alperia

Consolidated financial statements 2024

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www.alperiagroup.eu

Alperia Spa

Share Capital Euro 750,000,000 fully paid up

Via Dodiciville 8 - 39100 Bolzano

Register of Companies of Bolzano / Tax code and VAT registration number 02858310218

Management Board	
Chair	Flora Emma **Kröss**
Deputy Chair	Mauro **Marchi**
Director and General Manager	Alois **Amort**
Director and Deputy General Manager	Paolo **Acuti**
Director	Markus **Mattivi**
Director	Daniela **Vicidomini**
Supervisory Board	
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Deputy Chair	Luitgard **Spögler**
Member	Manfred **Mayr**
Member	Silvia **Paler**
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Member	Wolfram **Sparber**

Independent Auditors	**PricewaterhouseCoopers Spa**

ALPERIA GROUP

REPORT ON OPERATIONS FOR THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

1. LETTER TO STAKEHOLDERS

Dear shareholders,

Twenty-twenty-four marks a fundamental step for our corporate documentation that, starting this year, incorporates Sustainability Reporting within the Report on Operations to the Group's Consolidated Financial Statements, as required by Decree 125/2024 that transposed the CSRD (Corporate Sustainability Reporting Directive) in Italy, thus producing a single report that integrates ESG performance with traditional economic and financial information. This step is not only an opportunity to provide our stakeholders with an even clearer and more complete view of our work and the value generated by the Group, but it is also an opportunity for us to dwell on what we have built to date and the foundations on which we will continue to grow.

As far as the Group's financial results are concerned, the year 2024 represents the best year in Alperia's history, driven by **hydroelectric production at record levels**. Two figures suffice to represent the extraordinary trend of the year under review: normalised **EBITDA** increased from Euro 327.6 million in 2023 to Euro **502.8 million in 2024**, while Group net profit rose to Euro 250.5 million in 2024 from Euro 84.2 million in 2023. In line with the Business Plan, the **proposed dividends amount to Euro 36.0 million**, up from the dividends declared in 2024 (+ Euro 2.0 million).

We intend to play a **key role in the energy transition process**, which is a priority issue for us. By 2024, we generated **about 5.5 TWh/year of energy**, primarily from renewable sources such as water (today we are already at 95%). This represents an increase - compared to the previous year – of 30% of net energy produced from renewable sources and made available to private and business customers, generating **revenue of Euro 2.4 billion**. Furthermore, as per our targets, we are continuing to **increase the share of turnover derived from sustainable products and services,** a sector that has grown significantly, going **from 31% in 2017 to 82% in 2024**.

Our vision of the future

At the end of December 2024/beginning of 2025, the Management Board and the Supervisory Board of Alperia Spa updated the **2023-2027 Business Plan** approved in 2022. In addition to confirming our strategic guidelines (sustainability, consolidation and innovation) and the reduction of CO_2e emissions (Scope 1, 2 and 3) by 45% from 2021 levels by 2027, an important **increase in total net investments**

in the period 2023 - 2027 was resolved, compared to the approved Plan figure in 2023, **from approximately Euro 870 million to Euro 1.14 billion**. The Plan also envisages a **significant increase in cumulative EBITDA** over the same period, compared to the previous Plan figure updated in 2023, **from Euro 1.6 billion to Euro 1.9 billion**. We estimate a net financial position at the end of 2027 of about Euro 680 million, with the maintenance of a net debt guidance of slightly more than 2x EBITDA (end-of-plan figure) and the confirmation of the dividend growth trend. We have also revised the market scenarios, in particular we expect in 2027 a drop in the electricity we estimate to sell to end customers of 5.9 TWh, of which about 70% is green energy, as well as a reduction by the same date in gas sales to just under 390 million scm, of which more than 56% is CO_2 offset gas and 6% biomethane, and a drop in thermal energy to be sold to just under 350 GWht, of which 54% is produced from nonfossil fuels. We also expect a significant increase in the number of supply points to end customers, which will rise to over 710 thousand in 2027, including electricity and gas.

We also want to invest in other **green energy solutions** such as the construction of **district heating systems** fuelled by heat generated from biomass and municipal solid waste, **wind power, residential and industrial photovoltaic**, pumped storage plants, **green hydrogen plants and biomethane plants for businesses**. Our commitment is not limited to energy production: we manage the electricity grid, we offer **innovative solutions for electric mobility**, we support **energy saving**, we promote the improvement of business performance and the **efficient use of energy**, and we work on a daily basis to offer our customers concrete tools to reduce their environmental impact.

The **Sustainability Plan 2022-2027**, which is the result of a comprehensive process of dialogue with our stakeholders, aims to strengthen the Group's sustainable growth. We have identified ESG objectives in the following five strategic action areas: Governance and Resilience, Customers, Green Mission, Territory and People**.** In 2024, we achieved 85% of the targets for the year.

Since 2016 and 2017, the years in which we launched a Group-wide structured sustainability management system (2016) and published our first Sustainability Report (2017), we have been committed to integrating ESG factors into business management and decision-making processes. This commitment is evidenced by our fifthplace ranking among Italian unlisted companies, achieved in 2024 with the Identity Corporate Index (formerly the Integrated Governance Index), which assesses the level of integration of sustainability into corporate governance.

Transition finance

At the beginning of June 2024, Alperia Spa issued a new **green bond** in the amount of **Euro 250 million, an instrument offered to the general public in Italy as well as qualified Italian and foreign investors.** In addition to enabling us to finance/refinance our business activities and, in particular, 100% green projects aligned with the EU Taxonomy in line with our Green Finance Framework, we aimed to strengthen, through distribution to the general public, our relationship with the territories in which we operate, by offering the population the opportunity to invest in green bonds. At the end of the placement, approximately 60% of the bond was subscribed by retail investors, a tangible sign of the citizens' willingness to actively contribute to the energy transition process and the achievement of environmental sustainability goals.

During 2024, we received **the Fitch Agency's** confirmation of our '**BBB' Investment Grade rating,** with a 'stable' outlook compared to the previous 'negative' outlook at the end of 2022, reflecting the Group's solid financial performance in 2023. From the rating agency we also obtained ESG ratings of 2, with an overall score of 80/100. Alperia's Green Bond 2023 received the highest score (1), highlighting the high environmental and social standards of its financial instruments. The Green Finance Framework received a score of 2, reinforcing the robustness and transparency of Alperia's ESG framework.
We were awarded the **Gold medal** with a score of 75 out of 100, an improvement of ten points over the previous survey, in the **annual assessment of EcoVadis**, an international eco-sustainability rating, which measures achievements in four key areas: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement.

Smart, safe and resilient

To ensure increasingly efficient services and secure and resilient infrastructures for our customers, we have continued to make targeted investments in the monitoring and maintenance of our networks and facilities. In total, we have earmarked Euro 219 million in 2024 for strategic measures aimed at improving the reliability and sustainability of our energy system. In the year under review, we took a further step in aligning with European regulations, with **73% of our capital expenditure (CapEx) complying with the EU Taxonomy**, demonstrating our commitment to actively contribute to the European Union's sustainability goals.

Our climate commitment

Since 2020, we have offset the **Scope 1 and 2 operational emissions** that still cannot be avoided, and we are actively working to improve our **Scope 3** emissions, in line with one of our most important targets: **Reduce emissions by 70% by 2031** by offsetting non-avoidable emissions and **achieve Net Zero by 2040**.

In 2024, we intensified our monitoring efforts, refining our processes for measuring and controlling our emissions. Our short- and long-term decarbonisation targets, also validated by **SBTi**[1], are tangible and in constant progress: the Group's total emissions decreased by 34% compared to 2022 and 5% compared to 2023, confirming a **downward trend**. The reduction in emissions in the year 2024 compared to the year 2023 is mostly due to a reduction in Scope 1 emissions and more specifically to a reduction in direct consumption of natural gas (-18% in Scope 1 emissions) and a decrease in Scope 3 emissions, which are related to the decrease in natural gas sales to end customers (-7% reduction in 2024 compared to 2023 in Scope 3-Use of products sold). The reduction in emissions in the year 2024 compared to the year 2022 is, on the other hand, mostly attributable to Scope 3, where a decrease of -35% was recorded, mostly due to a paradigm shift in sales of electricity and natural gas to end customers: increased renewable electricity sold at the expense of non-renewable and reduced volumes of natural gas sold.

We are proud to have certified several plants to international standards: our sites are **ISO 14001:2015** compliant, and some of our facilities are also **ISO 50001** certified, such as the Ponte Gardena hydroelectric power plant and the Bolzano district heating plant, as well as the Alperia's headquarters in Bolzano, via Dodiciville, and the Sesto district heating plant. Moreover, **Edyna** was the first distributor in Italy to obtain **ISO 14067** certification, further confirming our commitment to sustainability along the entire value chain.

All these efforts are not limited to the internal improvement of our operations but also make a tangible contribution to the success of the **South Tyrol Climate Plan 2040**, an initiative of the Autonomous Province of Bolzano that we are actively supporting as a strategic partner to accelerate the energy transition.

Close to the people, the territory and the community

The last few years have been particularly challenging for many people and companies in a global context, marked by the global pandemic, geopolitical tensions and rising energy prices. In this complex scenario, we did our part and tried to offer tangible and timely solutions, both for our customers and the community in which we operate. Our initiatives have included dedicated and advantageous tariff offers, the enhancement of support services and meaningful social interventions to meet the needs of families and businesses.

In 2024, we maintained our commitment to the community and the area in which we operate. We generated Euro **382 million in added value**, which was allocated to public institutions, salaries and benefits for our employees, but also to contracts with local companies (up to 57%), sponsorships, donations and dividends to shareholders.

During 2024, initiatives that produce positive impacts on the region and the community were continued by the **Community Investment** function. In particular, the **reforestation project in Luson** and the project carried out in cooperation with the "Blühende Landschaft" network, an association committed to the **conservation and promotion of habitats rich in flowers and biodiversity**, with the aim of ecologically enhancing the hydroelectric power plants and substations in Val Venosta by sowing native plants in the land surrounding our plants in order to promote biodiversity.

We are also committed on a daily basis to ensuring that our people **(over 1,200, 95% of whom are permanent employees**) enjoy mental and physical well-being and a safe working environment in which they can realise their full potential. We continued our **training** activities with an overall increase of 12.2%, from 33.5 hours in 2022 to 37.6 hours per employee in 2024, and strengthened growth programmes, feedback interviews and initiatives to develop leadership skills. This commitment resulted in a reduction of the turnover rate from 8.8% (of which 25.5% due to retirements) to 5.9% (of which 34% due to retirement) in 2024.

Our commitment to equal opportunities is concrete and tangible, with the aim of increasing the number of women in positions of responsibility. The percentage of women within the Group increased from 26% in 2022 to 29% in 2024, marking a positive trend towards greater inclusion. We have achieved **Gender Certification** (UNI PdR 125:2022) and in this context the position of **Diversity Manager** and the introduction of a **Diversity Policy** are key tools to drive change towards a more inclusive Group. Alperia Greenpower has certified its social management system to **PAS 24000** standards**.** Finally, to facilitate work-life balance, we introduced more flexibility in working hours and smart working, with succession plans for top positions and the integration of sustainability goals into the performance management system.

We therefore approach this new chapter of integrated reporting with renewed enthusiasm and determination, listening to our stakeholders and supporting the growth and formation of our most valuable capital: the people and talents who every day strive with professionalism and determination to achieve our ambition to be an active player in the energy transition and the development of sustainable energy.

Maurizio Peluso
Chairman of the Supervisory
Board of Alperia Spa

Flora Kröss
Chairman of the Management
Board of Alperia Spa

Alois Amort
General Manager of Alperia Spa

2. THE MAIN KPIS

Performance indicators (in thousands of Euros)

Performance indicators	Formula	2024	2023
Financial information			
EBITDA **(*)**	Operating income net of amortisation, depreciation, provisions and write-downs	**502,787**	**327,632**
EBITDA MARGIN **(*)**	EBITDA/Total revenues and other income	**21.25%**	**12.02%**
EBIT **(*)**	Operating income	**382,329**	**199,283**
Financial debt	Cash and cash equivalents + Short-term financial receivables – Short-term and Long-term financial payables	**(808,759)**	**(1,006,768)**
ROE	Consolidated net profit / total equity	**17.90%**	**7.17%**
ROS **(*)**	EBIT / Total Revenues	**16.16%**	**7.31%**
Environmental information			
Total market-based operational GHG emissions – Scope 1, 2 and 3 (tCO_2e)	/	**1,627,905**	**1,716,437**
Total GHG emissions (market-based) versus net revenue	tCO_2e /€	**0.0007**	**0.0006**
Percentage of energy consumption from renewable sources within the Group	Total energy consumption from renewable sources/Total energy consumption	**53%**	**63%**
Net energy produced from renewable sources	/	**95%**	**93%**
Social information			
Number of employees	/	**1,295**	**1,252**
New employee hires	New employee hires/Total employees	**8.8**	**12.1**
Turnover rate	Exits/Total employees	**5.9**	**8.8**
Average training hours per employee	Training hours/Total employees	**37.6**	**33**
Percentage of female employees	Total female employees/ Total employees	**29%**	**28%**
Accident rate	Number of accidents per 1,000,000 hours worked	**5.86**	**9.62**
Accident severity rate	Days of absence per 1,000 hours worked	**0.07**	**0.35**
Added value for the local area	/	**381,472,638 €**	**401,551,630 €**
SAIDI	Duration of power outages per customer (min)	**14.776**	**18.80**
SAIFI	Frequency of outages per customer (n.)	**1.317**	**1.322**
Energy availability	Operating hours/Total hours	**85.7**	**86.17**
Percentage of calls to the freephone number answered	Answered calls/Total calls	**96%**	**96%**
Number of complaints per 100 customers	Number of complaints/Number of customers	**0.26**	**0.28**
Percentage of revenues from sustainable products and services	Revenues from sustainable products and services/Total revenues	**82**	**71**
Governance information			
Percentage of orders to local companies	Orders to local companies/Total orders	**57%**	**61%**
Total number of thefts, leaks, or losses of data referring to identified customers	Number of violations	**4**	**0**

1. **(*)** *The figure for 2024 has been normalised, including the effects related to recognising the balances of Biopower Ottana Srl (formerly Biopower Sardegna Srl) under Discontinued operations.*

3. Domestic energy data

Contrary to hopes, 2024 was a very difficult year, first and foremost from a geopolitical point of view, which saw the outbreaks of crises spread to ever larger areas, while all attempts at conflict resolution failed in the face of the intransigence of the parties involved.

