering how energy is produced in the biomass power plant. Similarly, during the 27th edition of 'Bolzano in Bici', we opened the doors of the Bolzano hydroelectric power station in Cardano in Via Val d'Ega, giving people the chance to reach it by bike and visit it. With Alperia Green Future, we also organised some events for clients and/or prospects, such as the aforementioned '"Towards Sustainable 'Futures" event during which we showed how to use the futures & foresight methodology in company assessments to anticipate future scenarios, identifying opportunities and risks. Finally, we mention our participation in COP28 in Dubai at the invitation of Reuters to communicate our sustainability strategy.
- **Surveys**: in 2023, we carried out a market survey on Alperia's awareness and brand reputation in South Tyrol. As part of the survey, customer satisfaction was also analysed, and 73% of respondents said they were satisfied. Compared to the previous survey carried out in 2021, customer satisfaction has decreased (for more details see the section "Customer satisfaction"). We also participated in the Great Place to Work survey, obtaining a score of 60% (ten percentage points higher than the last assessment).
- **Intranet:** to communicate with employees and strengthen corporate cohesion, Alperia uses an intranet and a newsletter.
- **Schools:** we create teaching materials for schools and provide the opportunity to visit the hydroelectric and district heating plants under the guidance of experienced personnel. Visits are designed for high schools and middle schools and are offered for the hydroelectric power plants in Marlengo and Tel, as well as the district heating plants in Silandro, Bolzano, Chiusa and Sesto. In addition to this, there are guided tours of the Remote Control Centre, the nerve centre of electricity distribution in South Tyrol. For schools we also provide the "Virtual Reality" box containing virtual reality visors: pupils can visit an Alperia hydroelectric power station in a 360-degree video or walk through the tunnels of a dam without ever leaving the classroom. In addition, for primary schools there is a book in which the firefly Lucy guides the pupils to discover the topics of saving energy and protecting the climate. Requests for guided tours and teaching materials can be made at www.alperiagroup.eu. Finally, we are preparing an educational area in Cardano in the power station, which is currently being refurbished, that can be used by schools to explore water energy issues through multimedia games.
- **Employees**: we carried out ESG training with Alperia internal staff members; we launched information pills on the company intranet with in-depth information on reducing thermal energy, saving electricity, saving water and sustainable mobility conveyed by the mascot "Lucy, the firefly"; we posted posters at headquarters and in the offices with advice and practical indications for reducing consumption; we launched the competition "Let's save energy together" asking participants to identify sustainable projects, initiatives, activities and behaviour.
- **Information material**: almost all material used by Alperia to send communications to its customers and for internal use is printed on 100% FSC or Forest Stewardship Council certified paper and CO_2 emissions are offset. It was not possible to guarantee this for all materials, because in order to use FSC paper it is necessary to place the relevant logo on the printed product. Some products, such as business cards, for reasons of space do not allow this logo to be added. However, we have already evaluated for the coming years the use of new materials and printing methods in order to reduce the climate footprint (e.g. paper coated with opaque acetate film made

from cellulose or cotton). Every year, advertising materials are screened for sustainable alternatives. In addition, our advisory system is fully digital so as to further reduce the impact of paper.

- **Gadgets**: Alperia customers receive gadgets and small gifts in line with the brand values. Where possible, we find alternatives to plastics (e.g. aluminium water bottles or natural materials such as cotton, sometimes organic, e.g. sports bands or bags) or turn to gadgets made of recycled plastics (bicycle seat covers).
- **Transparency in the bill**: all new contracts signed outside South Tyrol provide for the adoption of the electronic bill to save resources. For existing Alperia customers in South Tyrol, there is a choice option. Alperia promotes the switch to the electronic bill by providing tickets for events (e.g. tickets for hockey matches), which can serve as an incentive for the change.
- **Complaint monitoring**: a monthly quotation tool was provided to household users, which makes electricity bills more transparent for customers. All commercial offers, as presented on www.alperia.eu, were independently verified and found to comply with the Consumer Code. Customer complaints are handled by the new Complaints & Conciliation division.
- **Online reviews**: Alperia is reviewed on Facebook, and we invite our customers to actively review us on Trustpilot in a free and open manner. Alperia has also validated itself as a Facebook partner and currently has a rating of four out of five stars. We also have a positive ranking on Trustpilot.com with 4.4.

7.2.4. Transparent price

The cost of energy, gas and other fuels, after accelerating during 2022 with the peak observed in October (a change of +71.1% compared to the same month of the previous year), showed a drastic slowdown in 2023, bringing the trend rate to -19.7% in October 2023. This trend reflects the dynamics recorded for the residential energy component (electricity and grid gas) sold both on the protected market and on the free market.

In particular, after the sharp increases recorded in 2022, the price of natural gas at the main European hubs gradually fell to around EUR 0.35/Smc in the second and third quarters of 2023, then stabilised around an average of around EUR 0.39/Smc. The last quarter of the year saw a new increase due to the tensions in the Middle East, but the ability to diversify supplies as well as the full availability of stocks allowed suppliers to maintain acceptable price levels; since November, market values have again been slowly falling.

The PUN, the Single National Electricity Price, has followed a similar trend to that of gas: three quarters of Italy's electricity production comes from the combustion of natural gas (41%) and petroleum products (34%). It follows that the cost of electricity is largely linked to that of the fossil fuels needed to produce it.

It is important to remember that from 2024, electricity supplies in the protected market will cease to exist. All customers will be progressively moved to the free market: this has led to a general lowering of energy prices. According to the data published by ARERA in December 2023, the prices of electricity and natural gas in the greater protection regime were aligned with those in the free market.

Green Mission

We want a more sustainable future. Therefore, we operate with respect for nature, our main source of energy and life, and develop innovative solutions that allow us to strike the right balance between economic activities and environmental protection.

6 CLEAN WATER AND SANITATION — We optimise water network management, reduce the impact of our activities and work to protect the aquatic environment

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — We ensure sustainable patterns of production and consumption

13 CLIMATE ACTION — We take specific measures to combat climate change and its consequences

15 LIFE ON LAND — We ensure the conservation of ecosystems and the protection of biodiversity including through the use of innovative technologies

Renewable energy consumed	**2,100 TJ**	Total emissions (Scope 1, 2 and 3, market-based)	**1,714,879 tCO2e**
Incidents of non-compliance with MVF (Minimum Vital Flow) requirements	**0**	Emissions avoided	**1,699,763 tCO2e**

8.1. Energy consumption

How we manage the topic?

In order to mitigate the impacts of climate change, it is imperative to initiate a gradual transition to more sustainable modes of energy production and consumption. In addition to this, Alperia promotes a rational and responsible consumption of energy, supporting measures aimed at saving energy, improving company performance and the efficient use of energy with the progressive shift to renewable sources, minimising emissions from the use of non-renewable fuels and the consequent impact on society and the environment. Direct impacts derive from the company's activities in electricity production and distribution, generated by the operation of hydroelectric and district heating plants, electricity distribution infrastructures, and the Group's offices. Indirect impacts, on the other hand, derive from the use of the energy produced by end users.

Alperia pursues the goal of promoting energy efficiency, system efficiency (e.g. reduction of grid losses) and climate-friendly energy use within the company. Alperia has equipped itself with an Energy Manager with whom it has strengthened the path to energy efficiency and emission reduction. The energy efficiency projects already implemented by the Business Units and individual companies were evaluated by interviewing those responsible and identifying the projects to be activated. The data were systematised and analysed in a structured manner in order to define an improvement programme in the Group's energy management. The companies Alperia Ecoplus (managing district heating plants), Alperia Greenpower and Alperia Vipower (managing hydroelectric power plants) have certified their sites according to ISO 14001:2015 and have EMAS registration. In addition, after having certified the Ponte Gardena hydroelectric power plant and the Bolzano district heating plant to **ISO 50001**, Alperia has also certified the Dodiciville site and the Sesto district heating plant, while Edyna has obtained ISO 14067 for its electricity distribution service . The topic is coordinated centrally by the HSE department and then implemented in the individual business units. The relevant budgets are defined internally.

We have implemented a structured reporting process for the Group and continue to improve data quality. We commissioned an external audit to provide a detailed review of the reporting process. In addition, reduction targets for each business unit have been integrated into the new Business Plan 2023–2027. The achievement of the target values will be monitored on an annual basis.

The involvement of stakeholders in defining energy consumption projects and initiatives took place mainly during meetings of the Control, Risk and Sustainability Committee and the CSR Steering Committee and with specific meetings with management during which the opinions and views of internal stakeholders on the various initiatives were collected. The opinions of external stakeholder(s) and the communication of Alperia's initiatives to them were collected during a number of roundtables held when the materiality analysis was updated.

What was done during the year?

Alperia uses mainly energy from **renewable sources** for its plants and premises. Its consumption can be classified as direct and indirect. The former concern the use of fuel for the production of electrical and thermal energy in plants (cogeneration plants, thermal power stations, boilers) and the flows of non-renewable primary energy not directly connected to energy production (e.g. heating, fuels for transport, etc.) used in carrying out activities; the latter, on the other hand, concern the energy that the Group purchases and consumes for its plants and offices. This energy is partly self-produced and its values are included in direct fuel consumption. When Alperia purchases energy from third parties, in situations of high demand, it is accounted for in indirect consumption. In 2023, the Group's direct and indirect energy consumption, which relates to the Group's operating companies, customer offices and representative offices, amounted to **3,633 TJ** (3,410 TJ in 2022). Energy consumption is **42%** (35% in 2022) from non-renewable sources and **58%** (65% in 2022) from renewable sources. As envisaged in Vision 2031, the share of energy produced from renewable sources will continue to grow in the coming years, partly due to the installation of new photovoltaic plants and the expansion of existing ones. The 2023 increase in non-renewable sources is to be found in a refinement of the calculation methods by including AGF co-generation. With the aim of making its energy consumption more efficient and reducing it, Alperia has implemented and set up monitoring, also thanks to ISO 50001, of a series of projects of different types, such as the renovation of part of the Dodiciville facility, which also involved energy aspects such as the replacement of the existing façade with a triple-glazed one, the relamping of technical spaces in the hydroelectric power plants with lighting fixtures corresponding to high

efficiency standards, the optimisation of the delivery temperatures of the Bolzano district heating network, and the continuation of the replacement of Edyna's transformers to reduce losses.

After certifying with ISO 50001 'Energy Management Systems' the Ponte Gardena hydroelectric power plant and the Bolzano district heating plant, Alperia also certified the Dodiciville site and the Sesto district heating plant, to which the Pracomune power plant will be added in 2024. In addition, Edyna has certified with ISO 14067, a certification that allows organisations to quantify the carbon footprint of their products in order to implement Carbon Management policies and promote products and solutions with lower CO_2 emissions. Finally, Alperia Green Future also has UNI 11352 certification, which attests to the results in terms of energy savings achieved by companies that provide energy services in the industrial sector. In 2025, Alperia Ecoplus has set itself the ambitious goal of obtaining ISO 50001 company certification.

In the pursuit of its goals, Alperia has committed itself across the board, not only with projects carried out on its own premises and in its plants, but also by raising the awareness among its staff to the best use of energy. For this reason, several activities were carried out in 2023: information pills on the company intranet with in-depth information on thermal energy reduction, saving electricity, saving water and sustainable mobility. The contents were conveyed by a mascot, the firefly Lucy. In addition, signs with practical tips and advice on reducing consumption were posted at the locations. And to further involve employees, the competition "Let's save energy together" was launched, asking participants to identify projects, initiatives, activities and behaviours to: reduce the consumption of electricity, heat, water and fossil motor fuel; combat the waste of electricity, heat, water and fossil motor fuel; and encourage a conscious use of electricity, heat, water and sustainable mobility.

Table 19: Energy consumed within the organisation*[1] {GRI 302-1}

	Unit	2023	%	2022	%	2021	%	Variation
Total energy consumption within the organisation from non-renewable sources:	TJ	1,528.50	42%	1,202.67	35%	1,216.15	34%	27%
Petrol	TJ	2.34	0%	2.59	0%	3.06	0%	-10%
Diesel	TJ	11.20	0%	35.83	1%	84.85	2%	-69%
Diesel	TJ	6.12	0%					
Natural gas	TJ	1,416.81	39%	800.67	23%	753.68	21%	77%
Electricity for own consumption (produced and purchased)	TJ	92.03	3%	363.59	11%	374.57	11%	-75%
Total energy consumption within the organisation from renewable sources:	TJ	2,099.80	58%	2,207.09	65%	2,346.90	66%	-5%
Palm oil	TJ	1,793.56	49%	1,904.53	56%	1,997.56	56%	-6%
Wood shavings	TJ	224.44	6%	192.99	6%	172.92	5%	16%
Electricity for own consumption (produced and purchased)	TJ	86.58	2%	109.57	3%	176.42	5%	-21%
Heat for own consumption (purchased)	TJ	-	0%	-	0%	-	0%	0%
Total energy consumption within the organisation	TJ	3,633.08	100%	3,409.76	100%	3,563.06	100%	7%

*[1] From 2022, following a refinement of the calculation methodology, petrol consumption has been included.
*[2] Natural gas consumption increased as the reporting scope was extended to include Alperia Green Future cogeneration.

Strategic objective: we want to make our energy consumption more efficient.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Completion of the ISO 50001 certification process for Group sites	ISO 50001 certification obtained on TLR Bolzano Alperia Ecoplus and Ponte Gardena Alperia Greenpower power plant; also ISO 50001 being implemented on Dodiciville Alperia site	2022	Number of certified locations	2	2	✓	SDG 7
Development of initiatives following energy audits on company sites through the ISO 50001 scheme	ISO 50001 TLR Sesto Maintenance ISO 50001 TLR Bolzano and Ponte Gardena	2025	Number of certified production sites	7	3	✓	SDG 7
Completion of the ISO 50001 certification process for Alperia Ecoplus (Bolzano site)		2023	-	-		✓	SDG 7
Installation of a second microfilter in the Sesto plant to eliminate the use of diesel fuel	Project moved due to lack of tenders	2023	Diesel saved thanks to interventions	50,000 l		X	SDG 7
Implementation of measures to disseminate an energy-saving culture	"Saving Energy Together" awareness programme 2023: pills, news and competition	2025	-	-		Ongoing	SDG 7
BIM implementation and adoption of consumption monitoring and BMS systems	Consultancy and training for BIM implementation launched	2027	-	-		Ongoing	SDG 7
ISO 50001 certification for all Group buildings		2027	% of sites certified ISO 50001	100%	17%	Ongoing	SDG 7
Energy efficiency measures on civil buildings	ISO 50001 headquarters Dodiciville	2027	Consumption in civil buildings (kWh/sqm)	97		Ongoing	SDG 7

8.2. Emissions

How we manage the topic?

The topic was identified as essential in the 2021 materiality analysis in terms of impacts generated but, above all, with regard to the significant impact of greenhouse gas emission on the economy, the environment and people's health. In economic terms, greenhouse gas emissions can increase costs for companies and impact international competitiveness through public carbon pricing policies. In environmental terms, greenhouse gas emissions are one of the main causes of climate change, which can have negative consequences on the ecosystem and agricultural production due to an increase in extreme weather events. Greenhouse gas emissions can also have an impact on people's health, causing respiratory problems and heart disease, and on human rights, particularly the rights of the most vulnerable people, by limiting access to essential goods such as food, drinking water and shelter, and can cause the displacement of entire communities.

Alperia's direct impacts are given by the operation of hydroelectric and district heating plants and electricity distribution infrastructure. The goal pursued by Alperia is to minimise CO_2 emissions from its activities.

Therefore, since 2020 Alperia has had an Energy Manager, and an analysis has been carried out for each company to understand how many emissions are generated and what they are derived from. In 2023, Alperia sent its Science Based Targets Initiative (SBTi) targets for validation, aligning its climate strategy with the objectives of the Paris Climate Agreement. Monitoring, already active in previous years, has been further streamlined and rationalised, so as to have a standardised and structured analysis of the Group-wide emissions reduction target, initiating corrective actions as required. To this end, work is underway to develop a structured reporting system at Group level.

Alperia implemented a structured reporting process for the Group and improved data quality. It also commissioned an external audit to provide a detailed review of the reporting process. Emission reduction targets for each business unit have been integrated into the new Business Plan 2023–2027. Achievement of the target values will be monitored on an annual basis.

By refining the way we measure data, we are working to reduce emissions in line with the South Tyrol Climate Plan, which aims to cut CO_2 emissions by 47% by 2027 and 70% by 2031, achieving climate neutrality by 2040.

The involvement of stakeholders in the definition of emission-related projects and initiatives took place mainly during meetings of the Control, Risk and Sustainability Committee and the CSR Steering Committee and with specific meetings with management during which the opinions and views of the various internal stakeholders on the various initiatives were collected. The opinions of the external stakeholder(s), and the communication of Alperia's initiatives to them, were collected during a number of roundtables held when the materiality analysis was updated.

What was done during the year?

In 2023, Alperia joined the Science Based Target initiative (SBTi), an initiative that allows organisations to set science-based emission reduction targets aligned with the Paris Agreement, and presented its short- and long-term decarbonisation targets. Alperia's long-term goal is very ambitious: to reach Net Zero by 2040. In order to be able to submit applications according to SBTi criteria, Alperia carried out a detailed revision and completion of the entire CO_2 inventory, thus taking into account all direct and indirect emissions. In detail, the inventory of Scope 1 emissions was completed by also monitoring fugitive emissions relating to the refrigerant gases used inside the Alperia Group's refrigeration units and air conditioners. As far as Scope 2 is concerned, the calculation methodology has been completely revised by investigating the entire chain of electricity production and distribution: the electricity produced in South Tyrol by the Alperia Group is greater than the electricity distributed by Edyna, which is why any emissions relating to electricity losses along the South Tyrolean network are already accounted for within Scope 1 emissions. Finally, Scope 2 emissions were also extended to thermal energy and not only to electrical energy, including emissions relating to thermal energy not produced but distributed by the Alperia Ecoplus district heating network in Bolzano and Merano. Finally, all of Alperia's Scope 3 emissions were assessed, expanding the reporting from emissions related to the sale of electricity and natural gas to all Scope 3 categories (e.g. purchase of goods and services, capital goods, waste, business travel, commuting).

"Commuting should be evaluated and made more efficient by facilitating the use of public transport or bicycles or low-emission vehicles to travel to work."
Comment from the business community; Stakeholder Survey 2021

Alperia answers: *Alperia has developed a Sustainable Mobility Plan with which it also won the Sustainable Mobility Award 2021. The aim of the plan is to encourage companies to develop innovative ideas and strategies for sustainable mobility. This is a commitment to which Alperia has been dedicated for some time now and which it will continue to pursue in the future. In recent years we have worked to make our vehicles greener, reaching the goal of 216 green (i.e. electric or hybrid) vehicles. In addition, we have provided ad-hoc contributions to incentivise green mobility and the use of public transport, and we have provided alternative, more convenient measures compared to the use of the car, which generate advantages for employees (in terms of time, cost and comfort of transport), for the company or public administration (in terms of economy and productivity), and for the community (in environmental, social and economic terms). A commitment that will be further strengthened in the future by the role of the Mobility Manager, which we have had since 2021. In 2023 a Home–Work Mobility Survey was submitted to all employees to identify further measures for sustainable mobility.*

8.2.1. Our climate strategy
To reduce emissions, Alperia adopts a **three-step** strategy:

- **Monitoring:** calculating precisely and on time how many emissions we produce is the first step towards reduction. Alperia has been reporting its emissions since 2016, but this process is constantly being improved.
- **Reducing emissions:** develop and adopt new technologies to reduce emissions (e.g. converting existing plants to biomass, developing energy efficiency projects at our sites, building the new headquarters in Merano with the highest efficiency standards, expanding the district heating network). The goal is to avoid more than 1,379 ktons of CO_2 and equivalent by 2027 and 2,000 ktons of CO_2 and equivalent by 2031.
- **Offsetting**: join specific climate protection programmes to offset remaining emissions (Scope 1 and 2) and carry out an initiative to implement its own offset project. From 2020 Alperia will offset operational emissions (Scope 1 and 2) with offsets activated through VCS and Gold Standard certificates.
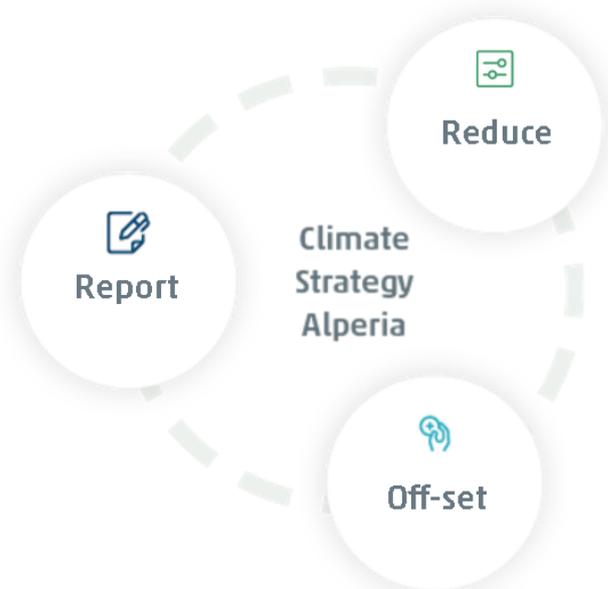
8.2.1.1. Monitoring

The emissions generated by Alperia are divided into:

- **Scope 1**: direct greenhouse gas emissions from installations within the organisation's boundaries due to the use of fossil fuels and atmospheric emissions of any greenhouse gases (CO_2 emissions generated by fuels burned in power generation plants and originating from the company fleet/owned vehicles).
- **Scope 2**: indirect greenhouse gas emissions resulting from the Group's indirect consumption (e.g. emissions generated by the purchase of electricity from third-party supplier(s) and consumed both in plants and premises, as the Group is indirectly responsible for the emissions generated by the supplier(s) for the production of the energy required).
- **Scope 3**: a category that includes emission sources that are not under the direct control of the company, but whose emissions are indirectly due to company activities. This includes upstream emissions such as emissions caused by the transport of materials and people, but also downstream emissions such as emissions caused by the use of our products (e.g. the sale of non-green energy).

In 2023, Alperia further refined its emission monitoring process in line with the requirements of the Science Based Target initiative: the emission inventory was expanded and made even more detailed for both Scope 1, Scope 2 and Scope 3. The monitoring showed that Alperia generated **1,714,879** total market-based emissions in 2023 (2,488,851 tCO2e in 2022). Alperia's total emissions decreased by **31%** compared to 2022 because of the adaptation of our product portfolio by increasing the share of green electricity and green gas sold, which significantly reduced the Scope 3 emissions. The gross direct greenhouse gas emissions, i.e. Scope 1, within which SF6 is also included, were **83,098 tCO2e** in 2023 (48,205 tCO2e in 2022), of which **0.0000011** tons of SOx (5.84 tons of SOx 2022) and **213.7** tons of NOx (44.41 tons of NOx in 2022)[4]. The increase in Scope 1 emissions is due to the inclusion of Alperia Green Future's cogeneration emissions in the scope. As far as SOx and NOx emissions are concerned, they show strong variations compared to the year 2022, as Alperia has decided to update the calculation methodology, which had been unchanged 2017, and align it with the IPCC, using the most conservative approach for the calculation. With regard to indirect Scope 2 emissions, the decrease is due to the revision of the calculation methodology, following participation in SBTi.

Noise pollution is also monitored through econometric surveys parameterised to the zoning plan. This monitoring, which is carried out by the HSE team, is covered by the regulations of the Consolidated Business Act with a phonometric survey and subject of the EMAS declaration.

GHG emissions*[1] {GRI 305}

	Unit	2023	2022	2021	Variation
Gross direct emissions (Scope 1) of greenhouse gases*[2]	tCO₂e	83,098	48,205	50,820	72%
Biogenic CO₂ emissions	tCO₂e	9,731	10,201	10,922	-5%
Gross indirect location-based energy emissions (Scope 2)*[2]	tCO₂e	2,435	24,280	25,474	-90%
Gross indirect market-based energy emissions (Scope 2)*[2]	tCO₂e	670	20,605	21,841	-97%
Gross indirect emissions of other types (Scope 3)	tCO₂e	1,621,380	2,409,840	2,871,886	-33%
Total location-based operational GHG emissions (Scope 1 and 2)	tCO₂e	95,265	82,685	87,217	15%
Total market-based operational GHG emissions (Scope 1 and 2)	tCO₂e	93,499	79,011	83,583	18%
Total location-based GHG emissions	**tCO₂e**	**1,716,645**	**2,492,525**	**2,959,102**	**-31%**
Total market-based GHG emissions	**tCO₂e**	**1,714,879**	**2,488,851**	**2,955,469**	**-31%**

*[1] The main gases included are CO_2 and SF6; emission factors used according to DEFRA (car fleet, biogenic emissions); consolidated data according to financial control; aggregated data according to the GHG Protocol.
Biogenic emissions from biomass of wood chips and palm oil are calculated with DEFRA 2023.
From 2022, the GHG inventory is completed (all Scope 1, 2 and 3 subcategories are included in the analysis. Significant Scope 3 categories are calculated using the inventory method, while non-relevant Scope 3 categories are estimated using the screening method.
*[2] Location-based emission factor used for purchased electricity: ISPRA based on Italian energy mix; emission factor used for purchased heat.

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[4] As of 2023, the emission factor for NOx and SOx has been updated, which is the cause of deviations from what has been reported so far.

Table 21: GHG emission intensity[1] {GRI 305-4}

	Unit	2023	2022	2021	Variation
Intensity of operational GHG emissions (Scope 1 & 2 – location-based) for the organisation[1]	tCO_2e /MWh of energy produced (gross)	0.02	0.02	0.01	-13%
Intensity of operational greenhouse gas emissions (Scope 1 and 2 – market-based) for the organisation[1]	tCO_2e /MWh of energy produced (gross)	0.02	0.02	0.02	-11%
Total greenhouse gas emission intensity (Scope 1, 2 and 3 – location-based) for the organisation[1]	tCO_2e /MWh of energy produced (gross)	0.39	0.74	0.52	-48%
Total greenhouse gas emission intensity (Scope 1, 2 and 3 – market-based) for the organisation[1]	tCO_2e /MWh of energy produced (gross)	0.39	0.74	0.52	-48%

[1] Biogenic emissions are included in the report.

Proportion of emissions	Unit	2023	2022
Scope 1	%	5%	3%
Scope 2	%	0.1%	0.1%
Scope 3	%	94.9%	97%

Avoided emissions	Unit	2023	2022
Scope 1[1]	tCO_2e	1,697	1,646
Scope 2[2]	tCO_2e	675	723
Scope 3[3]	tCO_2e	1,697,391	1,204,374
Total avoided emissions[4]	tCO_2e	1,699,763	1,206,742

[1] Own consumption of energy from renewable sources; use of own electric vehicles instead of fuel-powered ones.
[2] Activities to reduce emissions for office heating; purchase of electricity from renewable sources for offices; projects to reduce grid losses in electricity distribution.
[3] Sale of electricity from renewable sources (self-generated and purchased); rental of electric cars for own use; sale of electricity and heat with a lower emissions impact than separate generation; energy-efficiency projects for third-party customers; electronic billing; use of electric bicycles.
[4] Compensation is not included.

8.2.1.2. Reducing emissions

Alperia has taken important steps to reduce emissions, starting with the objectives of Vision 2031, which envisages the ultimate goal of **reaching Net Zero by 2040**. These objectives go hand in hand with the South Tyrol Climate Plan that aims to reduce emissions by 55% by 2030 and cover 75% of energy needs with renewables, reaching Net Zero and 100% renewables by 2040. Alperia will achieve the emission reduction with:

- sale of green electricity only and progressive sale of green gas and biomethane
- switch to biomass or other district heating sources/technologies
- disengagement of Biopower Sardinia
- electrification of the fleet, where possible
- reduction of natural gas for heating offices and increase of renewables with extension of photovoltaics on building roofs
- renewable EE supply contracts
- raising staff awareness and reducing waste
- Capture & Storage projects

Through this and other projects illustrated in the chapter, **avoided emissions amounted to 1,699,763 tCO$_2$ (1,206,742 tCO$_2$ in 2022)**.

8.2.1.3. Compensation

Alperia offsets residual emissions with projects that meet international VCS and Gold Standards, certified by international auditors. By purchasing certificates equal to the amount of emissions to be offset, Alperia supports green practices such as planting trees or installing photovoltaic parks. Together, these operations have enabled Alperia to offset all **Scope 1 and 2** emissions **already by 2020**.

The main compensation projects purchased by Alperia were:

- **Guanaré – Afforestation-Uruguay**: This project transforms 21,298 hectares of land, used for cattle grazing for over 300 years, into sustainably managed forests. The project will convert this land into forest plantations, in order to obtain high-value and long-lasting wood products and to sequester large quantities of carbon dioxide. In general, the objectives of the project are carbon sequestration, timber production and land restoration through forest plantation in areas historically used for extensive grazing. The Guanaré project, consisting of 21,298 hectares of land, will absorb about 7 million tons of CO_2.
- **Pacajai – Deforestation Prevention – Brazil**: The main objective of the Pacajai project is to prevent and avoid unplanned deforestation in native forests by avoiding the net emission of 264,116 tCO_2 and for a period of 40 years of the project credit period. This will be achieved by managing the land as a 'private sector conservation reserve', developing and implementing a management plan. This plan includes a rigorous monitoring and inspection plan based on the experience of ongoing surveillance activities in the area since 2008.
- **Agriculture Forestry:** The CIKEL Brazil Amazon REDD APD project aims to avoid emissions from planned deforestation on a property in the municipality of Paragominas, Para State, Brazil. The main activity of the CIKEL Brazil Amazon REDD APD project is the cancellation of planned deforestation activities and the decision to conserve the forest area and continue limited forest management activities in the area under Forest Stewardship Council® (FSC®) certification with Low Impact Logging (SFMLIL). The RCC property comprises five forest areas: Rio Capim, Poty, Cauaxi, Sumal and Caculé, totalling 209,130.54 hectares. The project area is a subset of the RCC property and covers an area of 27,434.9 hectares of native forest. The project will avoid the emission of 9,432,299 tCO_2 into the atmosphere over the next ten years.
- **Hebei Haixing Wind Farm Project 49.5 MW:** The goal of the 49.5 MW Hebei Haixing Wind Farm Project is to generate renewable electricity using wind resources and sell the generated output to Hebei's southern power grid. The project activity will generate reductions in greenhouse gas (GHG) emissions by avoiding CO_2 emissions from electricity generation by fossil-fuel power plants feeding into Hebei's southern power grid, which is an integral part of the northern Chinese power grid.
- **Uluabat Hydroelectric Power Plant**: Uluabat HEPP and Cinarcik Dam Project is an integrated project located in the lower basin of the Orhaneli stream, one of the main branches of the Mustafa Kemalpasa river. It is built as part of the Emet Orhaneli project developed by the General Directorate of the DSI (State Hydraulic Works) for the utilisation of water potential in the Marmara region and has two components. The first component, the Cinarcik Dam, was built by DSI mainly to supply agricultural, industrial and drinking water to the city of Bursa, while the second component, the Uluabat HEPP project, was awarded to Akenerji Elektrik Uretim AS for a period of 49 years after the Turkish Energy Market Regulatory Authority (EMRA) tender. The Uluabat HEPP project has an installed capacity of 100 MW and is expected to generate 422.6 GWh as per the licence; however due to the use of water for other purposes, it is expected to decrease to 373.03 GWh in 2021 and 323.65 GWh in 2028. For the first crediting period, the average production was assumed to be 422.6 GWh and the emission reduction was calculated respectively. The electricity generated by the power plant will be fed into the grid via an 11.2-kilometre-long 154-kV double backbone overhead transmission line.

In addition to this, in 2023, we offset **5,704 kg CO₂e** (4,831.06 kg CO_2e in 2022) with GoGreen Climate Neutral services, the Deutsche Post DHL Group's programme aimed at reducing the impact of activities on the environment and contributing to the protection of the ecosystem. The Deutsche Post DHL Group has issued a certificate to Alperia and offset greenhouse gas emissions generated by transport and logistics through climate protection projects.

Strategic objective: we want to achieve Net Zero by 2040 by significantly reducing our greenhouse gas emissions.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Definition of responsibilities within the Executive Board for achieving Net Zero	Hiring a Climate Manager	2022				✓	SDG 13
Compensation: compensate for all operational emissions		Annual	Percentage compensation Scope 1 and 2	100%	100%	✓	SDG 13
Offsetting: definition of guidelines for the purchase of emission offset certificates		2023	Guideline	-		✓	SDG 13
Compensation: ensure compensation projects in line with Science Based Target initiative		2027		-		Ongoing	SDG 13
Scope 1: include sustainability criteria (e.g. energy efficiency, use of renewable energy) in tenders for IT services and devices	Inclusion of this request in the technical specifications of tenders	2022	Confirmation of technical specification entry			✓	SDG 12 SDG 13
Scope 1: consolidation and rationalisation application map and data lake		Annual	Volumes of disused application totals (terabytes)			✓	SDG 13
Scope 1: inclusion of gas distribution network losses and F-gas in the next Sustainability Report	Completed inventory for SBTi	2023				✓	SDG 13
Scope 1: the current Alperia Green Future fleet will run on zero emissions (hybrid/plug-in with residual emission offsetting)	In 2023, short- and long-term rental contracts were concluded for 16 hybrid cars (one returned in 2023).	2026	Emissions caused by the use of company cars (without offsetting)	-		Ongoing	SDG 11 SDG 13
Scope 1: the electrifiable vehicle fleets of the Group's new companies (Alperia Green Future, Hydrodata, Selsolar and Fintel) will run on zero emissions	No. 1 electric vehicle No. 1 full hybrid vehicle	2026	No. of electric vehicles in your fleet	-		Ongoing	SDG 11 SDG 13
Scope 1: Fintel's electrifiable vehicle fleet will run on zero emissions		2026	No. of electric vehicles in your fleet	-		Ongoing	SDG 11 SDG 13
Scope 1: Selsolar's electrifiable vehicle fleet will run on zero emissions		2026	No. of electric vehicles in your fleet	-		Ongoing	SDG 11 SDG 13
Scope 1: 39% reduction in CO_2 by 2027 and offsetting non-avoidable emissions		2027	% reduction in tons CO_2e	-39%		Ongoing	SDG 13
Scope 1: increasing energy production from photovoltaics for own consumption		2027	Installed power photovoltaic systems	943 kW		Ongoing	SDG 7 SDG 11 SDG 13

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Scope 1: CO_2 reduction internal mobility		2027	Reducing CO_2 emissions internal mobility	-32%		Ongoing	SDG 11 SDG 13
Scope 2: 4% reduction by 2027 and offsetting non-avoidable emissions		2027	% reduction in tons CO_2e	-4%		Ongoing	SDG 13
Scope 2: CO_2 emission reduction civil buildings		2027	Reducing CO_2 emissions civil buildings	-63%		Ongoing	SDG 11 SDG 13
Scope 3: 47% reduction by 2027 and emission offsetting for green gas product		2027	% Reduction in tons CO_2e	-47%		Ongoing	SDG 3 SDG 13
Scope 3: CO_2 reduction home–work		2027	Reducing CO_2 emissions home–work	-17%		Ongoing	SDG 11 SDG 13
Scope 3: assess completeness of Scope 3 reporting in line with SBTi		2022				✓	SDG 13
Scope 3: mobility analysis of new locations to identify measures for green mobility of employees	At the end of 2022, a Home–Work Mobility Survey was submitted to all Group employees, and in January 2023 the results were published on MyAlperia	2022	Survey	1	1	✓	SDG 11 SDG 13
Scope 3: definition of a procedure to encourage the use of public transport among employees	On 13/10/2022, REG 217.04 was revised by introducing the contribution also for public means of transport	2022	Procedure	1	1	✓	SDG 11 SDG 13
Scope 3: evaluate the possibility of a parking space at locations outside South Tyrol for free charging of employees' private electric cars	REG 217.04 is being newly revised in order to introduce a third incentive for employees with private electric vehicles: a value card for recharging private electric vehicles; the initiative will also be extended to locations outside South Tyrol	2022	-	-		X	SDG 11 SDG 13
Development of innovation projects and feasibility studies in the fields of biomethane, hydrogen, heat pumps, electric boilers, SF6 replacement and Capture & Storage to enable the technology switch needed to achieve Net Zero		2027				Ongoing	SDG 7 SDG 9 SDG 13
Emissions avoided: avoid 1,400 ktons CO_2 equivalent		2027	ktons CO_2 avoided	1,400 ktons CO_2e		Ongoing	SDG 3 SDG 13

8.3. Water and biodiversity

How we manage the topic?