The world economy struggled with the negative consequences of the Russian invasion of Ukraine and the outbreak of conflict in the Middle East between Israel and the Hamas group. Instability and tensions continued to keep inflation high, prompting caution from monetary authorities on both sides of the Atlantic. China was also affected by significant difficulties related to the collapse of the property market and the slowdown in world trade.

In a delicate transition phase towards a lower carbon footprint, energy markets were affected throughout the year by geopolitical tensions and economic difficulties, which, while containing the increase in demand, also increased concerns about the regularity of energy commodity flows that moved along lines other than the traditional ones.

In this highly complex scenario regarding the geopolitical context and the energy market, it should be noted that in Italy there was an increase in demand for electricity in 2024 compared to the previous year (+2.2%). See, in this regard, the following table.

Energy balance in Italy (GWh)	**2024**	**2023**	**Change**
Hydroelectric (including pumping)	53,527	41,479	+ 29.0%
Thermal	146,452	156,156	- 6.2%
Geothermal	5,269	5,310	- 0.8%
Wind	22,068	23,373	- 5.6%
Photovoltaic	36,064	30,236	+ 19.3%
Stand-alone accumulations	120	8	+ 1,400%
Total net production	**263,500**	**256,562**	**+ 2.7%**
Imports	55,904	54,568	+ 2.4%
Exports	4,905	3,317	+ 47.9%
Foreign balance	*50,999*	*51,251*	*- 0.5%*
Pumping consumption	(2,073)	(2,186)	- 5.2%
Stand-alone accumulator absorption	(141)	(12)	+ 1,075%
Electricity demand (GWh)	**312,285**	**305,616**	**+ 2.2%**

(Source Terna SpA, Monthly Report on the Electricity System, December 2024)

In the year under review, the demand for electricity amounted to 312.3 TWh, of which 42.5% met by production from non-renewable energy sources (in 2023 the percentage was 46.1%), 41.2% from renewable energy sources (in 2023 the percentage amounted to 37.1%), and the remaining share from the foreign balance. It should be noted that this is the first time that renewables have exceeded 40% coverage of national needs.

The increase in electricity demand is the result of positive variations that occurred throughout most of the year considered, particularly in July and August, which were marked by temperatures above the 10-year average. A look at the monthly data shows that the highest demand for energy was in July with 31.1 TWh, while the lowest was in April with 23.7 TWh.

Net production increased by 2.7% to 263.5 TWh. In particular, it is worth noting the significant increases in production from hydraulic sources, including pumping (+29.0%), and photovoltaic sources (+19.3%) at an all-time high, as against the decrease in thermal (-6.2%), wind (-5.6%) and geothermal (-0.8%) sources.

The foreign balance (imports - exports) decreased slightly compared to last year (-0.5%).

As regards the development of the single purchase price for electricity, the average value recorded during the year in question is significantly lower than that of the previous year (-14.7%). This dynamic was also common to the other major European electricity exchanges and was mainly driven by the fall in the main natural gas price references, which will be reported on shortly.

The PUN (Single National Price) went from around 127 Euro/MWh to around 109 Euro/MWh, with a decrease that affected the entire first half of the year and, on the other hand, an increase that affected the second half of the year (except for October). Although decreasing overall on an annual basis, the Italian price showed a progressively bullish trend over the months, reaching, in line with the evolution of gas prices, its minimum in April (86.80 Euro/MWh) and its maximum in December (135.06 Euro/MWh). The annual decrease in the PUN was also supported, as seen, by a volume of renewables at the highest values ever observed.

See the following two tables.

Single National Price – annual average	**(Euro/MWh)**
2004 (April to December)	51.60
2005	58.59
2006	74.75
2007	70.99
2008	86.99
2009	63.72
2010	64.12
2011	72.23
2012	75.48
2013	62.99
2014	52.08
2015	52.31
2016	42.78
2017	53.95
2018	61.31
2019	52.32
2020	38.92
2021	125.46
2022	303.95
2023	127.24
2024	108.52

(Source Gestore Mercati Energetici Spa, Statistics)

Single National Price (PUN) – Monthly Average (Euro/MWh)	**2024**	**2023**	**Change %**
January	99.16	174.49	- 43.1%
February	87.63	161.07	- 45.6%
March	88.86	136.38	- 34.8%
April	86.80	134.97	- 35.7%
May	94.88	105.73	- 10.3%
June	103.17	105.34	- 2.1%
July	112.32	112.09	+ 0.2%
August	128.44	111.89	+ 14.2%
September	117.13	115.70	+ 1.2%
October	116.69	134.26	- 13.1%

November	130.89	121.74	+ 7.5%
December	135.06	115.46	+ 17.0%
Annual average	**108.52**	**127.24**	**- 14.7%**

(Source Gestore Mercati Energetici Spa, Statistics)

However, it should be noted that the PUN is not the actual price at which the Alperia Group sells its production, which instead is affected by a number of factors such as production concentrated in the summer months, its scalability and - above all - coverage strategies.

As mentioned above, the dynamics of the PUN were driven by the drop in the price of gas, namely the reference fuel for the Italian production fleet. The year 2024 was characterised by a new decline in prices from the record levels of 2022: the average annual price of gas at the PSV (Virtual Trading Point) in fact fell back to 36.6 Euro/MWh (-6.5 Euro/MWh in 2023), by virtue of a downward trend that only characterised the first five months of the year, when prices were around 30 Euro/MWh with a minimum in February of 27.8 Euro/MWh. Thereafter, however, a gradual recovery of the price was observed until the peak recorded in December, which was 48.3 Euro/MWh (+ 11 Euro/MWh compared to December 2023), mainly corresponding to the seasonal increase in consumption.

Similar developments also took place at the main European hubs and, in particular, on the Dutch TTF market, which fell to 34.3 Euro/MWh (-6.5 Euro/MWh compared to 2023), a value that brought the PSV – TTF spread back to just over 2 Euro/MWh (in line with 2023).

As far as the gas market trend is concerned, a low level of demand and a substantial consolidation of the raw material supply structure were confirmed, in which - however - LNG deliveries once again ceded volume shares to pipeline imports.

In particular, with reference to demand, in 2024 natural gas consumption in Italy marked the third consecutive drop, falling to 61.7 billion cubic metres (652.3 TWh, -2.5% compared to the previous year), reaching its lowest level in more than fifteen years as a result of the restraining forces induced both by price levels, which are falling but still high compared to the levels observed before 2021, and by milder temperatures. The downturn appears to be widespread over the entire year, except for January and the last two months, when the seasonal effects of the temperatures are more evident on demand.

The drop affected the thermoelectric sector, whose volumes amounted to 20.8 billion cubic metres (220.4 TWh, -1.6% compared to 2023 and at the lowest since 2016). On the other hand, there was a slight increase in consumption in the civil and industrial sectors, whose volumes amounted to 27.2 billion cubic metres (287.3 TWh, + 1.8%) and 11.6 billion cubic metres (122.9 TWh, +1.3%) respectively.

On the other hand, gas exports and other consumption fell again, amounting to 2.1 billion cubic metres (21.8 TWh, -47.8%).

On the supply side, against the backdrop of lower demand and domestic production at an all-time low of 2.8 bcm (29.1 TWh, -2.0%), there was a drop in natural gas imports, at their lowest since 2015 and amounting to 58.7 bcm (621.1 TWh, -3.4%). This reduction affected both pipeline flows, amounting to 44.1 bcm (466.1 TWh, -0.9%), and especially LNG imports, the latter amounting to 14.6 bcm (155.0 TWh, -10.1%).

As far as the gas storage system is concerned, injections remained essentially stable at 8.3 billion cubic metres (88 TWh, -0.2%), while deliveries rose to 8.5 billion cubic metres (89.8 TWh, +6.4%).

On the last day of the year under review, the level of gas in storage, at 10.0 billion cubic metres (105.7 TWh), was among the highest levels ever, in line with the last three years.

4. Sector overview

The Alperia Group constantly monitors the evolution of provincial, national and EU energy regulations, in particular those concerning concessions for major water transfers for hydroelectric purposes, in order to assess any impact on its operations.

On the side of the Autonomous Province of Bolzano, it is first noted that - in relation to provincial Law No. 20 of 16 August 2023 concerning "*Disciplina dell'assegnazione di concessioni per grandi derivazioni d'acqua a scopo idroelettrico*" *(Regulation on the assignment of concessions for major water transfers for hydroelectric use*), the Provincial Council approved - by resolution No. 1074 of 5 December 2023 - the identification of the concessions for major water transfers for hydroelectric purposes expiring on 31 December 2024, or on a later date established by the State in the rest of the national territory, which will be affected by the reassignment procedures: these are the concessions of Premesa, Brunico, Ponte Gardena/Barbiano, Naturno, Prati di Vizze, Curon, Marlengo and Lappago, all currently held by Alperia Greenpower Srl.

With the same resolution, the Provincial Council, after consulting with the Council of Municipalities, identified tenders awarded by public procedure as the most appropriate form to award the aforementioned concessions. It should be noted that the other two possibilities for assigning concessions, envisaged by the aforementioned provincial law, are (i) companies with public/private mixed capital, in which the private partner is chosen through tenders awarded by public procedure and the (ii) forms of partnership contemplated in Articles 174 and following of Legislative Decree No. 36 of 31 March 2023.

A subsequent resolution of the Provincial Council dated 12 March 2024 No. 138 approved the guidelines governing the procedure for the assessment of the possible existence of an overriding public interest in a different use of the water incompatible with the exploitation for hydroelectric purposes. This assessment takes place within the framework of the procedure for the assignment of concessions pursuant to the aforementioned Provincial Law 20/2023.

It should also be noted that Provincial Law No. 2 of 16 July 2024 introduced - in Article 16 - a number of amendments to the aforementioned Provincial Law 20/2023. One of these amendments concerns in particular, one concerning the method for calculating the value of the compensation due to the outgoing concessionaire.

By resolution No. 691 of the Provincial Council of 20 August 2024, the criteria for the determination of the variable component of the fee for the use of public waters for hydroelectric use pursuant to the aforementioned Provincial Law 20/2023 were approved. This variable component was determined in accordance with the ”polluter pays” principle.

More specifically, this component was broken down as the sum of three addends, determined on the basis of (i) the average annual nominal output of the concession (ii) the presence of reservoirs and/or large dams and (iii) the presence of underground or above-ground penstocks.

The aforementioned resolution provided that the variable fee should also apply to the concessions currently in force, since it stipulated that the payment of the same fee should take place, for the year 2024, by 30 November and the Provincial Agency for the Environment and Climate Protection - Office for Sustainable Management of Water Resources of the Province moved in this direction with its notes dated 2 December 2024. Since, however, the Alperia Group believes that the new variable fee concerns only the new concessions still to be assigned, the companies affected by this measure - Alperia Greenpower Srl, Alperia Vipower Spa and SF Energy Srl - not only did not make any payment under this title (however setting aside a specific provision in this regard as a matter of prudence), but also filed an appeal at the end of January 2025 with the competent High Court of Public Waters.

Lastly, by resolution No. 1186 of 17 December 2024, the Provincial Council amended the provisions of the aforementioned resolution 1074/2023, providing that the concessions expiring by 27 August 2025 or on a later date established by the State in the rest of the national territory that are concerned by the assignment procedure pursuant to Provincial Law 20/2023 are those of Premesa, Brunico, Ponte Gardena/Barbiano, Naturno, Prati di Vizze, Curon and Marlengo.

The procedure for the assignment of the Lappago concession will instead be commenced by 31 March 2029, since this concession was held - on 1 April 1999 - by ENEL Spa and the concessions granted to the latter expire, by virtue of the provisions of Legislative Decree 79/1999 (the so-called Bersani Decree), on the thirtieth year following the entry into force of said Decree, i.e. on 31 March 2029. The latter provision in fact also applies to former ENEL concessions that have in the meantime passed to other operators, provided that those concessions were - on 1 April 1999 - held by ENEL Spa.

In anticipation of the South Tyrol Provincial Council, the Trento Provincial Council had resolved - again on 18 October 2024 - to extend to 31 March 2029 all the concessions owned by ENEL Spa on 1 April 1999 (13 concessions owned by the Dolomiti Energia Group and three concessions owned by Primiero Energia) and to 27 August 2025 all the concessions that were not owned by ENEL Spa on that date.

Remaining within the Autonomous Province of Bolzano sphere, but moving on to other matters, it should be noted that the Provincial Council - at its meeting on 11 June 2024 - approved the signing of a memorandum of understanding concerning the possible use of hydrogen along the Brennero axis to decarbonise it.

The regions and provinces of Tyrol, South Tyrol, Trentino and Veneto, the local chambers of commerce and industry and the various motorway infrastructure operators along the entire corridor as well as the hydrogen competence centres in Bavaria and Bolzano are convinced that hydrogen is a potential fuel for the mobility of the future and therefore intend to jointly analyse the topic and, if necessary, implement possible use cases. To this end, the strategies of the individual regions and the various countries along the corridor, funding and cooperation possibilities and the state of the art will be discussed. A preliminary study will also be carried out to explore the potential of hydrogen technology in the mobility sector along the Brennero axis.

With regard to the "Plan for the allocation of free electricity 2024 – 2026"", approved by the Provincial Council by resolution of 19 December 2023 No. 1147, envisaging - as known - that in the course of 2024 the share of free energy accruing to the Province of Bolzano will be allocated to the hospitals (Bolzano, Merano, Silandro, Bressanone, Vipiteno, Brunico, San Candido) with an estimated consumption, based on 2023 data, of about 47.0 GWh per year, it should be noted that on 25 June 2024 an agreement was signed between the Provincial Agency for the Environment and Climate Protection, Alperia Greenpower Srl (as concessionaire) and Alperia Smart Services Srl (as seller) for the supply of free electricity to the aforementioned hospitals as of 1 July 2024.

On the same date, the agreement governing the delivery of free electricity was also signed between the aforementioned Provincial Agency and the South Tyrol Health Authority.

Lastly, it should be noted that the Provincial Council - with resolution no. 913 of 22 October 2024 - approved the implementing regulation on energy performance in buildings, in implementation of Directive (EU) 2024/1275 (better known as the Green Homes" Directive, on which we will briefly report later), and on the energy bonus.

This regulation defined the technical characteristics and certification and monitoring measures for energy performance in buildings with a view to encouraging the use of energy from renewable sources. Furthermore, urban planning incentives have been provided in the form of additional building possibilities, including in agricultural green areas, so that - in relation to energy consumption - not only minimum performance levels are met, but also higher performance levels are achieved.

The regulation was made available to the European Commission for comments and entered into force on 21 March 2025.

Moving on to national level and, in particular, to the issue of major hydroelectric concessions, an intergovernmental working group was already set up during 2023, with the aim of re-assigning expired/expiring concessions to current concession holders, in addition to calling tenders for them.

There are mainly two reasons that led the government to this change of course: on the one hand, there is a greater focus on the strategic nature of large hydroelectric power plants and the need to keep them under the management of national operators; on the other hand, there is the need to counter the drought emergency that occurred during 2022 and the first few months of 2023, to make substantial investments to carry out initiatives aimed at increasing reservoir capacity, reducing dispersion and creating new reservoirs to store water resources. To date, these investments have not been made by current concession holders for fear of losing concessions as a result of the tenders.

During the review to convert the Energy Decree (Decree-Law No. 181 of 9 December 2023) into law, which took place in parliament (Chamber of Deputies), in late January 2024, the Government accepted an agenda on hydropower that- starting from the premise that "*it is therefore desirable to have a new procedure for the reallocation of major hydroelectric concessions, in addition to those already provided for in Article 12, paragraph 1-bis, of Legislative Decree No. 79 of 1999, respectful of the needs of the territories and allowing for an adequate enhancement of public assets, responding to the need to guarantee Italy and the autonomous provinces and regions an alternative procedure that is faster and more effective than those already known, in order to pursue, more effectively and quickly and with a clear timetable, the strengthening of national energy autonomy and the promotion of the production of energy from renewable sources in view of the decarbonisation objective*" - commits it "*to consider starting, within a reasonable timeframe, a formal discussion with the European Union, which has already been requested by other countries (e.g. France), to propose an adaptation of procedures and standards that does not conflict with European legislation and is in line with the COP28 final document, which indicates the present decade as strategic for achieving the decarbonisation targets for the fight against* *climate change, and that allows us to launch significant and immediate investments in the most important renewable source in our country*".

Another agenda presented to the Chamber of Deputies in February 2024 during the review to convert the Milleproroghe decree (Decree-Law 215 of 30 December 2023) into law, which was accepted by the Government - starting from the assumption that *the legal framework in the Member States is currently extremely composite and differentiated and, in any case, is characterised by a substantial closure of the hydroelectric market to foreign operators. Few countries have time-limited concessions and competitive renewal procedures; most guarantee national operators renewals without any tenders, or even unlimited concessions (Sweden, Finland) or very long concessions (Austria, 90 years; France, Spain and Portugal, 75 years)"* - outlines the government's commitment "*to take action through all the appropriate European institutional channels, to begin a discussion on the hydroelectric issue for the drafting of EU guidelines aimed at reducing the evident inequality that exists today and affirming a principle of reciprocity at European level*".

More recently, two other agendas of identical content - accepted in November 2024 by the Chamber of Deputies during the debate on the draft law for the annual competition law 2023 - commit the Government to "*assess the opportunity to undertake specific initiatives aimed at modifying, in agreement with the European Commission and according to modalities that exclude the risk of reversal with respect to the NRRP objectives, already positively assessed and reported, the current regulation of procedures for the assignment of concessions of major water transfer for hydroelectric use*".

Meanwhile, in April 2024, the Lombardy region also published the first calls for tenders for the reallocation of two concessions, with the deadline for submitting applications expiring on 23 October 2024.

In particular, for the "Resio" concession (whose plant envisages an annual output of about 30 GWh), six players came forward, while for the "Codera Ratti - Dongo" concession (whose plant envisages an annual output of about 150 GWh) bids were received from five operators. Alperia Greenpower Srl also participated in both tenders, in addition to the outgoing operators and some international players.

The next steps are the eligibility checks, the start of the Single Procedure and the related service conference, as well as the appointment of the commission to evaluate the bids. The administrative procedures leading to the award should be concluded by the end of this year.

It should be noted that the Lombardy regional law for the reassignment of hydro concessions has been challenged by some operators, who have already initiated appeals against the two aforementioned notices.

An important initiative aimed at raising the awareness of institutions and public opinion on the value of the Italian hydropower sector is represented by a manifesto published on 23 December 2024 on a paid page of the main Italian newspapers and signed - among others - by Elettricità Futura, Utilitalia, Adiconsum, ANCI, Codacons, Federconsumatori and trade unions.

After emphasising that "*our country is in danger of losing a strategic energy sector*" and that there is a lack of clarity on the regulatory principles to be followed in the allocation of hydroelectric concessions, the petitioners launched an appeal to the government "*to safeguard the resource, public interests, and related industries*".

In summary, the petitioners called for (i) "*protecting the sector by adopting appropriate regulatory measures with immediate effect*" (ii) "*putting the sector in a position to develop an investment potential of approximately Euro 15 billion"* (iii) "*providing mechanisms for the allocation of concessions that do not allow the participation* (NDR: in tenders) *of operators from countries that do not present real conditions of market opening and access comparable to those in Italy"* and (iv) allow "*companies to have access to renewable energy to accompany the decarbonisation of industrial processes at competitive prices*".

It should be noted that the manifesto was supported by both majority and opposition politicians.

The Antitrust Authority, on the other hand, is moving in the opposite direction. – At its meeting of 17 December 2024 it- resolved to send the Government a report in view of the preparation of the 2024 annual market and competition bill, the focus of which is - among other things - precisely the allocation concessions of major hydroelectric concessions.

The Antitrust Authority (AGCM) - after reaffirming, once again, that the aforesaid concessions must be awarded "*through transparent procedures that ensure the widest competitive comparison*" - stated that private initiative project financing "*is characterised by a peculiar competitive advantage offered to the so-called promoter, i.e. the subject who submits to the contracting authority a proposal for the realisation of a works or services concession, granting him a right of pre-emption if he is not awarded the tender for the approved feasibility project*".

The AGCM's proposal is therefore to amend the regulations "*in order to put all potential competitors in a position to draw up a finance project to be submitted to the administration in order to acquire the status of promoter subject, giving them the possibility of having access to the end-of-concession report and the technical documentation on an equal footing with the incumbent subject*". In this sense, the Authority considers necessary "*the provision of sanctioning powers on the part of the granting authority in the event that the outgoing operator fails to provide the information requested or provides inaccurate or misleading information or does not provide the information within the deadline*".

This proposal is presumably related to the ruling of the Superior Court of Public Waters, which - at its session of 15 May 2024 - had rejected the appeal of an operator against the Piedmont Region concerning the project financing procedure initiated by IREN Energia Spa on its expired large major hydroelectric concessions. The applicant had in fact contested the possibility of the outgoing concessionaire submitting a PPP proposal prior to the submission of the end-of-concession report, given the greater information and data available to the latter than to third-party operators.

As may be inferred from the above, the framework for hydroelectric concessions is still taking shape. The matter is of particular importance, as any regulatory change inevitably has an impact on the budgets of current concession holders.

Turning to other issues also concerning the electricity sector at the national level, it should first be mentioned that the Decree of the Ministry of Environment and Energy Security (MASE) No. 151 of 18 April 2024 provided for the introduction - as of 1 January 2025 - of new zonal prices in place of the Single National Price (PUN).

The decision to switch to zonal pricing by decoupling from the PUN is essentially due to the need to give greater weight to price signals linked to real-time trends in demand and supply, generation and consumption in the different areas, in a scenario characterised by the increasing spread of renewable sources.

The GME continues to calculate the reference price of the electricity traded on the Day-Ahead Market, which is now called the PUN Index GME. The transition from the PUN to the zonal prices takes place through a transitional equalisation mechanism compensating for any difference between the zonal price and the reference price calculated by the GME.

Another important measure issued by the MASE is Decree No. 180 of 9 May 2024, by which the competent Ministry approved the regulation of the remuneration system for the availability of electricity production capacity (so-called capacity market) for the delivery years 2025, 2026, 2027 and 2028. By the end of 2026, Terna must submit to MASE and ARERA an analysis of the conditions for the possible use of the capacity remuneration system for the delivery years after 2028.

With resolution No. 199/2024/R/eel of 23 May 2024, ARERA set the economic parameters of the related auctions.

With regard to existing capacity, the maximum value of the recognisable premium was set at Euro 45,000/MW/year for the 2025 delivery period, increased by Euro 1,000 for each subsequent year up to Euro 48,000/MW for 2028. As regards, instead, the maximum value of the premium recognisable for new capacity, this was set at Euro 85,000/MW/year for the 2025 delivery period and at Euro 86,000/MW/year for all three subsequent years.

At the auction held on 25 and 26 July 2024 for the delivery year 2025, 37,581 MW of existing capacity and 174 MW of new capacity were allocated for domestic capacity. The premium was, in all national areas, Euro 45 thousand/MW/year for existing capacity and Euro 67.5 thousand/MW/year for new capacity.

Alperia Trading Srl, participating in the auction for existing capacity only, was awarded 700 MW, which corresponds to revenues of Euro 31.5 million.

In the auction held on 18 December 2024 for the delivery year 2026, 38,265 MW of existing capacity and 140 MW of new capacity were allocated to domestic capacity. The valuation premium was, in all national areas, Euro 46 thousand/MW/year for existing capacity and Euro 56.2 thousand/MW/year for newly authorised capacity.

Alperia Trading Srl, participating in the auction for existing capacity only, was awarded 588 MW, which corresponds to revenues of approximately Euro 27.0 million.

With regard to Alperia Trading, it should be reported that in mid-May 2024, the company filed an appeal before the competent Tax Court of First Instance of Bolzano against the Revenue Agency to challenge the "silence-denial" following the notification, on 13 December 2023, of the application for reimbursement of the temporary solidarity contribution pursuant to Article 1, paragraphs 115-119, of Law 197/2022 (Finance Act 2023). Currently we are waiting for the relative hearing to be scheduled.

The purpose of the appeal is (i) principally, to declare that the refusal to reimburse is unlawful and, accordingly, to order the Revenue Agency to reimburse the contribution paid in the amount of Euro 24.2 million; (ii) in the alternative, to refer to the Constitutional Court the question of constitutionality relating to the aforementioned Article 1, paragraphs 115-119; (iii) in the further alternative, to make a reference to the European Court of Justice for a preliminary ruling; (iv) in the further alternative, to declare the unlawfulness of the refusal to reimburse limited to the infringement of Article 1, paragraph 116 of the law in question, with reference to the inclusion in the value of the company's shareholders' equity of the cash flow hedge reserve and, accordingly, to order the Agency to reimburse the amount of Euro 18.0 million.

With regard to the aforesaid contribution, it should be noted that first the Regional Administrative Court of Lazio, with orders dated 16 January 2024, and subsequently the Tax Court of First Instance of Messina, with order dated 9 October 2024, and the Tax Court of First Instance of Trieste, with order dated 13 November 2024, referred the question of its legitimacy to the Constitutional Court.

The Constitutional Court, in an order filed on 20 February 2025, suspended the judgment on the constitutional legitimacy of the contribution in question, referring the question of the compatibility of the Italian rule with European Union law to the European Court of Justice for a preliminary ruling. In particular, with this reference, the European Court of Justice was asked whether it is lawful to extend the contribution in question also to subjects not expressly mentioned, as recipients of the measure, in Regulation (EU) 2022/1854. The latter, in fact, had only subjected operators carrying out activities in the oil & gas sector, in particular in the upstream activities of extraction and refining, to the contribution, whereas the national legislator introduced the contribution also to be paid by operators in the electricity sector, as well as downstream players in the oil & gas chain.

One noteworthy measure for hydropower producers is the Decree of the Ministry of Infrastructure and Transport No. 94 of 14 May 2024, containing the new regulation of the project approval procedure and the control of the construction, operation and decommissioning of retention dams (large dams subject to state supervision) and the diversion and adduction works connected to the dams.

The regulation represents an important innovation in the regulated subject matter, which dates back more than sixty years, and also regulates, for the first time, interventions on existing dams and the supervision of diversion works from large dams. The regulation also aligns itself with the provisions of the new Public Contracts Code - insofar as technically applicable to public water diversion concessionaires - in relation to the design of retention facilities and derivation works, also by adapting to the two new design levels envisaged by the public works regulations (technical and economic feasibility project and executive project).

The regulatory intervention takes into account the fact that the most numerous proceedings currently concern - and will concern in the future - mainly existing dams, which need major maintenance and safety-increasing interventions, given their high average age (close to seventy years). In addition, the new standard incorporates the technological advances that have taken place and, in continuity with the best established knowledge and consolidated practices, makes it possible to articulate the retention plants and diversion works in "attention classes", in order to graduate both the system of controls as well as the way in which operators implement regulatory compliance and the supervisory activity on the safety of dams and diversion works, which is the responsibility of the State through the competent Ministerial Directorate. This is in order to increase the safety control of the 530 large dams supervised by the State, as well as to streamline the technical approval procedure for the design of interventions on existing dams and the construction of new dams with the associated diversion works for the protection of public safety.

One decree that had been long awaited by the operators of the concerned sector is the so-called RES Decree 2, a MASE decree adopted on 19 June 2024 in concert with the Minister of Agriculture, Food Sovereignty and Forestry.

The decree, which regulates incentives for innovative or high-cost renewable source plants that are innovative and have a low impact on the environment and the territory, covers, in particular:

- Biogas and biomass plants
- Thermodynamic solar systems
- Geothermal plants
- Offshore wind farms

- Floating photovoltaic systems
- Installations powered by the motion of the sea, wave and other forms of marine energy

Applicants may access the incentives provided for in the aforementioned decree by participating in public competitive procedures organised by the GSE through the publication of ad hoc notices for each of the plant categories. The tenders will be launched over a five-year period (from 2024 to 2028), making available several power quotas, with an overall electricity capacity cap of 4.59 GW. Most of the available electrical capacity is planned for offshore wind farms with 3.80 GW of dedicated share.

The first notice was published by the GSE on 11 December 2024 and concerned incentives for plants fuelled by biogas and biomass.