The issue was identified as essential by both stakeholders and in terms of impacts. Alperia's activities in the field of hydropower production have direct impacts on water ecosystems. Rivers are a primary source of biodiversity and represent an important part of our rich natural heritage.

Inadequate water management could cause environmental problems such as soil erosion, water pollution and loss of habitats for wildlife. Impacts of activities can occur both in the construction/renovation phase of a power plant and in the day-to-day operation of the plant.

The proper management of the water resource is also crucial for the management of external impacts on the various stakeholders (local population, riparian municipalities) to ensure that negative consequences are minimised.

Electricity generation from renewable sources is carried out through 35 hydroelectric power plants owned and subject to management and coordination and 5 subsidiaries (50% San Floriano Energy with 2 plants, 49% Azienda Elettrica Campo Tures/Tauferer Elektrowerk, 34% Enerpass and 25% Centrale Elettrica Moso/E-Werk Moos), with 13 large dams and 17 smaller reservoirs under provincial jurisdiction. The hydroelectric power generation is managed by Alperia Greenpower. The hydroelectric plants are located along the main watercourses throughout South Tyrol. Each area is characterised by a complex surface water network originating from multiple catchment areas. The water resource is used with great care, guaranteeing its availability for multiple uses: from the water catchment and derivation works of the Alperia hydroelectric plants, several delivery points have been set up to supply fire-fighting utilities in various municipalities, irrigation utilities and anti-frost utilities in favour of consortia. A number of water supplies are also guaranteed for the snowmaking of ski resorts. Hydroelectric power plants are plants that produce renewable energy and do not consume natural resources. The water used in the energy production process, after being captured by the intake works, is fully returned to the environment (river or lake) under the same conditions. With regard to the stretches of watercourses involved in the use of water resources for hydroelectric production, particular attention is paid to compliance with the quantities defined by the concession decrees (an administrative act issued by the Autonomous Province of Bolzano regulating the use of water, in these cases, for hydroelectric derivation plants) that establish the quantities to be released in the derived stretches (so-called Minimum Vital Flows). Attention is also paid to mitigating the effects of plant management, providing – where necessary – interventions to consolidate fish stocks.

River dams and weirs are also a potential obstacle for fish migration, but also for sediment transport, which is a natural element in the life cycle of aquatic ecosystems. The management of sediments that accumulate upstream of the intake works of hydroelectric plants (river barrages and reservoirs) is of particular hydraulic and environmental importance. During flood events (or even in the soft period), large watercourses take up the solid transport of the various tributaries and transport it downstream. Sediment transport is a natural phenomenon that is necessary not only for the river system itself but also for the lagoon system at the Adige River inlet and for the maintenance of the Adriatic Sea coastline. In South Tyrol, Alperia Greenpower operates several plants with dams on important watercourses in the valley bottom such as the Adige, Isarco and Rienza.

The management of accumulated sediment, which involves its periodic discharge, can be detrimental to habitats and species if not carried out correctly. As a result, the management to be implemented at each individual reservoir or large river crossing has been defined and authorised by the competent authority on the basis of a specific "Reservoir Management Project" to which Alperia strictly adheres.

With respect to the above-mentioned issues, which represent the most critical environmental aspects in the management of hydroelectric plants, Alperia not only adopts preventive behaviour and complies with the provisions of the sector's regulations, but also invests in technological innovation in order to find the best solutions to protect biodiversity and act responsibly on the territory. We want to minimise the impact of hydroelectric power plants on nature and the environment and actively protect the biological diversity of watercourses. For large derivations, whose concessions were renewed in 2011 (a total of 11 large derivations), Alperia is obliged to operate a monitoring system that detects the quality of the watercourse concerned. Water quality monitoring is carried out in agreement with the Autonomous Province of Bolzano.

In order to plan the actions necessary to ensure proper environmental management at the various production stages, Alperia Greenpower has adopted an Integrated Management System in line with the Group's system. Alperia Greenpower and Alperia Vipower are committed to preventing and reducing environmental impacts and risks in the management of hydroelectric plants also through the voluntary adoption of environmental management systems certified according to ISO 14001 and EMAS registration. The involvement of stakeholders in the definition of projects and initiatives related to water resource management took place mainly during meetings of the Control, Risk and Sustainability Committee and the CSR Steering Committee and with specific meetings with management during which the opinions and views of the various internal stakeholders on the various initiatives were collected. The opinions of external stakeholder(s), and the communication of Alperia's initiatives to them, were collected during several roundtables held when the materiality analysis

was updated, in addition to the contacts made with the communities affected by the various emerged emergencies during the year and the various fishermen's associations that personally experience the rivers and their ecosystem. Through the compensation funds, in cooperation with the Autonomous Province of Bolzano and the riparian municipalities, Alperia develops numerous mitigation and compensation measures, mainly aimed at improving the watercourses, with consolidation of fish stocks, restoration of river continuity and landscape conservation and improvement measures.

8.3.1. Sustainable water resource management

Every year, Alperia produces around 4,000 GWh of energy from a clean and renewable resource: water. The year 2023, despite the first few months characterised by very little snowfall, ended on a positive note: hydroelectric production stood at 4,032 GWh (in 2022, it had fallen by around 25–30% compared to the long-term average). Thanks to the good spring and summer rainfall, it was not necessary to intervene in support of other areas, as had happened in previous years following the water emergency in the Veneto plain and at the mouth of the Adige River. The water shortage, unfortunately, remains an issue that is destined to characterise the coming years due to the increase in temperatures, associated with a different distribution of rainfall.

At the same time, collaborations continue with the provincial offices in charge of managing the use of water to serve the various activities in the area and to protect the aquatic environment and fish. There was also an agreement signed with the **Val Venosta Land Reclamation Consortium** to guarantee the quantity of water necessary to protect orchards from night frost during the spring flowering period, identifying more efficient forms and methods of supply and providing for an increase in the quantities of water to be made available. This is possible by virtue of the volumes stored in the Resia and Gioveretto reservoirs. The reservoirs in Val d'Ultimo guarantee protection from frost for the apple orchards on the Lana and Cermes plains; further important frost-protection supplies are guaranteed by the facilities in Tel, Bressanone and Cardano. In these cases, water is discharged for entire nights, which reduces the company's revenues in favour of the objective of ensuring multiple use of water. These are just a few examples that demonstrate 'Alperia's commitment to promoting a conscious use of water resources, also through collaboration and dialogue between stakeholders (public institutions, consortia, trade associations).

8.3.2. Minimum vital flow

The Minimum Vital Flow (MVF) is the quantity of water that must be present downstream of a water catchment to ensure the functionality and quality of the ecosystems concerned. It can be considered as the residual flow rate that allows the preservation of the natural biocoenosis of the watercourse in the short and long term. The term 'Minimum Vital Flow' is therefore also replaced by the term 'Ecological Flow'. During flood events and when the natural flow rates are high, the systems derive, by virtue of their sizing, up to the maximum flow rate permitted by the concession decrees, while during low water periods, there is a significant reduction in the flow rate in certain stretches of the riverbeds. In the Autonomous Province of Bolzano, the issuing of DMV from a water derivation is regulated by the General Public Water Use Plan (PGUAP). For 11 large hydropower plants operated by Alperia Greenpower, whose concession renewal took place in 2011, a laborious experimentation and monitoring programme was planned with the aim of identifying an ecologically optimal quantity of water, guaranteeing a good status of the watercourse downstream of the derivation. This experimentation process was originally planned to last about eight years, and the experimentation was completed, as certified by the assessments of the Environmental Services Conference and the resulting resolutions of the Provincial Council. During 2023, a dispute was opened for an alleged reduced release downstream of the Zoccolo dam (San Pancrazio plant), to which Alperia Greenpower firmly opposed, presenting defensive elements that rather testified to the correct release of the prescribed MVF quantities. At the end of 2023, the proceedings were still open.

Water {ALP 6; ALP 7}

	Unit	2023	2022	2021	2020	Variation
Water released for Minimum Vital Flow	Litres per second	38,930	38,925	38,925	38,919	0.01%
Incidents of non-compliance with the requirements of MVF (Minimum Vital Flow)	No.	0(*)	0	1	1	-100%

(*) In 2023, there was only one dispute concerning the release of DMV at the foot of the Zoccolo dam – San Pancrazio plant – to which Alperia Greenpower objected by submitting defence evidence that the prescribed DMV quantities had been correctly released; at the end of 2023, the proceedings were still open.

Fish passages to the bypass works

To support fish in their migrations, Alperia has built 'fish ladders' at a number of diversion works on major watercourses. In the **course of 2023, the fish passage ladder at the Lasa crossing** (Castelbello facility) went **into operation for good.** This work cost about EUR 1,700,000, partially financed with environmental funds and was designed on the model of the fish passage on the Talvera river at the Corvara intake serving the Sarentino plant. The fish passage at the Lasa crossing, which was tested during the course of the year, is particularly significant as it involves a large watercourse, the Adige, where there are fluctuations in flow rate and varying levels. For this, a system of tanks with sluice gates that adjust according to the water level was designed. In the course of 2024, the monitoring of the fish passage will begin.

Other structures built to protect fish stocks include **the 'fish escape' system at the Fontana Bianca dam in Val d'Ultimo**, installed upstream of the intake works to prevent fish from entering the intake works. This is an experimental project, carried out in cooperation with the University of Innsbruck; the first feedback from monitoring seems to be positive. Finally, the agreements signed by Alperia with **local fishermen's associations for the management** of their **fishing rights** continue. In particular, with the Associazione Pescatori Bolzano, with the Associazione Pescatori della Val Martello for the management of fishing rights in Gioveretto and with the Fischergemeinschaft Percha–Olang–Salomonsbrunn in Alta Val Pusteria.

8.3.3. Sediment management

Partial dredging of sediment at the Colma basin and at the Novale di Vizze reservoir was carried out in 2023. Sediment was removed at the bottom outlet of the Monguelfo reservoir with dredging that had no significant environmental impact.

In addition, the sediment deposited in the Melago tank was removed by mechanical means.

In 2023 no flow operations were carried out at the Fortezza and Rio Pusteria reservoirs. Such operations are still a fundamental way of both facilitating the transport of retained material downstream and maintaining the basins'' useful storage capacity over time, which tends to be progressively reduced due to the material transported by the watercourses. Mountain watercourses exert a slow but continuous erosion action on soil and rocks, the effect of which is influenced by the velocity, the flow rate of the water and the chemical and physical nature of the rocks and soils washed. The solid material in suspension (gravels, sands and silts), which is deposited in the reservoirs, exerts a disturbing action on the hydraulic works and deep drains. In view of the enormous quantities involved (approximately 200,000 cubic metres of sediment per year for the two reservoirs), mechanical removal of the sediment cannot be considered.

The method considered most effective for removing accumulated sediment is **controlled flushing**, carried out according to techniques, conditions and time schedules approved and controlled by the competent provincial authorities. The release of silts and sands from dams downstream is also necessary for the regeneration of river bed characteristics. The release of sediment from large artificial reservoirs is regulated at both national and provincial levels. A Reservoir Management Project and an Operational Plan are required, both approved by the competent authorities. The Isarco and Rienza rivers, for example, are characterised in flooding periods by a high transport of suspended solids that accumulate in the Rio Pusteria and Fortezza reservoirs (Bressanone plant), managed by Alperia Greenpower. The emptying and flowing operations from these two reservoirs are provided for in the Operating and Maintenance Conditions Sheet of the two dams (drawn up by the ministerial authorities, now the General Directorate of Dams of the Ministry of Infrastructure and Transport) and occur on average every four years. The relevant operating procedures (maximum and average permitted water turbidity values, duration of operations, maximum flow rates released downstream, etc.) have been authorised by the competent offices of the Autonomous Province of Bolzano (Wildlife Management Office and Water Protection Office) and are managed by Alperia Greenpower, following a specific internal operating procedure.

The amount of sediment flowing downstream during each emptying varies depending on the watercourse, the hydrological course of the previous years and the time interval between two successive emptyings. The depressional phenomena on the benthic microfauna that are generated in the aquatic environment due to the controlled-flow operations are temporary: the surveys carried out on the Isarco and Rienza rivers following the draining of the Fortezza and Rio Pusteria reservoirs show that the previous condition of normality is restored in a short time (about two or three months). The impact on young fish, on the other hand, appears to be greater, and this problem has led the competent provincial offices to request the experimentation of alternative or complementary methods to flowing.

In 2020, Alperia Greenpower carried out an experimental dredging in the Fortezza reservoir with the suction of sediment through a pumping device fed by a floating pipe and resulted in the removal of approximately 30,000 cubic metres of sediment. In cooperation with the Free University of Bozen/Bolzano, we are studying the effect of laminations in sediment management. The experimental dredging operation was also repeated in the Curon and Colma reservoirs and in the Novale di Vizze reservoir with fairly positive results. In the summer of 2021, during a period in which the Fortezza bypass was not active (due to renovation work on the production units of the Bressanone power station), the release of overflow from the bottom outlet at low turbidity was tested, thereby also verifying the effectiveness of this method. In 2023, the first **dynamic lamination experiments** with sediment release in flood conditions were carried out at the Fortezza reservoir.

The collaboration with the Free University of Bolzano to study river sediment management also continued. The aim of the study – which is based on the results of the Sediplan research – is to detect the dynamics of sediment transport and deposition in reservoirs, to identify the most suitable forms of management and to understand how their management affects the river ecosystem (microorganisms, flora and fish fauna) downstream of the dam, with a view to making hydroelectric power generation increasingly eco-sustainable. The project therefore aims to define methodologies that allow not only the monitoring of sediment releases from reservoirs but also the effective eco-sustainable design of these release activities. In a first phase, the researchers reconstructed digital GIS bathymetric maps of the reservoir (graphically representing its depth) pre- and post-release of sediment. The differences between these maps provided the exact amount of sediment deposited. Alperia provided data on water discharges and sediment outflows recorded by its monitoring stations: this information is necessary to enable the mathematical models used by Alperia and the Free University of Bozen/Bolzano to carry out the numerical simulation of soil erosion and sediment transport processes at the reservoir scale. The results obtained clearly show how the phenomenon of sediment deposition and thus the silting up of reservoirs takes place mainly during particularly intense and abundant precipitation events (flood events).

8.3.4. Environmental financing

The concessions for large hydroelectric plants renewed from 2011 and also those subsequently expired and awaiting renewal include the obligation for Alperia to implement at its own expense the mitigation and compensation measures listed in the concession itself. In addition, funding is provided for improvement measures in favour of the riparian municipalities. These measures are implemented by the concessionaire or directly by the riparian municipalities and the Autonomous Province of Bolzano. The amount of environmental funds is determined in the concession itself: on average, between 2011 and 2023, the average annual amount made available was about EUR 18 million. **The annual share in 2023 was about EUR 22 million and refers to all large hydroelectric concessions managed by the Alperia Group**. The measures envisaged are in favour of the aquatic ecosystem, include measures to improve the environmental and social sustainability of the energy supply, in favour of nature, the landscape and the ecosystem, prevention and protection against natural disasters, as well as securing rural infrastructures, preventing and adapting to climate change, improving energy efficiency and technical environmental protection.

In 2023, **new three-year action plans** (period 2023–2025) were **defined** for the environmental funds made available by Alperia Greenpower. The plans were also extended to the Naturno plant, for which the concession expired in the year 2023. From a statistical point of view, it can be noted that from 2011 to 2022, environmental funds of about EUR 197 million have been made available, of which EUR 33 million has been allocated to interventions carried out by Alperia, mainly in improving the ecological landscape compatibility of the plants, in works of public utility and in environmental and recreational redevelopment on areas owned by the concessionaire. The remaining environmental funds were allocated two-thirds to the riparian municipalities (about EUR 109 million) and one-third to the Province (about EUR 55 million). The Province's measures mainly concern the improvement and enhancement of watercourses and the protection of sensitive habitats and species. Specifically, as of 31/12/2022, the riparian municipalities had spent EUR 84 million on the seven macro-areas provided for by Resolution No. 199/2017, broken down as follows:

- 31% mainly for conversion of public lighting to LED, energy refurbishment of public buildings
- 23% mainly for new construction/rehabilitation of sewers, treatment plants, waterworks, spring catchments, drinking water plants, construction/expansion of recycling centres
- 13% mainly for the construction/improvement of footpaths/cycle paths, maintenance of typical landscape elements such as dry stone walls, alpine hut improvements, burying of overhead lines
- 11% mainly for the reduction of individual traffic, such as the construction of pavements, bicycle and pedestrian connections, construction of bus stops, rental of electric bicycles, construction of electric stations and commuter parking spaces
- 10% mainly for the construction/expansion of a district heating plant, the construction of photovoltaic plants on public buildings and a hydroelectric power plant on an aqueduct
- 7% mainly for the construction/enhancement of recreational areas, riverbank development
- 5% mainly for the preparation of hazard zone plans, landslide restoration with natural engineering, construction of rockfall barriers, reforestation

In agreement with the riparian municipalities, the first dam climbing wall in South Tyrol was set up at the Gioveretto dam in Val Martello, which is also the highest artificial climbing wall in the province. The wall, which is open from June until September, is operated in cooperation with the AVS (Alpenverein Südtirol) and offers two climbing routes with different degrees of difficulty. In 2023, **an additional sports climbing facility was also set up at the Neves dam in the Selva dei Molini valley:** this is a via ferrata, which runs along the 95-metre high dam wall. The structure will be inaugurated in 2024. These initiatives, as well as being a promotion for the area, are also promoted by Alperia to make its facilities and green energy production known.

Environmental management systems

Alperia Greenpower and Alperia Vipower adopt environmental management systems certified according to **ISO 14001** and **EMAS** Registration to prevent and reduce environmental impacts and risks in the operation of hydroelectric plants. In 2023, Alperia Greenpower renewed all environmental certifications, as well as quality (**ISO 9001**) and safety (**ISO 45001**) certifications, following the annual monitoring of compliance with regulatory requirements. After developing the **ISO 50001 certification** pilot project of the Ponte Gardena hydroelectric power plant in 2022, it will continue in the coming years by expanding the number of certified sites; certification of the Pracomune hydroelectric power plant is planned for 2024. Among the objectives that Alperia Greenpower has set itself are the reduction of greenhouse gas (SF6) emissions into the atmosphere and the improvement of the management of the waste produced and of industrial waste water.

Strategic objective: we want to minimise the impact of our hydropower plants on nature and the environment and actively protect the biological diversity of watercourses.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2022	Status	SDG
Compliance with the legal provisions on Minimum Vital Outflow/Ecological Outflow	All periodic checks were carried out at the individual release points to ensure that the prescribed MVFvalues were maintained. Target implementation 2023 at the Rio Plima intake of the Castelbello plant Conclusion of the procedure with provincial offices to identify the final MVFfor the plants in Tel and Ponte Gardena.	Annual	% compliance on total outlets managed	100% no objec-tions	100	✓	SDG 6 SDG 15
Construction of fish ladders and compensation measures	The Lasa fish ladder went into regular operation.	2023	No. of new fish ladders	1	1	✓	SDG 6 SDG 15
Extension of sediment management projects to all reservoirs serving plants	Delivery of 3 deliverables: 2 management projects for the Vernago reservoirs and the Colma crossing plus requested integration for the Lasa crossing	2023	Reservoir with sediment management programmes/total reservoirs	100%		✓	SDG 6 SDG 15
Evaluation of sensor installation to find MVF drain blockages		2025				Ongoing	SDG 6 SDG 15

Strategic objective: We want to promote the efficient and responsible use of water resources.

Operational objectives	Measures implemented in 2023	Terms (new)	KPI	Target value	Value year 2023	Status	SDG
Ensuring continuous dialogue with stakeholders (e.g. agriculture, snowmaking, fisheries) regarding the multiple use of water resources	Kampenn/Virgl irrigation user agreements drawn up	Annual	-	-		✓	SDG 6 SDG 12
Introduction of new projects and services promoting responsible use of water resources		2024	Saving water	22 Mm^3		Ongoing	SDG 6 SDG 11 SDG 12
Launching water-saving initiatives		2027	-	-		Ongoing	SDG 6

8.4. Resource utilisation and circular economy

8.4.1 Our workplaces designed for well-being and the Home–Work Travel Plan

Sustainability and well-being for a better corporate life. Attention to people's well-being and sustainability are values that Alperia also expresses in the way of living in the workplace. For this reason, both new buildings and historical sites are subject to construction and/or maintenance activities oriented towards well-being. In March 2023, construction work started on the new Alperia and Edyna headquarters in Merano, which will be built in Via Scuderie, near the Hippodrome and the Maia Bassa railway station in Merano. These are two separate buildings, but designed together and connected in the basement for parking. The building will obtain LEED Gold and WELL Platinum certification and will be certified CasaClima A. We are therefore talking about buildings oriented towards sustainability, domotics and Smart Living, with flexible spaces integrated into the urban context of the city. The structure will have a large, shallow pool of water in which the buildings will be mirrored, recalling the essential elements of water and greenery, both sources of well-being and energy, a fundamental part of Alperia's corporate philosophy, which places technology and energy at the service of the environment as well as an expression of the sustainability to which the project aspires. In the design, care was also taken to integrate and connect the lot to the urban context, offering distinct routes for cars, pedestrians and bicycles.

The buildings will house around 300 employees of the Group, with Edyna's offices, technical areas and warehouses. The project is based on a significant investment for an architecture that will be iconic and recognizable,with very high energy standards. The offices for Alperia's people will be located in the central building, a 22-metre high building with an elliptical plan and a more urban architecture. Next to it will rise a lower building with a 'green' roof and a roof garden for collective use. Several offices of the Edyna company, currently scattered around the city, will converge in this second building. Work will be completed in 2025.

At the same time, **in Bolzano Alperia completed the restyling of the warehouse offices at the Edyna headquarters in Via Resia and the planned renovation of the Alperia headquarters in Via Dodiciville.** A feasibility study is also underway for the energy requalification of the Prati di Vizze headquarters, with the aim of bringing it up to CasaClima A level. Alperia Greenpower, on the other hand, followed the work to refurbish the windows and doors in Cardano, in order to improve their energy efficiency.

Alperia promotes sustainable and shared mobility with targeted programmes for home–work trips identified by the Mobility Manager. As of 2023, the Bolzano **Home–Work Commuting Plan** is planned for the Alperia Dodiciville and Edyna via Resia offices as well as for the Alperia office in Via Canonico Gamper. The plan provides alternative measures, more convenient than the use of the car, that generate advantages for the employees (in terms of time, costs and transport comfort), for the company or the public administration (in economic and productivity terms), and for the community (in environmental, social and economic terms). The measures identified are aggregated into five intervention axes/strategies of interest: discouraging individual private car use, favouring the use of public transport, favouring cycling and/or micro-mobility, reducing the demand for mobility and further measures. The plan for the three locations is submitted annually to the Municipality of Bozen/Bolzano.

In the course of 2023, Alperia renewed the location survey, and it turned out that:

- to get to Alperia Dodiciville, almost 38% of the employee(s) travel by bicycle; for 15%, the choice of the means of transport to be used is made mainly on the basis of the time required; and almost 57% are satisfied with the means they usually use to travel to work
- to get to Via Canonico Gamper, 34% use their private car as a driver; again, the main reason for this is travel time (18%). 40% say they are satisfied with the Home–Work Commute Plan
- to get to Via lungo Isarco (Edyna), 43% use their private car as a driver; again primarily evaluating travel time (21%). 47% are very satisfied with the Home–Work Commute Plan

The information gathered will enable Alperia to further improve sustainable mobility among its employees in the coming years.

Contributions were also paid to employees who exceeded 2,000 km/year by public transport in South Tyrol and outside South Tyrol to those who purchased an annual season ticket for public transport. The contribution is 40% of the amount spent, up to a maximum of EUR 200. Mobile cycle workshop initiatives were also renewed in 2023, and the pilot project to encourage and promote intra-company car pooling and to encourage people to walk and cycle to work was completed. The test had positive feedback, but the incentives were not paid out for tax reasons (because the fringe benefit threshold was still low). Finally, it should be noted that the **Home–Work Commute Plan** is supported by a Communication Programme, the aim of which is to disseminate information on the results the plan aims to achieve. The aim is to help raise awareness among stakeholders and target audiences of the importance of the measures. Finally, monitoring will be carried out,

measuring the actual success of the actions implemented, the satisfaction of the end users and the measurement of the data required for the ex-post evaluation of the environmental benefits.

Alperia's sustainable vision is also reflected in the choices related to suppliers. In 2023, a new tender for beverage dispensers was awarded taking into account sustainability requirements (fair trade products and attention to the energy efficiency of the dispensers); the same was done for the tender for furniture in which companies were asked to adhere to CAM (Minimum Environmental Criteria) requirements.

Finally, in order to make sustainability actions truly a common heritage, a corporate communication and awareness campaign was implemented through posters in the offices and information pills on the corporate portal. The process was completed with the launch of the "Let's save energy together" competition, which involved Alperia employees asking them to identify sustainable projects, initiatives, activities and behaviour (for more details, see the Chapter "Energy and Emissions").

8.4.2. Waste management: our waste management

According to the definition of the Ministry of the Environment and Energy Security, "substances or objects resulting from human activities or natural cycles, which the holder discards or has decided or is obliged to discard, are defined as waste. They are classified according to origin into municipal waste and special waste, and according to characteristics into hazardous and non-hazardous waste'". At Alperia, waste management is handled by the **Waste Management** area, which follows the waste from its origin to disposal. In order to reduce the amount of waste sent to landfills, it is essential to make the right choices already at the purchasing stage. For this reason, Group companies try to orient themselves towards less polluting materials, even if they are often more expensive. Such a decision pays off downstream because it allows the products in question to be disposed of often as 'non-hazardous'. In addition, to be certain of the nature of the waste, Alperia always requests the safety data sheets of the products purchased and carries out their characterisation when necessary, i.e. an analysis carried out by certified laboratories, through which the waste is certified on a nationally recognized scale. As an example, for detergents used for cleaning the contact parts of transformers and primary and secondary substations, Alperia prefers to purchase products with a lower percentage of hazardousness for the same performance. Furthermore, Edyna uses a 99% biodegradable dielectric oil, so that even in the event of a spillage, the oil could not harm the environment. If the basic product is born controlled, disposal is also easier. Also **Edyna, in 2023, has decided to make use of an external consultant for the ADR** (consultant for the safe transport of dangerous goods): a choice that Alperia is evaluating for the entire Group in order to be able to even better oversee the disposal and transport regulated by this international agreement of all those products that present environmental hazards.

Each waste is classified with an EWC code – European Waste Catalogue – and is stored in a dedicated temporary storage facility for a maximum of three months, depending also on the quantities taken in. At Edyna's premises in Bolzano, at Via Lungo Isarco Sinistro, there are three storage areas, one inside and two outside. In the external ones there are large metal containers with covers (for rainwater runoff) for non-hazardous waste (e.g. iron, copper, aluminium, wood, packaging); the areas are closed and controlled. Instead, hazardous waste is stored inside the warehouse in approved PVC baskets. Disposal is constant and periodic. In addition to these large collection sites, there are other temporary warehouses located in the South Tyrolean territory, for example, at the operating sites of Cardano, Bressanone, Lana and Naturno, as well as Castelbello and Glorenza (there are many others, see all district heating plants, from Silandro in Venosta to Sesto Pusteria). As for ash from district heating plants, disposals are always monthly, with cold ash. This is to avoid re-ignition or the starting of a fire during transport or spillage into other containers. In general, waste is disposed of once a month at Alperia, with the exception of deposits at production sites where the time limit is three months. At some sites, however, disposal is weekly. The disposers used are all located in South Tyrol. Alperia checks that the transporter and the disposer are authorised and dispose of the waste in a suitable manner. An example of this concerns IT products: we sign agreements whereby the suppliers themselves take care of the collection and proper disposal of obsolete or worn-out materials following proper recycling treatment of the materials, as also provided for in our Register of Suppliers.

Every company that produces waste in Alperia has a depot and a waste manager. The depots are regularly checked, and the entire transport and disposal process is recorded in a special loading/unloading register so as to keep track of every aspect. The reference legislation for waste management is Legislative Decree 152 of 6 April 2006 or the Consolidated Environmental Act, and its reiterations. The Autonomous Province of Bolzano has its own exemptions that we are obliged to follow. Our activity is subject to controls by the provincial offices and the N.O.E. Nucleo Operativo Ecologico of the Carabinieri as well as the Chamber of Commerce. Those who are ISO 14001 and EMAS-certified, being subject to periodic audits that verify legislative compliance, have greater guarantees, but this does not exclude the possibility of inspections by the competent bodies. All waste management is in-house at Alperia, and waste management has always been found to be compliant with all audits performed. In addition, according to regulations, a MUD – Modello Unico di Dichiarazione Ambientale (Single Environmental Declaration Model) is drawn up annually, summarizing all the activities of the previous year. This document is then sent to the Bolzano Chamber of Commerce for the necessary checks. This model is used to report all waste produced, stored and disposed of during the year. For this reason, Alperia is required to have a daily

loading/unloading register of all waste generated by the Group through dedicated software. More specifically, since 2022, in light of the future entry into force of RENTRI (scheduled for 2025), the National Electronic Waste Traceability Register, which has cancelled the previous system (the SISTRI), **Alperia has started to adopt a new waste identification form** (ViViFIR – Virtual Waste Identification Form): a virtual endorsement system for waste forms recognized by all Chambers of Commerce. Failure to comply with waste management regulations, in addition to fines, also carries criminal penalties up to and including imprisonment.

Civil waste, on the other hand, is managed in ecological islands or depots, as this is mainly created by office waste. Their management depends on the contracts in place with local operators. All employees in Alperia are made aware of the issue of correct waste management, also through periodical information on the MyAlperia portal. The Group is striving not only to maintain the standards it has achieved, but also to reduce the amount of waste produced more and more, encouraging **circular** material **management** and reducing the disposal rate. Instead of disposing of rags used to clean oil-soaked surfaces and mechanical parts, for example, Alperia has engaged a company that supplies clean rags and takes back the dirty ones to wash them and return them clean. In addition, Alperia Greenpower has installed water purifiers to treat the water collected from the transformer tanks. If untreated, this water is considered industrial waste and must be disposed of as waste, whereas if treated on site, it can be discharged into the sewage system or directly into surface water. This reduces the amount of waste by several thousand kilograms. The same attention is also paid in offices: the archives are predominantly digital, so much so that **in the last ten years paper and cardboard in the Group has decreased by 30%, from 25 tons in 2010 to 15 tons today**.

In **hydropower plants**, more than 30% of the overall total waste is recovered from the grids at the intakes of the traverses or dams. This consists of foliage, branches, timber and a small amount of plastic found in rivers. Weather conditions and the amount of production required are two variables that affect this area: in the summer of 2023, for example, following a heavy storm in Bressanone, some logs were left floating on the weirs, causing dangerous situations. Alperia intervened with specialized companies, cleaning the reservoir and disposing of the logs as waste. **In total, for 2023, the hydroelectric power stations generated 3,254.64 tons of** waste, of which 2,299.46 tons were collected in the diversion works. The entire Group, on the other hand, excluding the power stations, generated **3,287 tons** of waste per year, of which **1,136.40** (428.24 in 2022) classified as hazardous. **In 2023, 26% of the waste produced was recycled**. Other industrial waste related to Alperia's activities are metals, packaging and oils. In addition, Alperia, by recycling certain materials such as copper and iron, helps trigger good circularity practices that also have an important economic value.

Waste

	Unit	2023	%	2022	2021	Variation
Total waste produced	Ton	3,287		2,067	3,106	59%
Total waste disposed of[*1]	Ton	3,283		2,055	3,101	60%
of which:	Ton					
Diverted from disposal	Ton	2,639	80%	1,485	1,485	78%
Recycled	Ton	851.13	26%	1,279.87	2,609.35	-33%
Reused[*2]	Ton	1,788.02	54%	205.49	168.85	770%
Posted for disposal	Ton	644	20%	570	323	13%
Incineration[*3]	Ton		0%			
Landfill	Ton	644	20%	570	323	13%

[*1] The difference between waste produced and disposed of is due to the waste remaining in storage at the end of the year.

[*2] There has been a reclassification in the national sphere that has put one acronym previously used in another category in reused.

[*3] All of the ash produced by Alperia falls into category R13 and is therefore reused.

During the course of the year, no particularly critical situations occurred. Only in one case, during smoke tests with organic wood chips at the Silandro district heating plant, heavy smoke was created due to the fact that some of the wood chips were soaked in water. Since the chimneys were soiled, Alperia cleaned up the plant and brought the situation back to the expected optimum standard – all this, without shutting down the plant. In addition, two of the hundreds of Edyna's medium- and low-voltage transformers that Alperia is disposing of were found to be polluted by small amounts of polychlorinated biphenyls (PCB) (between 25 and 50 ppm, lower than the legal limits), which Alperia immediately declared and disposed of appropriately.

Finally, we would like to point out that Alperia's Waste Management area is constantly updated and trained and, in turn, provides ad-hoc training to staff on proper waste management under the coordination of the HSE.

Territory

Our energy comes from this land. A resource that we protect, foster and promote by focusing on sustainability.

With our actions, we want to create added value for the community in the form of clean energy, jobs, support for the local economy and safe infrastructure.

7 AFFORDABLE AND CLEAN ENERGY

We ensure access to affordable, reliable, sustainable and modern energy systems

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We build and maintain safe and resilient infrastructure, foster innovation and support equitable, responsible and sustainable development

11 SUSTAINABLE CITIES AND COMMUNITIES

We want to make cities more inclusive, safe, energy efficient and sustainable

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We ensure sustainable patterns of production and consumption

Added value for the territory	**EUR 401,551,630**	Total investments	**EUR 175,394,036**
Added value for South Tyrol	**EUR 388,687,882**	Percentage of orders to local companies (based on number of orders)	**61%**
Investments in the community	**EUR 1,663,318**		

9.1. Added value for the territory

How we manage the topic?

Alperia is one of the largest companies in South Tyrol and has only public institutions as shareholders. The Group's economic growth has direct and indirect impacts both internally and externally, creating and distributing wealth in the area in which it operates. Through responsible business practices, compliance with environmental laws and regulations, and consultation with local communities, the added value generated by Alperia can contribute to developing the local economy in a sustainable and inclusive manner, generating benefits for both companies and people, and more generally for all Group stakeholders.

The described effects result from the Group's business activities and investments in the community during the year.

Alperia pursues the goal of generating significant added value for the various stakeholder groups in the region every year, in order to boost economic development in the local area (inter alia through dividends, salaries, taxes and environmental funds). Added to this are the indirect effects of economic growth, such as investments in infrastructure development and the South Tyrol Smart Region, with which Alperia intends to create ecological added value for the province and make its contribution to a smart and digital South Tyrol.

Responsibilities are defined within the company. The financial resources used are surveyed annually as part of sustainability reporting and reported externally, with effectiveness examined on the basis of previously defined indicators and adjusted if necessary.

The involvement of stakeholders in the definition of projects and initiatives for the territory took place mainly during meetings of the Control, Risk and Sustainability Committee and the CSR Steering Committee and with specific meetings with management during which the opinions and views of the various internal stakeholders on the various initiatives were collected. The opinions of external stakeholder(s), and the communication of Alperia's initiatives to them, were collected during roundtables held when the materiality analysis was updated.