Another measure worth mentioning is the MASE decree of 21 June 2024, adopted in concert with the Minister of Culture and the Minister of Agriculture, Food Sovereignty and Forestry, for the purpose of:

- identifying the distribution among the Regions and Autonomous Provinces of Trento and Bolzano of the national target for 2030 of an additional 80 GW of power from renewable sources with respect to 31 December 2020, necessary to reach the targets set by the Integrated National Energy and Climate Plan - PNIEC (which will be briefly referred to below);
- establishing uniform principles and criteria for the identification, by the Regions and Autonomous Provinces, of areas and territories suitable (and not suitable) for the installation of renewable source plants functional to the achievement of the above objectives.

The Regions will have to identify on their territory: (a) eligible areas (in which an accelerated and facilitated procedure is provided for the construction and operation of renewable energy plants and related infrastructure) (b) non-eligible areas (c) ordinary areas (in which ordinary authorisation regimes apply) (d) areas in which the installation of photovoltaic plants with ground-mounted modules is prohibited.

For each Region and Autonomous Province, the trajectory for achieving the total power target to be reached by 2030 has been established: for the Autonomous Province of Bolzano the goal is to reach a minimum power of 515 MW by the end of the period.

With two subsequent MASE Decrees No. 105 and No. 106 of 28 June 2024, public notices were published for the submission of project proposals - within the framework of the NRRP - aimed at the realisation of additional electric charging infrastructures in urban centres and on suburban roads.

The resources that have been made available to set up 10,880 charging stations in urban centres have been quantified at around Euro 279 million; the maximum eligible cost per infrastructure was set at Euro 65,000.

The resources made available for the construction of 7,500 super-fast charging stations along suburban roads have been quantified at around Euro 360 million; the maximum eligible cost per infrastructure was set at Euro 121,500.

The funding will be disbursed as a capital grant for an amount not exceeding 40% of eligible expenses.

At the end of the selection procedures carried out in 2024, which saw only a partial allocation of the resources made available, Neogy Srl (a company whose joint shareholders are Alperia Spa and Dolomiti Energia Holding Spa) was awarded, for urban centres in the Trentino-Alto Adige area, a contribution of just under Euro 2 million for the construction of 150 charging stations (see MASE decree no. 276 of 6 December 2024), while, for suburban roads, again in the Trentino-Alto Adige area, it was awarded a contribution of just over Euro 1 million for the construction of 42 charging stations (see MASE decree no. 275 of 6 December 2024).

It should also be recalled that, by way of the MASE decree of 11 April 2024, the competent Ministry had - in relation to the Trentino-Alto Adige region - excluded from the grant the first classified in the procedure provided for in MASE's public notice No. 333 of 10 May 2023 concerning the selection - again under the NRRP - of project proposals for the construction of electric charging infrastructures in urban centres, at the same time admitting the grant in question to Neogy Srl: this is a contribution of approximately Euro 1.1 million towards the installation of 84 new high-power charging stations.

At the end of June 2024, the Italian government delivered the final version of the Integrated National Energy and Climate Plan (NNIEC) to the European Commission, confirming the targets included in the first proposal submitted in mid-2023 and exceeding - in some cases - even the EU targets, especially the one on renewable energy.

In updating the Plan, a realistic and technology-neutral approach was followed, with a strong acceleration in some areas. In addition to electrical renewables, the focus is on: production of renewable fuels such as biomethane and hydrogen together with the use of biofuels, which already in the short term can contribute to the decarbonisation of the existing car fleet, uptake of electric cars, reduction of private mobility, CO2 capture and storage, building renovation and electrification of final consumption, in particular through an increasing share of heat pumps.

The area with the highest performance is RES, where it is restated that Italy will have to reach a renewable power of 131 GW by 2030; nearly 80 GW of this is expected to come from solar, 28 GW from wind, 19 GW from hydroelectric, 3 GW from bioenergy and 1 GW from geothermal source.

Electricity interconnections and market coupling with other European Member States are to be strengthened, and new connections for renewable gas transport are to be developed, strengthening Italy's role as a European energy hub and supply corridor for renewables in the Mediterranean area.

The PNIEC includes, for the first time, a specific section dedicated to sustainable nuclear power, in which it highlights - from a technical-scientific point of view - the energy and economic viability of having a share of nuclear power generation, in synergy with and in support of renewable sources and other forms of low-emission energy production.

A much-awaited measure for the sector is the MASE Decree No. 268 of 23 July 2024 (the so-called Energy Release Decree 2.0), by which a regulated electricity price was established as a measure to support energy-intensive companies building new electricity generation capacity from renewable sources.

The ministerial decree provided for the advance sale of electricity to energy-intensive companies at low prices by the GSE. The electricity will be made available for a period of 36 months by means of two-way contracts for difference against a commitment to build new green generation capacity within 40 months of signing and to return the energy advanced over a 20-year time horizon at a price equal to the advance. The new capacity must be realised through new facilities or the renovation of existing facilities, with a capacity of at least 200 kW.

The subsequent MASE Decree No. 11 of 30 October 2024 approved the operating rules drawn up and transmitted by the GSE pursuant to the aforementioned Decree 268/2024.

In mid-November 2024, the GSE finally published the call for tenders for the allocation of the electricity in its possession. The call is for 23 TWh (later increased to 24 TWh) for each year of the advance contract, which will be sold - taking into account "*the average efficient cost of producing renewable energy from plants of an efficient scale using competitive mature technologies*" - at a price of 65 Euro/MWh.

Legislative Decree No. 134 of 4 September 2024 implemented Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of so-called critical actors operating in the provision of essential services such as - among others - energy, transport and water.

According to the aforementioned Legislative Decree, the President of the Council of Ministers has both the overall responsibility for policies for the resilience of critical actors and the task of adopting - by 17 July 2025 - a specific national strategy. The latter is to be defined after consulting stakeholders and taking into account the national cyber security strategy. Supervising the implementation of the strategy is The Inter-ministerial Committee for Resilience (CIR) established at Palazzo Chigi is responsible for supervising the implementation of that strategy.

The Single Point of Contact (PCU) on critical actor resilience is also set up at Palazzo Chigi to, among other things, liaise with the EU Commission and Member States. In addition, the PCU coordinates the activities of the so-called ASCs, the sectoral competent authorities, which are tasked with designating those deemed critical for each sector and sub-sector by 17 January 2026. For the energy sector (electricity, district heating and cooling, oil, gas, hydrogen) the competent authority is the MASE.

The list of critical actors is adopted by 17 July 2026 by decree of the President of the Council of Ministers, after consulting the CIR. The decree is not subject to publication and is excluded from access. The list of critical actors is updated when necessary and at least every four years.

Critical actors are required to take appropriate and proportionate technical, security and organisational measures to ensure their resilience; they designate a subject to ensure the implementation of the requirements of the decree; they prepare, implement and update a resilience plan.

On the other hand, Legislative Decree No. 138 of 4 September 2024 implemented Directive (EU) 2022/2555 on measures for a high common level of *cybersecurity* in the Union (better known as the NIS 2 Directive).

The purpose of this Directive is to respond to the growing cyber threats and to standardise security measures between the Member States. In a context where cyber-attacks are increasingly frequent and sophisticated, the EU felt the need to update the previous NIS Directive of 2016, providing for higher security standards.

Legislative Decree No. 138/2024 does not merely transpose the European Directive but also introduces specific application measures for the Italian context, aiming to strengthen the national regulatory framework on cybersecurity.

A number of sectors deemed critical and highly critical, with related sub-sectors, were identified; the second group includes energy (electricity, district heating and cooling, oil, gas and hydrogen), transport and water, among others.

In relation to the various sectors, the provision also indicates essential actors, including those indicated as critical under the aforementioned Legislative Decree 134/2024, and important actors. The list of these subjects is drawn up by the competent national authority NIS, i.e. the Agency for National Cybersecurity (ACN), via a digital platform.

To ensure the effective implementation of the decree at the sectoral level, a number of sectoral authorities, identified in the relevant ministries, are envisaged to support the aforementioned Authority: MASE was identified for the energy sector.

Legislative Decree No. 125 of 6 September 2024 implemented Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022 (better known as the Corporate Sustainability Reporting Directive - CSRD). This Directive aims to promote transparency and disclosure of information by companies on the ESG impacts of their activities through enhanced reporting obligations to stakeholders and investors.

Sustainability reporting under CSRD has replaced non-financial reporting (better known as NFD reporting), compared to which it has broader and more specific content, including not only information about the company or its group, but also about the value chain, which is one of the major innovations brought about by the legislative change.

Sustainability, encompassing environmental, social, human rights and governance aspects, is to be analysed according to the concept of "double materiality", i.e. by verifying:

- the impact of sustainability issues on the company ("outside-in perspective"), also in terms of the potential magnitude of financial effects related to risks or opportunities generated by sustainability issues: this is the so-called financial materiality;
- the consequences, not only economic, of the company's activities on the context in which the organisations operate ("inside-out perspective"), also in terms of actual and potential positive and negative impacts on people and the environment: this is the so-called impact materiality.

"Double materiality" is therefore a principle that obliges companies to consider two fundamental and interconnected perspectives in their sustainability report: on the one hand they must reflect on how environmental, social and governance issues influence their financial performance, on the other hand they must assess how their activities impact the environment, society and stakeholders.

The provisions of Legislative Decree 125/2024 already apply for the financial year 2024 (with reporting in 2025) for (i) large companies that constitute public interest entities and that - at the financial statements date - exceed the average number of 500 employees employed during the financial year (ii) public interest entities that, on a consolidated basis, exceed - at the financial statements date - the criterion of an average number of 500 employees employed during the financial year.

Finally, it should be noted that sustainability reporting has become an integral part of the report on operations, as required by the decree in question. Since the Alperia Group is one of the entities obliged to comply with the new regulations as from the financial year 2024, a special section on the aforementioned reporting is given below.

Legislative Decree No. 190 of 25 November 2024 approved the new regulation of administrative regimes for energy production from renewable sources, implementing the Annual Market and Competition Act 2021.

The aforementioned decree defines the administrative regimes for the construction and operation of plants for the production of energy from renewable sources, for the modification, upgrading, and total or partial renovation of the same plants, as well as for related works and infrastructures indispensable for the construction and operation of the same plants. The decree ensures, also in the interest of future generations, the maximum use of production plants from renewable energy sources through the rationalisation, reorganisation and simplification of the procedures on renewable energy and their adaptation to the European Union regulations, while respecting the protection of the environment, biodiversity and ecosystems, cultural heritage and landscape.

The following three administrative schemes were identified for the implementation of the interventions:

- Free activity
- Simplified authorisation procedure
- Single authorisation

On 26 November 2024, the National Hydrogen Strategy was presented by the MASE, which includes three scenarios: “"basic”, “"intermediate” and ““high diffusion”.

The paper assumes that until 2030 (“short-term”) the development of hydrogen demand will be driven by the EU's Red III obligations in industry and transport.

In this sense, measures will be implemented to facilitate NRRP-funded projects, to be operational by 2026, working on incentive schemes to lower the cost of hydrogen, on value chain support up to the end-user, and on environmental and safety regulations and authorisation pathways. In this way, Hydrogen Valleys will be developed, which will provide the first significant volumes of hydrogen with guarantees of origin. In parallel, transport and logistics infrastructure will be developed.

The phase from 2030 to 2040 (“"medium-term"”), on the other hand, will be characterised by the measures that should lead to a real hydrogen market, fostered by emission reduction policies and the increasing availability of H2-ready technologies.

In the “"long-term” scenario (2040-2050), a transport and distribution infrastructure will be developed between the major centres of production and those of use, consolidating, among other things, Italy's role as an import hub in Europe thanks to the networks connected to North Africa and a set of ports (both on the Tyrrhenian and Adriatic) enabled to import hydrogen and other carriers.

The National Strategy therefore foresees by 2050 gross consumption of hydrogen and hydrogen-derived fuels in the “base” scenario for 6.39 million tons (of which 4.47 domestic production and 1.92 imported), in the "intermediate” scenario for 9.08 million tons (6.36 produced in Italy and 2.72 imported) and in the “high diffusion” scenario for 11.93 mln million tons (8.35 mln tons domestic production and 3.58 mln tons imported).

In the "high diffusion" scenario, H2 will reach 31.3% of total final consumption in transport, 17.7% of consumption in hard-to-abate (HtA) industry and 0.7% of consumption in the civil sector by 2050.

The MASE Decree No. 457 of 30 December 2024 (better known as RES Decree X Transitional) replaced the previous RES Decree 1, the one that incentivised more mature technologies (above all: wind, hydroelectric, photovoltaic).

The government decided to proceed in two stages: in a first step, the aforementioned decree has been approved, which only concerns incentives valid for 2025 (the total measures made available amount to Euro 9.7 billion), and then the actual RES X decree will be adopted, which will concern incentives for the following years.

The decree in question provided for direct access to the support mechanism for plants with a capacity of less than or equal to 1 MW and access through competitive procedures for those with a capacity of more than 1 MW. For the latter, competitive public procedures will be launched by the GSE, in which power quotas will be made available periodically, broken down by technology.

The estimated power quota, which will be made available in total for each technology in the competitive procedures launched by 31 December 2025, is 14.65 GW, broken down as follows:

- Photovoltaics: 10 GW
- Wind power: 4 GW
- Hydroelectric: 0.63 GW
- Residual gases from purification processes: 0.02 GW

A very important provision for electrical distributors is Article 1, paragraphs 50-53 of Law No. 207 of 30 December 2024 (Finance Law for 2025), which provides that, within 180 days from the date of entry into force of the aforementioned law, a decree of the MASE, adopted in agreement with the Minister of the Economy and Finance, at the proposal of ARERA, will establish the terms and procedures for the submission - by the concessionaires of the electricity distribution service - of extraordinary multi-year investment plans, which - if approved by the MASE - will entitle them to a remodelling of the existing concessions for a period not exceeding 20 years.

As a result of the aforementioned remodelling, the concessionaires will be required to pay charges that will in any case be counted by ARERA in the invested capital for the purpose of recognising depreciation and remuneration through the application of the rate defined for investments in electricity distribution. The criteria for determining these charges will be laid down in the said decree. Revenues from concessionaires' payments will be used primarily for the reduction of energy costs of domestic and non-domestic users.