What we want to do

By 2027, Alperia plans investments of EUR 1 billion , with important environmental, economic and social spillover effects. We want to create an annual added value of EUR 300 million for our region (through dividends, salaries, taxes and environmental funds). Our efforts will focus on energy transition and customers, with energy refurbishment of buildings , the activation of CERs, and investments to improve the efficiency and sustainability of our plants and operations. With targeted investments, Alperia intends to support the economic and social growth of the communities in which it operates with specific measures that are described in detail in the newsroom on the 'Company's website at www.alperiagroup.eu.

9.1.1. Distributed economic value

The **revenue** generated by Alperia in 2023 amounted to EUR 2.7 billion (EUR 3.6 billion in 2022), most of which, around EUR 2.3 billion (EUR 3.3 billion in 2022), went to cover operating costs. More than **EUR 401.5 million** (EUR 289 million in 2022) was allocated to the territories in which the Group has a presence in terms of direct added value (40% as of 2022), of which **EUR 165 million** (EUR 117 million in 2022) was paid to public authorities in the form of taxes, environmental concession fees and electricity provided free of charge to the Province, **EUR 81 million** (EUR 79 million in 2022) allocated to salaries and social security contributions paid for employee(s), **EUR 2.6 million** (EUR 2.5 million in 2022) paid in the form of contributions to society, such as sponsorships and donations. To the owner(s), **EUR 34 million** (EUR 32 million in 2022) were paid as dividends. Finally, local companies were entrusted with tasks that generated revenue of approximately EUR 120 million (EUR 59 million in 2022). This distributed economic value indirectly benefits the entire territory: through the taxes and fees paid and the dividends distributed, political institutions can finance numerous public services for the benefit of the population.

Direct economic value generated and distributed {GRI 201-1}

	Unit	2023	2022	2021	2020	Variation
Direct economic value generated:	EUR	2,724,991,513	3,637,897,750	2,082,824,896	1,437,718,992	-25%
Revenues	EUR	2,724,991,513	3,637,897,750	2,082,824,896	1,437,718,992	-25%
Economic value distributed:	EUR	2,639,929,798	3,576,183,400	2,002,687,126	1,375,769,723	-26%
Operating costs[*1]	EUR	2,331,920,067	3,342,507,242	1,814,571,098	1,196,350,493	-30%
	%[*4]	85.6	91.9	87.1	83.2	
Employee wages and benefits	EUR	80,546,791	78,635,568	71,792,398	77,068,468	2%
	%[*4]	3.0	2.2	3.4	5.3	
Payments to providers of capital	EUR	60,138,195	35,384,714	11,472,319	9,514,673	70%
	%[*4]	2.2	1.0	0.6	0.7	
Payments to government[*2]	EUR	164,766,366	117,170,004	102,703,726	90,180,251	41%
	%[*4]	6.0	3.2	4.9	6.3	
Contributions to society[*3]	EUR	2,558,379	2,485,873	2,147,587	2,655,837	3%
	%[*4]	0.1	0.1	0.1	0.2	
Economic value retained	EUR	85,061,715	61,714,351	80,137,770	61,949,269	38%
	%[*4]	3.1	1.7	3.8	4.3	

[*1] The purchase of energy for commercial purposes accounts for about 90% of operating costs.
[*2] This item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees; free energy; environmental funds, etc.).
[*3] This item includes sponsorships, charitable donations, investments in the community according to the B4SI framework (e.g. sponsorship costs that are not part of the marketing strategy, financial and in-kind donations, energy saving campaigns in schools, refugee housing costs).
[*4] Percentage of direct economic value generated.

"From a social point of view, the South Tyrolean population should get more value added."
Comment by a female employee; Stakeholder Survey 2021

Alperia replies: *We have set ourselves the goal of generating EUR 330 million added value for South Tyrol by 2031. In 2023, we have allocated more than **EUR 388 million** to South Tyrol in terms of direct added value, of which **EUR 162 million** paid to public bodies in the form of taxes, environmental funds, concession fees and electricity provided free of charge to the Province, **EUR 70 million** allocated to salaries and social security contributions paid for employees, **EUR 2.6 million** paid in the form of sponsorships with an impact on the local community, and donations. The owner(s) were paid **EUR 34 million** as dividends in 2023. Finally, South Tyrolean companies were entrusted with tasks that generated revenue of approximately **EUR 120 million**. This distributed economic value indirectly benefits the entire region: through the taxes paid and the dividends distributed, political institutions can finance numerous public services for the benefit of the population. We have also introduced measures to lower the cost of utility bills following the increase in energy prices.*

Value for the territory {GRI 201-1}

	Unit	2023	2022	2021	2020	Variation
Employee wages and benefits	EUR	80,546,791	78,635,568	71,792,398	77,068,468	2%
	%	20.1	27.2	26.7	29.2	
Payments to government [*1]	EUR	164,766,366	117,170,004	103,920,113	90,951,387	43%
	%	41.0	40.5	38.6	34.4	
Dividends to local government [*2]	EUR	34,000,000	32,000,000	30,000,000	33,300,000	6%
	%	8.5	11.1	11.1	12.6	
Contributions to society [*3]	EUR	2,558,379	2,485,873	2,147,587	2,655,837	3%
	%	0.6	0.9	0.8	1.0	
Local procurement [*4]	EUR	119,680,093	59,079,423	61,415,472	60,286,081	103%
	%	29.8	20.4	22.8	22.8	
Added value for the territory	EUR	401,551,630	289,370,867	269,275,570	264,261,774	40%
	%	100	100	100	100	

[*1] This item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees; free energy; environmental funds, etc.).
[*2] Alperia's shareholders are: Province of Bolzano, City of Bolzano, City of Merano and Selfin.
[*3] This item includes sponsorships, charitable donations, investments in the community according to the B4SI framework (e.g. sponsorship costs that are not part of the marketing strategy, financial and in-kind donations, energy saving campaigns in schools, refugee housing costs).
[*4] Local supplier(s)' means supplier(s) located in the same province as the registered office of the company they supply.

To the public administration

The Group operates in compliance with the current tax system, fulfilling its duty as a taxpayer. For all companies controlled or jointly controlled by Alperia S.p.A., tax obligations are fulfilled by the holding company''s structures (Administration & Finance Department. Legal & Corporate Affairs, General Services, Procurement & Logistics Departments) or by external consultants.

Tax risk is monitored by the staff in charge, supported by the Group's Compliance area, with an assessment carried out by the Enterprise Risk Management function and managed by Governance and Management, supported if necessary by external consultants. The Group also has a dedicated internal policy (Whistleblowing) that also covers possible situations of non-compliance with the current tax regime. The regular submission of tax returns and the punctual payment of related payments are the subject of verification activities by the Company auditors and control bodies (where present).

The quantification of direct taxes allocated in the financial statements of the companies and their coincidence with what is reported in the related tax returns are subject to specific verification activities by the auditing company. Alperia's contribution to the public administration in 2023 amounted to EUR 165 million in the form of taxes, environmental funds, concession fees and electricity provided free of charge to the Province.

Fees

As a publicly-owned company that puts sustainability at the heart of its strategies, the Alperia Group aims to operate in compliance with the current tax framework in order to properly fulfil its duty as a taxpayer, aware of the social impact that taxes have in the territory.

Subsidiaries or jointly controlled companies of Alperia S.p.a. entrust the fulfilment of their tax obligations to holding company structures (such as the Administration & Finance Department for direct taxes and most indirect taxes and Legal & Corporate Affairs and General Services, Procurement & Logistics Departments for other indirect taxes) or to external consultants, with certain tax obligations sometimes fulfilled by the personnel of the companies themselves (invoicing, determination of excise and additional taxes, registration of deeds, etc.).

The relevant personnel, with the support of the Group's Compliance Department, monitor the evolution of the current tax framework, carrying out an assessment with the Group's Enterprise Risk function. The assessment of the framework is carried out taking into account possible disputes by the tax authorities. There is also an internal policy covering possible situations of non-compliance with the current tax framework (Whistleblowing). The submission of tax returns and the making

of payments are subject to verification by the Auditing Company and the 'Companies' Control Bodies (where present). On the other hand, the quantification of the direct taxes allocated in the financial statements of the Companies, as well as their coincidence with what is reported in the tax declarations are subject to verification by the auditing company. With respect to relations with tax authorities, Alperia therefore implements procedures for audits carried out by the public administration. With this procedure, the Group can also respond to any inspections or accesses (also) by the tax authorities. The Alperia Group is also present in several trade associations to protect and represent its interests.

The corporate governance measures concerning compliance with the tax framework are set out in the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001, which the individual companies adopt. The need for proper and structured interaction with the tax authorities is reflected in an internal policy (Procedure for Inspections and Controls by the Public Administration).

Table 4: Investments for the community – types of contributions

		2023					**2022**				
	Unit	**Money**	**Working time**	**Contribution (in-kind)**	**Total**	**Percentage**	**Money**	**Working time**	**Contribution (in-kind)**	**Total**	**Percentage**
Total	EUR	1,613,000		50,318	1,663,318	100.0%	1,506,725		44,351	1,551,076	7%
of which											
Education	EUR	68,500		17,890	86,390	5.2%				34,500	150%
Health	EUR	776,000			776,000	46.7%				744,113	4%
Economic development	EUR	40,000			40,000	2.4%				27,000	48%
Environment	EUR	19,500		13,228	32,728	2.0%				9,700	237%
Art and culture	EUR	481,500			481,500	28.9%				447,500	8%
Social work	EUR	183,000			183,000	11.0%				230,113	-20%
Emergency rescue	EUR	33,000		19,200,00	52,200	3.1%				57,151	-9%
Other support	EUR	11,500			11,500	0.7%				1,000	1050%

		2023					**2022**				
	Unit	**Money**	**Working Time**	**Contribution (in-kind)**	**Total**	**Percentage**	**Money**	**Working Time**	**Contribution (in-kind)**	**Total**	**Percentage**
Total	EUR	1,613,000		50,318	1,663,318	100.0%	1,506,725		44,351	1,551,076	7%
of which											
Investments in communities	EUR			50,318	50,318	3.0%				44,351	13%
Commercial initiatives	EUR	1,362,000			1,362,000	81.9%				1,224,500	11%
Donations	EUR	251,000			251,000	15.1%				282,225	-11%

Community Investment - Contribution to the SDGs

	Unit	2023 Total	Percentage	2022 Total	Percentage
Goal 2: Zero Hunger	EUR	0	0%	5,000	0.3%
Goal 3: Good Health and Well-being	EUR	818,500	49%	867,613	55.9%
Goal 4: Quality Education	EUR	87,528	5%	34,500	2.2%
Goal 5: Gender Equality	EUR	15,000	1%	1,113	0.1%
Goal 7: Affordable and Clean Energy	EUR	10,090	1%	2,200	0.1%
Goal 8: Decent Work and Economic Growth	EUR	51,500	3%	48,000	3.1%
Goal 10: Reduced Inequality	EUR	155,500	9%	59,500	3.8%
Goal 11: Sustainable Cities and Communities	EUR	515,700	31%	529,651	34.1%
Goal 15: Life on Land	EUR	9,500	1%	3,500	0.2%
Total	**EUR**	**1,663,318**	100%	**1,551,076**	100%

Donations

Alperia supports families and businesses in difficulty with various initiatives: not only by promoting bonuses and advantageous offers for specific categories, but also by supporting solidarity projects. Also in 2023, in keeping with tradition, the Christmas donation was activated: Alperia employees gave up a portion of their company gifts and donated a total value of EUR 25,000 to South Tyrolean associations and organisations. The employees proposed the associations to which the donations should be made, and the management made the choice. The Christmas donations are in addition to those that Alperia makes throughout the year. Overall, in 2023, Alperia made donations with a total value of EUR 251,000 . These include donations to the Lebenshilfe association, which operates in the Province with the aim of helping people with disabilities in their active and autonomous participation in all areas and stages of life and manages, among other things, Casa Masatch in Caldaro, a hotel facility for the disabled which, also thanks to Alperia's support, manages to guarantee the continuation of its activities, and the Association of Residences for the Elderly in South Tyrol.

Other organisations that have received donations from Alperia are:

- VKE Verein für Kinderspielplätze und Erholung EO
- Südtiroler Ärzte für die Welt
- Südtiroler Jugendring EO
- Dommusik Bozen EO
- I Dolci Sapori Del Bosco Odv
- Gemeinschaft Maria Heim Neustift Genossenschaft
- Pro Positiv Südtiroler Aids-Hilfe
- Verein Jugend Aktiv EO
- Schutzhütte B1 Refuge
- Dachverband für Soziales und Gesundheit (DSG) EO
- Momo
- GRW Sarntal
- Der Weg – The Road
- Mamazone
- Parish of the Holy Spirit, Merano
- Jugenddienst Meran EO
- Arbeitsgemeinschaft für Vogelschutz und Vogelkunde – Südtirol EO
- Wheelchair Hockey Tigers BZ Südtirol-Alto Adige ODV
- Oasis Social Cooperative
- Südtiroler Gesellschaft für Parkinson und verwandte Erkrankungen
- Soroptimist International Club Bolzano-Bozen
- Lebenshilfe Onlus
- O.d.v. Society 039; of St. Vincent De Paul; Central Council Bolzano
- Verein Licht für Senioren

Sponsorships

> *"Sponsorships are very important at the local level, without them, some clubs might not exist. One must always be careful about who and how much to give, favouring societies that work with young people."*
> Comment from the business community; Stakeholder Survey 2021
>
> ***Alperia replies:*** *We are aware of how important sponsorships are. We have defined a transparent process, and sponsorship requests can only be received through our website:* https://www.alperiagroup.eu/it/sponsoring.html*. Among the activities supported in 2023 are several that relate to the world of youth, particularly in the field of sport.*

Sport (youth, mass and high-level), culture (music, theatre, dance), environmental protection and safety: every year Alperia supports South Tyrolean projects and organisations active in these areas. **Associations** wishing to apply for sponsorship can do so by following the guidelines published on the company website. After submitting the application on the online portal, requests are assessed after checking the completeness of the documentation and compliance with the required conditions and are submitted to the Management Board of Alperia S.p.A., which decides on the acceptance or rejection of the request and the size of the contribution. In 2023 the partnerships started in previous years were consolidated and the "**Rugby for all"** project that Alperia supports in the Veneto region continued with an interesting response from the public.

In order to support South Tyrolean non-profit associations and promote the use of energy from renewable sources, Alperia launched the 'Invite a member' initiative. The South Tyrolean associations have invited their members and supporters to use green energy from South Tyrolean renewable sources via a special platform. For each supporter or member who chooses 100% green energy from Alperia (Alperia Smile Day & Night light offer), the association receives a contribution of EUR 40, while the association's supporter receives a welcome bonus of EUR 60. A test is currently underway with two South Tyrolean associations, after which the initiative will be extended to all South Tyrolean non-profit associations that wish to join.

9.1.2. Infrastructure investments

In 2023 we have invested EUR 175 million (EUR 166 million in 2022) to maintain and renew our infrastructure so that it can be safe and efficient at all times. Specifically, 39.5% was dedicated to distribution networks, 35.2% to production, 7.4% to district heating, 7.8% to the Smart Region and 10.1% to IT infrastructure, facilities, supply and trading and other areas.

Investment in infrastructure and services {GRI 203-1}[1]

Typology:	Unit	2023	%	2022	2021	2020	Variation
Power distribution	EUR	69,344,766	39.5%	50,424,336	50,914,000	46,390,000	38%
District heating and services	EUR	12,899,787	7.4%	14,769,529	12,100,000	11,251,000	-13%
Energy production – *mandatory*	EUR	54,423,145	31.0%	64,785,077	57,487,751	27,529,000	-16%
Energy production – *stay in business*	EUR	7,390,676	4.2%	2,953,198	5,679,626	4,804,000	150%
Smart Region	EUR	13,602,713	7.8%	17,394,000	27,321,000	14,003,000	-22%
IT infrastructures and digital projects	EUR	8,747,800	5.0%	12,781,815	21,909,834	20,783,000	-32%
Supply and trading	EUR	198,697	0.1%	31,000	0	1,095,000	541%[2]
Investment facility	EUR	6,259,683	3.6%	848,774	537,736	773,000	637%[3]
Other investments	EUR	2,526,769	1.4%	2,761,120	4,419,319	72,000	-8%
Total	EUR	175,394,036	100%	166,748,849	180,369,266	126,700,000	5%

[1] The balances shown in this table do not include increases in intangible and tangible assets arising from business combinations.

[2] Increase in IT investments made during the year.

[3] Increased investments for the Merano site.

Investments in the electricity grid

The electricity distribution network of Edyna, a subsidiary of Alperia, is **9,348 kilometres** long (high, medium and low voltage), with more than 2.59 TWh of electricity distributed. **Edyna invested EUR 69 million in 2023** to maintain and make the network more efficient.

In 2023, the replacement of meters with the new generation of **Smart Meters** continued. As planned and in line with what was agreed with ARERA, **the replacement reached 78%**. Started in 2020, the plan will be completed at the end of 2024. The total investment is **more than EUR 42 million** and, on completion, will lead to the installation of 260,000 new-generation meters. These are smart meters that increase the quality of the service offered to customers, allow for a more precise monitoring of energy consumption (customers can view the electricity consumption of their utilities updated every quarter of an hour) and, thanks to connectivity features, lay the foundations for the development of new technological solutions for home automation and energy saving, representing a new frontier for smart homes.

At the same time, Edyna continued to upgrade and modernise its **low-medium voltage facilities**, commissioned the **2G smart metering** system, and implemented grid **resilience** measures that included the replacement of transformers in secondary substations and PTP (Pole-mounted Transformer Station) substations, using vegetable oil transformers, the installation of low-noise transformers for the primary substations, the burying of power cables, the installation of six new primary substations, the unification of the 20 kV voltage of the MV networks, and the decommissioning of **110,522 metres of medium-voltage lines**. Inspections of the entire network by helicopter and with drones also continued. Most of these activities, which we will describe in detail in the following chapters, will continue in 2024 with the completion of the installation of Smart Meters, investments in grid resilience, electricity service quality and continuity, the burying of 76% of medium-voltage power lines to minimise the impact on the environment and landscape, the upgrading and integration of the Bolzano and Merano grids, the construction of new primary plants and new medium-voltage grid backbones, the maintenance of gas grids, and the growth in services to other grid operators in the area.

In 2023, construction work also started on the new Edyna headquarters in Merano, with important energy targets: CasaClima A and certification according to the international LEED and WELL standards (for more details on the new building, please see the section 'Our Locations'). Furthermore, the green transition of the vehicle fleet, as envisaged in the Group's plan, has been completed, with **46 out of 171 electric vehicles** (some service vehicles cannot be replaced by electric vehicles). Finally, in March 2024, Edyna will undergo a certification audit, which is based on the LCA (Environmental Life Cycle Assessment) methodology and is a tool for measuring and managing greenhouse gas (GHG) emissions related to products or services, i.e. their carbon footprint.

Investments in district heating

Alperia Ecoplus operates thirteen district heating production plants, supplying heat to users through a network of more than 154 kilometres. A quarter of the thermal energy produced in South Tyrol by district heating is generated by Ecoplus plants. With **248 GWh** produced, Ecoplus is the fifth national operator and the first in South Tyrol. A constant expansion of the district heating network in Bolzano and Merano is underway as well as maintenance and innovation projects in the plants. In line with Vision 2031, Alperia Ecoplus is working to:

- expand district heating networks and invest in new plants to achieve +163 GWht of thermal power (+60%)
- encourage a gradual switch to biomass plants or other sources/technologies (by 2031, +12% biomass in the production mix)
- acquire/operate new district heating plants in South Tyrol (+45 GWht)
- develop the organisational structure (+18 FTE) in order to support the planned development, take over operationally the newly acquired plants and provide an ad-hoc service to customers

According to the Business Plan 2023–2027, and by 2027, Alperia Ecoplus will work for:

- increase thermal energy sold (+142 GWht, +61%) through the expansion of existing networks, new plants and acquisitions, reaching 376 GWht
- develop six new plants, three of which are biomass plants (one of which has already been built), two with high-efficiency gas and absorbers and one backup
- acquire two biomass plants with estimated commissioning in 2025 and 2028
- carry out a feasibility analysis for the use of deep geothermal energy
- decommissioning the palm oil plant

In 2023, further investments were made to expand the district heating network in Bolzano and Merano and to support maintenance and efficiency activities. In addition, Alperia sold the Blopower Sardegna palm oil plant, achieved ISO 50001 for Sesto as well, and numerous improvement works were implemented for the Verano plant.

Investments in hydropower

In 2023 Alperia invested about EUR 62 million (EUR 68 million in 2022) to ensure the sustainable and efficient operation of its 35 hydropower plants. These are infrastructures of large, medium and small derivation, to which we must add five other plants in which Alperia Greenpower has an interest but which are not subject to Alperia's management and coordination, through which we produce around **4,000 GWh/year,** with a total capacity of around 1,300 MW.

The funds invested each year are mainly for the partial renovation (revamping) of some facilities, but also for other activities that improve infrastructure safety, environmental impact and reliability. In 2023, two investments in green hydrogen were initiated, one for the construction of a hydrogen filling station in Bruneck, which is to be operational for the 2026 Olympics, and the other for the implementation of a production plant in South Bozen, which, again, is to be ready by June 2026. Both projects are financed with PNRR funds.

The main extraordinary interventions carried out, and partly completed, during 2023 include

- Tel – new Minimum Vital Flow Utilisation Facility – EUR 4.6 million
- Brixen (large bypass) – partial refurbishment – EUR 43.3 million
- Lasa (large bypass) – partial renovation of plant and new penstock – EUR 40.3 million
- Cardano (large bypass) – partial refurbishment of plant – EUR 36.2 million
- Lana (large bypass) – partial refurbishment –EUR 41.6 million (ongoing, completion by 2025)
- San Pancrazio (large bypass) – new penstock – EUR 42.7 million (ongoing, completion by 2025)
- Pracomune (large derivation) – life extension – EUR 24.9 million (ongoing, completion by 2026)

Investment in the Smart Region

In 2023 Alperia Smart Region invested in innovation projects, energy efficiency, e-mobility, Renewable Energy Communities, business decarbonisation consulting and Smart Health with the startup Care4u. In particular, in Bolzano, Alperia's joint venture, Neogy, inaugurated the first public recharging hub in Trentino–South Tyrol dedicated to electric cars and, at the same time, continued to expand the number of recharging points in the area (Neogy manages 643 public columns, 273 of which in South Tyrol). Overall, Alperia Smart Region has invested EUR 13.6 million (EUR 17.3 million in 2022) and in the next few years, as set out in the One Vision plan update, to focus on:

- building efficiency
- to become a key player in the Italian market for photovoltaic management ranging from residential to industrial
- innovative energy efficiency solutions based on algorithms and data analysis and artificial intelligence
- development of Smart Health and Smart City solutions
- develop energy-efficiency and facility management solutions also for public administration and healthcare, including through strategic partnerships
- continue the development of sustainable mobility both for the infrastructure of the territory and for the realisation of innovative commercial solutions
- reference operator in the area for the development of distributed self-consumption solutions – Energy Communities
- total investments of more than EUR 160 million

Strategic objective: we want to create added value for our region in several areas, including jobs, local taxes and social engagement.

Operational objectives	Measures implemented in 2023	Terms (new)	KPI	Target value	Value year 2023	Status	SDG
Definition of a target value for value creation within the framework of the next Industrial Plan for South Tyrol and the entire region		2022				✓	SDG 12
Implementation of a device reuse project for disadvantaged people, also to extend the life of devices	Maintaining the service, which received significant participation from the employees	2022	% of devices sold against requests received	> 70% per year	100%	✓	SDG 11 SDG 12
Organisation of green events in cooperation with sponsoring companies	CasaClima Alperia Sport Hero Smart City Day Flower Festival Bolzano by Bike Biolife Agrialp Open Day Internal events for employees	2023	Events	2	9	✓	SDG 12
Creation of added value for our territory with special focus on South Tyrol and Veneto		2023–2027	Value added in the territory (EUR million)	300	401 million	Ongoing	SDG 12
Development of a written guideline that focuses community investments on specific social and environmental outcomes and the desired impact expected from each programme		2024	-	-		Ongoing	SDG 11 SDG 12
Definition and reporting of Impact KPIs		2024	-	-		Ongoing	SDG 11 SDG 12
Measuring and reporting the impacts of projects financed with environmental funds	Statistical processing of the types of environmental measures implemented by the PAB with the environmental funds made available. Activities shared with the Strategic Marketing & Communication Function.	2024	-	-		Ongoing	SDG 11 SDG 12
Communication campaign on the added value (positive impact) created in the area with Hydrodata or Alperia Innoveering projects	Participation in local events; campaign by the City of Turin on the Po River Navigability Project	2025	-	-		Ongoing	SDG 12
Obtaining LEED and WELL certification for new projects	Construction has started and is proceeding, ensuring compliance with the requirements for the two certifications	2025	No. of projects	2		Ongoing	SDG 11 SDG 12
Increased spending on community-oriented projects (Community Investments) and strategic initiatives and projects for the community and Alperia		2027	-	-		Ongoing	SDG 11 SDG 12

9.2 Supplier management

How we manage the topic? The issue has been identified as essential both in terms of impacts generated and suffered: being a full-service provider for energy, Alperia purchases its products, materials and raw materials from various Italian and foreign suppliers, and this determines direct social and environmental impacts along the entire supply chain. These impacts derive from the business relations undertaken by the Group for the purchase of goods and services needed to carry out its activities from suppliers from different geographical areas.

Alperia also promotes a sustainable approach in the management of its suppliers. The requirement of sustainability is also included in tenders. All of Alperia's suppliers must accept the principles of the Group's Code of Ethics and uphold them, starting with respect for and protection of human rights (included in all tenders and purchase orders managed by Procurement: from 2019, all new significant contracts, i.e. contracts managed centrally at Group level by the procurement function and exceeding a value of EUR 100,000, include this clause), occupational health and safety as well as respect for the environment and sustainability. The relevant Italian legislation, the procurement code and the regulations the Group has adopted establish that in tenders, all suppliers are treated equally and the whole process is carried out with total transparency, assessing various aspects that affect, where possible, the quality of the supply as well as the price. Therefore, a local product is not always synonymous with better quality/price or lower environmental impact. For the type of procurement of certain works, supplies and services important to the Group, it is not always possible to find local suppliers. Where possible, for the same quality/price ratio, it prefers to use local suppliers, both for works and for materials and services.

Alperia has an organisational system to keep track of the information requested and received from suppliers: Model 231, registration on the White List, in accordance with the Anti-Mafia Code, and other certifications held.

The involvement of stakeholders, and in particular of suppliers, in the definition of projects and initiatives took place mainly during the meetings of the Control, Risk and Sustainability Committee and the CSR Steering Committee and with specific meetings with management during which the opinions and views of internal stakeholders on the various initiatives were collected, and with suppliers in the contacts made during the year on the portal and/or with the heads of functions.

What we did

At Alperia, the entire supplier management process, from the first purchase requests to the final evaluation, is entirely digitised and integrated within a single platform. The system generates contracts on the basis of clauses that are selected by the buyers. On the other hand, the clauses related to the respect of human rights, Code of Ethics, Model 231, etc. are standard and cannot be modified, except in exceptional cases. The management of suppliers is done through four tools:

- **Register of Suppliers**: in which suppliers are classified who, depending on the product categories they are responsible for, hold specific social-environmental certifications, such as ISO 14001, ISO 45001, EMAS, or who demonstrate that they have adopted equivalent measures. Qualification in the Register lasts for three years. In 2023, the Register was further updated to include 3,988 registered suppliers with 1,502 qualified suppliers and 6,230 qualified product categories.
- **Tenders**: for the Group's supplies, a process is adopted for assessing the minimum sustainability requirements linked to the product with a check list on the contractual basis that is attached to the RDA (Purchase Request) and contains both elements for the management of tenders and the drafting of contracts. For all tenders, of all companies, the process goes through the digitised Jaggaer system. The evaluation or inclusion of product-related minimum sustainability requirements is not linked to a procedural obligation. In 2023, for the first time, Alperia introduced ESG-related award criteria in tenders to be awarded on the basis of the most economically advantageous offer**: suppliers with ESG ratings are awarded two points**. With this choice, Alperia not only wanted to incentivise suppliers to adopt ESG parameters, but also proposed again to draw up statistics, when the number of ESG suppliers is relevant, on the basis of which choices and actions can be guided.
- **Vendor Rating System:** this is a tool that guarantees the quality of vendor(s) and minimises the risk of loss and dependency. Under the system, strategically important supplier(s) are evaluated internally on the basis of a standard questionnaire in which the quality of service and performance, the level of security and the level of environmental sustainability are considered. These criteria allow for an evaluation of the performance of the supplier(s). In 2023, further assessments were carried out with thresholds sent to the requesting units and the scope of the Vendor Rating was extended.
- **Audits of supplier(s)**: for each contract entered into with a new supplier(s), Alperia may carry out an audit, with on-site visits and interviews to verify the information received. No audits were carried out on supplier(s) in 2023.

New supplier(s) that have been assessed using environmental and social criteria {GRI 308-1; GRI 414-1}

	Unit	2023	2022	2021	2020
Percentage of new supplier(s) that were selected on the basis of environmental or social criteria	%	100	100	100	100
Percentage of active suppliers with an environmental or social certification	%	35.09	38		

[1] All suppliers must pass the screening of pre-established requirements (e.g. minimum certification requirements such as EMAS, ISO 14001, OHSAS 18001 or ISO 9001).

Vendor Rating System

Did the supplier(s) impose penalising clauses on the Alperia Group during the offer phase? Were penalties applied? Was the contract terminated for reasons attributable to the supplier? Did the machinery, plant and equipment comply and meet the standards required for the performance of the services? Have work safety emergencies been adequately managed? Did the supplier manage waste and chemicals in accordance with the applicable regulations? Has the supplier taken appropriate measures to reduce environmental impact in relation to the activities carried out for the Alperia Group? These are some of the questions asked by the Vendor Rating System in order to assess how well the supplier(s) correspond to the parameters required by Alperia, with a focus on sustainability issues. economic, social and environmental.

Purchases, if made centrally, are the responsibility of the Procurement Service. In 2023, 61% (60% in 2022) of contracts were signed with local suppliers. This is a choice that Alperia adopts whenever possible, compatibly with business needs and procurement regulations, to support the economy of its territories, thus also contributing to the reduction of transport-related emissions. The percentage of products and services purchased locally in 2023 was 44% (40% 2022) out of total expenditure. These include:

- source of works: 79% local
- provenance of service providers: 27% local
- sourcing of products: 5% local

Proportion of expenditure for local suppliers[1] {GRI 204-1}

	Unit	2023	2022	2021	2020	Variation
Percentage of products and services purchased locally (based on expenditure in euros)	%	44	40	28	36	4%
Percentage of expenditure on locally purchased works (based on total expenditure on works)	%	79	78	77	72	1%
Percentage of locally purchased services (based on total expenditure on services)	%	27	23	30	20	4%
Percentage of products bought locally (based on total expenditure on products)	%	5	17	5	21	-12%
Percentage of contracts awarded locally (based on number of contracts)	%	61	60	59	58	1%

[1] As from 2022, the geographical definition of 'local' of the organisation has changed to suppliers located in the same province as the head office of the legal entity they supply.

The total volume of purchases made by Alperia in 2023 amounted to almost EUR **273 million (**EUR **149 million** in 2022), of which EUR 120 million (EUR 59 million in 2022) was dedicated to local suppliers. These purchases mostly concerned technical equipment (cables, transformers, turbines, etc.) and raw materials (natural gas, wood oil, lubricants and chemicals for power generation and distribution and district heating).

Even in products for indoor use, we try to favour sustainable choices: in 2023, in particular, in addition to complying with the decree of the Ministry of Ecological Transition that set limits for heating in offices, Alperia awarded a contract for beverage dispensers with sustainability requirements in mind (fair trade products and attention to the energy efficiency of dispensers). The same was done for the tender for furnishings in which companies were asked to adhere to CAM requirements (Minimum Environmental Criteria, see box) referring to contaminants in recycled wood panels, formaldehyde emissions from panels, emission of volatile organic components, and coating materials. In addition, companies were

required to adopt personnel management policies aimed at developing the skills of the individual and promoting his or her professional growth (continuous training); policies of social inclusion; compliance with obligations towards their employees in accordance with legal provisions (social insurance, accident prevention, social security and welfare) as well as salary conditions in line with collective agreements. The supply chain plays a key role in achieving the sustainability goals. Central is therefore the choice of business partners who share Alperia's values and quality standards, who care about the environment and are actively committed to gender equality and social inclusion. These are decisions that, on the one hand, strengthen the focus on sustainability among the internal population and, on the other, must be supported by a cultural evolution, so that they can be fully understood and accepted by all.

It is recalled that in tender specifications, in addition to safety and environmental criteria, a chapter on 'sustainability requirements' is encouraged and must be filled in. Finally, in 2024, Alperia intends to initiate a risk analysis on the supplier(s) and category(ies) and then assess the actions to be taken accordingly.

Minimum Environmental Criteria

The Minimum Environmental Criteria (CAM) are environmental requirements defined for the various phases of the purchasing process, aimed at identifying the best design solution, product or service from the environmental point of view along the life cycle, taking into account market availability. The CAM are defined within the framework of what is established by the Plan for the Environmental Sustainability of Consumption in the Public Administration Sector and are adopted by Decree of the Minister of the Environment of the Protection of Land and Sea. Their systematic and homogeneous application allows the dissemination of environmental technologies and ecologically preferable products and produces a leverage effect on the market, inducing the less virtuous economic operators to adapt to the new demands of the public administration. In Italy, the effectiveness of CAM has been ensured through various regulations, which have made its application mandatory for all contracting stations. In addition to enhancing environmental quality and respecting social criteria, the application of the Minimum Environmental Criteria also responds to the public 'administration's need to rationalise consumption, reducing expenditure where possible. Alperia requires CAM for all its public tenders, which account for almost 80% of its contracts.

"Why is it not always possible to buy from local companies?"

Comment by a female employee; Stakeholder Survey 2021

Alperia replies: The reference Italian legislation, the tender code and the regulations the Group has adopted establish that in tenders all suppliers are treated equally and the whole process is carried out in total transparency, assessing various aspects that affect, where possible, the quality of the supply as well as the price. Therefore, a local product is not always synonymous with better quality/price or lower environmental impact. For the type of procurement of certain works, supplies and services important to the Group, it is not always possible to find local suppliers. Where possible, for the same quality/price ratio, it prefers to use local suppliers, both for works and for materials and services.