Turning finally to the European sphere, first of all Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 should be mentioned. This legislation lays down provisions “on the energy performance of buildings” and is better known as the “Green Homes” Directive.

This Directive, opposed by the Italian government, requires all new buildings to be zero-emission from 2030 and as early as 2028 if occupied or owned by public authorities. For existing residential buildings, however, the 27 countries will have to take measures to ensure a reduction in average primary energy consumption of at least 16% by 2030 and at least 20-22% by 2035, following flexible national trajectories based on the specific circumstances of each country.

At least 55% of the reduction in energy consumption will have to be achieved by renovating 43% of the worst performing buildings. In addition, 16% of the least efficient existing non-residential buildings will have to be renovated by 2030 and 26% of the worst performing by 2033, introducing minimum energy performance requirements. EU Member States will still have the option of exempting certain categories of buildings (residential and non-residential) from renovation obligations, including historic buildings, barracks and places of worship.

Measures are then to be introduced for the progressive installation of solar systems in public buildings and non-residential buildings, depending on their size, and in all new residential buildings by 2030. But only “"where technically appropriate and economically and functionally feasible”.

Member States will have to transpose the Directive and submit their first proposal for national restructuring plans by 31 December 2025, indicating - among other things - financing and support measures, in order to achieve a decarbonised and energy-efficient building stock by 2050.

The plans should also contain measures to decarbonise heating and cooling systems by phasing out fossil fuels by 2040. From 1 January 2025, subsidies will no longer be allowed for fossil-fuelled systems, while mixed systems (e.g. gas boilers combined with a solar thermal system or heat pump) can be incentivized.

Finally, the directive encourages the spread of sustainable mobility through pre-wiring obligations and the installation of charging points for electric vehicles in all new and renovated buildings.

While a true impact analysis of the measure will only be possible in the future, it is already possible to attempt to outline the merits and criticisms of the aforementioned Directive.

From the first point of view, it is clear that the measure represents a fundamental step in the fight against climate change and in the decarbonisation of the construction sector, one of the main emitters of greenhouse gases in Europe. In addition, European citizens will be able to save on their energy bills thanks to more efficient buildings, which also provide greater living comfort, with more stable indoor temperatures and cleaner air.

In the face of these important positive aspects, however, potential criticalities emerge that should not be underestimated: the renovation of buildings to make them more energy efficient is likely to be expensive, especially for property owners with low incomes. In addition, the implementation of the Directive may be very difficult in Member States, such as Italy, with an outdated building stock.

The success of the Directive will depend on the ability of Member States to implement it effectively and to provide the necessary resources to help citizens cope with the costs of restructuring.

Other important measures adopted at the European level are Regulation (EU) 2024/1747 and Directive (EU) 2024/1711 of the European Parliament and of the Council of 13 June 2024, which introduced changes to the regulatory framework for electricity market design.

This reform aims to reduce the risk of high and volatile prices by introducing measures that promote power sharing agreements, power purchase agreements and two-way contracts for difference. These are fundamental tools for improving the stability and predictability of energy costs for both households and businesses. The reform introduces obligations for electricity suppliers to ensure the availability of fixed-price and fixed-term contracts to consumers, provides new measures to minimise the risk of supplier bankruptcy, and to allow consumers to choose multiple electricity supply offers. Consumers will also benefit from low-cost renewable energy by sharing the self-generated electricity they produce thems.

As to contracts for difference and power purchase agreements, the EU's choice was the use of power purchase agreements as long-term instruments to ensure price stability. Member States will be required to ensure the availability of instruments to reduce the financial risks associated with power purchase and sale agreements, thereby expanding access to such contracts, and they may also provide market-based state guarantees.

The reform will help connect more renewable energy and storage solutions in congested parts of the grid through flexible and non-binding connection agreements. Energy sharing organisers, such as aggregators or energy communities, can help alleviate grid congestion by shifting energy demand to off-peak hours.

The European Commission can only submit a proposal to the EU Council to declare a regional or EU-wide electricity price crisis if two conditions are met: (i) the presence of very high average prices on the wholesale markets, amounting to at least two and a half times the average price of the last 5 years and amounting to at least 180 Euro/MWh, which are expected to continue for at least 6 months (ii) strong retail price increases in the order of 70%, which are expected to continue for at least 3 months. Should the Council adopt a decision declaring such a crisis, Member States will be able to apply targeted and temporary public measures setting prices for the supply of electricity to small and medium-sized enterprises (up to 70% of their consumption) and households (up to 80% of average household consumption and up to 100% for vulnerable and energy-poor households).

5. Identity

Alperia is the leading energy supplier for South Tyrol and the second largest hydroelectric power producer in Italy[1]. The Group's history began over one hundred and twenty years ago with the first hydroelectric power plant in South Tyrol. Since that time, Alperia has never stopped producing energy from nature. Alperia was established in 2016 with the merger of the two most important local energy companies: AEW, which already built the first power plants more than a century ago to utilise exploit the power of water to provide the territory with electricity, and SEL, which in the last decade has taken over the management of the large hydroelectric power plants and the electricity grid in South Tyrol. Two companies that have marked the history of the energy sector in our territory and that, united in Alperia, shape its energy tomorrow.

Today, Alperia operates 35 hydroelectric plants, 7 photovoltaic plants and 6 district heating plants. Its 9,430 km distribution network brings energy to more than 480,000 customers. The Group is also active in the fields of electric mobility, hydrogen, wind power, and business consulting for decarbonisation and energy transition.

Mission and Values

Being deeply connected with the surrounding nature, Alperia's history is the history of green energy. Nature has been guiding its work from the very beginning, leading it to become one of the most important players in Italy in the green energy sector.

As a driver of change, yesterday as today, Alperia is aware that every action counts and wants to play its part in building a sustainable tomorrow, encouraging innovation for the good of the planet.

Giving sustainable form to the energy of the future is the purpose of Alperia, the reason for its existence and operations. Therefore, the Group is committed to promoting a model of energy development that respects the environment and social responsibility, in order to offer new generations a sustainable future.

Alperia has a clear mission: to be "the" partner for the energy transition and the driving force for change. Aiming at this goal, Alperia involves and raises awareness among all the actors, people and companies, with whom it deals in various contexts on a daily basis, on the issues that it holds most dear: sustainability, climate change, clean, green and renewable energy.

For the Group, the energy transition is an urgent issue that cannot be postponed, for which we need to rethink energy supply models and review consumption habits. Alperia's efforts are aimed at building a

[1] ARERA: Annual Report 2024.

greener present and supporting, as an energy transition partner, all those who wish to embark on this path.

The values that characterise Alperia's work

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 in our society. We act responsibly, according to principles of economic efficiency and resource conservation, providing safe and sustainable energy every day. We are constantly improving our services to be the reliable partner that can always be counted 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 our 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 ethical principles of honesty and fairness. We communicate openly, expressing our thoughts and respecting those of others.

DYNAMISM: we face challenges with strength and enthusiasm. We are resourceful and change things for the better. We work on technology development, innovative business models and smart solutions that always extend a hand to sustainability to drive the energy transition forward. We are solution-oriented and continuously develop our skills.

PROXIMITY: we stand by our customers and our territory. We are open to listening to our customers' needs and provide support and concrete, effective answers. We create added value for the people and territories in which we operate.

5.1 Corporate structure and business model of the Alperia Group

Alperia is 46.38% owned by the Autonomous Province of Bolzano, 21% each by the municipalities of Bolzano and Merano, and 11.62% by Selfin Srl, which groups more than 100 South Tyrolean municipalities.

In addition to the holding company, the following six business units were defined into which the more than 25 Alperia subsidiaries and investees were incorporated, as illustrated below.

Holding

- Hydrodata SpA[1]
- Neogy Srl
- AlpsGo Srl
- IIT Hydrogen Srl
- Bio.Te.Ma Srl

Energy production

- Alperia Greenpower Srl
- Alperia Vipower SpA
- SF Energy Srl
- Azienda Elettrica Campo Tures società consortile arl
- Enerpass società consortile arl
- Centrale Elettrica Moso società consortile arl
- Alperion Srl
- Enermac Srl
- Bioenergia Srl
- Generai Srl

Sales

- Alperia Smart Services Srl
- Fintel Gas e Luce Srl

Trading

- Alperia Trading Srl

Networks

- Edyna Srl

Heat & Services

- Alperia Ecoplus Srl
- Teleriscaldamento Silandro Srl

Smart Regions

- Alperia Green Future Srl[2]

[1] Hydrodata S.p.A. heads the following companies: Alperia Innoveering Srl, Art Srl

[2] Alperia Green Future Srl heads Care4U Srl

5.2 Certifications, awards and prizes

At the beginning of April 2024, the audits for the maintenance of ISO 9001, ISO 14001, ISO 45001, ISO 50001 and ISO 27001, 27701, 27017, 27018 certifications for Alperia Spa were successfully completed. During the year under review, the same audits were also successfully conducted for the other companies of the Group.

In October 2024, Alperia Greenpower Srl successfully completed the certification process, carried out by the certification body IMQ, of the PAS 24000:2022 standard ("Social management system - Specification""): this certification is a recognition that assesses how responsible, sustainable and respectful of human rights the company's labour practices are, with the aim of promoting an ethical, inclusive and transparent working environment.

At the beginning of December 2024, the Alperia Group was certified for gender equality according to UNI/PdR 125:2022. This certification confirms the Group's commitment to equal opportunities and an inclusive corporate culture in which all employees - regardless of gender - have an equal chance to develop and succeed.

The certification process involved an in-depth analysis of internal processes, policies and measures in order to ensure guarantee a working environment that promotes diversity and puts gender equality at the centre. In the context of certification, a new measure was introduced to make a further contribution to better reconciliation of family life and work by actively strengthening the role of fathers within the family.

Lastly, it should be noted that in October 2024 Alperia joined, by signing the relevant declaration of commitment, the campaign launched in Europe in 2018 called "No Women No Panel", aiming at ensuring a fair representation of women in committees, media and public events.

The Alperia Group is constantly striving to create a working environment that promotes gender equality and recognises diversity as a valuable resource. Support for this initiative is a further step in this direction.

5.3 Integrated strategy

As one of the largest companies in the region, the Alperia Group's strategic choices have direct and indirect impacts, both internally and externally. The development brought by economic activities contributes to the increase of income and employment in the province and improves access to essential services such as education and health. Moreover, the proven resilience of Alperia's business model, even in the face of sudden changes or challenges, allows it to protect the interests of its stakeholders, such as employees, customers and shareholders, contributing to the wellbeing of the community and the environment in which the Group operates. The investments made by the Group have both environmental and social impacts in the area where Alperia operates.

The impacts described derive from the externalities generated by the Group's corporate strategy, which not only sets out the economic objectives, but also defines how Alperia interacts with natural and social capital, determining the company's impact in the local socio-economic context. Alperia pursues the objective of creating long-term economic value (for example through dividends, taxes, investments) for all stakeholders, and of improving the resilience of the business model to cope with new evolutionary and competitive scenarios.

The Management Board and the Supervisory Board are entrusted with the responsibility of defining and approving the Group's strategic direction. The Group's strategy is periodically reassessed by these bodies, based on any significant events that could cause changes in the energy market. The main results of the double materiality analysis and the Sustainability Goals that have emerged from the discussion with the different stakeholders were taken into account in the definition of the corporate strategy. Sustainability is central to every aspect of Alperia's business. Therefore, the Group has integrated the principles of sustainable development into its business strategy by defining to which Sustainable Development Goals set by the United Nations it wants to and can contribute. The contribution that Alperia can make falls within the scope of its own activities with appropriate solutions and measures, within a certain period of time and according to certain indicators. Alperia has also adopted a long-term vision that will guide the Group until 2031. The objectives set out in the vision will be achieved through the 2023-2027 Business Plan, in which sustainability has been integrated at a strategic level.

5.3.1 Vision 2031

Vision 2031 sets out the objectives that Alperia intends to achieve in a medium- to long-term vision, starting from an analysis of the main current trends, market developments, the main risks for Alperia and its prospective positioning[2].

The **main trends** identified concern: the scarcity of natural resources, advancing digitisation and accelerating innovation, the development of mobility 4.0, increasing geopolitical tensions, an ageing population, increased sensitivity to social responsibility with the widespread adoption of the Benefit Society Model and the impact of climate change. Consequently, there are two **cornerstones of Vision 2031**: **sustainability and integrated positioning along the energy value chain.** These macro-areas

[2] Vision 2031 coincides with the transition plan required by the ESRS standards.

were identified from a preliminary analysis of the risks that Alperia could face (these risks include the imbalance of EBITDA on hydroelectric production, regulatory developments and the expiry or withdrawal of concessions for hydroelectric exploitation and grid management, 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 of the opportunities for Alperia (including the growth of the renewables market, the possibility of becoming an energy transition partner for businesses and citizens, the maximization of the customer base value through a customer centric approach focused on sustainability and simplification, and investments in services that will support the energy transition).

Utilities can be the engine of the energy transition. Alperia is fully aware of this mission and has made it central to its Vision. All this will lead the Group to work towards achieving its goals by 2031, cutting emissions, creating added value in the region, including by adopting D&I policies, and building an integrated governance model, strengthening the businesses it already deals with and improving financial exposure with the **Sustainable Finance Framework.** Finally, Alperia will continue to invest in innovation, developing services and businesses that are consistent with the energy transition (e.g. hydrogen, renewable energy communities, photovoltaic, wind, biomethane) and aiming to be a customer centric organisation.

5.3.2 2023-2027 Business Plan

The 2023-2027 Business Plan outlines Alperia's road map to 2027, indicating the objectives the Group intends to achieve. By 2027 Alperia intends to invest a total of Euro 1.14 billion, which will generate positive economic and social spillover effects in the Group's traditional sectors: hydroelectric generation, distribution and district heating. These investments should enable Alperia to reduce emissions by 45% by 2027, 70% by 2031, with offsetting of non-avoidable emissions and achieving 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 its activity.
- 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 the above-mentioned objectives, there are those of a **social nature**, with reference to **territory**, **governance**, **innovation**, **IT & Digital, facilities and personnel**. The objectives set will be implemented in the individual business units through specific actions and priorities.

5.3.2.1 Update of the 2023-2027 Business Plan

The Management Board and the Supervisory Board of Alperia Spa - at their meetings on 19 December 2024 and 27 January 2025, respectively - examined the progress of the 2023-2027 Business Plan resolved in 2022 and approved its update.