Strategic objective: we want to make our purchases as local and ecologically and socially sustainable as possible.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Evaluation of the elimination of plastic bottles in vending machines and introduction of fair trade, coffee and organic products in vending machines	The new tender for the distribution of beverages and snacks has been awarded and, according to the specifications, plastic bottles will no longer be distributed, while organic and fair trade products will be increased.	2022	-	-		✓	SDG 12
Tenders: evaluation of the possibility of extending the Alperia Group's sustainability criteria for various tenders (e.g. furniture, cleaning) also for new companies	A specific paragraph was included in the technical tender specifications to require compliance with certain sustainability criteria; in 2022 these criteria were included in tenders: furniture and beverage dispensers.	2022	-	-		✓	SDG 12
Tenders: inclusion of the obligation for applicants to assess sustainability criteria in the case of economically most advantageous tenders in the accompanying RoA		2022	-	-		✓	SDG 12
Tenders: Evaluation of the adoption of NRP diversity criteria in procurement	The evaluation revealed the need to draw up specific guidelines for the different BUs; new objective defined.	2023	-	-		✓	SDG 12
Tenders: inclusion of environmental criteria for renovation projects above a threshold of 200,000 euro, for the following categories of intervention - restoration and renovation works - building renovation works - new construction works	Environmental criteria included in ongoing projects in 2023.	Annual	No. of significant restructuring projects	100%		✓	SDG 12
Due diligence: assessment of whether to carry out an ESG assessment of the supply chain (e.g. Cribis, Cerved, EcoVadis)	Carried out ESG assessment EcoVadis obtaining a rating of 75/100	2023	-	-		✓	SDG 12
Assessment of whether to carry out an ESG & risk assessment of the supply chain (e.g. Cribis, Cerved,EcoVadis)	- Evaluation of different rating agencies - Evaluation of the EcoVadis scorecard request for main suppliers - Evaluation of the possibility of sending an ESG self-assessment	2023				✓	

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
	Questionnaire to our main supplier(s)						
Due diligence: start of supplier assessment project with ESG risk analysis for supplier(s)	Definition of critical products and suppliers	2024				Ongoing	
Due diligence: evaluation of the drafting of a written policy outlining management's responsibilities for the social and environmental performance of the supply chain		2024	-	-		Ongoing	SDG 12
Harmonisation and centralisation of KPI reporting for DNF for new companies	- Evaluation of the possibility of sending an ESG self-assessment questionnaire to our main supplier(s)	2024	-	-		Ongoing	SDG 12
Extension of measures taken in South Tyrol to offices in Veneto and Piedmont (e.g. water dispensers, elimination of plastic, biodegradable coffee cups, introduction of fair trade, organic coffee and products in vending machines)		2024	-	-		Ongoing	SDG 12
Definition of guidelines for the inclusion of sustainability criteria in the purchasing processes of individual business units		2025				Ongoing	
Tendering: Introduction of minimum criteria in individual tendering procedures		2025	% tendering procedures with minimum ESG criteria	70		Ongoing	SDG 12
Supplier qualification: progressive introduction of minimum ESG standards to qualify as a supplier to the Group		2027	-	-		Ongoing	SDG 12
Tenders: awarding of scores to predefined sustainability criteria (e.g. ESG rating) in tendering procedures, and introduction of a system to monitor increased expenditure		2027	-	-		Ongoing	SDG 12
Introduction of supplier awareness initiatives	Evaluation of the EcoVadis scorecard application for main suppliers	2027	-	-		Ongoing	SDG 12

9.2.1 Human rights

Alperia adopts the **United Nations Global Compact,** the world's largest strategic corporate citizenship initiative that encourages companies around the world to create an economic, social and environmental framework to promote a healthy and sustainable global economy that gives everyone the opportunity to share in its benefits. For this reason, suppliers wishing to qualify for the Alperia Global Compact are required to issue a declaration on human rights in which they affirm their acceptance of the Global Compact: the document requires companies and organisations that adhere to it to share, support and apply within their sphere of influence a set of fundamental principles relating to human rights, labour standards, environmental protection and anti-corruption. Alperia has also included a human rights clause in its general terms and conditions and specific contracts. There is also a format in which the Global Compact compliance clause has been included in orders coming directly from the departments.

People are our strength – Respect for human rights underpins all Alperia's activities, both internally and externally. In line with the UN SDGs, Alperia has identified human rights as the pillars of the sustainability actions described in the Report. Namely:

- **Diversity and equal opportunities | Right to freedom of information and opinion, right to non-discrimination, right to family life, right to a fair and satisfying salary**: we have defined the diversity policy in which we indicate the measures we are promoting to ensure an inclusive working environment that respects diversity. Among the actions undertaken: language mentoring projects, intergenerational exchange, leadership, female empowerment and work-life balance, parental leave and paternity enhancement. The activities are overseen by the Diversity Manager and the Equal Opportunities Commission that we set up in 2022 to prevent discrimination, promote diversity and inclusion within the corporate Group, and monitor the various initiatives. Finally, also in 2023 we renewed the Family Audit certification awarded by the Family Agency of the Autonomous Province and the Chamber of Commerce. We have started working on obtaining the Gender Equality Certification.
- **Employee development | Right to recreation and leisure; right to privacy; right to the free expression of opinions; right to peaceful assembly; right to social security**: we focus on our growth and the continuous development of our skills. Following this principle, we invest in training and competence building, for example through on-the-job training or leadership training. We define development plans for key positions that take over new roles or expand their scope of responsibility, and we provide specific paths for talent within the framework of the Talent Management programme. Sustainability has also been the subject of targeted training; in 2023 we provided ESG training to board members. We also promote the right to recreation and leisure and support the activities organised by the employees'' recreational club, the CRAL. We provide our employees with resilience, mindfulness and corporate well-being courses, such as the 'stability training in postural and preventive gymnastics' course. In addition, we guarantee each of our employees the right to privacy and social security and protect the confidentiality of their data and information.
- **Health and safety at work | the right to a safe and healthy working environment; the right to physical and mental well-being**: the Alperia Group guarantees high standards of protection and safety at work, raising awareness of risks also through information activities and training measures. Health protection and psychophysical well-being are part of our fundamental principles and we support them with specific prevention and protection programmes and through a company survey that is carried out periodically at Group level. We provide supplementary health insurance and include specific activities and services in the Welfare package. Our sites are equipped with semi-automatic defibrillators from the Red Cross and White Cross, and we have harmonised union agreements for all Group employees. In 2024, we plan to launch a new mental health course.
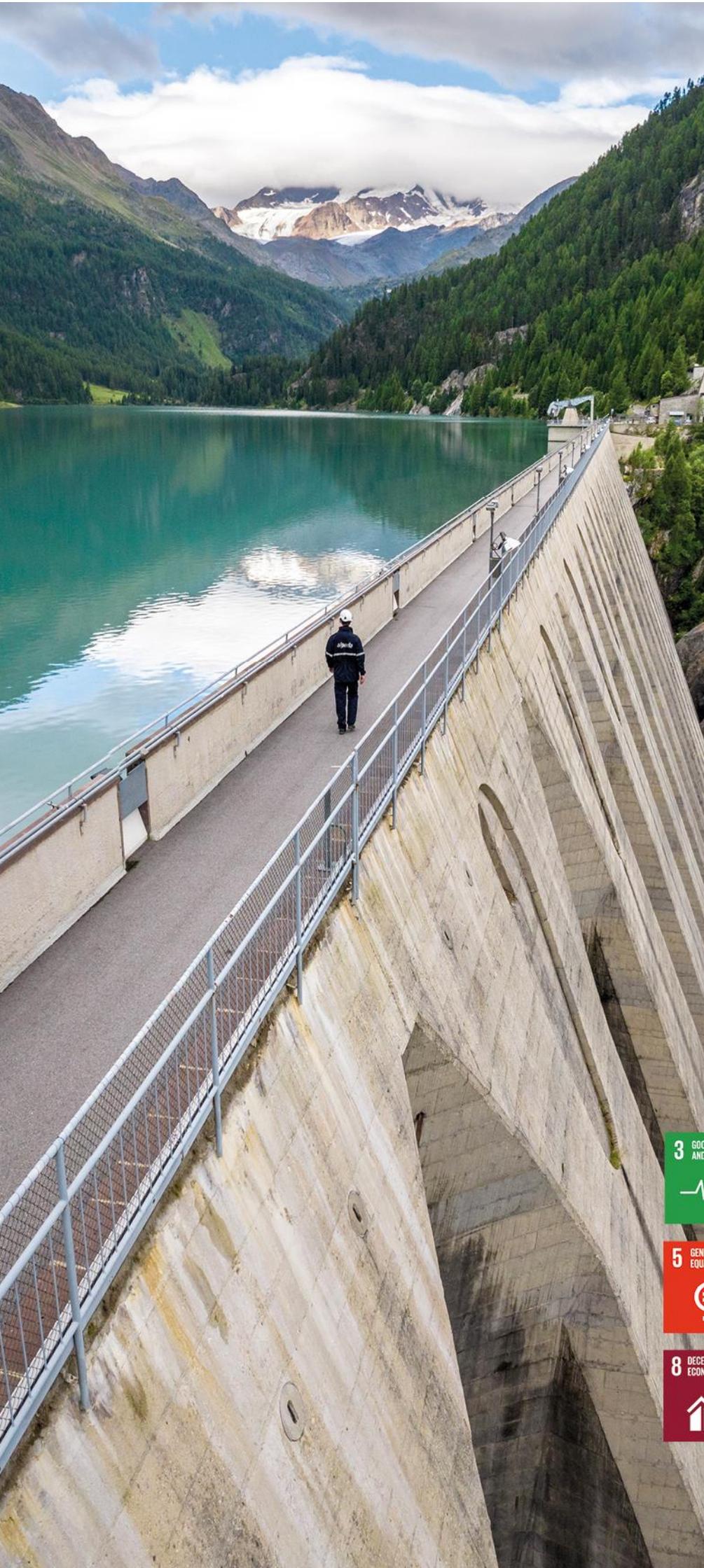
People

We want to empower our employees to do their best work, with concrete growth opportunities, talent development programmes and worklife balance measures.
From people in operational to administrative roles, from management roles to new recruits: each of them, with their value, contributes to the success of the Group.

3 GOOD HEALTH AND WELL-BEING
We promote a healthy and safe working environment and are committed to reducing pollution through our products and services

5 GENDER EQUALITY
We are striving to achieve gender equality and female empowerment

8 DECENT WORK AND ECONOMIC GROWTH
Promoting an inclusive and sustainable economic growth and decent and safe employment

Number of employees	**1,252**		Average hours of training per employee	**27.8**
Rate of new hires	**12%**		Percentage of women in middle management	**22%**
Recruits under 30	**59**		Accident Severity Index (per 1,000 hours worked)	**0.35**

10.1. Growing together: the development of our people

How we manage the topic? With more than 1,000 employees, the Alperia Group is one of the largest employers in South Tyrol, active in all areas of the energy sector, from production and distribution to the sale of energy and innovative services. This activity has direct and indirect impacts both inside and outside the company. By offering specific training courses, the Group promotes the adoption of sustainable practices and gender equality within the company, two aspects that have environmental and human-rights implications. Together, these initiatives can lead to an increase in employee satisfaction and well-being, thereby reducing the costs associated with employee turnover.

The impacts of personnel management, training and development arise from the internal activities of the Alperia Group.

The energy sector is constantly evolving, demands are becoming ever greater, and in this context, the specialisation and qualification of employees is crucial. In order to prevent the shortage of qualified manpower caused by the numerous planned retirements, Alperia continues its partnerships with universities and colleges and pursues the objective of ensuring regular training and further education for its staff. In order to increase satisfaction and performance, reduce fluctuations and ensure a high quality of work, Alperia is committed to supporting its employees in various ways. In addition to promoting health in the workplace, the company also offers measures to improve compatibility between work and family life, such as flexible working hours and various part-time working models.

On the company's intranet page there is an active employee proposition tool: through MyIdeas, all employees can send in suggestions to improve services, processes, work safety measures or to contribute to greater motivation or identification with the company. In addition, the MyAlperia platform is active on which we also communicate sustainability-related projects, and we make the Whistleblowing tool available to employees to report any misconduct, violations of Model 231 or the Code of Ethics. We periodically organise assessment sessions for filling key roles with internal resources and promote individual career development also through the Talent management project. In order to increasingly foster the integration of sustainability in the business and corporate culture, we have linked the MBO of our managers to the achievement of a Sustainability Goal as of 2020.

The management approach is evaluated regularly, including through the 'Family and Work' audit. In order to assess and verify the effectiveness of the management approach, an employee satisfaction survey is conducted at regular intervals in cooperation with the research and consulting company Great Place to Work. This survey was conducted in 2017, 2019 and 2023, with the Group-wide Trust Index increasing by ten percentage points from 2019 to 2023 to 60%. Feedback interviews, extended to all Group employees, also continued in 2023. Adjustments are made continuously throughout the year. Measures submitted via the intranet are reviewed and evaluated on a quarterly basis and, if necessary, approved and implemented.

Internal stakeholders are involved through management, training and education activities defined with their employees, through suggestions on MyAlperia and by analysing surveys for effectiveness.

Values, team building and shared growth

> *"Alperia is a very good place to work, but we must aspire to improve. A lot can still be done in the area of employee motivation and development.*
> Comment by an employee; Stakeholder Survey 2021
>
> *Alperia replies: Alperia accompanies its employees on a path of growth by developing various initiatives. These include the "Talents" project, through which it has made available ad-hoc workshops and training activities for potential talents. In 2023, in particular, we organised a forum dedicated to leadership and developed a number of 'leadership rules' involving the setting of clear and transparent objectives, the creation of a spirit of trust and the enhancement of teams. In addition, we also reworked the format to be used for annual interviews focusing more on performance assessment.*

Employees[*1* 2*3*4] {GRI 2-7}

Geo-graphical area and gender	Unit	Total number of employees				Employment contract								Type of employment							
						Unspecified				Determined				Full-time				Part-time			
		2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
total Group	People	1,252	1,211	1,176	1,087	1,179	1,152	1,104	1,023	73	59	72	64	1,109	1,083	1,052	980	143	128	124	107
	%	100	100	100	100	94%	95%	94%	94%	6%	5%	6%	6%	89%	89%	89%	90%	11%	11%	11%	10%
of which women	People	356	320	294	261	336	303	274	244	20	17	20	17	236	214	193	173	120	106	101	88
	%	28	26	25	24	28%	26%	25%	24%	27%	29%	28%	27%	21%	20%	18%	18%	84%	83%	81%	82%
of which men	People	896	891	882	826	843	849	830	779	53	42	52	47	873	869	859	807	23	22	23	19
	%	72	74	75	76	72%	74%	75%	76%	73%	71%	72%	73%	79%	80%	82%	82%	16%	17%	19%	18%
South Tyrol	People	1,041	1,032			973	979			68	53			929	919			112	113		
	%	83%	85%			83%	85%			93%	90%			84%	85%			78%	88%		
outside South Tyrol	People	211	179			206	173			5	6			180	164			31	15		
	%	17%	15%			17%	15%			7%	10%			16%	15%			15%	8%		

[*1] Hydropower S.r.l. is not included in the figures for 2020.

[*2] Employees who left the company as of 31/12 are included in the total number of employees as of 31/12.

[*3] Directors are included in the number of employees.

[*4] The percentages published in previous editions have been restated to bring them into line with the new calculation methodology, using the total figure in each column as the denominator. Read the percentages, except for the percentages of the Group total, from top to bottom.

Workers who are not employees[1] {GRI 2-8}

		Unit	Total number of external collaborators 2023	2022
Trainees[2]		People	47	38
	women	People	13	13
		%	28%	34
	men	People	34	25
		%	72%	64
Administered[2]		People	54	56
	women	People	43	36
		%	80%	64
	men	People	11	20
		%	20%	36
Agents		People	100	98
	women	People	10	13
		%	10%	13
	men	People	90	85
		%	90%	87
Total Group		People	201	192

[1] Total number during the year.
[2] Temporary employment is an employment relationship under which the user enterprise may request the services of one or more workers from authorised agencies.
[3] Not including school placements.

The Alperia Group currently consists of 89% full-time, 94% permanent employees, most of whom are subject to the rules of the National Collective Bargaining Agreement for Workers in the Electricity Industry (100% of the employees are covered by Collective Bargaining Agreements). As external workers during 2023, the Group employed mainly agents, followed by temporary workers and finally trainees (university students). At the same time, 151 people joined the Group, 60 of them women, for a recruitment rate of 12% of new employees. More than a third of the new hires (39%) are under the age of 30, demonstrating the Group's focus on young talent. **Turnover** in 2023 was 9%, or 110 people, of which 28 due to retirement, which would correspond to a rate of 7%.

New recruitments and turnover[1] {GRI 401-1}

Recruitment	Unit	Total 2023	2022	2021	2020	Variation	<= 30 2023	2022	31-40 2023	2022	41-50 2023	2022	> 51 2023	2022
Women	People	60	40	35	26	50%	17	20	17	10	18	7	8	3
	%	40	35	32	30									
Men	People	91	73	76	62	25%	42	32	26	24	16	13	7	4
	%	60	65	68	70									
Total employee recruitment	People	151	113	111	88	34%	59	52	43	34	34	20	15	7
Total number of employees as of 31/12	People	1,252	1,211	1,176	1,087	3%	39%	46%	28%	30%	23%	18%	10%	6%
Hiring rate	%	12	9	9	8									

[1] Hydrodata S.r.l. is not included in the 2020 data. Green Power Group, Bluepower Connection S.r.l., Green Energy Group and Unix Group S.r.l. are not included in the 2019 figures. The total number of 2020 employees of the Alperia Group can therefore not be compared with the total number of employees reported for 2019 net of employees leaving and new hires in 2020. This mismatch is due to a different reporting boundary for 2020 than for 2019 (entry of new companies).

Turnover[*2]	Unit	Total					<= 30		31-40		41-50		> 51	
		2023	2022	2021	2020	Var	2023	2022	2023	2022	2023	2022	2023	2022
Women	People	24	14	15	19	71%	6	3	7	3	6	2	5	6
	%	22	18	25	24									
Men	People	86	64	45	60	34%	9	9	23	18	16	9	38	28
	%	78	82	75	76									
Total employee turnover	People	110	78	60	79	41%	15	12	30	21	22	11	43	34
of which retired	People	28	27	24		4%	14%	15%	27%	27%	20%	14%	39%	44%
Total number of employees as of 31/12	%	1,252	1,211	1,176	1,087	3%								
Turnover rate	%	9	6	5	7									

[*2] Employee turnover: employees leaving the organisation voluntarily or due to dismissal, retirement or death in service; turnover as of 31/12; employees leaving the organisation as of 31/12 are not included in employee turnover.

In order to cope with the demographic development of the workforce and to prevent the replacement of key resources, we are pursuing **succession plans** that we have defined starting with the analysis of the outgoing key functions and involving the Top Management of the individual companies. Accordingly, we have also defined a 'backup' in the event of a temporary absence of the resource. In 2023, we also drew up job descriptions for Alperia Holding and Alperia Ecoplus, indicating the tasks, objectives and skills required for each professional figure. The **job descriptions** were published on the MyAlperia portal. We also started to analyse the **company values** with the aim of standardising the values communicated externally with those experienced internally on a daily basis.

Our Golden Rules also contribute to creating an **equal and proactive environment**, and every HR project developed must respond to one of these "Golden Rules" that should characterise the behaviour and actions of the entire Alperia community towards both colleagues and stakeholders (for more details see the section on "Golden Rules").

On the **smart working** front, we reworked a trade union agreement that standardised agile working days for all employees, providing for a maximum of eight agile working days per month. The new measures will be tested to assess their effectiveness. To encourage the involvement of employees and their participation in company life, we organised various team-building activities during 2023 as well, renewing the **Team Alperia** project. The company Alperia Smart Services, in particular, organised team building for the entire Group with the aim of creating a network between the employees of the Group and of the sales outlets located throughout the territory (both South Tyrol and Veneto).

10.1.1. Leadership and training

We are convinced that continuous learning at work is essential to maintain the productive capacity of our employees. For this reason, every year we carry out an individual **training needs assessment** as part of the annual interviews and assessments that are organised for potential talents and Group pillars. As a result, we offer training courses dedicated to hard and soft skills and carry out dedicated growth paths for talents. We also provide courses to learn a second language (Italian or German), since we are a bilingual company. Not only that: we have dedicated part of the training to innovation and ESG and also to the collaboration and professionalism of the in-house trainer(s). We also chose the provider for training for young managers, carried out training on complexity management and design thinking, the latter developed in collaboration with the NOI Techpark for all employees. In total, Alperia provided **34,778 hours of training** mainly dedicated to digitalisation, languages, MS Office courses, D3 courses, occupational safety, Regulation 231, sustainability and strengthening soft skills (conflict management, communication, time management).

Average training hours {GRI 404-1}

Average hours of training per employee by gender	Unit	2023	2022	2021	2020	Variation
Women	Hours	24.2	25.1	28.8	14.9	-4%
Men	Hours	29.2	32.1	25.7	19.7	-9%
Total	Hours	27.8	30.3	26.5	18.7	-8%

Average hours of training per employee by professional category	Unit	2023	2022	2021	2020	Variation
Executives	Hours	30.5	48.4	26.7	31.5	-37%
Managers	Hours	38.4	38.2	38.0	28.4	0%
Employee(s)	Hours	27.5	27.0	24.7	16.5	2%
Workers	Hours	24.1	34.9	26.4		-31%

In 2023, Alperia organised the first **Leadership Forum,** which was attended by over 200 people. During the event, we presented the results of the initiatives developed by the individual working groups in the areas of performance evaluation, leadership, meeting culture, vision and communication. In addition, as part of the 'leadership in change' project, we developed a number of 'leadership rules' involving the setting of clear and transparent objectives, the creation of a spirit of trust and the enhancement of teams. Not only that, we have also reworked the format to be used for annual interviews focusing more on performance appraisal. The new model will come into effect from 2024 and will also be useful as a guide for training.

Finally, both the **information dashboard,** which provides management with useful data for resource and activity management, and the "Insight" newsletter dedicated to HR projects, as well as the intranet portal **MyIdeas** on which each Alperia employee sends proposals and shares projects, are always very useful in personnel management. It was precisely as a result of a recommendation on MyIdeas, for example, that the Alperia Internal Open Days were organised, i.e. training sessions dedicated to an in-depth knowledge of the Group's companies. The first Open Day was organised in November and was an opportunity to learn about the work processes of the Generation, Networks, Sales and Services and Heat Business Units. The event was a great success and was attended by 60 people.

At the same time, we have continued to carry out **feedback interviews that also assess performance** with all Group employees (74% of staff in 2023), including interviews after returning from maternity leave or after an absence of six months so as to better support the reintegration of resources.

Percentage of employees receiving periodic performance and professional development appraisals {GRI 404-3}[1]

Percentage of employees receiving regular performance and professional development appraisals by gender

	Unit	2023	2022	2021	Variation
Women	%	68	67	2	0.8%
Men	%	81	73	4	7.9%
Total	%	74	70	3	4.3%

Percentage of employees receiving regular performance and professional development appraisals by job category

	Unit	2023	2022	2021	Variation
Executives[2]	%	125	110	92	15.5%
Managers	%	71	68	2	3.9%
Employee(s)	%	75	74	2	0.9%
Workers	%	82	62	0	20.3%

[1] As of 2022, career development evaluations, MBO reviews and employee feedback evaluations are included in the count and the percentages are calculated on the total number of employees.
[2] The percentage is higher than 100% because the number of managers evaluated during the year is greater than the number of managers present at 31/12.

Strategic objective: we want to invest in a shared corporate culture that is based on trust and promote the development and empowerment of employees.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Expansion of regular feedback interviews to all Group companies (except Fintel and Selsolar)	Conducting interviews for all Group companies	2022	% of Group companies	100%	74%	✓	SDG 8
Promotion of shared leadership and corporate culture (values, principles and behaviour)	Four working groups developed concrete measures in the areas of Leadership, Performance Appraisal, Vision & Communication and Meeting Culture involving the culture group	2022	No. of meetings	-	Three mentorships with all participants "Kulturgruppe': three meetings Working groups: individual meetings during the year	✓	SDG 8
Continuation of the definition of uniform framework conditions for the Group	Group-wide performance bonus agreement; harmonisation smart working agreement	Annual	No. agreements /conventions	-		✓	SDG 8
Evaluation of ideas received on MyIdeas	In 2023 it was possible to realise 12 ideas from MyIdeas	Annual	No. of proposals implemen-ted	-	12	✓	SDG 8
Introduction of 360-degree feedback	83% conducted annual interviews	2023	No. of interviews	-		✓	SDG 8
Maintaining and developing corporate know-how and pushing for employee training		2027	Average training hours	28 h	27.8 h	Ongoing	SDG 8
Raising the employee satisfaction index from 50% (2019) to 55%.	Survey carried out in October 2023	2027	Employee satisfaction index	55%	60%	Ongoing	SDG 8

10.2. Diversity and equal opportunities

How we manage the topic?

The direct impacts for Alperia, one of the largest employers in South Tyrol, with 1,211 employees, relate to the moderately high average age and the relatively low percentage of pink quotas due to the specificity of the technical sector in which we operate. Diversity and inclusion can contribute to a working environment that is non-discriminatory and more respectful of all employees, resulting in greater job satisfaction and the ability to attract and retain top talent. In addition, diversity and inclusion can contribute to reducing gender, ethnicity and other forms of discrimination, protecting the rights of all Group employees.

Impacts on equal opportunities and staff diversity arise from the Group's own activities.

Promoting diversity and equal opportunities is important for the success of a company. This improves adaptability to changing market conditions and increases the attractiveness of employers. Therefore, Alperia has a Diversity Manager and in 2023 defined a Diversity Policy. Alperia is committed to offering all employees of the Group a non-discriminatory working environment with equal opportunities, regardless of age, gender, linguistic background or any disability. For Alperia this also means ensuring equal pay and equal career opportunities for men and women. The pink quota is relatively low due to the specific nature of the technical sector in which we operate, and for this reason we are trying to get more and more women into technical professions. In the area of human resources management, we have paid particular attention to the recruitment of disabled personnel and to compliance with the relevant quotas laid down by law, which in Alperia are slightly lower than those of companies in other sectors due to the technical activity carried out in the electrical sector.

Responsibilities have been defined within the company. As part of the calculation of economic value, we also consider the added value we pass on to our employees. There is currently no employee complaint management system, but a whistleblowing platform is available, which allows employees who become aware of misconduct, violations of Model 231 or the Code of Ethics to make confidential reports.

Internal stakeholder(s) are involved through the management activities of minority staff, training and education on the subject, and through the meetings of the specific committee that meets periodically in order to define projects to promote diversity in the company.

What we did

"Alperia should pay men and women equal wages for equal work and should work to have more women in leadership positions."
Comment by a female employee; Stakeholder Survey 2021

Alperia replies: *Alperia has appointed a Diversity Manager who will develop Diversity & Inclusion policies. We are already working to promote the growth of women. Currently, 22% of women hold management positions, our gender pay gap is 11% for the whole Group, and 9% for female employees. In order to promote greater participation of women, we develop numerous reconciliation and flexibility measures.*

"There are still too many discrepancies in treatment between men and women. Fatherhood must be facilitated."
Community Comment; Stakeholder Survey 2021

Alperia replies: *Alperia is a certified Family Audit company, a label awarded by the Family Agency of the Autonomous Province of Bolzano and the Chamber of Commerce, which proves the efforts made to reconcile private and working life of staff. Parental leave is one of the measures, and in 2023 it was taken by 100% of men, of which 67% of the total leave hours are voluntary.*

We are convinced that diversity in all dimensions represents considerable added value for Alperia. The diversity of our employees is what sets the Group apart. This is why, after having equipped ourselves with a Diversity Manager in 2021, **in 2023 we defined the Diversity Policy**: a document in which we indicate what objectives we want to pursue and what actions we are putting in place to be more inclusive and value diversity of all kinds: of age and experience, gender, cultural background, religion, physical and mental abilities, sexual orientation and identity.

At present, 13% (11% in 2022) of Alperia employees are 30 years old or younger, 55% (55% in 2022) are between 30 and 50, and 33% (34%) are over 50. Women account for 28% (26%) of the Alperia Group''s total employees (356), up two percentage points from 2022. In corporate bodies, however, women account for 33%. Aware of the fact that reconciling family life is often one of the main obstacles to women''s careers, we have adopted organisational policies with flexible working hours, parenting support tools and parental leave. In 2023, **parental leave** was taken by 100% (100% in 2022) of women and 100% (89% in 2022) of men (rightful claimants), with 100% (100%) returning to work on time. A total of 25,908 (17,673 in 2022) hours of leave were taken by women and more than 7,919 (4,864 hours in 2022) by men (including breastfeeding, parental leave, compulsory maternity and paternity leave), of which 67% (64% in 2022) of men's and 53% (40% in 2022) of women's leave was **voluntary.** Overall, over the course of the year, on average women took 15 weeks of voluntary leave and men 6 weeks. With regard to women's careers, during 2023, out of 214 promotions 55 were women, which corresponds to 26% of the total, in line with the percentage of the corporate population.

Also in 2023 we renewed the **Family Audit** certification, awarded by the Family Agency of the Autonomous Province of Bolzano and the Chamber of Commerce. Alperia has also started working towards obtaining the Gender Equality Certification: a tool that further oversees diversity policies in the company, with periodic assessments and reference indicators that aim to reduce some substantial differences such as, for example, the gender pay gap. Currently, in the Alperia Group's management, women earn on average 10% (10% in 2022) less than their male colleagues, for female employees the percentage increases to 9% (7% in 2022). The increase in the gap was caused by the inclusion in the reporting scope of the new companies located outside South Tyrol having significantly lower average remuneration values. The 2023–2027 Business Plan envisages the gradual reduction of the gender pay gap, until it is completely eliminated. Furthermore, with regard to the difference in salary between the various company figures, the highest paid employee has a salary that is 5.4 times the average salary of Group employees.

Projects organised to enhance diversity include:

- **mentoring**, a path of exchange and growth between experienced managers and directors (mentors) and junior key figures (mentees), which saw its second edition in February 2023 with 14 fourteen pairs
- the **language tandem** with pairs of two native speakers who can learn the other language through conversation with a fellow native speaker
- **courses dedicated to women's leadership** organised periodically also in collaboration with sector benchmarks such as Valore D, a pioneer association in gender balance issues
- **female empowerment in technical positions:** aware of the shortage of female profiles in technical areas, we work with universities to increase the number of female students in these faculties, breaking down the gender stereotypes still present. In 2023, we also published a video about our first female electrician in the energy distribution
- **talent management**, a multi-year project that is repeated at certain intervals during which training modules are organised for colleagues identified as 'talented'. To participate in the programme it is possible not only to be chosen but also to self apply
- **measures for parental leave and 'active fatherhood'**: we promote the use of parental leave also by fathers, we made a video of some fathers in the company who have taken or are taking leave to encourage other fathers to do the same, and we organised a 'Fathers and Sons' day at the Renon family house to further enhance fatherhood
- **condemnation of violence**: we pursue a zero-tolerance policy towards aggressive behaviour; therefore, we try to prevent acts of violence by immediately intervening and sanctioning any type of aggression; furthermore, to raise awareness of the issue, we made a video against violence against women, involving our employees from different companies
- **diversity workshops**: training events dedicated to Top Management to increase sensitivity and awareness of diversity and tolerance within the company
- **intergenerational projects** designed to strengthen the internal network and foster exchange between generations
- **projects for pensioners** whom we involve with events and meetings organised by Alperia or the CRAL in which they can continue to participate after retirement
- **Networking:** we encourage the creation and consolidation of contacts between our employees and between different companies

Alperia also has an **Equal Opportunities Commission** with eight members, four proposed by Alperia and four by the trade unions. The Equal Opportunities Commission is committed to preventing discrimination, promoting diversity and inclusion within the corporate Group and monitoring various initiatives. In the future, we will continue to focus more on diversity and inclusion, expand and promote the measures already in place by continuing a holistic concept with the aim of demonstrating the added value of a diverse organisation. All diversity principles and measures are monitored through continuous reporting and data control through reports.

In addition to the above measures, we have simplified and digitised the process for applying for part-time work and provided for the supply of sanitary napkins in the women's toilets. We will continue to promote diversity & inclusion in the future, both because it is ethically correct and because it enhances competitiveness. Diversity in the company increases productivity, strengthens the spirit of problem solving and creativity, fosters the attraction and retention of talent, lays the foundations for fruitful collaboration and effective communication, saves on the costs of any legal disputes that might arise due to discrimination, and increases market share and customer satisfaction.

Strategic objective: we want to promote an inclusive and equal environment.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Formalisation of Diversity Management governance within Alperia, through the establishment of a specific committee		2022	Committee established	-		✓	SDG 5
Approval and publication of a diversity and inclusion policy for Group employees		2022	Policy			✓	SDG 5
Promotion of women's professional development within the Group		Annual	Women promoted/total promotions	-	26%	✓	SDG 5
Promotion of reduced flexible hours for men and women and managers		Annual	Share of part-time staff (%)	-	11% (part-time employees)	✓	SDG 5
Promotion of voluntary equal parental leave		Annual	Employees taking paternity leave/total number of eligible employees Hours of voluntary parental leave (men)	-		✓	SDG 5
Awareness-raising of recruiters and top management on remuneration policy with particular reference to the gender pay gap	There was no event, but the topic was discussed on several occasions with both recruiters and management	2023	-	-		✓	SDG 5
Cultural diversity: promoting linguistic diversity and implementing a language tandem in South Tyrol	Tandem project: the first edition of the Language Tandem Project ended on 12 July 2023 with a final meeting	2023				✓	SDG 5
Definition of a succession plan for key functions in Hydrodata (generational change)	A long-term succession programme is underway	2025	-	-		Ongoing	SDG 5
Reducing the gender pay gap between female employees		2027	Gender pay gap – (equal employees)	0.95	0.91	Ongoing	SDG 5

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
and middle managers with the same classification							
Increasing the share of women in companies and in first- and second-level management		2027	% women in the company	28%	28%	Ongoing	SDG 5
Increasing the proportion of women in first- and second-level management		2027	% women in mgmt	27%	22%	Ongoing	SDG 5
Age diversity: pushing intergenerational initiatives and lowering the average age of women		2027	Average age women	41	43	Ongoing	SDG 5
Age diversity: pushing intergenerational initiatives and lowering the average age of men		2027	Average age men	45	44	Ongoing	SDG 5
Age diversity: attracting young talent and qualified professional profiles (bilingual in South Tyrol)		2027	No. of placements	60	47	Ongoing	SDG 5

10.3. Health and safety at work

How we manage the topic? Alperia is one of the largest employers in South Tyrol, and the issue of health and safety has been identified as essential both in terms of impact and by the stakeholders. Certain tasks of the Group's employees may represent a health and safety risk due to the type of activities that are carried out in potentially hazardous situations or with potentially hazardous materials. Investing in the health and safety of employees can lead to a reduction in long-term costs related to occupational injuries and illnesses, promote environmental sustainability and ensure that employees' rights to work in a healthy and safe environment are respected.

The health and safety impact of employees mainly concerns the activities of the Alperia Group, which, due to the nature of the activities carried out, can cause serious consequences for those involved. In the context of working relations with external employees, they are **informed of the potential risks** and asked to **comply with the** Group's **rules** on the subject, thus reducing the impact on safety.

Alperia pursues the objective of minimising the risk of accidents for its employees, especially in areas classified as hazardous, such as plant and infrastructure, by operating in compliance with Legislative Decree 81/2008. This is achieved through systematic training of employees on safety, personal protective equipment (PPE) and continuous renewal of work equipment. Alperia is committed to ensuring ever greater health, safety and environmental protection not only for its employees, but also for third parties. Alperia has promoted and completed the implementation of **certified integrated management systems** (ISO 14001, ISO 9001, ISO 45001) for all major Group companies. Despite the major risks associated with its activities, the systems implemented have made it possible to keep the severity rate of accidents and their number very low at all times.

Alperia works to create a healthy and safe working environment and implements all necessary measures to reduce the risks arising from various activities. We involve our employees with training courses aimed at increasing their safety awareness.

Health surveillance under Legislative Decree 81/2008: Alperia provides for medical examinations for each of its employees (depending on the task) to check professional suitability. The examinations are specifically tailored to the task performed and are carried out in cooperation with competent doctors with whom we have established a decade-long collaboration. All this is done to ensure greater doctor–patient harmony and to favour the 'doctor of trust' approach as much as possible. Alperia also provides **supplementary health insurance** and insurance against occupational and non-occupational **accidents** in the event of permanent disability. It therefore promotes measures to improve health and well-being at work and to lower absenteeism rates.

All accidents are monitored and reported, becoming the subject of information and **'lessons learnt'**. Thus, through regular reports, employees are involved in the implementation of the occupational health and safety management system.

Alperia monitors the activities and accidents of the supplier(s) in order to avoid and mitigate significant negative health and safety impacts directly related to their activities. All this is done upstream: Alperia has implemented a Vendor Register and a Vendor Rating System that allows suppliers to be evaluated on the basis of predefined indicators, including accident indices.

The conformity of the integrated management system APM (Alperia Process Map) is regularly checked through first-party (internal) and third-party (external, i.e. by an accredited third party) audits. Effectiveness is monitored several times during the year on the basis of predefined indicators, making adjustments where necessary.

Periodic meetings are held for each certified company (management reviews and meetings pursuant to Article 35 of Legislative Decree 81/2008), to share results and improvement programmes, the outcome of internal and external audits, the outcome of health surveillance and the progress of training programmes.

10.3.1. Working safely

Our commitment to a safe working environment

Alperia pursues the goal of **promoting the well-being** of its people and ensuring the **highest level of safety** by implementing all necessary measures to reduce the risks arising from work activities. "Health and safety" is one of Alperia's ten Golden Rules.

Each Group company employs a HSE Manager/Head of the Prevention and Protection Service (RSPP). This figure is in charge of promoting all procedures to protect workers, analysing and foreseeing the occurrence of conditions hazardous to their safety. He/she is a mandatory figure and indispensable for maintaining a safe and healthy working environment. The HSE is also responsible for publishing the monthly report on quality, asset integrity, environment, and health and safety, in which any accidents occurring at work are discussed and there is also a section on waste ('zero waste'). This awareness-raising also continues with information pills on the company intranet and lessons learnt.

With the aim of further improving the monitoring of events, Alperia has integrated the **IMS management system** with GRI requirements. The conformity of the Integrated Management System APM is regularly verified through first-party (internal) and third-party (external, i.e. by an accredited third party) audits. Periodic meetings are held for each certified company (management reviews and meetings pursuant to Article 35 of Legislative Decree 81/2008) to share results and improvement programmes, the outcome of internal and external audits, the outcome of health surveillance and the progress of training programmes. Alperia has recently revised its document procedure system, digitising it in order to make it more effective (see box). Also in the context of digitisation, Alperia is building a digital space where all employees can find personal information, from training (under development) to health surveillance (already in place).

In 2023, Alperia was awarded the '**Excellence Certificate'**, the recognition reserved for organisations that have distinguished themselves through the number and quality of their certified Management Systems, issued by IMQ S.p.A., a leading organisation in the field of conformity assessment. It was the first energy provider in Italy to receive such an award. The Excellence Certificate is awarded only to the most virtuous companies that have constantly dedicated themselves to improving their processes. In addition, there was an extension of the 27701 certification dedicated to the protection of personally identifiable information. Management System certifications are an indicator of reliability and effectiveness for all stakeholders and imply concrete involvement for all Alperia personnel. To these are added the EMAS declarations, i.e. voluntary environmental performance certifications, for the companies Alperia Ecoplus, Alperia Greenpower and Alperia Vipower.

Risks that are significant for Alperia are assessed in the **Risk Assessment Document** (DVR). For the management of accidents and near misses, Alperia adopts a procedure to speed up the reporting of such events. Furthermore, with the aim of assessing both the Group's internal accident performance and that of external companies operating at Alperia's sites, a system for collecting data on the activities carried out by staff (e.g. hours worked) and a procedure for reporting accidents has been consolidated. The data collected is disseminated through the **monthly HSE report**. In 2023, nineteen accidents were recorded in Alperia for our employees. The number of days of absence was **691**. The **Frequency Index** (FI) was therefore **9.62** and the **Severity Index** (GI) **0.35**. During the year, **9,810 hours** were dedicated to safety. Training was addressed to all Group companies and **724 employees** participated. In addition to training, each employee is provided with Personal Protective Equipment (PPE), machinery, plant, and suitable work equipment, which is regularly maintained and, where necessary, renewed.

It should be noted that the contractual conditions also include clauses dedicated to the health and safety of employees and workers of third-party companies, and that the work performance of contractors is also assessed through a dedicated rating system. According to the data collected, **only one accident** occurred **during the year**, with 172 days of absence from work. The accident involved a driver of an external company who was assisting in the unloading of a construction vehicle for work in San Pancrazio. During the unloading of the vehicle, due to the rain and the inclination of the ground, the vehicle slid sideways from the platform, crushing the driver's legs. Alperia analysed the event with its safety coordinator, who ascertained that Alperia was not responsible, an absence of responsibility that was confirmed by the labour inspectorate. The data, as the years of collection go by, are more and more punctual, but are not tracked as in the case of accidents for employees, rather they are monitored against what is reported by the supplier(s). Accident indices are among the indicators that Alperia has included in its Supplier Register and Vendor Rating System to assess the supplier(s) also on the basis of this data.

Finally, Alperia and the **Civil Protection** Agency signed a further agreement in May 2023 to ensure the continuation of collaboration in emergency management. Among the commitments included in the agreement are the integration of systems, procedures, resources and information, the sharing and development of organisational models, the promotion of joint training modules and support on the ground, and collaboration in research projects to raise the awareness of institutions, the private sector and the public about risks. The agreement, which will run for ten years, will improve staff training and operational communication.

Work-related injuries   {GRI 403-9}

Employees[1]	Unit	2023	2022	2021	2020	Variation
Fatal accidents	No.	0	0	0	0	0%
High-severity occupational accidents (excluding fatal accidents)[2]	No.	0	0	0	0	0%
Injuries involving days off work	No.	19	12	21	14	58%
Injuries involving work restrictions or transfer to other tasks	No.	NA	NA	NA	NA	0%
Injuries involving medical treatment*.[3]	No.	0	1	0	0	-100%
Other significant injuries diagnosed by an authorised health professional[4]	No.	0	0	0	0	0%
Hours worked	No.	1,974,942	1,902,443	1,891,290	1,721,452	4%
Lost working days[5]	No.	691	242	472	320	186%
Rate of deaths due to accidents at work (per 1,000,000 hours)	Rate	0,0	0,0	0,0	0,0	0%
High-severity occupational accident rate (per 1,000,000 hours)	Rate	0,0	0,0	0,0	0,0	0%
Rate of recordable occupational accidents (per 1,000,000 hours)	Rate	9.62	6.31	11.10	8.13	53%
Rate of lost working days (per 1,000 hours)	Rate	0.35	0.13	0.25	0.19	175%

Contractors[1]	Unit	2023	2022	2021	2020	Variation
Fatal accidents	No.	0	0	0	0	0%
High-severity occupational accidents (excluding fatal accidents)[2]	No.	1	0	0	0	0%
Injuries involving days off work	No.	0	4	2	16	-75%
Injuries involving work restrictions or transfer to other tasks	No.	NA	NA	NA	NA	0%
Injuries involving medical treatment*.[3]	No.	0	0	0	0	0%
Other significant injuries diagnosed by an authorised health professional[4]	No.	0	0	0	0	0%
Hours worked	No.	618,304	627,904	731,328	770,223	-2%
Lost working days[5]	No.	172	0	57	73	0%
Rate of deaths due to accidents at work (per 1,000,000 hours)	Rate	0,0	0,0	0,0	0,0	0%
High-severity occupational accident rate (per 1,000,000 hours)	Rate	0,0	0,0	0,0	0,0	0%
Rate of recordable occupational accidents (per 1,000,000 hours)	Rate	1.62	6.37	2.73	20.77	-75%
Rate of lost working days (per 1,000 hours)	Rate	0.28	0.00	0.08	0.09	0%

[1] Injuries en route were included, only if the transport was organised by the organisation.

[2] Work-related accident resulting in an injury from which the worker cannot or is not expected to fully recover to her pre-injury state of health within six months.

[3] In addition to first aid or loss of consciousness.

[4] It does not involve death, days off work, work restrictions or job transfers, medical treatment beyond first aid or loss of consciousness.

[5] In calculating 'lost working days', 'days' means 'calendar days'; the counting of 'lost working days' begins on the day after the accident.

10.3.2. Health at the centre of attention

Our corporate well-being programme

In 2023, Alperia activated a training course dedicated to the risks linked to office life and smart working with reference to ergonomics. The course, developed in two languages (Italian and German), will be delivered in 2024 through an e-learning platform and will involve over 700 people (including technical and clerical profiles).

The HR function has set up a **corporate well-being programme** with sports courses as well as resilience and mindfulness courses and courses to enhance the well-being of employees, such as the 'stability training' postural and preventive gymnastics course. We believe that physical activity in the workplace is very important, especially in stress management, improving work performance and interpersonal relationships. In the future, Alperia will continue to include fitness and mental health courses in its training catalogue. And the theme of well-being will also be central in the new headquarters in Merano, whose structure has been designed precisely to offer people a good quality of life, also thanks to spaces such as a fitness room and a relaxation room (for more details, see the section "Our locations").

We would also like to remind you that in compliance with Legislative Decree 81/2008, Alperia provides for a medical examination to check the professional suitability of personnel and offers the possibility of using part or all of the production bonus to take advantage of benefits under a welfare programme (for example, it is possible to request reimbursement of school expenses for a family member or reimbursement of expenses for care of dependent or non-independent living relatives). It also provides **supplementary health insurance** and **long-term care insurance against occupational and non-occupational accidents in the** event of permanent disability.

Inside the offices, also thanks to suggestions made through the 'MyIdeas' tool open to employees, glass water bottles were introduced, as well as aluminium bottles for operative workers, drinking water dispensers, free apples, free sanitary towels for women, and dispensers with hand sanitizer at the entrance to the offices and in every toilet (in addition to the new bins for disposing of disposable masks). Agreements were renewed with the CRAL until 2026, with some sports centres in Bolzano and with other associations in the area.

All these measures contribute to creating a more welcoming and well-being-oriented environment, with a positive impact in terms of engagement and – in the absence of a pandemic – absenteeism. The Group-wide **absenteeism rate in** 2023 was **4.9** (5.8 in 2022) per 1,000 hours worked, some **17%** lower than in 2022. Lost working days due to illness also decreased **by 13% to 11,792**. Occupational illnesses contracted in 2023 were, exactly as in 2022, **zero**.

Work-related ill health {GRI 403-10}

Employees	Unit	2023	2022	2021	2020	Variation
Deaths due to work-related diseases	No.	0	0	0	0	0%
Work-related illnesses involving days off work	No.	0	0	0	0	0%
Days of work lost due to absences of all kinds*.[1]	No.	11,792	13,600	12,566	16,698	-13%
Occupational diseases leading to work restrictions or transfer to other tasks	No.	0	0	0	0	0%
Occupational Diseases Involving Medical Treatment*[2]	No.	0	0	0	0	0%
Other work-related illnesses diagnosed by an authorised health professional	No.	0	0	0	0	0%
Recordable cases of occupational diseases	No.	0	0	0	0	0%
Hours worked	No.	1,974,942	1,902,443	1,891,289	1,721,452	4%
Planned working hours	No.	2,428,031	2,329,755	2,243,027	2,086,963	4%
Absence rate (days of absence per 1,000 hours worked)*[3]	Rate	4.9	5.8	5.6	8.0	-17%

*[1] Counting of 'lost working days' begins on the day after the accident.
*[2] In addition to first aid or loss of consciousness.
*[3] Permitted absences such as holidays, study leave, maternity or paternity leave and health leave are excluded.

Strategic objective: we want to promote a healthy and safe environment.

Operational objectives	Measures implemented in 2023	Terms	KPI	Target value	Value year 2023	Status	SDG
Safety: no accidents occurred to employees and external companies	Inclusion of HSE part in company onboarding	Annual	No. of accidents with lost working days	0	19 accidents with 691 days of absence	X	SDG 3
Health: introduction of an ergonomic workstation communication programme	Defining the content of the communication plan	2023	-	-		✓	SDG 3
Health: organising an ergonomics course	Roll-out planned for 2024	2023	-	-		✓	SDG 3
Health: organising stress management training for employees (incl. prevention of abnormal situations)	Stress resilience in spring 2023. Mindfulness in autumn 2023 in both languages	2023	-	-		✓	SDG 3
Health: development of corporate wellness measures and working methods consistent with smart working	Online courses and training offers	2023	-	-		✓	SDG 3
Safety: offering safe driving courses for operational staff of new companies		2024				Ongoing	SDG 3
Security: improve monitoring of external companies for security aspects (new companies)		2025				Ongoing	SDG 3
Health: reducing absence rates		2027	Absence rate (days of absence per 1,000 hours worked)	3.5	4.9	Ongoing	SDG 3

11. Appendix

11.1. MAPPING DECREE 254/16 AND RISK MANAGEMENT

Scope Legis-lative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
Social aspects	Security and accessibility of supply	Strategic/ Operational/ Financial	**RISK 1 STRATEGIC** – Risk of inadequate/poor management of climate change in the long term with potential variability of demand from different stakeholders determined by different weather scenarios (e.g. grid expansion vs. global warming). **RISK 2 OPERATIONAL** – Risk of potential malfunctions/disruptions in energy, gas and district heating distribution due to: - inadequacy of weather damage prevention activities; - inadequate inspection and maintenance; - inadequacy of the automation level (e.g. fault detection and malfunctioning); - inadequacy of design activities for new links. **RISK 3 FINANCIAL** – Risk of inadequate investment in measures to improve plant performance in terms of availability, reliability and efficiency.	**MITIGATION/CONTROL ACTION 1** – We want to be prepared for climate change by increasing the Group's resilience. Therefore, we include in our strategic plans objectives directly related to this issue, and we are diversifying the business by increasingly focusing on sustainable products and services. In addition, we have initiated a project with the aim of estimating the impact of climate change on Alperia's activities and assets. **MITIGATION/CONTROL ACTION 2** – In order to avoid the risk of potential malfunctions in the distribution of electricity and with the aim of reducing both the frequency and duration of power outages, a portal ('LineRegister') was created on Edyna's website for excavation companies, which allows them to view the routes of underground lines to avoid excavation damage after registering. In addition, we have taken out insurance policies. The primary substations and power stations are equipped with supervision systems that automatically send alarms in the event of malfunctions, and there is also a 24-hour on-call service for any malfunctions. In order to improve the quality of service, modernise the network infrastructure and make it more resilient, we have provided: - the progressive burying of overhead lines - the expansion of automation on the medium-voltage network and remote control of secondary substations - the periodic overhaul of overhead lines by helicopter and the cutting of trees in the vicinity of overhead lines (definition of buffer zone) - periodic inspection of electrical installations As far as district heating is concerned, the distribution pipes are equipped with a leak detection system to detect water leaks at an early stage. **MITIGATION/CONTROL ACTION 3** – To improve plants in terms of availability, reliability and efficiency, we have planned major investments in generation and distribution (Strategic Plan 2023–2027) and are expanding our district heating networks.
	Economic development and business model resilience	Strategic/ Operational/ Financial	**RISK 1 OPERATIONAL** – Risk associated with both the failure to comply with or implement the environmental prescriptions contained in the Concession Specifications and the failure to bear the costs of improvement measures in favour of the riparian municipalities.	**MITIGATION/CONTROL ACTION 1** – In the spirit of maintaining and improving the environment and the territory surrounding the hydroelectric plants, Alperia scrupulously complies with the prescriptions of the specifications, promotes and participates, together with the representatives of the Autonomous Province of Bolzano and of the riverside municipalities, in the Hydroelectric Plants Councils. Finally, Alperia pays out the funds for the implementation of environmental improvement measures according to the relevant provincial resolutions. When within its competence, Alperia implements the mitigation measures provided for in the three-year plans.

Scope Legis-lative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
		Financial	**RISK 2 FINANCIAL** – Risk of lack of liquidity to finance ESG projects.	**MITIGATION / CONTROL ACTION 2** - We have issued a Green Bond to finance projects that have a positive impact on the environment and we are committed to continuing the path of green funding.
	Sustainable energy products and services	Strategic/ Operational	**RISK 1 OPERATIONAL** – Risk of non-/under-development of motivational measures addressed to customers aimed at increasing the number of customers receiving electronic invoices.	**MITIGATION/CONTROL ACTION 1** – We want more and more customers to receive their invoices in digital format. A choice we are promoting through consumer behaviour activities aimed at stimulating the purchase of green products. In addition, the new, more competitive offers for the domestic market include the obligation to receive invoices exclusively in electronic format.
	Customer satisfaction	Operational	**RISK 1 OPERATIONAL** – Risk of inadequate handling, in terms of speed and efficiency, of customer/user service and complaints with possible impacts on customer satisfaction and loss.	**MITIGATION/CONTROL ACTION 1** – In order to limit the risk of inefficient management and to offer our customers a quick and solution-oriented service, we use a number of communication tools, including a bilingual freephone number, which is augmented by an external call centre to cope with peaks in demand. In order to reduce the risk of inadequate management, in terms of speed and efficiency, of the customer/user service, in addition to the various initiatives already in place, we have recently implemented a system for managing contact from customers via web tickets that allows and facilitates all communications, requests for files and documentation. This system allows for the timely handling and processing of all customer files. In addition, the dedicated complaints channel allows for the timely and detailed handling of all complaints and criticalities expressed by our customers. In this way we comply with all service SLAs.
	Cyber security	Compliance/ Operational	**RISK 1 COMPLIANCE** – Risk of non-compliance with legal provisions on privacy with regard to the protection of personal data.	**MITIGATION/CONTROL ACTION 1** – We want to ensure compliance with data protection regulations (GDPR, lgs. 196/2003 as amended and generally applicable data protection regulations). To add to this objective, we take the following measures: - implementation and monitoring of specific procedures and processes - monitoring of information systems (including data flow) - implementation of privacy and security by design - recording of all processing of personal data in the register of processing operations (including risk assessment and TOM measures under Art. 32 GDPR, etc.), updated periodically - privacy training - implementation and monitoring of additional measures as required by privacy legislation (appointments of Data Protection Officers, processing authorisations, disclosures, DPIA, etc.)
			RISK 2 OPERATIONAL – Risk of security incidents responsible for potential damage to information, personal data protection, intellectual property and continuity of service due to cyber attacks arising from events such as phishing and malware channelled through the multiple	**MITIGATION/CONTROL ACTION 2** – We want to protect data and systems from security incidents or attacks and to guard business continuity (e.g. system failures, power outages, cyberspace events). To do this, we employ efficient protection systems against internal and external attacks and intrusions, renew ISO 27001 certification annually, develop business continuity and incident response plans, and implement security plans for continuous

Scope Legislative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
			channels of the cyberspace in which we are present and to which we are exposed. Risk of a low level of regulatory compliance and holistic view of the cyberspace in which we operate, due to a lack of management and awareness of cyber security issues with possible impact on the entire organisation in terms of regulatory deviations and inconsistent oversight of IT and OT systems with respect to, for instance, response plans to adverse events such as incidents or new and emerging threats.	technical and organisational improvement, all aimed at lowering the risk level. We also conduct data protection and cyber security awareness campaigns to raise the sensitivity and awareness of the entire organisation in order to maintain high levels of attention and posture.
	Innovation, digitisation, research and development	**Strategic/ Operational**	**RISK 1 STRATEGIC & OPERATIONAL** – Risk of failure to identify/plan innovation projects as well as inadequate channelling of resources within these projects/activities with potential impacts on the development of new business opportunities.	**MITIGATION/CONTROL ACTION 1** – An idea and project monitoring and reporting system was set up with the intention of finding a way to identify innovation-related expenditure. The procedure governing innovative ideas from MyIdeas by channelling them to "Competence Centres" per thematic area was published in the APM. In addition, a database was built in SharePoint to monitor the Group's major projects (which, in an 'extended' sense, can be defined as innovative).
			RISK 2 STRATEGIC & OPERATIONAL – Risk of non-alignment of innovation projects with ESG objectives relevant to the Alperia Group's corporate strategy, with potential impacts on the achievement of sustainability goals.	**MITIGATION/CONTROL ACTION 2** – We compare each new innovation project opportunity with ESG objectives, mapping the expected impacts of each initiative. Thus, we ensure the consistency of our innovation investments with the corporate strategy and the sustainability goals. A database has been created on SharePoint in which the ESG issues on which the projects have an impact, chosen from among the ten selected by Alperia, are recently recorded.
Environmental aspects	**Water**	**Strategic/ Compliance/ Operational**	**RISK 1 STRATEGIC** – Risk associated with underestimating the effects of climate change and increasing intensity of acute weather phenomena (e.g. floods, droughts, etc.), with serious consequences for plant productivity.	**MITIGATION/CONTROL ACTION 1** – We invest in the efficiency of hydropower plants, including through the renovation and installation of new, high-efficiency generator, alternator turbine units. We build new hydroelectric plants to recover energy otherwise dissipated by the Minimum Vital Flow. We promote Research & Development activities aimed at determining improvement actions resulting from climate change. From 2023 onwards, studies are underway to diversify the source of production while remaining within the scope of renewables (photovoltaics, hydrogen and micro-wind).
			RISK 2 OPERATIONAL – Risk of failure to implement environmental compensation measures (e.g. fish ladders) resulting in loss of biodiversity.	**MITIGATION/CONTROL ACTION 2** – We actively protect the environment as well as the biological diversity of derived watercourses by using funding from environmental funds to implement morphological improvement measures for watercourses affected by hydroelectric derivations. Furthermore, in order to define the most suitable compensation measures, we promote and participate, together with representatives of the Autonomous Province of Bozen/Bolzano and the riparian municipalities, in the Hydroelectric Plant Councils.

Scope Legis-lative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
			RISK 3 OPERATIONAL – Risk associated with flood phenomena affecting large dams.	**MITIGATION/CONTROL ACTION 3** – Revision 02 of the PRO GP 303 "Large Dam Flood Management" procedure is planned. Simulations of flood events continued, involving the operational staff and the South Tyrolean Civil Protection, with whom specific memoranda of understanding were written. Software developments are underway aimed both at forecasting flood events and at automating the exchange of information with the provincial authorities in charge during flood events.
	Emissions	**Operational**	**RISK 1 OPERATIONAL** – Risk of failure to define and implement a road map to achieve Net Zero (defined according to the Science Based Target initiative). In detail, the risk is divided into: - lack of staff awareness and competence building to implement the Net Zero strategy - non-implementation of projects/definition and implementation of projects that do not perform as planned - failure to monitor or inappropriate monitoring of projects included in the road map **RISK 2 OPERATIONAL** – Risk of non-compliance with the mobility plans developed for the company vehicle fleet with regard to reducing emissions.	**MITIGATION/CONTROL ACTION 1** – Alperia has sent submission forms to the SBTi for the validation of its decarbonisation targets for both Near Term (2032) and Net Zero (2040). The SBTi is currently analysing the documentation sent by Alperia S.p.A. In order to be able to submit the submission forms Alperia S.p.A. has completely revised its CO_2e emissions inventory, which to date is complete (Scope 1, Scope 1 biogenic, Scope 2 location- and market-based, Scope 3) and created a manual for the creation of the CO_2e emissions inventory, which is currently being reviewed by the auditors of the Sustainability Report. Furthermore, Alperia verified the correspondence between the KPIs of Vision 2031 (in line with the South Tyrol Climate Plan) and the SBTi emission reduction targets. **MITIGATION/CONTROL ACTION 2** – We want to reduce mobility-related emissions. Within Vision 2031 Alperia is committed to minimising mobility-related emissions, promoting initiatives in both internal and external mobility (home–work travel) through the Mobility Manager.
	Energy	**Operational**	**RISK 1 OPERATIONAL** – Risk of inadequate monitoring of energy consumption and energy-efficiency levels of Alperia Group plants and buildings with potential negative impacts on plant design, energy-efficiency projects and actions aimed at reducing the Group's carbon footprint.	**MITIGATION/CONTROL ACTION 1** – We structure and make more consistent the monitoring and control of energy consumption in order to improve the quality of analyses and increase the effectiveness of energy-efficiency measures on plants and buildings also thanks to the gradual introduction of an ISO 50001 certified energy management system. The actions planned and decided by the individual companies of the Alperia Group are coordinated by the Group's Energy Management, supported by Alperia Green Future, the Group's ESCo, which, thanks to its many years of experience in energy efficiency and sustainability, has all the tools to support all the Group's companies in improving the monitoring of energy consumption and emission impacts and in undertaking the most effective activities to reduce both energy consumption and climate-altering gas emissions that are in line with the efficiency objectives of the Group's Strategic Plan.
	Supply chain	**Strategic/ Operational**	**RISK 1 STRATEGIC** – Risk of failure to identify specific criteria/requirements aimed at ensuring that corporate procurement is as local and sustainable as possible and risk	**MITIGATION/CONTROL ACTION 1** – To help create local value and select suppliers of raw materials suitable for our business, we strategically set ourselves the goal of making our purchases as local and ecologically and socially sustainable as possible. 100% of our new supplier(s) are screened

Scope Legis-lative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
			of inadequate choice and selection of supplier(s).	according to environmental and social criteria. In order to reach our target goals with regard to the selection of new supplier(s) on the basis of social and environmental requirements, we have adopted the Bravosolution system, assessing the inclusion of sustainability criteria per category of goods (high, medium, low criticality).
			RISK 2 OPERATIONAL – Risk of potential unethical behaviour by suppliers.	**MITIGATION/CONTROL ACTION 2** – In order to avoid the risk of non-transparency in the supplier selection process, in particular with reference to active/passive corruption issues, we are committed to ensuring responsible management of the supply chain with verification of the honourableness, professionalism, technical and reputational requirements of suppliers. Furthermore, to avert the risk of ethically unsound conduct by suppliers, a human rights clause is contained in the General Terms and Conditions at Group level.
	Asset Integrity	**Operational**	**RISK 1 OPERATIONAL** – Risk associated with the partial or total failure of the hydraulic works attached to the installations, with potentially disastrous consequences for the populations living in the vicinity.	**MITIGATION/CONTROL ACTION 1** – In accordance with the relevant legislation in force, dams/diversion works and river crossings are subject to inspections by the Ministry of Infrastructure and the Autonomous Province of Bolzano's Dams Office, respectively. The controls provide, among other things, for supervisory visits every six months. Mandatory provisions on the subject are also contained in Resolution 221 promulgated by the Autonomous Province of Bolzano and in the concession regulations. In addition to the legal provisions, as a spontaneous improvement action, Alperia Greenpower promotes, for the plants in its possession, inspection campaigns, measurements, targeted checks, etc. as a result of which it carries out the relevant maintenance work. In terms of **relevant** investments, they are ongoing: - the complete replacement of the penstock at the San Pancrazio plant - the complete replacement of the Santa Valburga penstock - the doubling of the floodgates of the second lightening cabin at the Resia dam - the internal painting of the Pracomune penstock The first two interventions mentioned above are part of the plan to replace the penstocks of some of the hydroelectric plants whose concessions were renewed in 2011 and, in particular, the contract for the replacement of the penstock of the San Pancrazio plant is underway.
Person-nel Manage-ment	**Health and safety at work**	**Compliance**	**RISK 1 COMPLIANCE** – Risk of failure to achieve adequate/maximum levels of occupational safety of employees and suppliers (external companies), with reference to accidents, injuries and occupational diseases with potential non-compliance with occupational health and safety regulations.	**MITIGATION/CONTROL ACTION 1** – We want to ensure the highest level of occupational safety for our employees and suppliers (contractors). We pursue this through a number of means such as the dissemination to all personnel of a monthly HSE report complete with information on health and safety, specific training for our employees, and the application of an integrated management system compliant with ISO 9001, ISO 14001, ISO 45001, ISO 27001, ISO 50001 and EMAS and verified by a certification body. The work of external companies is also monitored and evaluated according to security criteria.
	Employee involvement	**Operational**	**RISK 1 OPERATIONAL** – Risk of inadequate implementation of	**MITIGATION/CONTROL ACTION 1 –** We have created individual development, career and growth

Scope Legislative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
	and development		staff training plans aimed at ensuring the development of specific skills (e.g. development plans for management, high-potential programmes, digital skills, e-learning courses).	plans for our employees and organise internal training/ e-learning courses specific to their needs (e.g. occupational health and safety, change management, cyber security, etc.).
			RISK 2 OPERATIONAL – Risk of inadequate Group-wide policies and procedures in the area of human resources with potential impacts on their selection, management and development.	**MITIGATION/CONTROL ACTION 2** – We want to ensure the presence and observance of Group-wide policies and procedures for the selection, management and development of human resources. To this end, we apply the measures required by the Model pursuant to Legislative Decree 231/01 (segregation of duties, proxies and powers of attorney, traceability, definition and selection of objectives, performance measurement, etc.). In the case of the integration of new companies, they are urged to apply the procedures.
			RISK 3 OPERATIONAL – Risk of non-compliance with staff training activities aimed at ensuring compliance with specific regulatory requirements (e.g. OSH, Legislative Decree 231/01).	**MITIGATION/CONTROL ACTION 3** – We want to ensure compliance with regulatory obligations concerning staff training, updating training plans in accordance with the quality system and monitoring their effective implementation in the area of compliance (e.g. OSH, Legislative Decree 231/01).
			RISK 4 OPERATIONAL – Risk of employee dissatisfaction with potential inefficiencies in the management of business activities.	**MITIGATION/CONTROL ACTION 4** – We want to increase satisfaction among our employees, which is why we carry out regular surveys, also with the help of external organisations (e.g. Great Place to Work®-Institute Italia). The survey carried out in 2023 showed a satisfaction rate of 60%, an increase of ten points compared to the survey carried out in 2019 (41% in 2016).
			RISK 5 OPERATIONAL – Risk of inadequate definition of retention measures and planning of new hires in the face of retirement plans of key resources with potential impacts of loss of know-how and expertise, including technical.	**MITIGATION/CONTROL ACTION 5** – We want to create a stable and efficient company that is economically successful in the long term and that is able to deal consistently with the retirement plans of its key resources. Therefore: - we carry out promotional activities at leading schools and universities in the area to attract young talent, particularly in technical professions - we have activated the "'Talents'" project, which highlights among internal staff those employees with growth potential (50% of the talents have since moved up the career ladder) - we continue to draw up career development plans for key positions and offer growth plans to those who take on more responsibility and who are willing to get involved and have the skills Alperia needs - we defined the succession plans for the individual BUs - we have defined backups for key positions - we have also prepared succession plans for management positions in order to better plan possible replacements
			RISK 6 OPERATIONAL – Risk of conflictual relations between the parties resulting in an inability to develop effective personnel policies.	**MITIGATION/CONTROL ACTION 6** – We establish relations with employees and their trade unions based on dialogue, limiting conflicts and generating development opportunities in the mutual interest of the parties.

Scope Legis-lative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
			RISK 7 OPERATIONAL – Risk of the absence of motivational mechanisms (e.g. team building) in favour of employees, with potential inefficiencies in the management of company activities due to the lack of a communication culture aimed at ensuring feedback on performance and internal awareness through targeted workshops.	**MITIGATION/CONTROL ACTION 7** – We want to establish a culture of transparent communication in order to avoid potential inefficiencies in business management. We do this with motivational and team building activities and with training and career development activities.
	Diversity and equal opportunities	**Strategic/ Operational**	**STRATEGIC RISK 1** – Risk of not defining/expanding measures (e.g. round tables, training) to involve stakeholders (educational institutions, employees) in order to raise internal and external awareness of the topic of "Women in Technical Professions and Management".	**MITIGATION/CONTROL ACTION 1** – We want to attract more women to technical professions and managerial roles. We are promoting our reality at the main schools and universities in the area, and we are facilitating meetings with some female professionals who already work at Alperia. We collaborate with the Valore D Association and have created a module dedicated to female empowerment in our "Talent" programmes with the aim of increasing diversity in governance.
			RISK 2 OPERATIONAL – Risk of lack of work–life balance.	**MITIGATION/CONTROL ACTION 2** – We want to be a family-friendly company for both men and women. For this reason, we promote reduced and flexible working hours for our employees. Thanks to the measures we have taken, we have obtained the Family and Work Audit certification from the Autonomous Province Family Agency and the Chamber of Commerce, and we are currently in the third phase of consolidation. In 2023, smart working was harmonised Group-wide at eight days per month and currently involves around 60% of the Company population.
Respect for human rights	**Supply chain** **Diversity and equal opportunities** **Health and safety at work** **Employee development**	**Operational**	**RISK 1 OPERATIONAL** – Risk of violation of human rights.	**MITIGATION/CONTROL ACTION 1 –** Respect for human rights is fundamental to Alperia. We adopt a value system based on respect for the dignity, equality and freedom of every individual. This is a commitment that we make both internally and externally, adopting consistent conduct in the choice of suppliers, to the extent that Group-wide purchase contracts and General Terms and Conditions of business include a binding human rights clause (starting with respect for and protection of human rights, health and safety at work, as well as respect for the environment and sustainability). To further strengthen and harmonise our corporate culture, six corporate values have been identified, which we communicate both externally and internally. We are also committed to offering all Group employees a non-discriminatory working environment and equal opportunities regardless of age, gender, linguistic background or any disability. For Alperia, this also means ensuring equal pay and equal career opportunities for men and women. That is why we have appointed a Diversity Manager for the Group. A diversity policy was also drawn up in 2022, which lays the foundations for this. Every Alperia employee has the right to inform themselves and freely express their opinions, without being discriminated against for any reason (racial, political, religious).

Scope Legis-lative Decree 254/2016	Material topics	Type of risk	Risk	Mitigation/observations
	Integrated Governance and Good Corporate Conduct	**Strategic**	**Strategic Risk 1:** Possible non-alignment with sustainability regulations.	**MITIGATION/CONTROL ACTION 1 –** In accordance with CSRD and the EU Regulation on the Taxonomy of environmentally sustainable activities, Alperia is legally obliged to disclose turnover, CapEx and OpEx related to green business activities. To support the CSR function and the Energy Manager, we have developed the Climate Risk Handbook for the continuous monitoring of Alperia''s climate risks.