With the update of the Plan, the strategic guidelines of the original 2023-2027 Plan were confirmed, which focus on three pillars: sustainability, consolidation and innovation.

With the revision of the Plan, the market scenarios (first and foremost the sale price of electricity) and growth scenarios have been updated. The main results of the update are as follows:

- the reduction in CO2e emissions (Scope 1, 2 and 3) of 45% by 2027 compared to 2021 confirmed;
- significant increase in total net investments over the 2023-2027 period, compared to the Plan figure approved in 2023, from approximately Euro 870 million to Euro 1.14 billion, broken down as follows: generation (Euro 493 million), distribution (Euro 279 million), sales and trading (Euro 75 million), heat and services (Euro 104 million), smart region (Euro 122 million) and corporate (Euro 65 million);
- a significant increase in cumulative EBITDA, in the aforementioned period, compared to the previous figure of the Plan approved in 2023, which increased from Euro 1.6 billion to Euro 1.9 billion, mainly due - as far as generation is concerned - to the increase in revenue from renewable production and the inclusion of revenue from the so-called capacity market and - as far as distribution is concerned - to the application of the new incentive tariff regulation approach referred to as the totex-approach;
- drop in electricity that the Group estimates to sell to end customers in 2027 amounting to 5.9 TWh, of which about 70% is green energy;

- reduction also in the gas volumes that the Group estimates it will sell to end customers, which drops to just under 390 million scm in 2027, of which more than 56% is CO_2 offset gas and 6% biomethane;
- significant increase in the number of supply points to end customers, which will rise in 2027 - between electricity and gas - to over 710 thousand;
- drop in thermal energy that the Group estimates to sell to end customers in 2027 to just under 350 GWht, of which 54% is generated from nonfossil sources;
- increase in Group FTEs, which are estimated to exceed 1,400 in 2027 compared to approximately 1,370 in the previous Plan approved in 2023;
- net financial position which is estimated to be around Euro 680 million at the end of 2027, maintaining a net debt guidance of slightly more than 2x EBITDA (end-of-plan figure);
- upward trend in dividends confirmed;
- development of new businesses, also by external lines, to foster decarbonisation and ensure the balance of the Group's business mix;
- continual development of e-mobility through the subsidiary Neogy;
- a further drive towards process efficiency, with investments in innovative and digital transition projects.

5.3.3 2022-2027 Sustainability Plan

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 areas of strategic action identified are:

- **Governance and Resilience.** The Group wants to anchor ecological, social and economic sustainability to its governance and management processes and build an integrated Governance model. Alperia's objective is to create economic value in the long term (e.g. through dividends, taxes, investments), and to make the business model resilient in order to cope with new evolutionary and competitive scenarios. The Group intends to ensure a safe, efficient and sustainable energy supply with secure facilities that ensure the protection of personnel, the population and the surrounding areas. Alperia wants to actively contribute to the energy transition and develop new technological solutions with innovative research projects that help limit negative externalities. In fact, the Group's objective is to guarantee the security of its IT systems and the protection of all data.
- **Customers.** Alperia promotes an integrated value proposition (commodities and services) focused on the energy transition with 100% green offers and enabling solutions for the decarbonisation of customers and offers customers a fast and solution-oriented service. The aim of the Group is to provide fast and solution-oriented customer service and improve the customer experience.
- **Green Mission.** Alperia aims to make the Group's energy consumption even more efficient and achieve the ambitious Net Zero target by 2040 by significantly reducing greenhouse gas emissions. The Group wants to minimise the impact of its hydroelectric plants on nature and the environment, actively protecting the biological diversity of watercourses and promoting the efficient and responsible use of water resources.
- **Territory.** The Group aims to create added value for our region in various areas, including jobs, local taxes and social commitment. Alperia wants to make its purchases as local and sustainable as possible, both ecologically and socially.
- **People.** The Group is constantly striving to promote a healthy and safe, inclusive and equal environment and to invest in the development of 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.

6. Significant events in 2024

6.1 Corporate and organisational reorganisation

First of all, it should be noted that the merger by incorporation of Solar Total Italia Srl into Alperia Green Future Srl became effective for accounting and tax purposes on 1 January 2024; the above-mentioned operation was aimed at rationalising and simplifying the Group's structure with consequent savings in administrative and management costs.

In February 2024, the Parent Company granted special power of attorney to the receivers of the company Medison - Società a responsabilità limitata in liquidation, so that in the name and on behalf of the same they may sell, within a complex transaction, the shareholding held by it in the company Medgas Italia Srl. The share capital of the latter company includes, in addition to Alperia with a 9.61% stake, also Medison - Società a responsabilità limitata with a 47.26% stake, and Italian Energy Srl with a 43.13% stake, the latter held in turn by Medison - Società a responsabilità limitata in liquidation with a 99.48% stake and by Falck Spa holding the residual 0.52%. The sale of the investments took place after the receivers had arranged for some judicial auctions to be held, with – in the end – a bid made by a London-based company prevailing.

The deed of transfer of shares was signed on 20 February 2024; the transaction was conditional precedent to the positive outcome of the procedure referred to in the so-called "Golden Power", which took place with the resolution of 7 March 2024 of the Coordination Group referred to in Article 3 of the Prime Minister's Decree of 1 August 2022 No. 133, with which the proposal of MASE not to exercise special powers was upheld. By deed of 3 April 2024, it was finally ascertained that the condition precedent had been fulfilled.

The aforementioned London-based company therefore became the owner - partly directly and partly through Italian Energy Srl - of 100% of the shares of Medgas Italia Srl.

In mid-March 2024, the subsidiary Fintel Gas e Luce Srl signed a preliminary purchase and sale agreement (partially amended, a first time around the end of June 2024 and, a second time, around the beginning of August 2024) for the acquisition - from the company Eicom Srl - of a business unit related to a portfolio of end customers for the sale of electricity and natural gas. The provisional transaction price is approximately Euro 6.1 million, subject to some adjustments. The closing of the transaction provides for certain conditions precedent being met.

The customers, amounting to approximately 23 thousand, of whom around 70% in the electricity sector, are mainly concentrated in the domestic market and in small and medium-sized enterprises, principally located in Piedmont, Lombardy and Veneto, areas where the Alperia Group is already present; The transaction in question therefore allows for the expansion of the customer base in geographical areas and segments of strategic interest.

The acquisition of the unit also involves the transfer of related personnel (about 17 people) in order to ensure its business continuity and development, as well as contracts with the sales network.

In its meeting of 18 April 2024, the Italian Antitrust Authority gave the go-ahead to the above-mentioned transaction, resolving not to open the preliminary investigation under Article 16(4) of Law No. 287/1990 (see AGCM Bulletin No. 18 of 6 May 2024).

By order dated 18 July 2024, the Court of Milan then authorised, pursuant to Article 22 of the Business Crisis and Insolvency Code, the sale of the branch in question in favour of Fintel Gas e Luce.

The transfer of customers took place on 1 October 2024.

On 21 March 2024, Alperia Ecoplus Srl and Alperia Smart Services Srl signed agreements with the companies that are developing the well-known Waltherpark project in Bolzano, for the construction of an important real estate complex in front of the railway station; in brief, as far as the Group is concerned, the agreements provide for (i) the acquisition by Alperia Ecoplus Srl, as far as district heating is concerned, of the network of pipes laid within the area subject to urban redevelopment as well as the availability of the premises intended to house the technological systems serving the district heating system and, as regards district cooling, of the company that is building the related plant located in Piazza Verdi, called E.Plus Park Srl and (ii) the subsequent supply – by Alperia Smart Services Srl – of heat and cold to the buildings in Via Alto Adige and Via Garibaldi.

The cooling plant that uses the cold waters of the Isarco river is particularly innovative, technically speaking, with a "free cooling" technology, ensuring the operation of the air conditioning systems of the new building complex with the least possible waste of energy; the design and construction of the plant is taking place under the supervision of Alperia's Engineering & Consulting Department.

The acquisition of the aforementioned company is subject to certain conditions precedent and the agreements provide for the release of certain guarantees in favour of the Alperia Group.

The shareholders' meeting of Alperia Ecoplus Srl already resolved - on 13 November 2024 - to approve the merger project of E.Plus Park Srl into the company: said project provides - as a condition precedent to the effectiveness of the merger - that Alperia Ecoplus Srl, by the date of 30 June 2025, shall acquire ownership of 100% of the shares of E.Plus Srl and that this condition shall remain in place until the effective date of the entire transaction.

The objective of the merger is to pursue substantial and important economic, administrative and financial benefits for the companies involved in the transaction, including (i) the reduction of administrative, managerial and organisational costs through the concentration of the relevant functions (ii) the simplification of the Group's structure and (iii) the implementation of processes aimed at enhancing the assets of the merged company.

On 30 April 2024, the deed of sale of the entire 100% stake in Biopower Sardegna Srl (now Biopower Ottana Srl) was signed between the Parent Company and an industry operator; the transfer price was quantified at approximately Euro 8.1 million.

At the end of May 2024, Alperia Green Future Srl participated in the transaction to cover the losses resulting from Care4U's 2023 financial statements and the simultaneous non-proportional share capital increase with the recognition of a share premium. To this end, Alperia Green Future partially waived loans granted to the investee in the amount of about Euro 266,000. Alperia Green Future's shareholding increased to 81.18% of the company's capital. The company's registered office was also moved to Via Dodiciville in Bolzano. As is well known, Care4U develops solutions for telemedicine, telemonitoring and telecare (e.g. in the field of elderly care).

Subsequently, the Parent Company participated in the operation to cover the losses resulting from the financial statements of IIT Hydrogen Srl referring to 2023 and the concomitant share capital increase with the subscription - together with another shareholder of the company, i.e. Autostrada del Brennero Spa - of the shares of the increase that were not subscribed by the other shareholders; the aforesaid transaction entailed an outlay for Alperia Spa of approximately Euro 631 thousand and the latter's stake in the share capital of IIT Hydrogen Srl increased from 47.68% to 48.41% (the latter percentage is the same as that now held by Autostrada del Brennero).

On 22 October 2024, the Alperia ETS Foundation was established: it is a non-profit entity and has civil, solidarity and socially useful purposes through the performance of activities of general interest referred to in Article 5 of Legislative Decree 117/2017 (the so-called Third Sector Code), including "*interventions and services aimed at safeguarding and improving the conditions of the environment and the prudent and rational use of natural resources, the production, storage and sharing of energy from renewable sources for the purposes of self-consumption...*".

By decree of the President of the Autonomous Province of Bolzano of 3 December 2024, the foundation was entered in the "other Third Sector entities" section of the National Single Third Sector Register.

Finally, it should be noted that on 12 November 2024 an equal joint venture between Alperia and Alerion was announced for the development and operation of wind power plants.

On the same day, Alperia Greenpower Srl signed a sale and purchase agreement with Alerion Clean Power Spa ("Alerion") concerning an equal joint venture for the development and management of a portfolio of wind power plants in Puglia, with a total capacity of about 120 MW, of which 62 MW already operational and 58 MW under construction.

Specifically, Alerion sold to Alperia Greenpower Srl a 50% stake in the share capital of Naonis Wind Srl, a company immediately renamed Alperion Srl. The latter is a company that owns an operating wind farm of 11 MW and in turn holds 100% of the share capital of the following companies (jointly the "Alperion Subsidiaries"): Enermac Srl, owner of an operating park of 51 MW, Bioenergia Srl, owner of a park under construction of about 29 MW, and Generai Srl, owner of a park under construction of about 29 MW: all parks are located in the Province of Foggia.

The transaction consideration for the sale of 50% of the above-mentioned share capital amounts to approximately Euro 49.7 million. Alperia Greenpower Srl also acquired 50 per cent of the receivables arising from the outstanding shareholders' loans between Alerion, Alperion and the Alperion Subsidiaries for a consideration of approximately Euro 13.4 million.

Within the scope of this industrial partnership, the right was also defined to acquire from Alperia Greenpower Srl, under contractually agreed terms and conditions, 50% of the share capital of additional companies owning two more wind power projects to be developed in Italy, with a maximum total capacity of approximately 75 MW.

This significant transaction is part of the diversification of the Alperia Group's activities envisaged in the 2023 - 2027 Business Plan and represents the first 50:50 joint venture between two leading locally controlled groups operating in the energy sector.

With a deed signed on 30 December 2024, Edyna Srl transferred to Azienda Elettrica Dobbiaco Spa - with effect from 1 January 2025 - the branch of business pertaining to the distribution of electricity in the municipalities of Dobbiaco and Villabassa. The aforementioned company, which already operates as an electricity distributor in most of the territories of the two aforementioned municipalities, had requested to expand its distribution area so that it would in future include the entire territory of the two municipalities.

The divestment concerned, in particular, certain medium-voltage lines and substations, low-voltage lines as well as electricity meters and related transmission devices. The transfer price, which is subject to adjustment, amounted to approximately Euro 555,000.

Also on 30 December 2024, Edyna Srl signed the deed of purchase - effective 1 January 2025 - of a business unit owned by a private company pertaining to the distribution of electricity in the municipalities of Campo Trens and Fortezza. The relevant purchase price was determined to be just under Euro 290 thousand.

Lastly, it should be noted that the shareholders' meeting of the Parent Company, held on 14 June 2024, resolved to appoint the company EY of Milan to perform - among others - the statutory audit of the accounts, the limited audit of the half-yearly consolidated financial statements as well as the audit of the separate financial statements for the financial years 2025 - 2033 (inclusive); With the approval of these financial statements as at 31 December 2024, the nine-year audit mandate entrusted to PWC of Milan will expire.

The assignment concerns Alperia Spa and its subsidiaries, safeguarding the principle of a single Group auditor, since a different solution would represent an inefficiency factor in the provision of audit services, as well as a diseconomy for the Group itself.

6.2 Various initiatives

A first initiative concerns the start of the pumping system projects; they will play a key role in future scenarios characterised by an increasing deployment of renewable energy sources, as they will provide a number of useful services to the electricity system, including "time-shifting" and dispatching services, which are instrumental in ensuring the security and adequacy of the electricity system. Storage will make it possible to "structurally" shift part of the production of non-programmable renewables from hours of high availability of the resource to hours of low or no availability, managing their "overgeneration" efficiently and thus ensuring the achievement of decarbonisation targets.