11.2. GRI CONTENT INDEX

Declaration of use	The Alperia Group reported in accordance with GRI Standards for the period 01/01/2023–31/12/2023
GRI 1 used	GRI 1 – Fundamental Principles – Version 2021
Applicable GRI sector standards	No applicable industry standard

GRI Standard	Information	Page number and/or URL(s)	Omission		
			Require-ment omitted	Reason	Explanation
GRI 1 Foundation 2021					
General information					
	The Organisation and its reporting practices				
	2-1 Organizational details	201			
	2-2 Entities included in the organisation's sustainability reporting	201			
	2-3 Reporting period, frequency and contact point	201-202			
	2-4 Restatements of information	127; 173			
	2-5 External assurance	180			
	Activities and workers				
	2-6 Activities, value chain, and other business relationships	12-17; 78; 172	None		
	2-7 Employees	128; 173	None		
	2-8 Workers who are not employees	129; 173	None		
GRI 2: General Disclosure 2021	EU 1 Installed capacity	163	None		
	EU 2 Net energy output	52; 163	None		
	EU 3 Number of residential and commercial customer accounts	76; 171	None		
	EU 4 Length of above and underground transmission and distribution lines by regulatory regime	53; 164	None		
	Governance				
	2-9 Governance structure and composition	37–40	None		
	2-10 Nomination and selection of the highest governance body	37–38	None		
	2-11 Chair of the highest governance body	37	None		

GRI Standard	Information	Page number and/or URL(s)	Omission		
			Require-ment omitted	Reason	Explanation
	2-12 Role of the highest governance body in overseeing the management of impacts	39–42	None		
	2-13 Delegation of responsibility for managing impacts	39–42	None		
	2-14 Role of the highest governance body in sustainability reporting	41–42	None		
	2-15 Conflicts of interest	51	None		
	2-16 Communication of critical concerns	51	None		
	2-17 Collective knowledge of the highest governance body	27	None		
	2-18 Evaluation of the performance of the highest governance body	37–38	None		
	2-19 Remuneration policies	37–38; 46	None		
	2-20 Process to determine remuneration	37–38; 46	None		
	2-21 Annual total compensation ratio	135	2-21b	Informa-tion not available	The figure on the average salary increase will be available from next year.
	Strategy, policies and practice				
	2-22 Statement on sustainable development strategy	4–6	None		
	2-23 Policy commitments	22–25; 126	None		
	2-24 Embedding policy commitments	22–25	None		
	2-25 Processes to remediate negative impacts	85–87	None		
	2-26 Mechanisms for seeking advice and raising concerns	51	None		
	2-27 Compliance with laws and regulations	50–52	None		
	2-28 Membership associations	14–15	None		
	Stakeholder involvement				
	2-29 Approach to stakeholder engagement	26–27	None		
	2-30 Collective bargaining agreements	129	None		

GRI Standard	Information	Page number and/or URL(s)	Omission Requirement omitted	Reason	Explanation
Material Themes					
GRI 3: Material Topics – 2021	3-1 Process to determine material topics	28–29	None		
	3-2 List of material topics	29	None		
Added value for the territory					
GRI 3-3: Management approach 2021	GRI 3-3 Management of material topics	111–116	None		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	111–112; 158–159	None		
GRI 203: Indirect Economic Impacts 2016	203-1 Investment in infrastructure and services supported	116–118; 161	None		
	207-1 Approach to tax	113–114	207-1-a-i	Information not available	Alperia does not currently have a fiscal strategy.
GRI 207: Fees 2019	207-2 Tax governance, control, and risk management	113–114	None		
	207-3 Stakeholder engagement and management of concerns related to tax	113–114	None		
Supply chain					
GRI 3-3: Management approach 2021	GRI 3-3 Management of material topics	120–122; 125	None		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	121; 162	None		
GRI 308: Supplier environmental	308-1 New suppliers that were screened using environmental criteria	121; 162	None		

GRI Standard	Information	Page number and/or URL(s)	Omission Require-ment omitted	Reason	Explanation
assessment 2016					
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	121; 162	None		
Energy					
GRI 3-3: Manage-ment approach 2021	3-3 Management of material topics	89-90	None		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	91-93; 168	None		
	302-4 Reduction of energy consumption	91-93	None		
	302-5 Reductions in energy requirements of products and services	52; 91-93	None		
Water					
GRI 3-3: Manage-ment approach 2021	3-3 Management of material topics	101–105	None		
Alperia own 2017	ALP 6 Water released for minimum flow	102; 168	None		
	ALP 7 Incidents of non-compliance with MVF requirements	102; 168	None		
Emissions					
GRI 3-3: Manage-ment approach 2021	3-3 Management of material topics	94–100	None		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	96–97; 169–170	None		
	305-2 Energy indirect (Scope 2) GHG emissions	96–97; 169–170	None		
	305-3 Other indirect (Scope 3) GHG emissions	96–97; 169–170	None		
	305-4 GHG emissions intensity	97; 169–170	None		

GRI Standard	Information	Page number and/or URL(s)	Omission		
			Requirement omitted	Reason	Explanation
	305-5 Reduction of GHG emissions	97	None		
	305-7 Nitrogen oxides (NOₓ), sulphur oxides (SOₓ), and other significant air emissions	96	None		
Employee involvement and development					
GRI 3-3: Management approach 2021	3-3 Management of material topics	127–132	None		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	129–130; 174	401-1-a / 401-1-b	Not applicable	Regional division: Alperia is a national company.
	404-1 Average hours of training per year per employee	131; 175	None		
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	131	None		
	404-3 Percentage of employees receiving regular performance and career development reviews	132; 175	None		
Health and safety at work					
GRI 3-3: Management approach 2021	3-3 Management of material topics	137–140	None		
	403-2 Hazard identification, risk assessment, and incident investigation	137–138	None		
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	139; 178	None		
	403-10 Work-related ill health	140; 179	403-10b	Information not available	Information on occupational diseases of external workers is not available due to the type of contractors Alperia contracts with.
Diversity and equal opportunities					
GRI 3-3: Management approach 2021	3-3 Management of material topics	133-135	None		

GRI Standard	Information	Page number and/or URL(s)	Omission		
			Requirement omitted	Reason	Explanation
GRI 401: Employment 2016	401-3 Parental leave	134; 177	None		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	37; 133–134; 176–177	None		
	405-2 Ratio of basic salary and remuneration of women to men	134; 176	None		Significant operating sites: all our consolidated companies are included.
Cyber security					
GRI 3-3: Management approach 2021	3-3 Management of material topics	70–72	None		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	71; 166	None		
Alperia own 2017	Other cyber security indicators	73; 166	None		
Security and accessibility of supply					
GRI 3-3: Management approach 2021	3-3 Management of material topics	51–56	None		
G4 Electric utilities sector disclosures 2013	EU 10 Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	163	Breakdown by regulatory regime	Not applicable	The subdivision by regulatory regime is not applicable.
	EU 29 Average power outage duration	54; 165	None		
	EU 28 Power outage frequency	54; 165	None		
Customer satisfaction					
GRI 3-3: Management approach 2021	3-3 Management of material topics	83–85	None		
Alperia own 2017	ALP 1 Monthly average of calls answered – green number	84; 171	None		
	ALP 2 Customer complaints	86; 171	None		

GRI Standard	Information	Page number and/or URL(s)	Omission		
			Require-ment omitted	Reason	Explanation
Innovation, digitisation, research and development					
GRI 3-3: Management approach 2021	3-3 Management of material topics	66–69	None		
G4 Electric utilities sector disclosures 2013	EU 8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	167	None		
Sustainable energy products and services					
GRI 3-3: Manage-ment approach 2021	3-3 Management of material topics	76–80	None		
G4 Electric utilities sector disclosures 2013/Alperia own 2017	ALP 4 Share of revenues from sustainable products and services	172	None		
	ALP 5 Description of new business initiatives with sustainable products and services	78–80	None		
Asset integrity					
GRI 3-3: Manage-ment approach 2021	3-3 Management of material topics	61–63	None		
G4 Electric utilities sector disclosures 2013	EU 21 Disaster/emergency planning and response	62–63	None		
	EU 30 Average plant availability factor by energy source and by regulatory regime	61; 167	Breakdown by regulatory regime	Not applicable	The subdivision by regulatory regime is not applicable.
Integrated governance and good corporate governance					
GRI 3-3: Manage-ment approach 2021	3-3 Management of material topics	35–36			
Economic development and business model resilience					
GRI 3-3: Manage-ment	3-3 Management of material topics	30–33			

GRI Standard	Information	Page number and/or URL(s)	Omission		
			Require-ment omitted	Reason	Explanation
approach 2021					

11.3. COMPLETE LIST OF INDICATORS

Note: For numeric data, the dot is used as decimal separator.

Territory

Added value for the territory

Table 1: Direct economic value generated and distributed {GRI 201-1}

	Unit	2023	2022	2021	2020	Variation
Direct economic value generated:	EUR	2,724,991,513	3,637,897,750	2,082,824,896	1,437,718,992	-25%
Revenues	EUR	2,724,991,513	3,637,897,750	2,082,824,896	1,437,718,992	-25%
Economic value distributed:	EUR	2,639,929,798	3,576,183,400	2,002,687,126	1,375,769,723	-26%
Operating costs[*1]	EUR	2,331,920,067	3,342,507,242	1,814,571,098	1,196,350,493	-30%
	%[*4]	85.6	91.9	87.1	83.2	
Employee wages and benefits	EUR	80,546,791	78,635,568	71,792,398	77,068,468	2%
	%[*4]	3.0	2.2	3.4	5.3	
Payments to providers of capital	EUR	60,138,195	35,384,714	11,472,319	9,514,673	70%
	%[*4]	2.2	1.0	0.6	0.7	
Payments to government[*2]	EUR	164,766,366	117,170,004	102,703,726	90,180,251	41%
	%[*4]	6.0	3.2	4.9	6.3	
Contributions to society[*3]	EUR	2,558,379	2,485,873	2,147,587	2,655,837	3%
	%[*4]	0.1	0.1	0.1	0.2	
Economic value retained	EUR	85,061,715	61,714,351	80,137,770	61,949,269	38%
	%[*4]	3.1	1.7	3.8	4.3	

[*1] The purchase of energy for commercial purposes accounts for about 90% of operating costs.
[*2] This item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees; free energy; environmental funds, etc.).
[*3] This item includes sponsorships, charitable donations, investments in the community according to the B4SI framework (e.g. sponsorship costs that are not part of the marketing strategy, financial and in-kind donations, energy saving campaigns in schools, refugee housing costs).
[*4] Percentage of direct economic value generated.

Table 2: Value for South Tyrol {GRI 201-1}

	Unit	2023	2022	2021	2020	Variation
Employee wages and benefits *1	EUR	69,961,820	68,601,642	62,614,966	70,264,455	2%
	%	18	25	24	27	
Contributions to public administration *2	EUR	162,487,590	114,978,632	103,920,113	90,951,387	41%
	%	42	41	40	35	
Dividends to local government *3	EUR	34,000,000	32,000,000	30,000,000	33,300,000	6%
	%	9	12	12	13	
Contributions to society *4	EUR	2,558,379	2,485,873	2,147,587	2,655,837	3%
	%	1	1	1	1	
Local suppliers *5	EUR	119,680,093	59,079,423	61,415,472	60,286,081	103%
	%	31	21	24	23	
Added value for South Tyrol	EUR	388,687,882	277,145,569	260,098,138	257,457,761	40%
	%	100	100	100	100	

*1 Employees based outside South Tyrol (Alperia Green Future, Hydrodata, Fintel and Total Solar) are excluded from the count.
*2 This item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees; free energy; environmental funds, etc.).
*3 Alperia's shareholders are: Province of Bolzano, City of Bolzano, City of Merano and Selfin. The proposed and resolved dividends for the following year are shown.
*4 This item includes sponsorships, charitable donations, investments in the community according to the B4SI framework (e.g. sponsorship costs that are not part of the marketing strategy, financial and in-kind donations, energy saving campaigns in schools, refugee housing costs).
*5 Local supplier(s)' means supplier(s) located in the same province as the registered office of the company they supply.

Table 3: Value for the territory {GRI 201-1}

	Unit	2023	2022	2021	2020	Variation
Employee wages and benefits	EUR	80,546,791	78,635,568	71,792,398	77,068,468	2%
	%	20.1	27.2	26.7	29.2	
Payments to government *1	EUR	164,766,366	117,170,004	103,920,113	90,951,387	43%
	%	41.0	40.5	38.6	34.4	
Dividends to local government *2	EUR	34,000,000	32,000,000	30,000,000	33,300,000	6%
	%	8.5	11.1	11.1	12.6	
Contributions to society *3	EUR	2,558,379	2,485,873	2,147,587	2,655,837	3%
	%	0.6	0.9	0.8	1.0	
Local procurement *4	EUR	119,680,093	59,079,423	61,415,472	60,286,081	103%
	%	29.8	20.4	22.8	22.8	
Added value for the territory	EUR	401,551,630	289,370,867	269,275,570	264,261,774	40%
	%	100	100	100	100	

*1 This item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees; free energy; environmental funds, etc.).
*2 Alperia's shareholders are: Province of Bolzano, City of Bolzano, City of Merano and Selfin.
*3 This item includes sponsorships, charitable donations, investments in the community according to the B4SI framework (e.g. sponsorship costs that are not part of the marketing strategy, financial and in-kind donations, energy saving campaigns in schools, refugee housing costs).
*4 Local supplier(s)' means supplier(s) located in the same province as the registered office of the company they supply.

Table 4: Investments for the community – types of contributions

		2023					2022				
	Unit	Money	Working time	Contri-bution (in-kind)	Total	Percen-tage	Money	Working time	Contri-bution (in-kind)	Total	Percen-tage
Total	EUR	1,613,000		50,318	1,663,318	100.0%	1,506,725		44,351	1,551,076	7%
of which											
Education	EUR	68,500		17,890	86,390	5.2%				34,500	150%
Health	EUR	776,000			776,000	46.7%				744,113	4%
Economic develop-ment	EUR	40,000			40,000	2.4%				27,000	48%
Environ-ment	EUR	19,500		13,228	32,728	2.0%				9,700	237%
Art and culture	EUR	481,500			481,500	28.9%				447,500	8%
Social work	EUR	183,000			183,000	11.0%				230,113	-20%
Emergency Rescue	€	33,000		19,200,00	52,200	3.1%				57,151	-9%
Other support	€	11,500			11,500	0.7%				1,000	1050%

		2023					2022				
	Unit	Money	Working time	Contri-bution (in-kind)	Total	Percen-tage	Money	Working time	Contri-bution (in-kind)	Total	Percen-tage
Total	EUR	1,613,000		50,318	1,663,318	100.0%	1,506,725		44,351	1,551,076	7%
of which											
Invest-ments in communi-ties	EUR			50,318	50,318	3.0%				44,351	13%
Commer-cial initiatives	EUR	1,362,000			1,362,000	81.9%				1,224,500	11%
Donations	EUR	251,000			251,000	15.1%				282,225	-11%

Table 5: Investments for the community – contribution to the SDGs

	Unit	2023 Total	2023 Percentage	2022 Total	2022 Percentage
Goal 2: Zero Hunger	EUR	0	0%	5,000	0.3%
Goal 3: Good Health and Well-being	EUR	818,500	49%	867,613	55.9%
Goal 4: Quality Education	EUR	87,528	5%	34,500	2.2%
Goal 5: Gender Equality	EUR	15,000	1%	1,113	0.1%
Goal 7: Affordable and Clean Energy	EUR	10,090	1%	2,200	0.1%
Goal 8: Decent Work and Economic Growth	EUR	51,500	3%	48,000	3.1%
Goal 10: Reduced Inequality	EUR	155,500	9%	59,500	3.8%
Goal 11: Sustainable Cities and Communities	EUR	515,700	31%	529,651	34.1%
Goal 15: Life on Land	EUR	9,500	1%	3,500	0.2%
Total	EUR	**1,663,318**	100%	**1,551,076**	100%

Investment in infrastructure and services {GRI 203-1}[1]

Typology:	Unit	2023	%	2022	2021	2020	Variation
Power distribution	EUR	69,344,766	39.5%	50,424,336	50,914,000	46,390,000	38%
District heating and services	EUR	12,899,787	7.4%	14,769,529	12,100,000	11,251,000	-13%
Energy production – *mandatory*	EUR	54,423,145	31.0%	64,785,077	57,487,751	27,529,000	-16%
Energy production – *stay in business*	EUR	7,390,676	4.2%	2,953,198	5,679,626	4,804,000	150%
Smart Region	EUR	13,602,713	7.8%	17,394,000	27,321,000	14,003,000	-22%
IT infrastructures and digital projects	EUR	8,747,800	5.0%	12,781,815	21,909,834	20,783,000	-32%
Supply and trading	EUR	198,697	0.1%	31,000	0	1,095,000	541%[2]
Investment facility	EUR	6,259,683	3.6%	848,774	537,736	773,000	637%[3]
Other investments	EUR	2,526,769	1.4%	2,761,120	4,419,319	72,000	-8%
Total	EUR	175,394,036	100%	166,748,849	180,369,266	126,700,000	5%

[1] The balances shown in this table do not include increases in intangible and tangible assets arising from business combinations.

[2] Increase in IT investments made during the year.

[3] Increased investments for the Merano site.

Management of supplier(s)

Table 7: Proportion of expenditure for local suppliers[1] {GRI 204-1}

	Unit	2023	2022	2021	2020
Percentage of products and services purchased locally (based on expenditure in euros)	%	44	40	28	36
Percentage of expenditure on locally purchased works (based on total expenditure on works)	%	79	78	77	72
Percentage of locally purchased services (based on total expenditure on services)	%	27	23	30	20
Percentage of products bought locally (based on total expenditure on products)	%	5	17	5	21
Percentage of contracts awarded locally (based on number of contracts)	%	61	60	59	58

[1] As of 2022, the geographical definition of "local supplier(s)" of the organisation has changed to supplier(s) located in the same province as the head office of the legal entity they supply.

Table 8: New supplier(s) that have been assessed using environmental and social criteria {GRI 308-1; GRI 414-1}

	Unit	2023	2022	2021	2020
Percentage of new supplier(s) that were selected on the basis of environmental or social criteria	%	100	100	100	100
Percentage of active suppliers with an environmental or social certification	%	35.09	38		

[1] All suppliers must pass the screening of pre-established requirements (e.g. minimum certification requirements such as EMAS, ISO 14001, OHSAS 18001 or ISO 9001).

Governance and resilience

Security of supply

Table 9: Energy capacity {GRI EU 1; GRI EU 10}

	Unit	2023	2022
Projected energy demand in South Tyrol in 2050[1]	GWh	3,843	3,800
Electricity produced from renewable sources by Alperia[2]	GWh	4,258	3,090
Hydroelectric capacity[3]	GW	approx. 1.4	approx. 1.4
Capacity under construction[4]	GWh	0.5	3

[1] Figures calculated on the basis of data from the "Climate Plan Energy–South Tyrol–-2050" and "Terna Statistical Data 2019".
[2] This includes electricity generated by hydroelectricity, photovoltaics and biofuels.
[*] The number only concerns the total installed hydroelectric capacity of the plants operated by Alperia.
[4] New capacity under construction: the new additional turbine (group 0) at the Lana plant will optimise plant performance with an estimated increase in production of about 0.5 GWh.

Table 10: Net energy production by energy source[1] {GRI EU 2}

		Unit	2023	%[3]	2022	2021	Variation
Total net electrical energy produced		GWh	4,323		3,147	4,135	37%
of which:	Hydroelectric	GWh	4,032	88	2,842	3,814	42%
	Photovoltaics	GWh	0.31	0	0	9	194%
	Cogeneration (gas/diesel)[4]	GWh	65	1	57	51	14%
	Biofuel	GWh	225	5	248	262	-9%
Thermal energy produced[2]		GWh	248	5	234	248	6%
Total net production		GWh	4,571		3,381	4,383	35%

[1] Net energy production includes energy produced in our established plants (35 hydroelectric plants, 5 heating plants, 3 photovoltaic parks and 7 plants, 1 biofuel plant) at 100%.

[2] Includes thermal energy produced from biomass, gas, petrol and energy acquired from waste plants.

[3] Percentage of total energy production.

[4] Electricity produced from natural gas (EP Merano +EP BZ + EP Chiusa).

	Unit	2023	2022	2021
Energy produced from renewable sources[1]	GWh	4,258	3,090	4,084
	%	93%	91%	93%

[1] As of 2022, the share of heat produced from renewable sources is also included, in addition to electricity from hydroelectric, photovoltaic and biofuels.

Table 11: Distribution network[*1] {GRI EU 4}

Distribution network	Unit	2023				2022				2021			
Length of the distribution network		Surface	Under-ground	Total	% under-ground	Surface	Under-ground	Total	% under-ground	Surface	Under-ground	Total	% under-ground
High voltage	km	152	22	174	13%	221	21	242	9%	220	21	241	9%
Medium voltage	km	1,020	2,546	3,566	71%	1,048	2,462	3,510	70%	1,086	2,405	3,491	69%
Low voltage	km	1,000	4,608	5,608	82%	1,031	4,416	5,447	81%	1,068	4,290	5,358	80%
Total	km	2,172	7,176	9,348	77%	2,300	6,899	9,199	75%	2,374	6,716	9,090	74%

[*1] The distribution network includes the network of Edyna S.r.l., the municipality of Parcines and the municipality of Laces.

Gas distribution network

	Unit	2023	2022	2021	2020
	km	114	114	113	113

Municipalities supplied with electricity and gas out of a total of 116 South Tyrolean municipalities

	Unit	2023	2022	2021	2020
	No. of municipalities	97	96	96	96

Customers connected to the electricity grid[*2]

	Unit	2023	2022	2021	2020	Variation
	No. of PODs	240,806	238,676	237,423	235,585	1%

[*2] From 2020, all PODs (including interconnected distributors) are included, and only active customers on 31/12.

Distributed electricity in South Tyrol[*3]

	Unit	2023	2022	2021	2020	Variation
	TWh[*3]	2.6	2.6	2.7	2.6	0

[*3] As of 2020, all PODs (including interconnected distributors) of active customers as at 31/12 are included.

Substations[*4]

	Unit	2023	2022	2021	2020	Variation
HV/MV primary cabins	No.	39	39	38	37	0%
MV/LV secondary substations	No.	4,210	4,166	4,156	4,131	1%
MV sorting cabins	No.	43	44	44	45	-2%

[*4] Includes the cabins of Edyna S.r.l., the municipality of Parcines and the municipality of Laces.

Table 12: Average System Outage/Duration and Frequency Index (SAIFI/SAIDI) {GRI EU 28; GRI EU 29}

	Unit	2023	2022	2021	2020	Variation
SAIFI (Frequency of interruptions per customer)	No.	1.32	1.40	1.68	1.91	-6%
SAIDI (Duration of power cuts per customer)	Minutes	18.8	17.28	24.56	29.82	7%

Asset integrity

Table 13: Energy availability {GRI EU 30}

Energy availability*1		Unit	2023	2022	2021	2020
Energy source	Hydroelectric	86.17	86.17	84.15	84.49	88.88
	Photovoltaics	%	not available	not available	not available	not available

Table 14: Environmental incidents

	Unit	2023	2022	2021
Number of environmental accidents	No.	4	2	2
Number of significant environmental incidents	No.	0	0	0
Financial impact of environmental accidents*1	EUR	35,400	0	0

*1 Includes fines paid and clean-up costs. In 2023, these are only clean-up costs.

Cyber security

Table 15: Consumer privacy {GRI 418-1}

	Unit	2023	2022	2021	2020
Total number of complaints received regarding breaches of customer privacy	No.	0	0	0	0
i. complaints received from external parties and confirmed by the organisation	No.	0	0	0	0
ii. complaints from regulatory bodies	No.	0	0	0	0
Total number of leaks, thefts or losses of data of identified client(s)	No.	0	0	0	0

Table 16: Other cyber security indicators

	Unit	2023	2022	2021	2020	Variation
During the year, Alperia's protection systems blocked (daily average):						
Malicious emails	No.	13,600	9,400	11,200	2,000	45%
% of malicious emails out of total mail processed	%	21	24	29	24	-13%
Malicious connection attempts	%	5				
Every month, Alperia identifies and blocks an average of:						
Events detected and blocked by antivirus	No.	38				
% of blocked internet activities (previously malicious internet activities and applications)	%	9				
Every year, the results of Alperia's Security Awareness Programme:						
Safety awareness: % participation rate in safety training	%	94	88% out of 1,300 users	90% out of 1,159 users		
Safety awareness: % overall test result	%	90	90	80		
Phishing simulation: % of clicked links	%	20	16	20		
Phishing simulation: compromised logins	%	3	1	7		
Data protection: percentage of participation in privacy training	%	94	80% of 200 users	88% out of 1,211 users		
Data protection: % overall test result	%	88	90	89		

[1] In 2021, malicious email categories were added in general, i.e. not only spam. This decision was made to harmonise the term 'malicious' also with data from other systems.
[2] Various strategies have been implemented (e.g. the move to the cloud controlled by antivirus systems, awareness-raising, increased measures on the perimeter firewall), which overall have reduced the number of viruses present on local systems (PCs and servers).
[3/4] Following the generational change of firewalls, blocking rules were rewritten and the level of detection of malicious activity was increased.

Innovation, digitisation, research and development

Table 17: Innovation, research and development activities and expenditure aimed at providing reliable electricity and promoting sustainable development. {GRI EU 8}

	Unit	2023	2022	2021	2020	Variation
Number of employees engaged in R&D projects	People	108	43	44	110	151%[*1]
Total R&D expenditure	EUR	3,209,444	1,449,636	2,206,119	2,148,484	121%[*1]
of which						
EU projects	EUR	64,569	161,354	143,790	185,223	-60%
Other innovation projects	EUR	3,144,875	1,288,282	2,062,329	1,963,262	144%[*1]

[*1] The increase in R&D expenditure and the number of employees who worked on innovation projects can be attributed to a refinement of the calculation methods, which enabled a more precise and reliable collection of the required KPIs.

Green mission

Water

Table 18: Water {ALP 6; ALP 7}

	Unit	2023	2022	2021	2020	Variation
Water released for Minimum Vital Flow	Litres per second	38,930	38,925	38,925	38,919	0.01%
Incidents of non-compliance with the requirements of MVF (Minimum Vital Flow)	No.	0(*)	0	1	1	-100%

(*) In 2023, there was only one dispute concerning the release of DMV at the foot of the Zoccolo dam – San Pancrazio plant – to which Alperia Greenpower objected by submitting defence evidence that the prescribed DMV quantities had been correctly released; at the end of 2023, the proceedings were still open.

Energy

Table 19: Energy consumed within the organisation*[1] {GRI 302-1}

	Unit	2023	%	2022	%	2021	%	Variation
Total energy consumption within the organisation from non-renewable sources:	TJ	1,528.50	42%	1,202.67	35%	1,216.15	34%	27%
Petrol	TJ	2.34	0%	2.59	0%	3.06	0%	-10%
Diesel	TJ	11.20	0%	35.83	1%	84.85	2%	-69%
Diesel	TJ	6.12	0%					
Natural gas	TJ	1,416.81	39%	800.67	23%	753.68	21%	77%
Electricity for own consumption (produced and purchased)	TJ	92.03	3%	363.59	11%	374.57	11%	-75%
Total energy consumption within the organisation from renewable sources:	TJ	2,099.80	58%	2,207.09	65%	2,346.90	66%	-5%
Palm oil	TJ	1,793.56	49%	1,904.53	56%	1,997.56	56%	-6%
Wood shavings	TJ	224.44	6%	192.99	6%	172.92	5%	16%
Electricity for own consumption (produced and purchased)	TJ	86.58	2%	109.57	3%	176.42	5%	-21%
Heat for own consumption (purchased)	TJ	-	0%	-	0%	-	0%	0%
Total energy consumption within the organisation	TJ	3,633.08	100%	3,409.76	100%	3,563.06	100%	7%

*[1] From 2022, following a refinement of the calculation methodology, petrol consumption has been included.
*[2] Natural gas consumption increased as the reporting scope was extended to include Alperia Green Future cogeneration.

Emissions

Table 20: GHG emissions*[1] {GRI 305}

	Unit	2023	2022	2021	Variation
Gross direct emissions (Scope 1) of greenhouse gases*[2]	tCO_2e	83,098	48,205	50,820	72%
Biogenic CO_2 emissions	tCO_2e	9,731	10,201	10,922	-5%
Gross indirect location-based energy emissions (Scope 2)*[2]	tCO_2e	2,435	24,280	25,474	-90%
Gross indirect market-based energy emissions (Scope 2)*[2]	tCO_2e	670	20,605	21,841	-97%
Gross indirect emissions of other types (Scope 3)	tCO_2e	1,621,380	2,409,840	2,871,886	-33%
Total location-based operational GHG emissions (Scope 1 and 2)	tCO_2e	95,265	82,685	87,217	15%
Total market-based operational GHG emissions (Scope 1 and 2)	tCO_2e	93,499	79,011	83,583	18%
Total location-based GHG emissions	**tCO_2e**	**1,716,645**	**2,492,525**	**2,959,102**	**-31%**
Total market-based GHG emissions	**tCO_2e**	**1,714,879**	**2,488,851**	**2,955,469**	**-31%**

[1] The main gases included are CO_2 and SF6; emission factors used according to DEFRA (car fleet, biogenic emissions); consolidated data according to financial control; aggregated data according to the GHG Protocol.
Biogenic emissions from biomass of wood chips and palm oil are calculated with DEFRA 2023.
From 2022, the GHG inventory is completed (all Scope 1, 2 and 3 subcategories are included in the analysis. Significant Scope 3 categories are calculated using the inventory method, while non-relevant Scope 3 categories are estimated using the screening method.
[2] Location-based emission factor used for purchased electricity: ISPRA based on Italian energy mix; emission factor used for purchased heat.

Table 21: GHG emission intensity*[1] {GRI 305-4}

	Unit	2023	2022	2021	Variation
Intensity of operational GHG emissions (Scope 1 & 2 – location-based) for the organisation*[1]	tCO_2e /MWh of energy produced (gross)	0.02	0.02	0.01	-13%
Intensity of operational greenhouse gas emissions (Scope 1 and 2 – market-based) for the organisation*[1]	tCO_2e /MWh of energy produced (gross)	0.02	0.02	0.02	-11%
Total greenhouse gas emission intensity (Scope 1, 2 and 3 – location-based) for the organisation*[1]	tCO_2e /MWh of energy produced (gross)	0.39	0.74	0.52	-48%
Total greenhouse gas emission intensity (Scope 1, 2 and 3 – market-based) for the organisation*[1]	tCO_2e /MWh of energy produced (gross)	0.39	0.74	0.52	-48%

[1] Biogenic emissions are included in the report.

Proportion of emissions	Unit	2023	2022
Scope 1	%	5%	3%
Scope 2	%	0.1%	0.1%
Scope 3	%	94.9%	97%

Avoided emissions	Unit	2023	2022
Scope 1[1]	tCO$_2$e	1,697	1,646
Scope 2[2]	tCO$_2$e	675	723
Scope 3[3]	tCO$_2$e	1,697,391	1,204,374
Total avoided emissions[4]	tCO$_2$e	1,699,763	1,206,742

[1] Own consumption of energy from renewable sources; use of own electric vehicles instead of fuel-powered ones.
[2] Activities to reduce emissions for office heating; purchase of electricity from renewable sources for offices; projects to reduce grid losses in electricity distribution.
[3] Sale of electricity from renewable sources (self-generated and purchased); rental of electric cars for own use; sale of electricity and heat with a lower emissions impact than separate generation; energy efficiency projects for third-party customers; electronic billing; use of electric bicycles.
[4] Compensation is not included.

Waste

Table 22: Waste

	Unit	2023	%	2022	2021	Variation
Total waste produced	Ton	3,287		2,067	3,106	59%
Total waste disposed of[1]	Ton	3,283		2,055	3,101	60%
of which:	Ton					
Diverted from disposal	Ton	2,639	80%	1,485	1,485	78%
Recycled	Ton	851,13	26%	1,279,87	2,609,35	-33%
Reused[2]	Ton	1,788,02	54%	205,49	168,85	770%
Posted for disposal	Ton	644	20%	570	323	13%
Incineration[3]	Ton		0%			
Landfill	Ton	644	20%	570	323	13%

[1] The difference between waste produced and disposed of is due to the waste remaining in storage at the end of the year.

[2] There has been a reclassification in the national sphere that has put one acronym previously in another category in reuse.

[3] All of the ash produced by Alperia falls into category R13 and is therefore reused.

Customers

Customer satisfaction

Table 23: Number of customers* * *[123] {GRI EU 3}

Type	Unit	2023	2022	2021[4]	2020[4]	Variation
Electricity customers	No.	321,715	305,013	304,273	275,000	5%
District heating customers	No.	2,184	2,117	1,896	1,844	3%
Gas customers	No.	99,530	73,784	69,857	64,000	35%
Total customers	No.	423,429	380,914	376,026	340,844	11%
of which reseller		56,939	60,526	46,510	ND	-15%

[1] Customer accounts = active network connections (POD/PDR) as of 31/12.
[2] The percentage of POD/PDR only includes customers supplied and billed directly by Alperia, including resellers and the protected market.
[3] Smart Region customer accounts are not included.
[4] The data for 2021 and 2020 have been restated to align the data with the S.I.I. source, which has been used as the database since 2022 (Integrated Information System). The changeover to the S.I.I. was carried out to allow for greater findability and reliability of the data.

Table 24: Monthly average of answered calls to the hotline*[1] {ALP 1}

	Unit	2023	2022	2021	2020
Monthly average of answered calls – toll-free number	%	96	85	94	96
Total number of calls	No.	173,959	205,723	125,765	89,921

[1] Only includes calls made to the ASS toll-free number.

Table 25: Customer complaints*[1] {ALP 2}

	Unit	2023	2022	2021	2020	Variation
Number of complaints in the reporting period	No.	883	426	433	448	107%
i. number of complaints registered in the reporting period[2]	No.	874	417	434	448	110%
ii. number of complaints handled in the reporting period[3]	No.	843	405	433	446	108%
Number of unprocessed complaints, including previous periods[4]	No.	0	0	0	0	0
Resolution rate of customer complaints in the reporting period, addressed within 30 days	%	98.75	99.75	99.5	99	-1
Complaint rate (number of complaints per 100 customers)[5]	Rate	0.28	0.11	0.12	0.13	

[1] Includes complaints from ASS, Ecoplus, Bartucci.
[2] 9 claims from 2022 were registered in 2023.
[3] 25 complaints were registered in 2022 and resolved in 2023.
[4] 39 complaints were registered in December 2023 and handled in January 2024.
[5] Starting in 2023, the complaints index will be calculated on the basis of customers served and no longer on the basis of all withdrawal points (including retailers). Where served customers are understood to be those who have signed a supply contract that provides for the supply of electricity/gas also at several withdrawal/delivery points, thus aligning the methodology with what has been communicated to ARERA.

Sustainable products and services

Table 26: Quantity of products supplied[*1] {GRI 2-6}

	Unit	2023	2022	2021	2020	Variation
Electricity sold to/from end customers	GWh	4,783	6,854	6,636	5,372	-30%
of which green electricity sold to/from end customers	GWh	2,529	2,399	2,482	2,015	5%
	%	53	35	37	38	
Trading	GWh	471	978	1,834	3,166	-52%
Thermal energy sold to/from end customers[2]	GWh	248	234	246	222	6%
Gas sold to/from final customers	MSmc	358	503	450	421	-29%
of which green gas sold to/from end customers	MSmc	50	25	12	3	100%
	%	14	5	3	1	

[*1] The data include the quantities sold by the Group's sales companies, including Fintel, to/from end customers. Including resellers and the protected market.

[*2] It includes thermal energy produced from biomass, gas, petrol and energy acquired from waste plants.

Table 27: Sustainable products and services[*1] {ALP 4}

	Unit	2023	2022	2021	2020
Share of turnover from sustainable products and services	%	71[*2]	45	47	46

[*1] Revenues include the production and sale of hydropower and solar energy, biomass and district heating, green gas and services related to energy efficiency and green mobility, and environmental consulting services; figures include revenues from 50% of SFE energy production sold by Alperia Energy; revenues refer to pro-rata quantities of energy; revenues from the sale of green-labelled electricity sold to/from end customers are based on estimated average revenues based on cancelled Guarantees of Origin.

[*2] The increase in sales with sustainable products is due to the reorganisation of the customer portfolio as per the Business Plan, with a focus on offering green products and less sales of non-renewable electricity and uncompensated gas. In addition, there was an increase in sales of our decarbonisation services.

Employee development

Table 28: Employees[*1* 2*3*4] {GRI 2-7}

Geo-graphical area and gender	Unit	Total number of employees				Employment contract								Type of employment							
						Unspecified				Determined				Full-time				Part-time			
		2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
total Group	People	1,252	1,211	1,176	1,087	1,179	1,152	1,104	1,023	73	59	72	64	1,109	1,083	1,052	980	143	128	124	107
	%	100	100	100	100	94%	95%	94%	94%	6%	5%	6%	6%	89%	89%	89%	90%	11%	11%	11%	10%
of which women	People	356	320	294	261	336	303	274	244	20	17	20	17	236	214	193	173	120	106	101	88
	%	28	26	25	24	28%	26%	25%	24%	27%	29%	28%	27%	21%	20%	18%	18%	84%	83%	81%	82%
of which men	People	896	891	882	826	843	849	830	779	53	42	52	47	873	869	859	807	23	22	23	19
	%	72	74	75	76	72%	74%	75%	76%	73%	71%	72%	73%	79%	80%	82%	82%	16%	17%	19%	18%
South Tyrol	People	1,041	1,032			973	979			68	53			929	919			112	113		
	%	83%	85%			83%	85%			93%	90%			84%	85%			78%	88%		
outside South Tyrol	People	211	179			206	173			5	6			180	164			31	15		
	%	17%	15%			17%	15%			7%	10%			16%	15%			15%	8%		

[*1] Hydropower S.r.l. is not included in the figures for 2020.

[*2] Employees who left the company as of 31/12 are included in the total number of employees as of 31/12.

[*3] Directors are included in the number of employees.

[*4] The percentages published in previous editions have been restated to bring them into line with the new calculation methodology, using the total figure in each column as the denominator. Read the percentages, except for the percentages of the Group total, from top to bottom.

Table 29: Workers who are not employees[*1] {GRI 2-8}

		Unit	Total number of external collaborators	
			2023	2022
Trainees[*2]		People	47	38
	women	People	13	13
		%	28%	34
	men	People	34	25
		%	72%	64
Administered[*3]		People	54	56
	women	People	43	36
		%	80%	64
	men	People	11	20
		%	20%	36
Agents		People	100	98
	women	People	10	13
		%	10%	13
	men	People	90	85
		%	90%	87
Total Group		People	201	192

[*1] Total number during the year.