Alperia explored the possibility of building one or more pumping plants, using existing reservoirs for hydroelectric production. Various project options for the Santa Valburga 2 plant, located in Val d'Ultimo, were then studied and compared in order to select the best option based on the favourable conditions provided by the presence of storage and return basins, the territorial context and logistical aspects.

This is a pure pumping plant with an installed capacity of approx. 400 MW, which would exploit an average drop of approx. 1,100 m between Lake Quaira (useful volume 12.8 million m3) and Lake Zoccolo (33 million m3).

In the feasibility study, the utmost attention was paid to environmental protection and sustainability of the technical solution: the planned power station would utilise the two existing reservoirs, the pipelines would be entirely underground and the power station, with the exception of the access tunnels and ventilation window, would be located in a cavern. With a view to a circular economy and minimising the movement of construction vehicles, the excavated material extracted would be reused for construction as much as possible.

The connection to the national transmission grid would be realised by TERNA via a new 220 kV cable line between Santa Valburga and Taio (TN).

Once the design and authorisation process is completed, five years of construction and a further year for commissioning the plant would be required.

Please refer to the Stakeholder Engagement section on how to get involved.

Another interesting initiative, in which Alperia Green Future Srl participated, concerns the establishment of an FIA (Alternative Investment Fund), intended for the construction and management of photovoltaic plants in the South Tyrol region. This project was promoted by Euregio Plus SGR Spa at the specific request of the Autonomous Province of Bolzano.

Euregio Plus SGR is an in-house asset management company under Italian law of the Autonomous Provinces of Bolzano and Trento and of the Trentino-Alto Adige Region, authorised to provide, inter alia*,* collective asset management services.

In order to select one or more professional investors who, in addition to investing in the Fund, would be able to support the different phases of the initiative (from the design to the installation and management of the systems, acting as advisor to the fund itself and as General Contractor), Euregio Plus SGR published a public notice in January 2024 to collect expressions of interest: Alperia Green Future Srl took part in this notice by submitting a technical and economic proposal including the willingness to invest a maximum amount of up to Euro 7.5 million in the Fund (later named "*Euregio Plus Energy Alto Adige - Südtirol*") and was selected, as per the communication received in April 2024.

On 23 October 2024, a cooperation agreement was signed - between the Autonomous Province of Bolzano, the Consortium of Municipalities of the Province of Bolzano, Euregio Plus SGR Spa and Alperia Green Future Srl - to promote the expansion of photovoltaic plants in South Tyrol on public or even private areas and buildings, with the simultaneous promotion of energy communities.

Initially the Autonomous Province of Bolzano will contribute to the above mentioned Fund the surface right or the concession of the areas and roofs of the buildings that will be used to install the plants; The same Province has invited all South Tyrolean municipalities to join this project, which envisages - in the first instance - the installation of at least 30 MW.

6.3 Confirmation of Alperia's BBB rating with improvement of the outlook

On 7 May 2024, the Fitch agency confirmed Alperia Spa's long-term rating at the BBB level, changing the outlook from "negative" to "stable".

The rating confirmation takes into account the previous update of the 2023 - 2027 Business Plan approved by the competent bodies of Alperia between the end of November and mid-December 2023.

The change in outlook mainly reflects the Group's strong financial performance in 2023, the positive hydraulic conditions - then expected in 2024 -, a solid coverage of production energy at attractive prices until 2025, and the gradual collection - during 2024 - of tax credits related to the so-called building Superbonus.

The long-term rating took into account the integrated business profile of Alperia, with its hydroelectric generation and power grid assets.

The confirmation of the investment grade rating with improved outlook is a further demonstration of the Board and Management's ability to effectively manage the Group within a geopolitical framework and market environment that remain highly unstable, and assumes Management's commitment to maintain structurally moderate leverage.

Alperia was valued on an autonomous basis, thus without reference to the Company's largest shareholder, the Autonomous Province of Bolzano.

6.4 Gold Ecovadis rating confirmation

In 2024, Alperia was awarded the international eco-sustainability rating by EcoVadis, which 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, maintaining 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 the EcoVadis assessment, Alperia has included the following objectives in its 2023-2027 Business Plan:

- the revision of the current procurement process from an ESG perspective by 2027;
- introduction of minimum criteria in individual tender procedures (2025);

- initiatives to raise awareness, training of employees on the Code of Ethics, the gradual introduction of requirements to certify themselves as Group suppliers;
- the awarding of sustainability-related scores in awarding procedures by 2027 and the introduction of a system for monitoring increased expenditure.

6.5 New issue of green bonds

After having issued four green bonds placed on the private market in the past, the first of which was in 2016, and its first public green bond in 2023, the Parent Company issued - with a settlement date of 5 June 2024 - a new green bond in the amount of Euro 250 million; the transaction in question was approved on 29 April 2024 by both the Management Board and the Supervisory Board of Alperia Spa.

The significant novelty of this new issue consisted in the fact that it was reserved for an indistinct public in Italy - in addition to qualified Italian and foreign investors - also for natural persons resident in Italy

In addition to enabling Alperia to finance/refinance the Group's business activities and, in particular, green projects in line with its sustainability strategy, Alperia has set itself the goal - through distribution to the general public - of strengthening its relationship with the territories in which it operates, offering the population the chance to invest in green bonds by financing the Group's sustainability strategy and thus to take part with it in sustainable development and energy transition.

On 10 May 2024, the Central Bank of Ireland approved the offering prospectus, as the bonds are listed, as of the issue date, on the Irish regulated market of Euronext Dublin; Following the so-called "passporting" of this prospectus in Italy to Consob, the bond issue was also admitted for trading on the MOT, the electronic bond market managed by Borsa Italiana Spa.

The bonds have a denomination of EIR 1,000, a duration of five years from the date of issue with the option of voluntary early redemption by the Company as of 5 June 2026; the six-monthly coupon provides for the payment of a fixed annual gross rate of 4.75%.

As for the placement, bonds amounting to Euro 200 million were initially offered to both qualified Italian and foreign investors and the general public. Given the great success of the initiative, which saw the aforementioned amount already sold out on the first placement day of 21 May 2024, further bonds for Euro 50 million were subsequently offered, this time reserved exclusively for natural persons resident in Italy, which were fully subscribed on 22 May 2024, with the early closure of the placement period originally scheduled for 31 May 2024.

At the end of the placement, approximately 60% of the bond had been subscribed by natural persons.

On 28 May 2024, the agency Fitch assigned the green bond a rating in line with that of Alperia of BBB.

The banks involved in the placement of the green bond were - as Joint Bookrunners - Banca Akros and Equita SIM (the latter also as Placement Agent), and, as Co-Managers, Finint Private Bank, Cassa di Risparmio di Bolzano and Cassa Centrale Raiffeisen dell'Alto Adige; the transaction was coordinated internally by Alperia's M&A-Structured Finance Department.

Ethica Group, with its Debt Advisory team, assisted Alperia as financial advisor.

6.6 Partial repurchase of the public green bond issued in 2023

In November 2024, Alperia announced the launch of a partial repurchase offer aimed at holders of securities representing the bond issued in July 2023 and listed on the regulated market of Euronext Dublin. As is known, the aforementioned loan, with an original amount of Euro 500 million, pays annual coupons at a fixed rate of 5.701% and is scheduled to be repaid on 5 July 2028.

The Parent Company decided to carry out the transaction in question in order to more efficiently manage the Group's liquidity created, among other things, by the large amount of electricity produced especially in the summer months, reducing both the financial charges on the budgets for the coming years and the amount of debt to be refinanced in 2028.

The acceptance period, which was based on the specially prepared Tender Offer Memorandum, began on 25 November 2024 and ended on 2 December 2024 with a settlement date of 5 December 2024.

The Parent Company's intention was to repurchase bonds up to a maximum total principal amount of Euro 150 million; at the end of the aforementioned accession period, the amount actually repurchased and written off as financial debt was just under Euro 148.6 million.

BNP Paribas, Intesa Sanpaolo (IMI CIB Division) and Mediobanca - Banca di Credito Finanziario Spa as dealer manager and Kroll Issuer Services Limited as tender agent were involved in the transaction.

6.7 Hydroelectric production plants

In 2024, hydropower production reached 5.2[3] TWh, a record value for the Alperia Group. Obviously, the copious snow and rainfall throughout the year contributed to this extraordinary result, but also the great efforts made to ensure the regular availability and reliability of facilities.

[3] The following value considers the contribution of hydroelectric generation based on Alperia's share in the plant companies.

At the same time, 2024 proved to be a very busy year from the point of view of investments in generation, both from an economic point of view and in terms of the constant effort to make its own renewable energy plants more efficient and to increase their stock.

Among the investments in the hydroelectric park, we highlight the completion of the partial refurbishment of the Lana plant started in 2021.

In Lana, the main plant of the Valsura Auction, all main components of the three generating units were replaced with a total investment of around Euro 42 million: turbines, alternators, rotary valves, excitation systems and transformers, with all accessory components also being adapted accordingly. In addition, a further generation unit was installed, with smaller features, to optimise performance and overall efficiency in view of the responsibilities - irrigation and fire-fighting - that must be guaranteed by the Lana plant.

As a result of the investment, the plant will be able to generate up to approximately 0.2 TWh/year of premium renewable energy in the coming years.

Project management, design and works' management were overseen by Alperia Spa Engineering & Consulting.

Also in the hydroelectric area, the first activities related to the partial renovation of the Pracomune plant were started.

The Pracomune plant, built in a cave in Val d'Ultimo at an altitude of over 1,800 metres above sea level, is the only pure pumping plant in the Alperia Group's hydroelectric plant park.

With an initial commitment of more than Euro 5 million in 2024, but with a total budget of more than Euro 32 million, work began on the replacement of all main plant components and all accessory components, as well as major work on the penstock, with the already completed replacement of the penstock head valve and future internal sandblasting and painting.

At the end of the works, scheduled for 2027, there will be a concrete improvement in the efficiency and reliability of the pumping-generation system, allowing the optimisation of the "energy storage" function offered by the plant, an increasingly important feature in the national and local context of increasing non-programmable renewable energies.

Project management, design and works' management are overseen by Alperia Spa Engineering & Consulting.

In 2024, work also continued on the replacement of the penstock at San Pancrazio.

The hydraulic work connects the diversion tunnel fed from the Zoccolo reservoir to the San Pancrazio power station in Val d'Ultimo. The existing 602-metre-long penstock with a diameter of 2 metres, is being replaced by a new penstock along a route which is entirely underground, and a new underground piezometric well and new underground valve chamber will also be built. The investment in the years 2022-2024 was approximately Euro 34 million, but as total expenditure in 2026 would reach Euro 44 million.

The construction of this new hydraulic work will significantly improve both the environmental impact of the plant, since the penstock and ancillary works will be underground, and its reliability over time, in a particularly complex geological context.

Project management, design and works' management were overseen by Alperia Innoveering/Hydrodata.

Work was completed on the construction of the second floodgate for the interception of the second relief outlet of the San Valentino - Resia dam.

The Lake at Resia (otherwise known as Lake Reschen), with its 120 million cubic metres of water, is the largest basin in South Tyrol and a valuable resource for the production of renewable hydroelectric energy and for the various uses to which it lends itself (regarding the landscape, irrigation, frost protection, artificial snow).

At the same time as the second lowering of the reservoir level required for the construction by the Autonomous Province of Bolzano of the variant of state road 40, the sluice gates for the second interception system of the second dam relief outlet was completed in 2024. The total investment amounted to more than Euro 5 million.

The construction of the work was made possible thanks to the excellent coordination with the Autonomous Province of Bolzano and will allow for a safer management of lake Resia, while avoiding the need for its complete draining for a possible maintenance of the pre-existing valley sluice gate.

The design was overseen by Alperia Innoveering/Hydrodata, while project management and the works were undertaken by Alperia Greenpower Srl.

6.8 Electricity distribution network

During 2024, the construction of new plants continued. The investments made by Edyna Srl amounted to over Euro 67 million, particularly in the HV network (investment of Euro 21.6 million), MV network (Euro 21.6 million) and LV network (Euro 9.0 million).

Edyna Srl continued on the path of increasing the resilience of power lines: the percentage of underground lines as a percentage of the total number of lines rose from 58% at the end of 2017 to 78% at the end of 2024. A campaign has also been launched to replace bare LV overhead cables with prestranded cables to prevent possible service interruptions due to adverse weather conditions, and for environmental sustainability against the risk of fire.

As regards the upgrading of plants, in the period from 2019 to 2024, nominal power at the primary plants was increased, from 1,319 MVA at the end of 2018 to 2,502 MVA at the end of 2024.

Below we report on the main works that went into operation in 2024:

- Vernago substation - installation of MV network compensation system;
- San Antonio substation - installation of MV network compensation system;
- Sassari substation - installation of HV/MV 40MVA transformer;
- S. Leonardo substation - new HV/MV 25MVA transformer (NRRP);
- SM Loreto - 20kV grid integration project.

The construction of the new primary plant called the Barbiano substation continues, as well as the project to upgrade the HV network in Val d'Ega, whose main interventions include the construction of a new HV line and a new Primary Substation, which is scheduled to be commissioned in 2029.

Within the scope of the expansion of distribution in the lower and upper Pusteria Valley, the commissioning of the Vandoies substation, with a total cost of Euro 6.5 million, is confirmed for 2025. This substation is part of a project funded by the NRRP and is a fundamental work for the future Winter Olympics that will also take place in South Tyrol in 2026. The plant will be connected to Terna's 132 kV HV and will distribute energy throughout the territory with new MV lines, partially underground, also improving transportation capacity.

As part of the continual improvement of the network in Val Pusteria, Edyna will then complete the expansion of the network with the new substation in Sesto (2027).

With regard to the multi-year network integration project with the unification of the 20 kV voltage, the following targets were achieved - as of 31 December 2024 - with respect to the plan:

- upgrading of MV lines: 90.81%;
- change of transformers: 64.58%.

With regard to the Smart Meter PMS2 project, during 2024 Edyna Srl completed the installation of the new electricity meters in South Tyrol, the first large-scale distributor nationwide to achieve this goal.

The go-ahead was given on 7 September 2020, when Edyna Srl started - among the first in Italy - the plan to replace old meters with so-called smart meters, a plan that involved investments amounting to Euro 32 million, all supported by Edyna.