[*2] Temporary employment is an employment relationship under which the user enterprise may request the services of one or more workers from authorised agencies.

[*3] Not including school placements.

Table 30: New recruitments and turnover*[1] {GRI 401-1}

Recruitment	Unit	Total					<= 30		31-40		41-50		> 51	
		2023	2022	2021	2020	Variation	2023	2022	2023	2022	2023	2022	2023	2022
Women	People	60	40	35	26	50%	17	20	17	10	18	7	8	3
	%	40	35	32	30									
Men	People	91	73	76	62	25%	42	32	26	24	16	13	7	4
	%	60	65	68	70									
Total employee recruitment	People	151	113	111	88	34%	59	52	43	34	34	20	15	7
Total number of employees as of 31/12	People	1,252	1,211	1,176	1,087	3%	39%	46%	28%	30%	23%	18%	10%	6%
Hiring rate	%	12	9	9	8									

*[1] Hydrodata S.r.l. is not included in the 2020 data. Green Power Group, Bluepower Connection S.r.l., Green Energy Group and Unix Group S.r.l. are not included in the 2019 figures. The total number of 2020 employees of the Alperia Group can therefore not be compared with the total number of employees reported for 2019 net of employees leaving and new hires in 2020. This mismatch is due to a different reporting boundary for 2020 than for 2019 (entry of new companies).

Turnover*[2]	Unit	Total					<= 30		31-40		41-50		> 51	
		2023	2022	2021	2020	Var	2023	2022	2023	2022	2023	2022	2023	2022
Women	People	24	14	15	19	71%	6	3	7	3	6	2	5	6
	%	22	18	25	24									
Men	People	86	64	45	60	34%	9	9	23	18	16	9	38	28
	%	78	82	75	76									
Total employee turnover	People	110	78	60	79	41%	15	12	30	21	22	11	43	34
of which retired	People	28	27	24		4%	14%	15%	27%	27%	20%	14%	39%	44%
Total number of employees as of 31/12	%	1,252	1,211	1,176	1,087	3%								
Turnover rate	%	9	6	5	7									

*[2] Employee turnover: employees leaving the organisation voluntarily or due to dismissal, retirement or death in service; turnover as of 31/12; employees leaving the organisation as of 31/12 are not included in employee turnover.

Table 31: Average training hours {GRI 404-1}

Average hours of training per employee by gender

	Unit	2023	2022	2021	2020	Variation
Women	Hours	24.2	25.1	28.8	14.9	-4%
Men	Hours	29.2	32.1	25.7	19.7	-9%
Total	Hours	27.8	30.3	26.5	18.7	-8%

Average hours of training per employee by professional category

	Unit	2023	2022	2021	2020	Variation
Executives	Hours	30.5	48.4	26.7	31.5	-37%
Managers	Hours	38.4	38.2	38.0	28.4	0%
Employee(s)	Hours	27.5	27.0	24.7	16.5	2%
Workers	Hours	24.1	34.9	26.4		-31%

Table 32: Percentage of employees receiving periodic performance and professional development appraisals {GRI 404-3}*1

Percentage of employees receiving regular performance and professional development appraisals by gender

	Unit	2023	2022	2021	Variation
Women	%	68	67	2	0.8%
Men	%	81	73	4	7.9%
Total	%	74	70	3	4.3%

Percentage of employees receiving regular performance and professional development appraisals by job category

	Unit	2023	2022	2021	Variation
Executives*2	%	125	110	92	15.5%
Managers	%	71	68	2	3.9%
Employee(s)	%	75	74	2	0.9%
Workers	%	82	62	0	20.3%

*1 As of 2022, career development evaluations, MBO reviews and employee feedback evaluations are included in the count and the percentages are calculated on the total number of employees.
*2 The percentage is higher than 100% because the number of managers evaluated during the year is greater than the number of managers present at 31/12.

Diversity and equal opportunities

Table 33: Diversity of governing bodies and employees {GRI 405-1}

Diversity of governing bodies[1]		Total					under 30	31-40	41-50	51+
	Unit	2023	2022	2021	2020	Variation	2023	2023	2023	2023
Women	People	4	4	5	5	-20%	0	0	1	3
	%	33	33	42	42		0	0	8	25
Men	People	8	8	7	7	14%	0	1	1	6
	%	67	67	58	58		0	8	8	50
Total	People	12	12	12	12	0%	0	1	2	9
	%	100	100	100	100		0	8	17	75

[1] Only the governing bodies of the parent company Alperia S.p.A. are included.

Diversity of employees		Total					under 30	31-40	41-50	51+
	Unit	2023	2022	2021	2020	Variation	2023	2023	2023	2023
Women	People	356	320	294	261	11%	50	115	93	98
	%	28	26	25	24		4	9	7	8
Men	People	896	891	882	826	1%	107	248	227	314
	%	72	74	75	76		9	20	18	25
Employees with disabilities	People	42	41	34	24	2%	1	9	8	24
	%	3	3	3	2		0,1	0,7	0,6	1,9
Total	People	1,252	1,211	1,176	1,087	3%	157	363	320	412
	%	100	100	100	100	0	13	29,0	25,6	32,9

Ratio of basic pay to basic pay for women and men

	Unit	2023	2022	2021
Executives	Report	0.82	irrelevant gap	irrelevant gap
Managers	Report	0.90	0.90	0.91
Employee(s)	Report	0.91	0.93	0.93
Workers	Report	not applicable	not applicable	not applicable
Total	Report	0.89	0.92	0.91

Percentage of female employees by category

	Unit	2023	2022	2021
Executivess	%	10%	5%	5%
Managers	%	22%	23%	21%
Employee(s)	%	39%	37%	35%
Workers	%	0.4%	0.3%	0.4%
Total	%	28%	26.4%	21.4%

Percentage of employees per category based on the total number of employees

	Unit	2023	2022	2021

Executives	%	2%	2%	2%
Managers	%	9%	9%	10%
Employee(s)	%	68%	65%	65%
Workers	%	21%	24%	24%

Table 34: Parental leave[1] {GRI 401-3}

	Unit	Men				Women			
		2023	2022	2021	2020	2023	2022	2021	2020
Total number of employees entitled to parental leave[2]	People	27	19	20	30	11	7	10	11
Total number of employees who took parental leave[3]	People	27	17	19	19	11	7	10	11
	%	100	89	95	63	100	100	100	100
Total number of employees who planned to return to work in the reference period (2023) after the end of parental leave	People	27	17	19	17	3	5	5	3
Total number of employees who returned to work in the reference period (2023) after the end of parental leave	People	27	17	19	17	3	5	4	2
at work[4]	%	100	100	100	100	100	100	80	67
Total number of employees who returned to work in 2022 after the end of parental leave and who were still employed 12 months (in the 2023 reference period) after their return to work	People	17	19	17	19	5	3	2	3
Retention rate[5]	%	100	100	100	90	100	75	100	150

[1] On the basis of claimants with an effective date after 1/1/2023.

[2] Based on the total entitlements known to the employer with a start date after 1/1/2023.

[3] Includes compulsory and voluntary leave.

[4] Total number of employees who returned to work after parental leave/total number of employees to return to work after parental leave * 100

[5] Retention rate = total number of employees on the workforce 12 months after returning to work after a period of parental leave/total number of employees returning from parental leave in the previous reporting period(s) * 100. In 2020 the percentage is higher than 100% due to the fact that an employee of an acquired company was included in 2020 and not in 2019.

		Average weeks of voluntary parental leave per employee	
	Unit	2023	2022
Average weeks per female employee who took parental leave (voluntary)	Weeks	15.2	15.5
Average weeks per male employee who took parental leave (voluntary)	Weeks	6	6.4

Health and safety at work

Work-related injuries   {GRI 403-9}

Employees[1]	Unit	2023	2022	2021	2020	Variation
Fatal accidents	No.	0	0	0	0	0%
High severity occupational accidents (excluding fatal accidents)[2]	No.	0	0	0	0	0%
Injuries involving days off work	No.	19	12	21	14	58%
Injuries involving work restrictions or transfer to other tasks	No.	NA	NA	NA	NA	0%
Injuries involving medical treatment*.[3]	No.	0	1	0	0	-100%
Other significant injuries diagnosed by an authorised health professional[4]	No.	0	0	0	0	0%
Hours worked	No.	1,974,942	1,902,443	1,891,290	1,721,452	4%
Lost working days[5]	No.	691	242	472	320	186%
Rate of deaths due to accidents at work (per 1,000,000 hours)	rate	0,0	0,0	0,0	0,0	0%
High severity occupational accident rate (per 1,000,000 hours)	rate	0,0	0,0	0,0	0,0	0%
Rate of recordable occupational accidents (per 1,000,000 hours)	rate	9.62	6.31	11.10	8.13	53%
Rate of lost working days (per 1,000 hours)	rate	0.35	0.13	0.25	0.19	175%

Contractors[1]	Unit	2023	2022	2021	2020	Variation
Fatal accidents	No.	0	0	0	0	0%
High severity occupational accidents (excluding fatal accidents)[2]	No.	1	0	0	0	0%
Injuries involving days off work	No.	0	4	2	16	-75%
Injuries involving work restrictions or transfer to other tasks	No.	NA	NA	NA	NA	0%
Injuries involving medical treatment*.[3]	No.	0	0	0	0	0%
Other significant injuries diagnosed by an authorised health professional[4]	No.	0	0	0	0	0%
Hours worked	No.	618,304	627,904	731,328	770,223	-2%
Lost working days[5]	No.	172	0	57	73	0%
Rate of deaths due to accidents at work (per 1,000,000 hours)	rate	0,0	0,0	0,0	0,0	0%
High severity occupational accident rate (per 1,000,000 hours)	rate	0,0	0,0	0,0	0,0	0%
Rate of recordable occupational accidents (per 1,000,000 hours)	rate	1.62	6.37	2.73	20.77	-75%
Rate of lost working days (per 1,000 hours)	rate	0.28	0.00	0.08	0.09	0%

[1] Injuries en route were included, only if the transport was organised by the organisation.

[2] Work-related accident resulting in an injury from which the worker cannot or is not expected to fully recover to her pre-injury state of health within six months.

[3] In addition to first aid or loss of consciousness.

[4] It does not involve death, days off work, work restrictions or job transfers, medical treatment beyond first aid or loss of consciousness.

[5] In calculating 'lost working days', 'days' means 'calendar days'; the counting of 'lost working days' begins on the day after the accident.

Work-related ill health {GRI 403-10}

Employees	Unit	2023	2022	2021	2020	Variation
Deaths due to work-related diseases	No.	0	0	0	0	0%
Work-related illnesses involving days off work	No.	0	0	0	0	0%
Days of work lost due to absences of all kinds*.[1]	No.	11,792	13,600	12,566	16,698	-13%
Occupational diseases leading to work restrictions or transfer to other tasks	No.	0	0	0	0	0%
Occupational diseases involving medical Treatment*[2]	No.	0	0	0	0	0%
Other work-related illnesses diagnosed by an authorised health professional	No.	0	0	0	0	0%
Recordable cases of occupational diseases	No.	0	0	0	0	0%
Hours worked	No.	1,974,942	1,902,443	1,891,289	1,721,452	4%
Planned working hours	No.	2,428,031	2,329,755	2,243,027	2,086,963	4%
Absence rate (days of absence per 1,000 hours worked)*[3]	Rate	4.9	5.8	5.6	8.0	-17%

*[1] Counting of 'lost working days' begins on the day after the accident.
*[2] In addition to first aid or loss of consciousness.
*[3] Permitted absences such as holidays, study leave, maternity or paternity leave and health leave are excluded.

11.4. INDEPENDENT AUDITORS' REPORT

Independent auditor's report on the consolidated non-financial statement
pursuant to article 3, paragraph 10, of Legislative Decree no. 254/2016 and article 5 of CONSOB regulation no. 20267, January 2018

To the directors of Alperia SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Alperia SpA and its subsidiaries ("Alperia Group" or the "Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree, and approved by the Management Board on 28 March 2024 (hereafter the "NFS").

Our review does not extend to the information set out in the "EU Taxonomy" paragraph of the NFS, required by article 8 of European Regulation 2020/852.

Responsibilities of the directors and of the Supervisory Board for the NFS

The directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree, with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2021, by the GRI - Global Reporting Initiative (hereafter the "GRI Standards") and with the "G4 Sector Disclosure - Electric Utilities" defined in 2013 (hereafter the "G4 Sector Disclosure"), identified by them as the reporting standards.

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

Moreover, the directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the group's activities, its performance, its results and related impacts.

Finally, the directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Supervisory Board is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the *Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree, with the GRI Standards and with the G4 Sector Disclosure. We conducted our work in accordance with *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised")*, issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (reasonable assurance engagement) and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;

2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;

3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;

4. understanding of the following matters:

    a. business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;

    b. policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;

    c. key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

    With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Alperia SpA and with the personnel of Alperia Greenpower Srl and Alperia Ecoplus Srl and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non -financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at holding level,

  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;

  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information. A specific analysis was performed on the energy sources on which the greenhouse gas emission indicators are based;

- for the following companies Alperia SpA, Alperia Greenpower Srl and Alperia Ecoplus Srl which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out meetings and interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Alperia Group for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree, with the GRI Standards and with the G4 Sector Disclosure.

Our conclusions on the NFS of Alperia Group do not extend to the information set out in the "EU Taxonomy" paragraph of the NSF, required by article 8 of European Regulation 2020/852.

Trento, 24 April 2024

PricewaterhouseCoopers SpA

Signed by

Alexander Mayr   Paolo Bersani
(Partner)   (Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls of the English translation of the NFS 2023 of Alperia Group

11.5. EU TAXONOMY

Eligibility and alignment in EU Taxonomy: guidelines and updates 2023

In order to guide the choice of companies and investors towards the development of sustainable finance, as of 20 July 2020, EU Regulation 2020/852 (Taxonomy Regulation (TR)) establishes Taxonomy criteria to determine whether an economic activity can be considered environmentally sustainable based on **the alignment with the six EU environmental objectives (Art. 9)**:

1. Climate change mitigation
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection of ecosystems and biodiversity

Starting from the focus areas of environmental sustainability, the Climate Delegated Act defines technical criteria for climate change mitigation (Annex I) and climate change adaptation (Annex II). These criteria make it possible to establish the conditions under which each economic activity makes a substantial contribution to at least one of the six identified environmental objectives, without causing significant harm to any of the other five (Do No Significant Harm – DNSH clause), in full compliance with minimum safeguards (Art. 18).

In line with the disclosure obligations of Art. 8 TR and the subsequent Delegated Regulation (EU) 2021/2178, companies subject to the new Corporate Sustainability Reporting Directive (CSRD) and, specifically, non-financial companies are required to submit their evidence on eligibility (from January 2022) and alignment (from January 2023) to the Taxonomy by means of performance indicators (economic KPIs):

- share of turnover from products or services associated with economic activities aligned to the Taxonomy
- share of capital expenditure (CapEx)
- share of operating expenses (OpEx) related to activities or processes associated with economic activities aligned to the Taxonomy

Since November 2023, amendments to the Annex of Delegated Regulation (EU) 2021/2139 have expanded the regulatory framework through the inclusion of new activities related to the first two objectives of the Taxonomy. In addition to these, Delegated Regulation (EU) 2023/2486 added additional activities and TVCs related to the substantial contribution to the remaining four objectives. These annexes follow the approach of the previous ones and provide for eligibility reporting for 2023 data from 2024 onwards.

The Alperia Group business

Alperia S.p.A. was founded in 2016 as an energy provider in South Tyrol, with headquarters in Bolzano and national locations. As a parent company, it is responsible for guiding and defining the strategic choices for its subsidiaries as well as establishing the guidelines and operating procedures to be followed by the subsidiaries.

The corporate structure of Alperia S.p.A. is divided into five Business Units ('BUs'):

- Generation
- Sales & Trading
- Networks
- Heat & Services
- Smart Region

They form a total of some 29 subsidiaries or investee companies, which make up a complex and constantly evolving sustainable reality. Below is a visualisation of the Group's business through the key points for each individual BU:

ALPERIA GREEN FUTURE
- Merger in 2022 of Alperia Bertucci Srl, Green Power and Solar Total
- Energy retrofitting of buildings, consultancy for companies for decarbonisation strategies, AI solution to optimise building consumption (collaboration with EfficienteRete)
- **Efficienterete**: Energy Requalification of Buildings (Superbonus 110%)

ALPERIA SMART SERVICES
- Offering products and energy solutions to meet specific customer needs and create a long-term relationship with them

ALPERIA TRADING
- Offering products and energy solutions to meet specific customer needs and create a long-term relationship with them

CONSULTANCY AND RESEARCH & DEVELOPMENT
HYDRODATA: 4 Divisions (Engineering, Applied Research, Laboratory, Technical and Economic Consulting)
Services and solutions for efficient and sustainable water resource management
ALPERIA INNOVEERING: company enabling Hydrodata to offer Alperia its services

BIOPOWER SARDINIA
- Power generation from palm oil with endothermic engines
- Only ISCC/EU certified suppliers to ensure the sustainability of the entire supply chain.

EDYNA
- Electricity distribution
- Grid management between Terna and end users
- Natural gas distribution in 4 municipalities

ALPERIA GREENPOWER & ALPERIA VIPOWER
- Hydroelectric power generation and management
- 35 flowing water, reservoir and basin systems
- Voluntary EMS adoption (ISO UNI14001, EMAS)

SOLAR TOTAL ITALY
- Photovoltaic solar energy production
- Belonging to Alperia Green Future from 2022
- Supporting the growth of Alperia MYHome

ALPERIA ECOPLUS
- construction, production, distribution and maintenance of district heating (heat transport <95°C and power generation through various technologies)
- Sole director of Bipower Sardegna

The Alperia Group Business

Alperia's role and commitment in the application of Taxonomy

Since 2021, Alperia has welcomed the Taxonomy principles, being in line with the sustainable landscape of its BUs. Each year, the Group's taxonomy process has been carried out with the aim of introducing all the necessary actions to develop a transparent and increasingly structured and in-depth analysis, capable of meeting the continuous regulatory updates.

For this reason, the design of the 2022 Taxonomy study was subjected to validation through assurance conducted by PwC, which analysed the process based on the evidence selected for screening. The external audit concluded with a positive outcome to the applied methodology, which is confirmed as a valid reference scheme for the coming years, capable of integrating evolving regulatory requirements.

The EU Taxonomy process of environmentally sustainable activities in Alperia

The process, validated during the audit, was designed as a screening workflow containing the following steps:

PHASE 1
Identification of Eligible Activities

PHASE 2
Analysis Technical Criteria Objectives 1 and 2

PHASE 3
Verification of CVT compliance Objective 1 and DNSH

PHASE 4
Economic Data Analysis

STEP 5
Verification of Compliance with Minimum Social Safeguards

STEP 6
Economic KPI calculation
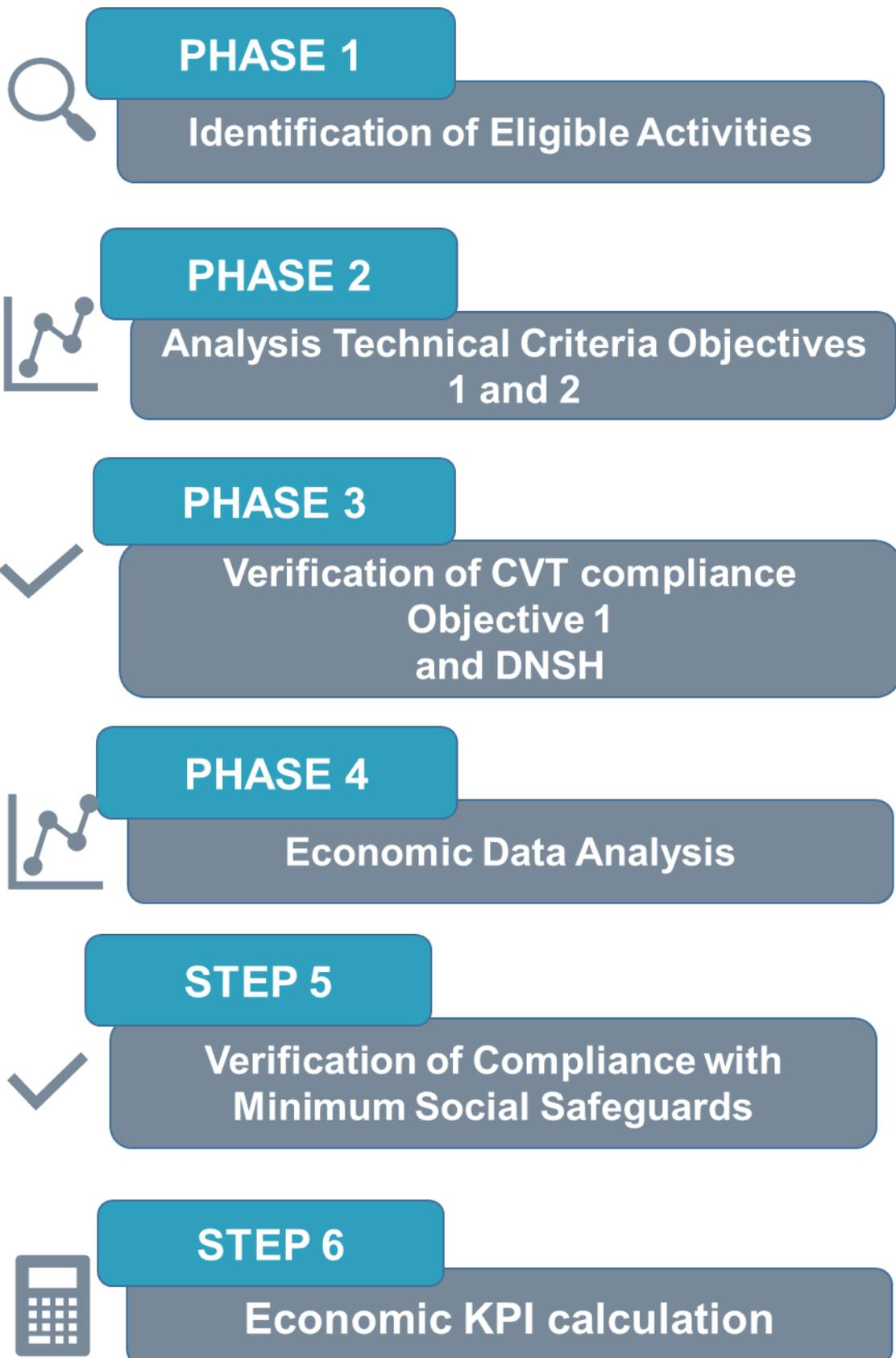
- **PHASE 1**: *Confirmation check for eligible activities of the year 2022 and identification of new eligible activities listed in the amendments to the Annex to Delegated Regulation (EU) 2021/2139 and the new Annexes to Delegated Regulation (EU) 2023/2486.*

Based on the analysis carried out in 2022, a technical screening of Alperia's activities for 2023 was carried out, with the aim of

- analysing the perimeter of the Group to obtain a complete and structured overview of activities
- confirm the presence of the eligible activities examined in 2022
- integrate the activities of recent regulatory updates

The work was carried out by means of interviews with the focal points (operators and technicians) of the different business units of the Alperia Group.

Below are the results of this first phase:

- the new additions to Annex I did not change the number of eligible assets belonging to the Group
- The new additions to Annex II expanded the scope of eligible activities in the fields of *information and communication (8.), professional, scientific and technical activities (9.) and disaster risk management (14.)*
- the new Annexes of Delegated Act 2023/284, concerning Objective 3 and Objective 4, extended the number of eligible activities for Alperia Green Future and Hydrodata
- with regard to Objective 5 and Objective 6, there are no new activities in Alperia's sphere of responsibility

- **PHASE 2**: *Preliminary analysis of the technical alignment criteria for the Group's eligible activities.*

The validation of the taxonomic analysis confirmed the approach adopted for eligible activities in 2022. For this reason, the 2023 taxonomic study was conducted according to the previous distinction of the two regimes, such as CVT and DNSH, which is also applicable to new activities.

The preliminary steps for the alignment study are listed below:

- Only the verification of compliance with the TVCs for Objective 1 was reconfirmed for all eligible activities from the previous year and for those integrated through the amendments to the Annex of Delegated Regulation (EU) 2021/2139.
- With regard to climate change adaptation, the analysis conducted by the Risk Management section has been maintained for compliance with the Objective 2 DNSH. Starting from the year 2022, Alperia has undertaken a Climate Change Risk Analysis project aimed at estimating climate change risks, identifying and assessing them as well as identifying actions taken and to be taken to mitigate these risks. This analysis is in line with the EU Taxonomy, TCFD, and has involved the Bolzano Eurac Research Centre for the definition of future environmental scenarios.
- The alignment to the TVCs of Objectives 3, 4, 5 and 6 belonging to Delegated Regulation (EU) 2023/2486 was not examined as it is not required in terms of the 2023 reporting. As of next year, Alperia will also conduct this analysis according to the validated methodology to ensure continuity and structure.

- **PHASE 3**: *Verification with the technicans of the different Business Units and Companies of the Alperia Group of the compliance with the technical screening criteria and DNSH indicated in Annex I for Climate Change Mitigation Objective 1 only.*

The activities, which were found to be eligible and aligned for 2022, were again reviewed to confirm compliance with the technical screening criteria for Objective 1 and the CSPs for the remaining objectives.

Similar to last year, TLCs were analysed by individual macro-activity and, if necessary, by individual plant through detailed interviews with the technician(s), data collection and documentation.

Being in line with the requirements of the technical criteria, the conservative approach was approved during the audit and reconfirmed as the methodology to be applied to the taxonomic study. In this way, it was again possible to ensure conformity and transparency between the TCCs and the available evidence and, thus, to provide analyses and verifications that are strictly faithful to the structure of each individual activity.

The analysis performed confirmed the eligibility and alignment of the following activities:

- Electricity production from hydropower plants: excluding two plants. The remaining hydropower generation is aligned with Climate Change Mitigation Objective 1.

- The production of electricity using photovoltaic technology.

- The distribution of district heating with the exception of only the network of the recently acquired Verano district heating plant.

- In the building sector, activities include the installation, maintenance and repair of energy efficiency devices for measuring and controlling the energy performance of buildings, renewable energy technologies and charging stations for electric vehicles.

On the contrary, the non-alignment perimeter decreased, in line with Alperia's commitment to ensure a progressive increase in Taxonomy-aligned activities.

Based on these considerations, Edyna, belonging to the Group as an energy provider in South Tyrol, subjected its electricity distribution business to a carbon footprint study according to ISO 14067. The decision to undertake this analysis stemmed from the results of the 2022 Taxonomy study, which had highlighted the limiting factor for alignment with the Taxonomy, i.e. the absence of emission calculations for connections or expansions of direct connections and compliance with the 100 gCO_2 e/kWh threshold limit imposed by CVT.

For this reason, the CFP study was initiated with the aim of implementing a methodology for estimating emissions, acquiring ISO 14067 certification, and verifying the possible conformity of taxonomic CVTs with values less than or equal to 100 gCO_2 e/kWh. The days dedicated to the audit were successfully concluded as:

- the emission estimation methodology for existing connections has been approved and can therefore be extended to new ones
- the company acquired ISO 14067 product certification and enhanced its Integrated Management System
- the compliance of the taxonomic CVTs was verified, demonstrating that the lifecycle emission values of the activity are below the 100 gCO_2 e/kWh required by the CVTs themselves
- the electricity transmission and distribution activity can be considered permissible and technically aligned

Finally, below are the activities that have confirmed their non-aligned status.

- The economic activities concerning two hydropower plants, as it was not possible to rigorously and unequivocally define the power density and they do not have a certified carbon footprint to date.
- The production of electricity from bioenergy: although the biofuel is ISCC-certified and therefore in line with the technical screening criteria required for the fuel and energy-efficiency levels in line with those present in the BAT-AEELs for type of plant, the energy-efficiency levels for type of plant with associated biofuel in the BAT-AEELs were not present.

- **PHASE 4:** *Verification with corporate finance and controllers of the availability and granularity of economic data required for the construction of economic KPIs.*

- **PHASE 5:** *Verification of compliance with minimum social safeguards.*

In conjunction with the technical examination, Alperia's social Taxonomy study was audited by the auditors, who confirmed the validity of the procedure for compliance with the Social Minimum Safeguards. Below, the analysis of 2022 is shown, which was applied again for the year 2023.

At this stage, Alperia used information from the EU Final Report on Minimum Safeguards for the four fields of application: Human Rights, Corruption, Taxation and Free Competition. It should be noted that compliance with the conditions set out in the alignment criteria was verified at company level and not at individual business level.

Alperia is convinced that fundamental values such as respect for dignity, equality and freedom are fundamental to building a work environment that is uplifting, open and welcoming. Respect for human rights underpins all Alperia's activities, both internally and externally. Even in the choice of suppliers, in purchasing contracts and in the General Terms and Conditions of Contract at Group level, Alperia has included a specific clause requiring respect for these values. In detail, Alperia adopts the United Nations Global Compact and suppliers who wish to qualify in the Alperia Register must issue a declaration on human rights in which they affirm their acceptance of the Global Compact: the document requires companies and organisations that adhere to it to share, support and apply within their sphere of influence a set of fundamental principles relating to human rights, labour standards, environmental protection and anti-corruption.

All Alperia's suppliers must accept the principles of the Group's Code of Ethics and uphold them, starting with respect for and protection of human rights (included in all tenders and purchase orders managed by Procurement: from 2019, in particular, all new significant contracts, i.e. contracts managed centrally at Group level by the procurement function and exceeding a value of EUR 100,000, will include this clause), health and safety at work, as well as respect for the environment and sustainability. Alperia adopts an organisational system to keep track of the information requested and received from suppliers: Model 231, registration on the White List, in accordance with the Anti-Mafia Code, and other certifications held.

It should also be noted that Alperia does not perform a structured due diligence on its entire supply chain to date, due to the variety and size of its suppliers and the nature of Alperia as a service company and not as a product company. In Vision 2031, however, Alperia has set itself the ambitious target of an ESG rating of 100% of its suppliers and starting the Supplier Engagement process for SBTi. As proof of this commitment, in 2023 Alperia took a further step forward in the assessment of sustainability by introducing ESG-related award criteria in tenders with the criterion of the most economically advantageous offer and decided to compile statistics, collecting information from all suppliers that have an ESG rating or are members of the Science Based Target initiative.

Alperia is committed to preventing the commission of any offence pursuant to Legislative Decree 231/2001 through the adoption and implementation of Organisation, Management and Control Models pursuant to Legislative Decree1/2001 (hereinafter referred to as Model(s) 231) for all the major companies belonging to the corporate Group. The adoption by the corporate Group of ethical principles relevant to the transparency and correctness of corporate activity and useful for the prevention of offences pursuant to Legislative Decree 231/2001 constitutes an essential element of the preventive control system. These principles are included in the Group's Code of Ethics, which is an integral part of the individual Models 231, containing the set of rights, duties and ethical principles adopted by the entity towards 'stakeholders' (employees, PA, shareholders, third parties). It aims at recommending, promoting or prohibiting certain behaviours, beyond and regardless of what is provided for at a regulatory level, defining the principles of 'company deontology' that the company recognises as its own and on which it calls for the observance of all recipients.

- **PHASE 6:** *Calculation and quantification of Economic KPIs.*

The calculation and quantification of the economic KPIs of eligible and aligned activities are entrusted annually to the Administration & Finance section, which receives the results of the technical analysis as input. As far as economic reporting is concerned, Alperia has defined an internal process for collecting the necessary data and drafted operating instructions in order to make data collection and KPI calculation traceable and transparent:

- **Turnover KPI**: calculated as the portion of net revenue obtained from products or services, including intangible products or services, associated with economic activities aligned with the Taxonomy (numerator), divided by net revenue (denominator) in accordance with Article 2(5) of Directive 2013/34/EU. Turnover was determined from revenue recognised in accordance with International Accounting Standard (IAS) No. 1, item 82 (a).

- **KPI relating to capital expenditure (CapEx):** for the calculation of capital expenditure, the denominator was considered to be additions to tangible and intangible assets during the year considered before depreciation, amortisation, impairment and any revaluation, including those arising from restatements and reductions in value, for the year in question, and excluding changes in fair value, and also including additions to tangible and intangible assets arising from business combinations. In detail, capital expenditures were determined by applying International Accounting Standards *AS 16 "Property, Plant and Equipment", paragraph 73 (e), sub-paragraphs (i) and (iii); IAS 38 "Intangible Assets", paragraph 118 (e), sub-paragraph (i); (c) IAS 40 Investment Property, paragraph 76(a) and (b) (for the fair value model); IAS 40 Investment Property, paragraph 79 (d)(i) and (ii) (for the cost model); IAS 41 Agriculture, paragraph 50 (b) and (f) IFRS 16 Leases, paragraph 53 (h).*

    In the numerator, the parts of capital expenditures included in the denominator and related to assets or processes associated with Taxonomy-aligned economic activities or forming part of a plan to expand Taxonomy-aligned economic activities or to enable Taxonomy-aligned economic activities to become Taxonomy-aligned (CapEx plan) or related to the purchase of products from Taxonomy-aligned economic activities and to individual measures that enable activities to have the objective of achieving low carbon or greenhouse gas reductions were considered**.**

    The calculation was carried out bearing in mind that the numerator must include the part of capital expenditure for the adaptation of economic activities to climate change in accordance with Annex II of the Climate Act.

- **Operating Expenses KPI (OpEx)** given by the ratio of operating expenses related to activities or processes associated with eligible and aligned economic activities, part of the CapEx plan, to the sum of non-capitalised direct costs.

  In detail, according to the terms of the Delegated Act, the denominator includes direct non-capitalised costs related to research and development, building renovation measures, short-term rental, maintenance and repair, as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment, either by the company or by third parties to whom such tasks are outsourced, necessary to ensure the continuous and effective operation of such assets.

  While the numerator corresponds to the portion of operating expenditures included in the denominator that fulfil one of the following conditions: o they are related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resource adaptation needs, as well as non-capitalised direct costs of research and development o they are part of the CapEx plan o they are related to the purchase of products from Taxonomy-aligned economic activities and individual measures that enable the target activities to achieve low carbon or greenhouse gas reductions.

  The calculation was carried out bearing in mind that the numerator must also include the part of operational expenditure allocated to the adaptation of economic activities to climate change in accordance with Annex II of the Delegated Climate Act.

  Lastly, since in June 2023 Alperia issued a Green Bond with which it financed part of the activities deemed eligible and aligned with the Taxonomy, as required by the Communication of the Official Journal of the European Union C/2023/205, "Adjusted KPIs" were also calculated by Alperia, as follows, in order to provide evidence of the portion of revenues, CapEx and OpEx attributable to the activities aligned with the Taxonomy and financed with the Green Bond:

    i. Adjusted Turnover KPI: from the numerator of the Turnover KPI are deducted the revenues related to the activities aligned to the Taxonomy financed with the proceeds of the eco-bond
    ii. Adjusted CapEx KPI: from the numerator of the CapEx KPI are deducted the CapEx related to the activities aligned with the Taxonomy financed with the proceeds of the eco-bond
    iii. Adjusted OpEx KPI: from the numerator of the OpEx KPI are deducted the OpEx related to the Taxonomy-aligned activities financed with the proceeds of the environmental bond

Mapping the activities of the Alperia Group

The taxonomic landscape for the year 2023 includes two important contributions, namely the results of the analysis carried out in 2022 and the integration of new activities defined as eligible on the basis of the same validated process. For this reason, this section contains all taxonomic steps that have been verified so far and that, as of 2025, will have to be implemented for the alignment study of new eligible activities.

PHASE 1 of the Alperia process allowed the classification of the Group's activities into two categories:

ELIGIBLE: any economic activity described by the Taxonomy Regulation, in the Delegated Acts, and for which technical screening criteria are available to verify its substantial contribution to at least one of the EU environmental objectives; Objective 1: Climate Change Mitigation and Objective 2: Climate Change Adaptation for activities before 2023.

ELIGIBLE

Photovoltaic EE production	Generation of heat/cooling from gaseous fossil fuels in an efficient district heating and cooling system
EE production from hydropower	Installation, maintenance and repair of energy efficiency devices
Power generation from bioenergy	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in the parking spaces pertaining to buildings)
Production of Heat/Cooling from Bioenergy	Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings
EE transmission and distribution	Installation, maintenance and repair of renewable energy technologies
High-efficiency cogeneration of heating/cooling and electricity from gaseous fossil fuels	
Software enabling the management of and adaptation to physical climate risks	District Heating Distribution
Advice on managing and adapting to physical climate risks	Provision of IT/OT data-based solutions (information technology/operational technology) for loss reduction
Infrastructure for flood risk prevention and protection	Provision of data-driven IT/OT (information technology/operational technology) solutions
Sustainable urban drainage systems	Conservation, including restoration, of habitats, ecosystems and species
Nature-based solutions for flood and drought risk prevention and protection	Hydrogen production / Storage of hydrogen

For the year 2023, Alperia confirmed the following activities as *eligible*:

- **4.1 Electricity production through solar and photovoltaic technology**: this involves the construction and operation of photovoltaic panels for the development of green and sustainable electricity from renewable sources. The advantages of this type of energy production are first and foremost environmental, since they involve the use of a non-polluting source, and secondly, economic, since there is a considerable reduction in costs. Alperia Greenpower and, to a lesser extent, Fintel Energia Group S.p.A. operate in this sector.
- **4.5 Power generation from hydropower:** this is based on the construction and operation of plants using a renewable and sustainable energy source. Within the Group, this activity is entrusted to Alperia Greenpower and Alperia Vipower.
- **4.9 Electricity transmission and distribution:** consists of the construction and operation of networks for the transport of electricity throughout the territory by means of low, medium, high and extra-high voltage systems. Within the Group, distribution and transmission operations are entrusted to Edyna and Edyna Transmission.
- **4.10 Electricity storage:** intended exclusively as hydroelectric energy storage by pumped storage. Within Alperia Greenpower's hydroelectric power plant park, there are two power plants of this type**.**
- **4.15 District heating distribution:** this takes place through the construction, upgrading and operation of pipelines and related infrastructure for the distribution of heating that ends at the substation or heat exchanger. Thermal energy activities are managed by Alperia Ecoplus S.r.l.
- **4.24 Production of heat/cool from bioenergy:** this is based on the construction and operation of ad-hoc plants for the development of thermal energy from biogas, biomasses and bioliquids, not mixed with other renewable fuels. Within the Group, it is Alperia Ecoplus that deals with this type of production.
- **4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels:** understood as the construction, upgrading and operation of combined heat/cool and electricity generation plants using gaseous fossil fuels. Within the Group, this activity is carried out by Alperia Ecoplus and Alperia Green Future.
- **4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system:** this refers to the construction, upgrading and operation of heat production plants that produce heat/cool using fossil gaseous fuels and are connected to an efficient district heating and cooling system. Within the Group, this activity is entrusted to Alperia Ecoplus.
- **7.3 Installation, maintenance and repair of energy efficiency devices:** carried out by Alperia Green Future, through renovations involving new installations, maintenance and repair of devices with the virtuous objective of increasing the energy efficiency of buildings.
- **7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in the parking spaces pertaining to buildings):** this activity is performed within the Group by Fintel Energia Group S.p.A.
- **7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings:** activities in which Alperia Green Future and Solar Total Italia S.r.l. are engaged.

- **7.6 Installation, maintenance and repair of renewable energy technologies:** activities in which Alperia Green Future, Solar Total Italia and Fintel Energia Group are engaged.
- **8.2 Data-based solutions for GHG emission reduction:** these take the form of the development and use of ICT solutions aimed at collecting, transmitting and storing data. They also involve modelling and use where activities are planned to provide and analyse data for GHG emission reduction. This type of ICT solutions may include the use of Internet of Things, 5G, the use of decentralised technologies and artificial intelligence. This type of services is managed within the Group by Alperia Green Future.
- **9.1 Research, development and innovation close to the market**: this involves applied research and experimental development of technologies, business models, processes, solutions and other products with the ambitious goal of reducing, preventing or eliminating greenhouse gas emissions by demonstrating the results in a relevant environment that corresponds to the Technology Readiness Level (TRL). Group companies engaged in this area are Alperia Green Future and Hydrodata.

In addition, the following new activities have been added:

- **3.10 Hydrogen production:** activities for the production of hydrogen and hydrogen-based synthetic fuels. The Group company engaged in the development of this new area is Alperia Greenpower.
- **4.12 Hydrogen storage:** this takes the form of the construction and operation of plants that store hydrogen and return it at a later date. Again, the company involved in the embryonic stages of this activity is Alperia Greenpower.

Proceeding in the order of the objectives, the results of the taxonomic analysis in terms of eligibility are reported.

Analysing the scope of Annex II (Climate Change Adaptation Objective 2), the following activities were identified as *eligible*

- **8.4. Software enabling the management of and adaptation to physical climate risks:** understood as software development or programming activities aimed at providing software for forecasting, projecting and monitoring climate risks, early warning systems for climate risks and their management. The economic activity excludes the characteristics described for activities 9.1, 9.2 and 9.3. The Group company engaged in this activity is Alperia Green Future.
- **9.3. Consultancy for managing and adapting to physical climate risks:** involves carrying out or contracting consultancy activities that enable companies or organisations to manage physical climate risks. The selected economic activity is consistent with the description of objective (a): carrying out or supporting impact, vulnerability or climate risk assessments. Specifically, it is a technical and administrative due diligence activity related to the assessment of HDE – Hydro Dolomiti Energia – hydroelectric plants. This activity is carried out within the Group by the company Hydrodata.
- **14.2. Infrastructure prevention and protection against flood risks:** the activity consists of structural and non-structural measures aimed at preventing floods and protecting people, ecosystems, cultural heritage and infrastructures against such phenomena, in accordance with Directive 2007/60/EC of the European Parliament and of the Council. The description includes several activities implemented by Hydrodata, mainly addressed to the design phase.

Analysing Annex I of the Delegated Act 2023/2486 (Objective 3 – Sustainable Use and Protection of Marine Waters and Resources), the following activities were identified as *eligible*

- **2.3 Sustainable urban drainage systems:** this activity involves the construction, expansion, operation, and renovation of urban drainage systems that reduce pollution and flood risks from urban runoff discharges and improve urban water quality and quantity by exploiting natural processes such as infiltration and retention. This category includes several activities implemented by Hydrodata, such as hydraulic risk management studies, feasibility analyses for flood mitigation interventions and definition of remedial interventions for critical issues detected in drainage systems.
- **3.1. Nature-based solutions for flood and drought risk prevention and protection:** the activity includes the planning, construction, extension and implementation of large-scale nature-based flood or drought management and restoration measures for coastal, transitional or inland aquatic ecosystems that help prevent and protect against floods or droughts and improve natural water retention, biodiversity and water quality. The description allows the inclusion of some activities within the scope of Hydrodata.
- **4.1. Provision of IT/OT (Information Technology/Operational Technology) data-based solutions for leakage reduction:** the business manufactures, develops, installs and deploys IT (Information Technology) or operational (OT) data-based technology solutions or provides related maintenance, repair and professional services, including technical consultancy for design or monitoring, to control, manage, reduce and mitigate leakages in water supply systems. Within the Group, these activities are entrusted to Alperia Green Future and Hydrodata.

Analysing Annex II of the Delegated Act 2023/2486 (Objective 4 – Transition to a Circular Economy), the following activity was identified as *eligible:*

- **Provision of data-driven IT/OT (Information Technology/Operational Technology) solutions:** the business operates in the information and communication sector; the Group companies engaged in this area are Alperia Green Future and Hydrodata.

ELIGIBLE- NEW FOR 2023

Software enabling the management of and adaptation to physical climate risks

Advice on managing and adapting to physical climate risks

Infrastructure for flood risk prevention and protection

Sustainable urban drainage systems

Nature-based solutions for flood and drought risk prevention and protection

Provision of IT/OT data-based solutions (information technology/operational technology) for loss reduction

Provision of data-driven IT/OT (information technology/operational technology) solutions

Conservation, including restoration, of habitats, ecosystems and species

Hydrogen production
Storage of hydrogen

As of 2023, the activity "4.8 Production of Electricity from Bioenergy" carried out by Biopower Sardegna S.r.l. is no longer reflected in the items of the financial statements where, pursuant to the Taxonomy Regulation, eligible assets are valued; this is because the balances referring to this company, since it is being sold, are accounted for in "Discontinuing Operations".

NOT ELIGIBLE: any economic activity that is not described by the Taxonomy Regulation and for which no technical screening criteria are available to verify its substantial contribution to the achievement of at least one of the EU environmental objectives.

NOT ELIGIBLE

Sales & Trading

Call center

Marketing

Consulting
Other services

At this point, through the process described above and outlined in the figure below:
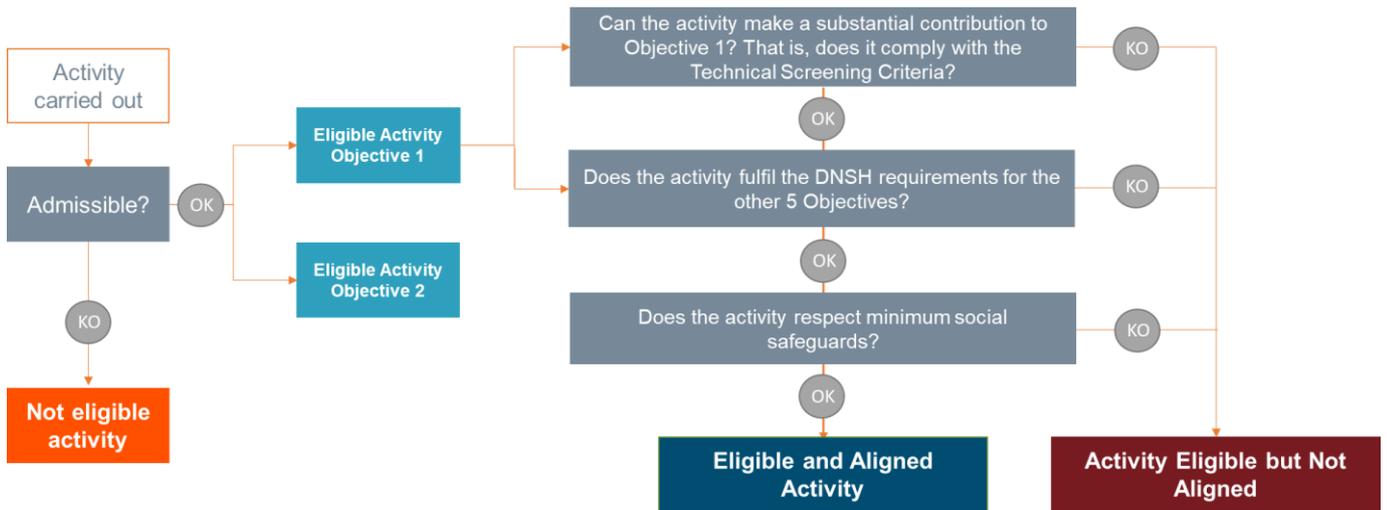
ELIGIBLE activities were further classified into two categories:

ELIGIBLE-ALIGNED: these include all ELIGIBLE activities that:

- meet the technical screening criteria of Climate Change Mitigation Objective 1
- meet the DNSH requirements for the other five objectives
- respect minimum social safeguards

ELIGIBLE-NOT ALIGNED: all ELIGIBLE assets that do not meet at least one of the following conditions:

- compliance with the technical screening criteria of Climate Change Mitigation Objective 1
- compliance with DNSH requirements for the other five objectives
- respect for minimum social safeguards

The ELIGIBLE-ALIGNED activities of the Alperia Group are:

ELIGIBLE-ALIGNED

Photovoltaic EE production

Generation **of** EE from hydropower with the exception of 2 hydropower plants

Distribution of district heating with **the exception of the TLR plant in Verano**

Installation, maintenance and repair of energy-efficiency devices
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in the parking spaces pertaining to buildings)
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings
Installation, maintenance and repair of renewable energy technologies

ELIGIBLE-ALIGNED NEW FOR 2023

EE transmission and distribution

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The ELIGIBLE-NOT ALIGNED activities of the Alperia Group are:

ELIGIBLE-NOT ALIGNED

EE **production** from hydropower from 2 hydroelectric plants

High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels

Power generation from bioenergy
Production of Heat/Cool from bioenergy

Generation of heat/cooling from gaseous fossil fuels in an efficient district heating and cooling system

Distribution of district heating at the Verano TLR power plant

Hydrogen production
Storage of hydrogen

Data-driven solutions for reducing GHG emissions Research, development and innovation close to the market

Finally, Alperia's commitment to the environment, which is embodied in the goal of achieving carbon neutrality by 2040, is reaffirmed. Starting from the taxonomic analysis, the Group has carried out, and will continue to update, a gap analysis in order to identify and subsequently implement the necessary actions to increase the share of eligible-aligned activities. To date, the first important result of this step is the product certification by Edyna, which has confirmed the alignment of the electricity transmission and distribution business.

Results of the Group's economic activities on Taxonomy

The results related to the eligibility percentages and alignment of the Alperia Group's economic activities to the Taxonomy are shown in the following tables in line with the models for the Key Performance Indicators (KPIs) of non-financial corporations in Annex II of the Delegated Act 2023/2486.

Table 1 Share of the Alperia Group's 2023 turnover associated with eligible economic activities and aligned to the EU Taxonomy

Financial year 2023		2023		Substantial contribution criteria						DNSH									
Economic activities (1)	Codes (2)	Absolute turnover (3)	Share of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Sustainable use and protection of water and marine resources (7)	The transition to a circular economy (8)	Pollution prevention and control (9)	The protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	The sustainable use and protection of water and marine resources (13)	The transition to a circular economy (14)	Pollution prevention and control (15)	The protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of turnover aligned with taxonomy (18)	Category - enabling activities (19)	Category - transitional activities (20)
U.M.		k€	%	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
4.1 Electricity generation from solar and photovoltaic technology	CCM 4.1/CCA 4.1	140	0.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	-	-
4.5 Electricity generation from hydropower	CCM 4.5/CCA 4.5	530,416	19.5%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	27.63%	-	-
4.9 Transmission and distribution of electricity	CCM 4.9/CCA 4.9	53,593	2.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	E	-
4.10 Storage of electricity	CCM 4.10/CCA 4.10	2,279	0.1%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.19%	E	-
4.15 District heating/cooling distribution	CCM 4.15/CCA 4.15	930	0.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.03%	-	-
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3/CCA 7.3	367,869	13.5%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	2.08%	E	-
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4/CCA 7.4	701	0.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.02%	E	-
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5/CCA 7.5	180	0.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	E	-
7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6/CCA 7.6	27,860	1.0%	YES	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.69%	E	-
A.1. Turnover of environmentally sustainable activities (Taxonomy-aligned)		983,967	36%	36%	0.00%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	30.63%		
Of which enabling		452,482	16.60%	16.60%	0.00%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	%	E	
Of which transitional		-	0	%						YES	YES	YES	YES	YES	YES	YES	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
4.5 Electricity generation from hydropower	CCM 4.5/CCA 4.5	15,453	0.57%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.85%		
4.8 Electricity generation from bioenergy	CCM 4.8/CCA 4.8	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.34%		
4.9 Transmission and distribution of electricity	CCM 4.9/CCA 4.9	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.46%		
4.15 District heating/cooling distribution	CCM 4.15/CCA 4.15	44	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
4.24 Production of heat/cool from bioenergy	CCM 4.24/CCA 4.24	4,482	0.16%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.14%		
4.30 High-efficiency combined heat/cool and power generation from gaseous fossil fuels	CCM 4.30/CCA 4.30	35,771	1.31%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.87%		
4.31 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.31/CCA 4.31	3,938	0.14%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.15%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	206	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
9.1/9.2 Close to the market research, development and innovation	CCM 9.1/CCA 9.2	158	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
9.3. Consultancy for physical climate risk management and adaptation	CCA 9.3	135	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
14.2. Flood risk prevention and protection infrastructure	CCA 14.2	117	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
2.3 Sustainable urban drainage systems	WTR 2.3	34	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
3.1. Nature-based solutions for flood and drought risk prevention and protection	WTR 3.1	83	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
4.1. Provision of IT/OT data-driven solutions	CE 4.1	111	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
A.2. Turnover of Taxonomyeligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		60,532	2.2%																
Total (A.1. + A.2)		1,044,499	38.33%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B.1 Turnover of Taxonomynon-eligible activities		1,680,493	62%																
Total (A+B)		2,724,992																	

Table 2 Alperia Group's share of CapEx 2023 associated with eligible economic activities and aligned with the EU Taxonomy

Financial year 2023	2023			Substantial contribution criteria						DNSH									
Economic activities (1)	Codes (2)	Absolute turnover (3)	Share of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Sustainable use and protection of water and marine resources (7)	The transition to a circular economy (8)	Pollution prevention and control (9)	The protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	The sustainable use and protection of water and marine resources (13)	The transition to a circular economy (14)	Pollution prevention and control (15)	The protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of turnover aligned with taxonomy (18)	Category - enabling activities (19)	Category - transitional activities (20)
U.M.		k€	%	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
4.1 Electricity generation from solar and photovoltaic technology	**CCM 4.1**/CCA 4.1	5	0%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0,00%	-	-
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	57.943	32%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	34,36%	-	-
4.9 Transmission and distribution of electricity	**CCM 4.9** /CCA 4.8	69.113	39%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0,00%	E	-
4.10 Storage of electricity	**CCM 4.10**/CCA 4.10	2.284	1%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0,40%	E	-
4.15 District heating/cooling distribution	**CCM 4.15**/ CCA 4.15	5.375	3%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	4,81%	-	-
7.3 Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	732	0%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0,17%	E	-
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4**/CCA 7.4	-	0%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0,00%	E	-
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.5**/CCA 7.5	138	0%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0,00%	E	-
7.6. Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/ CCA 7.6	9.549	5%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	3,29%	E	-
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)		145.138	81%	81%	0,00%	0,00%	0,00%	0,00%	0,00%	YES	YES	YES	YES	YES	YES	YES	43,04%		
Of which enabling		81.815	46%	45,88%	0,00%	0,00%	0,00%	0,00%	0,00%	YES	YES	YES	YES	YES	YES	YES	%	E	
Of which transitional		-	0	%						YES	YES	YES	YES	YES	YES	YES	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	272	0,15%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,06%		
4.8 Electricity generation from bioenergy	**CCM 4.8** /CCA 4.8	-	0,00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,04%		
4.9 Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	-	0,00%	EL	EL	N/EL	N/EL	N/EL	N/EL								25,91%		
4.15 District heating/cooling distribution	**CCM 4.15**/CCA 4.15	117	0,07%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,11%		
4.24 Production of heat/cool from bioenergy	**CCM 4.24**/CCA 4.24	308	0,17%	EL	EL	N/EL	N/EL	N/EL	N/EL								1,85%		
4.30 High-efficiency combined heat/cool and power generation from gaseous fossil fuels	**CCM 4.30**/CCA 4.30	2.787	1,56%	EL	EL	N/EL	N/EL	N/EL	N/EL								5,08%		
4.31 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.31**/CCA 4.31	391	0,22%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,40%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	396	0,22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,31%		
9.1/9.2 Close to the market research, development and innovation	**CCM 9.1**/CCA 9.2	50	0,03%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,05%		
3.10 Manufacture of hydrogen	**CCM 3.10**/CCM 3.10	276	0,15%	EL	EL	N/EL	N/EL	N/EL	N/EL										
4.12 Storage of hydrogen	**CCM 4.12** /CCA 4.12	52	0,03%	EL	EL	N/EL	N/EL	N/EL	N/EL										
A.2. CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		4.649	3%														33,81%		
Total (A.1. + A.2)		149.787	84%														76,85%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B.1 CapEx of Taxonomy-noneligible activities		28.532	16%																
Total (A+B)		178.319																	

Table 3 Alperia Group's share of OpEx 2023 associated with eligible economic activities and aligned with the EU Taxonomy

Economic activities (1)	Codes (2)	Absolute turnover (3)	Share of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Sustainable use and protection of water and marine resources (7)	The transition to a circular economy (8)	Pollution prevention and control (9)	The protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	The sustainable use and protection of water and marine resources (13)	The transition to a circular economy (14)	Pollution prevention and control (15)	The protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of turnover aligned with taxonomy (18)	Category - enabling activities (19)	Category - transitional activities (20)
Financial year 2023	**2023**			**Substantial contribution criteria**						**DNSH**									
U.M.		k€	%	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES; NO; N/EL (b) (c)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
4.1 Electricity generation from solar and photovoltaic technology	**CCM 4.1**/CCA 4.1	10	0.00%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	-	-
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	20,415	0.88%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.47%	-	-
4.9 Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	4,254	0.18%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	E	-
4.10 Storage of electricity	**CCM 4.10**/CCA 4.10	1,685	0.07%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.03%	E	-
4.15 District heating/cooling distribution	**CCM 4.15**/CCA 4.15	449	0.02%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.02%	-	-
7.3 Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	68	0.00%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	E	-
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4**/CCA 7.4	7	0.00%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	E	-
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.5**/CCA 7.5	6	0.00%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.00%	E	-
7.6. Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/CCA 7.6	790	0.03%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.01%	E	-
A.1. OpEx of environmentally sustainable activities (Taxonomy-aligned)		27,684	1.19%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	0.53%		
Of which enabling		6,811	0.29%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	%	E	
Of which transitional		-	0	%						YES	YES	YES	YES	YES	YES	YES	%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	1,529	0.07%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
4.8 Electricity generation from bioenergy	**CCM 4.8**/CCA 4.8	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
4.9 Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	-	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
4.15 District heating/cooling distribution	**CCM 4.15**/CCA 4.15	44	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
4.24 Production of heat/cool from bioenergy	**CCM 4.24**/CCA 4.24	514	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
4.30 High-efficiency combined heat/cool and power generation from gaseous fossil fuels	**CCM 4.30**/CCA 4.30	1,489	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
4.31 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.31**/CCA 4.31	55	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	5	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
9.1/9.2 Close to the market research, development and innovation	**CCM 9.1**/CCA 9.2	111	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
9.3. Consultancy for physical climate risk management and adaptation	CCA 9.3	23	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
14.2. Flood risk prevention and protection infrastructure	CCA 14.2	196	0.01%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
2.3 Sustainable urban drainage systems (SUDS)	WTR 2.3	18	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
3.1. Nature-based solutions for flood and drought risk prevention and protection	WTR 3.1	92	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
4.1. Provision of IT/OT data-driven solutions	CE 4.1	37	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
A.2. OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		4,113	0.18%														0		
Total (A.1. + A.2)		31,796															0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B.1 OpEx of Taxonomy-noneligible activities		2,297,226	99%																
Total (A+B)		2,329,022																	

Finally, the tables below summarise the respective shares of turnover, CapEx and OpEx with respect to the total turnover, CapEx and OpEx for each individual objective. The tables below were compiled by calculating the percentages of eligibility and alignment for each individual Objective (e.g. the activity "4.1 Production of Electricity Through Photovoltaic Solar Technology" was considered in the eligibility of both Objective 1 CCM and Objective 2 CCA):
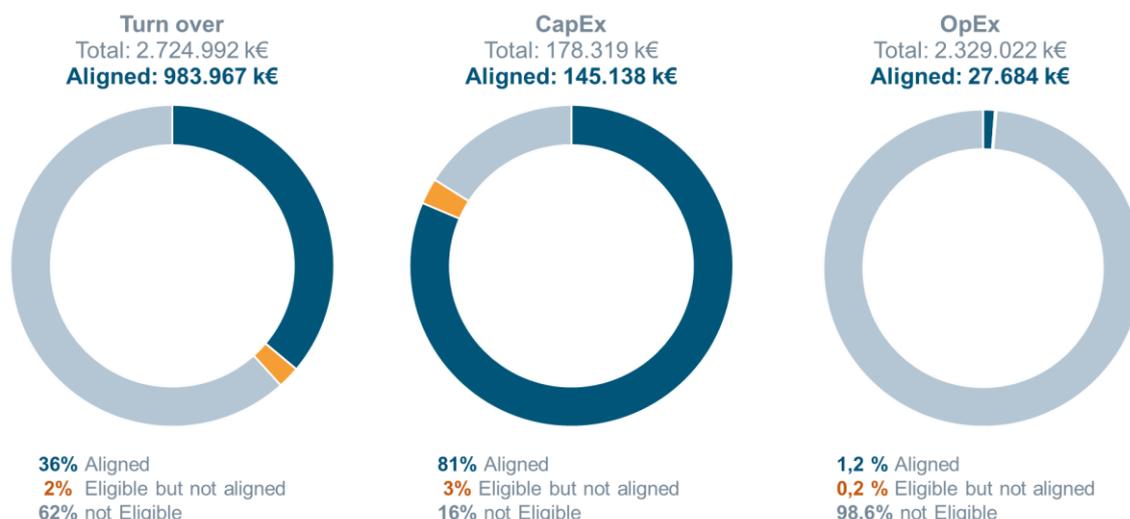
Proportion of turnover/total turnover		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	36.109%	38.313%
CCA	0.000%	38.314%
WTR	0.000%	0.0043%
CE	0.000%	0.0041%
PPC	0.000%	0.0000%
BIO	0.000%	0.0000%

Proportion of capex/total capex		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	81.392%	83.815%
CCA	0.000%	83.777%
WTR	0.000%	0.0000%
CE	0.000%	0.0000%
PPC	0.000%	0.0000%
BIO	0.000%	0.0000%

Proportion of opex/total opex		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1.189%	1.350%
CCA	0.000%	1.359%
WTR	0.000%	0.0047%
CE	0.000%	0.0016%
PPC	0.000%	0.0000%
BIO	0.000%	0.0000%

Please note that the percentage shares of alignment to objectives other than Climate Change Mitigation Objective 1 are zero, as Alperia conducted the alignment analysis on Objective 1 only.

In the graphs below, Alperia reports a summary of the economic analysis carried out showing the economic KPIs calculated for the EU Taxonomy divided by Revenues, CapEx and OpEX in the form of percentage shares of alignment, eligibility and non-eligibility for the year 2023:

Turn over
Total: 2.724.992 k€
Aligned: 983.967 k€

CapEx
Total: 178.319 k€
Aligned: 145.138 k€

OpEx
Total: 2.329.022 k€
Aligned: 27.684 k€

36% Aligned
2% Eligible but not aligned
62% not Eligible

81% Aligned
3% Eligible but not aligned
16% not Eligible

1,2 % Aligned
0,2 % Eligible but not aligned
98,6% not Eligible

And a comparison of economic KPIs 2022 and 2023:
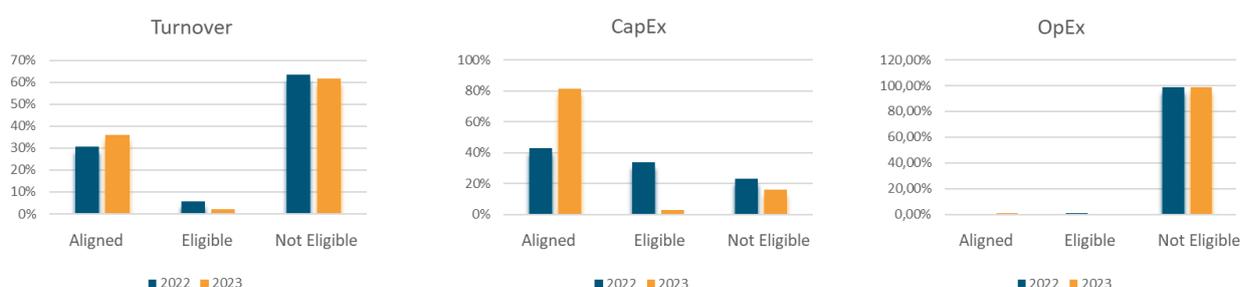
Eligible and aligned activities with respect to 2022 increased due to the contribution of the activity "4.9 Electricity Distribution", which also became aligned (from being eligible), as described in the previous paragraphs.

As far as adjusted KPIs are concerned, the portion of revenues attributable to Taxonomy-aligned activities financed with the Green Bond is equal to almost the entirety of aligned activities (Aligned Assets 36.11% vs. Aligned Assets financed with the Green Bond 36.10%), therefore the Adjusted Turnover KPI is 0.01% (calculated by deducting from the numerator of the turnover KPI the revenues related to Taxonomy-aligned activities financed with the proceeds of the Green Bond).

The share of investments of the assets financed with the Green Bond and aligned to the Taxonomy is 81.32% of the total CapEx, hence the Adjusted CapEx KPI is 0.08%.

Similarly, since the OpEx share of the assets financed with the Green Bond and aligned to the Taxonomy is 1.1884%, the Adjusted OpEx KPI is 0.0003%.

Alperia, as shown in the tables above, includes among its eligible activities two of the six activities listed among those regulated by the Complementary Delegated Act relating to the production of energy from nuclear and gaseous fossil fuels: – Activity "4.30 High-efficiency Cogeneration of Heat/Cool and Electricity from Gaseous Fossil Fuels". – Activity '"4.31 High-Efficiency Cogeneration of Heat/Cool from Gaseous Fossil Fuels in an Efficient District Heating and Cooling 'System'.

The activities listed above, as described in the preceding paragraphs, were found to be eligible, but not aligned, which is why a table is set out below that is in line, but simplified, with the requirements of Annex 3 "ANNEX XII Standard Forms for Public Disclosure of Information Referred to in Article 8(6) and (7)" of the Delegated Act":

Table 4 Eligible economic activities not aligned with the EU Taxonomy related to energy production from fossil fuels

	Economic activities	Amount and share 2023						Amount and share 2022					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation(CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation(CCA)	
		Amount [k€]	%	Amount [k€]	%	Amount [k€]	%	Amount [k€]	%	Amount [k€]	%	mount [k€	%
Turnover													
5	Amount and share of economic activity eligible for the taxonomy but not aligned to the taxonomy in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	35,770.91	0.01	35,770.91	0.01	0.00	0.00	31,482.38	0.15	31,482.38	0.15	0.00	0.00
6	Amount and share of the economic activity eligible for the taxonomy but not aligned with the taxonomy set out in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	3,937.60	0.00	3,937.60	0.00	0.00	0.00	5,478.41	0.03	5,478.41	0.03	0.00	0.00
7	**Amount and share of other economic activities eligible for the taxonomy but not aligned to the taxonomy not included in rows 1 to 6 to the denominator of the applicable KPI**	**1,004,790.14**	**0.37**	**1,004,790.14**	**0.37**	**0.00**	**0.00**	175,084.28	0.83	175,084.28	0.83	0.00	0.00
8	**Total amount and share of economic activities eligible for the taxonomy but not aligned with the taxonomy to the denominator of the applicable KPI**	**2,724,991.51**	**1.00**	**2,724,991.51**	**1.00**	**0.00**	**0.00**	212,045.06	1.00	212,045.06	1.00	0.00	0.00
Capex													
5	Amount and share of economic activity eligible for the taxonomy but not aligned to the taxonomy in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	2,786.70	0.02	2,786.70	0.02	0.00	0.00	9,743.99	0.15	9,743.99	0.15	0.00	0.00
6	Amount and share of the economic activity eligible for the taxonomy but not aligned to the taxonomy set out in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	391.00	0.00	391.00	0.00	0.00	0.00	758.59	0.01	758.59	0.01	0.00	0.00
7	**Amount and share of other economic activities eligible for the taxonomy but not aligned to the taxonomy not included in rows 1 to 6 to the denominator of the applicable KPI**	**146,609.53**	**0.82**	**146,609.53**	**0.82**	**0.00**	**0.00**	54,316.64	0.84	54,316.64	0.84	0.00	0.00
8	**Total amount and share of economic activities eligible for the taxonomy but not aligned with the taxonomy to the denominator of the applicable KPI**	**178,318.86**	**1.00**	**178,318.86**	**1.00**	**0.00**	**0.00**	64,819.22	1.00	64,819.22	1.00	0.00	0.00
Opex													
5	Amount and share of economic activity eligible for the taxonomy but not aligned to the taxonomy in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	1,489.27	**0.00**	1,489.27	0.00	0.00	0.00	952.31	0.04	952.31	0.04	0.00	0.00
6	Amount and share of the economic activity eligible for the taxonomy but not aligned to the taxonomy set out in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 to the denominator of the applicable KPI	54.55	**0.00**	54.55	0.00	0.00	0.00	134.48	0.01	134.48	0.01	0.00	0.00
7	**Amount and share of other economic activities eligible for the taxonomy but not aligned to the taxonomy not included in rows 1 to 6 to the denominator of the applicable KPI**	**2,295,682.11**	**1.00**	**2,295,682.11**	**1.00**	**0.00**	**0.00**	23,312.26	0.96	23,312.26	0.96	0.00	0.00
8	**Total amount and share of economic activities eligible for the taxonomy but not aligned with the taxonomy to the denominator of the applicable KPI**	**2,297,225.93**	**1.00**	**2,297,225.93**	**1.00**	**0.00**	**0.00**	24,399.05	1.00	24,399.05	1.00	0.00	0.00

11.6. METHODOLOGICAL NOTE

This Sustainability Report takes the form of a consolidated non-financial statement pursuant to Legislative Decree No. 254/2016 and examines the activities and indicative data of the Alperia Group according to the reporting limits and reporting period of the consolidated financial statements 2023. Deviations, with reference to the boundary, are indicated next to the data in question with footnotes.

List of consolidated companies under consolidated financial statements 2023

Business Unit	Company	Shareholding (%)	Installations (number)
Parent company	Alperia S.p.A.		
Generation	Alperia Greenpower S.r.l.	100	33 hydroelectric power stations; 7 photovoltaic systems (Bolzano)
	Alperia Vipower S.p.A.	76.1	2 hydroelectric power stations
Sales & Trading	Alperia Trading S.r.l.	100	
	Alperia Smart Services S.r.l.	100	
	Fintel Gas and Light S.r.l.	90	
Networks	Edyna S.r.l.	100	
Heat & Services	Alperia Ecoplus S.r.l.	100	7 district heating plants
	Biopower Sardegna S.r.l.	100	1 biofuel power plant
Smart Region	Alperia Green Future S.p.A.	100	
	Solar Total Italia S.r.l.	100	
	Hydrodata S.p.A.	50.51	
	Alperia Innoveering S.r.l.	1 (99% Hydrodata)	

During 2023, the Group carried out the following corporate transactions:
- On 22 June 2023, Alperia S.p.A. sold Terna – Rete Elettrica Nazionale S.p.A. 100% of the share capital of Edyna Transmission S.r.l., a company dedicated to the transmission sector and owner of 34 kilometres of high-voltage power lines and two power stations in South Tyrol that are already part of the national electricity transmission grid for a total value of approximately EUR 14 million.
- On 27 June 2023, Alperia S.p.A. established the new company AlpsGo S.r.l. with the cooperative Carsharing Südtirol Alto Adige, in which it holds a 24.9% share of the share capital, with the aim of strengthening the presence of electric carsharing in the territory.
- The dissolution of the Romanian company Bluepower Connection S.r.l., a wholly owned subsidiary of Alperia Green Future S.r.l., was finally closed at the end of September.

Furthermore, at the beginning of 2024 Solar Total Italia was merged by incorporation into Alperia Green Future S.r.l. However, for 2023 data, Solar Total is not included in the HR and procurement data perimeter, as the company has not been integrated within the Group's information systems.

The misalignment of the total number of employees presented in this non-financial statement compared to the consolidated financial statements is due to the different way in which the figure is calculated. In the consolidated financial statements, the number reported is calculated as the average number of employees over the year.

The Alperia Sustainability Report is published annually. This report has been prepared in accordance with the GRI Standards 2021: in accordance option.

11.7. CONTACTS

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