In the 97 municipalities served, 248,000 new meters were installed, enabling more energy-conscious consumption and opening the door to new technologies to promote energy efficiency. In addition, the collection of consumption data takes place more effectively and efficiently: works on the meter by the personnel in charge will be limited compared to the past.

6.9 Commercial activity

2024 was characterised by strong growth in the Retail segment (domestic and SME) and by the consolidation of the Corporate & PA clients segment.

In the Retail segment, more than 72 thousand new customers were contracted in the year under review, with the following contribution: around 41% direct channel (Energy Point and Energy Corner), around 3% Digital channel and around 56% indirect channel (agents).

It should be recalled that - having unfortunately not won the auction called by the Single Buyer in January 2024 to award the electricity sales service with graduated protection for the period 1 July 2024 - 31 March 2027 for non-vulnerable domestic customers - Alperia Smart Services Srl saw approximately 13,000 domestic customers in the Province of Bolzano switched to the new supplier.

As far as the Corporate segment is concerned, in 2024 more than 37 thousand customers were acquired thanks mainly to the contribution of Resellers, public tenders won and acquisitions of Corporate customers and corporate groups.

Total volumes of electricity sold amounted to 5,235 GWh (4,783 GWh in 2023), divided respectively between 25 GWh on the protected market (in 2023: 60 GWh) and 5,210 GWh on the free market (in 2023: 4,723 GWh).

Gas volumes amounted to around 347 million Sm3 (in 2023: 358 million), of which 0.058 million refer to the protected market (in 2023: 7 million) and 347 million to the free market (in 2023: 351 million).

Volume sales in 2024 reflect the linear growth of the customer base.

The number of supply points as at 31 December 2024 (including Fintel Gas e Luce as reseller) is 361,000 electricity and 123,000 gas; the same figures for the end of 2023 were 322,000 electricity and 99,000 gas.

The breakdown of electric PODs is divided between the protected market (9 thousand) and the free market (352 thousand); the same figures for 2023 were 29 thousand and 293 thousand, respectively.

Concerning the gas sector, almost all PRDs (123,000) are contracted on the free market; in 2023, 13,000 were on the protected market and 86,000 on the free market.

Finally, with regard to the heat sector, the volume sold to customers amounted to 258 GWht (in 2023: 244 GWht), while the number of supply points as at 31 December 2024 is 2,237 (in 2023: 2,184).

The Alperia Group has confirmed its commitment to having an increasingly far-reaching commercial presence in Italy: In 2024, new Energy Points were opened in Mestre, Padua, Dolo and Bergamo and new Partner Energy Points in Francavilla al Mare, Latina, Montegrotto Terme, Teramo, Tolentino and Rovigo.

An important confirmation of the quality of services offered by the Alperia Group came from the recognition awarded in mid-October 2024 by Altroconsumo, Italy's largest consumer protection association.

Altroconsumo surveyed 19 energy suppliers, considering the most important ones in the Italian energy market that cover at least 70-80% of the population. The survey was carried out by means of an online questionnaire, asking respondents about (i) the quality of call centres (weight on overall rating: 20%) (ii) online customer service (weight: 18%) (iii) transparency of bills (weight: 30%) (iv) the content of the contracts (weight: 20%) and (v) customer satisfaction (weight: 12%).

In the ranking of energy suppliers, Altroconsumo placed Alperia in third place with excellent overall quality; this allows Alperia to officially use the title "Recommended Energy and GasProvider ".

From a commercial point of view, it is worth mentioning the important initiative called "Bonus Alto Adige" implemented by the Alperia Group in October 2024. Domestic customers with a contract on the free market, resident in South Tyrol, were granted - by Alperia Smart Services Srl - a bonus worth Euro 100, which was paid directly in their electricity bills for December 2024 and January 2025. The bonus was paid automatically without any intervention by customers.

The latter were also given the opportunity to apply for a multi-purpose *voucher* of Euro 400 for the purchase and installation of a new Alperia *MyHome* home photovoltaic system and Euro 200 for the purchase and installation of an Alperia *MyCharge* home electric charging station. These vouchers, valid for one year, could be applied for from 4 November 2024 until 15 January 2025.

The above-mentioned important support measures taken by Alperia testify to the Group's closeness to South Tyrol.

In January 2024, Alperia Smart Services Srl again won the tender of the Autonomous Province of Bolzano for the supply of electricity to South Tyrol public bodies. The supply started in February 2024, for an estimated annual volume of approximately 270 GWh at an estimated 9 thousand POD approximately. The duration of the framework agreement is one year, and may be extended by a further 12 months + 12 months.

With regard to the project to renew the application map to support core business processes (commodity) and value-added products (non-commodity), it should be noted that the new billing system relating to the protected electricity market and district heating started at the beginning of March 2024, while that relating to the free electricity market and the non-commodity market went live at the beginning of June 2024.

Also worth mentioning is the innovative contract signed in June 2024 between Alperia Smart Services Srl and the Consorzio Agrario di Bolzano Società Cooperativa, which envisages a collaboration/partnership for the supply - by Alperia - of technological products called "Smart Land", including sensors and related modules, which enable the measurement of agricultural soil moisture, for example in fruit and wine growing, and the transmission service of the data collected by the sensors via a radio network called LoRaWan, laid, managed and owned by the Alperia Group.

Lastly, it should be noted that in mid-July 2024, the first Power Purchase Agreement (PPA) was signed between Alperia Smart Services Srl and Despar Nord for the supply of 100% certified green electricity with a 7-year term starting on 1 January 2025. Despar Nord, dealer of the Despar, Eurospar and Interspar brands in Veneto, Friuli Venezia Giulia, Trentino - Alto Adige, Emilia Romagna and Lombardy, operates in the large-scale retail sector, selling wholesale and retail of food and non-food products.

6.10 District heating

The Alperia Group, through its subsidiary Alperia Ecoplus Srl, operates several district heating systems in South Tyrol, serving the municipalities of Bolzano, Merano, Verano, Chiusa/Latzfons, Sesto and Silandro. With a network of more than 193 km and 11 production plants, the company ensures the supply of various energy carriers (heat, steam and cold) to more than 2,700 heat exchange points.

In 2024, Alperia Ecoplus produced and distributed about 336 GWh thermal energy, covering about a quarter of the thermal energy generated in South Tyrol by district heating. This positions Alperia Ecoplus among the leading national players in the sector.

Moreover, thanks to its high-efficiency cogeneration (CAR) plants, in 2024 Alperia Ecoplus generated 58 GWh of electricity, contributing significantly to energy efficiency and sustainability.

Bolzano's district heating is in continuous development: During 2024, the grid was further expanded with a focus on the Via Roma area, with the construction of new connections for a total activated capacity of 8.5 MW. The connections for 2024 involved buildings in the entire municipality of Bolzano, thus the waste heat from the city's waste-to-energy plant could be used even more efficiently. In this way it was possible to further reduce the consumption of fossil energy sources and CO_2 emissions in the South Tyrol capital. The mass expansion of Bolzano's district heating network will continue in the coming years.

During 2024, the Public Private Partnership (PPP) project with the South Tyrolean Health Authority for the supply of energy carriers (steam, hot water, electricity) to the St. Mauritius Hospital in Bolzano was continued. The total value of the initiative, spread over 25 years, is approximately Euro 85.5 million. With the signing of the contract for the plant works in January 2025, tenders were awarded to the various contractors for the construction of the cogeneration plant for a total of approximately Euro 13 million, and the various work deliveries were carried out.

Again with regard to district heating in Bolzano, and more specifically to the Waltherpark project, please refer to what has already been discussed above in the section "Corporate and organisational reorganisation".

Merano's district heating system also saw a steady growth in new connections for a total activated capacity of 6.9 MW in 2024.

During 2024, a study was carried out in cooperation with Eurac Research in Bolzano to analyse and develop trajectories for the decarbonisation of district heating in Bolzano and Merano. The study confirmed the central role of biomass in the Alpine region and identified complementary solutions such as large-scale heat pumps and biomethane. An action plan will be defined on the basis of this study.

It should be noted that in 2022, Alperia Ecoplus Srl acquired the district heating of the Municipality of Verano, with a correlated increase in activated capacity of 4.08 MW. In 2024, optimisation work was carried out on the production facilities and the rehabilitation of some sections of the distribution network was started, which will continue in 2025.

Following the readmission of the Klausen project for the construction of a biomass plant and the extension of the district heating network to NRRP funding, the decree granting the contribution was signed with the MASE and the design work started.

With regard to the district heating in Sesto, a building permit was requested and obtained for the construction of a second electrofilter, in order to optimise the operation of the entire plant, and it is expected to be completed during the year 2025.

Finally, it should be noted that, with ARERA Resolution No. 597/2024/R/TLR of 27 December 2024, the application of the transitional tariff method and the regulation on the quality of the district heating service measurement, as set forth in Resolution No. 638/2023/R/TLR, was extended until 2025. With the new resolution, however, a number of changes have been introduced compared to the original text. The effects of these changes, which nevertheless resulted in an increase of the previously established revenue restriction, are currently being evaluated.

6.11 Energy efficiency

In 2024 Alperia Green Future Srl completed the transition to a new business model, consolidating its positioning in the segments of industrial efficiency and decarbonisation, residential photovoltaics and building efficiency for the B2B and PA sectors. The latter area has been structured to intercept future opportunities arising from the aforementioned "Green Homes" Directive, which imposes efficiency targets for European real estate, with future scenarios envisaging mandatory energy upgrading for all residential buildings by 2030 and for non-residential buildings. The company took advantage of technological innovation and digitisation to position itself as a strategic partner for companies and public bodies in the implementation of this Directive.

The year under review was characterised by the final management of the tax credits from the 110% Superbonus, with the completion of the transactions for the assignment of the remaining credits to various banking institutions, which were finalised throughout the year. This process required significant effort, managing high volumes of receivables in a tight period, coordinating technical and fiscal due diligence required for their sale to banks.

At the same time, great attention was paid to the management of the latest construction sites, some of which benefited from the reduced rate from 110% to 70%. The credits for these small amounts will be in the company's fiscal year 2025, with planning already underway for their disposal.

With regard to the environment and operational safety, the high standards of control and prevention adopted in 2023 are confirmed. Also in 2024, no major incidents in terms of violations or accidents were recorded, confirming the effectiveness of the measures implemented.

After the final exit from the tax bonus business, Alperia Green Future Srl focused its growth on three main axes:

- Residential/SME photovoltaics

With the integration of Solar Total Srl, the company expanded its offer in the residential sector, positioning itself as a key player, especially in the South Tyrol region, in the design, installation and management of photovoltaic systems for private individuals and SMEs. This segment experienced a drop in demand "post building bonus", but the trend forecasts predict strong growth supported by an increase in demand for self-consumption and energy independence.

As already mentioned, the company also signed a partnership with Euregio Plus SGR, in which Alperia Green Future plays a dual role: on the one hand as a general contractor, directly managing the installation of the systems, and on the other hand as an investor in the Alternative Fund, helping to finance strategic renewable energy (PV) projects.

Work also continued on CACER, developing implementation strategies and strengthening collaboration with key partners, with activities scheduled to start in 2025.

- Industrial efficiency

The industrial sector continued its development, consolidating its strategic consulting activities and implementation of energy solutions to optimise the energy and environmental performance of customers through tools for monitoring scopes 1, 2 and 3 emissions, as well as the management of energy diagnostics, Emission Trading System and Energy Efficiency Certificates (TEE). The transformation of the sector has confirmed the progressive reduction of the incidence of TEEs in favour of performance contracts (EPCs), which have made it possible to guarantee targeted investments in photovoltaics and other efficiency solutions, with multi-year contracts and stable economic returns.

- Public Administration

Entering the public administration sector was a key strategic step for the company. In the course of 2024, a number of talks were initiated for potential partnerships in projects for energy upgrading and sustainable management of public buildings, a market with ample growth prospects thanks to upcoming incentives (Conto termico 3.0) as well as energy transition programmes, including, in the long run, the "Green Homes" Directive itself.

From the point of view of technological innovation, it should be noted that in the industrial sector, the Sybil platform saw an increase in adoption and consolidation of the results achieved.

In 2024 Alperia Green Future Srl continued to support the go-to-market of Care4U, an investee company operating in the Smart Health sector. The agreement signed in 2023 with the White Cross for the expansion of the home tele-help service has generated a positive impact, with a significant increase in the number of users served, both in the South Tyrolean territory and in projects outside the Province of Bolzano, thanks to the expansion of the technological infrastructure for remote assistance.

7. Essential intangible resources[4]

Alperia's business model is based on a set of essential intangible resources, which play a key role in the sustainable creation of value and the Group's competitiveness in the energy sector. Among these assets, concessions are of strategic importance, granting the Group the right to operate and exploit hydroelectric plants for the production of renewable energy. The efficient management of these

[4] For further details, please refer to subsection "3.3.1 Concessions, goodwill and other intangible assets" of the Notes to the Financial Statements

concessions allows the Group to maintain a leading position in the green energy market, contributing to the goals of ecological transition and sustainability.

Another key intangible asset is the Alperia brand, recognised nationally and internationally for its commitment to sustainability. This distinctive positioning was reinforced by awards such as the Financial Times' **"Europe's Climate Leaders 2023"** and **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**" of the Promotion Awards 2023, confirming the brand's reliability in the renewable energy sector. In addition to the main brand, the Group also manages fibre-optic concessions, through which it provides advanced connectivity solutions, contributing to the development of a state-of-the-art digital infrastructure in South Tyrol.

Digitalisation is another pillar of Alperia's strategy, supported by the implementation of advanced software for the management and monitoring of energy infrastructures.

Human capital is a central element in Alperia's strategy. The Group constantly invests in training and skills development, promoting an inclusive and sustainable working environment. The introduction of the Diversity Manager and the annual "Family and Work Audit" certification demonstrate the commitment to employee welfare and gender equality.

Goodwill, understood as the value arising from acquisitions and operational synergies, is another important intangible asset for Alperia. The Group has developed the same.

8. Subsequent events

As far as the regulatory framework is concerned, it should be noted that the MASE Minister - at a hearing at the Chamber of Deputies held on 23 January 2025 - stated that "*The growing demand for energy taking place in Asia, the risks of supply chain fragmentation at a European level, geopolitical tensions in certain areas of the world (Ukraine and the Middle East) and the possible impacts arising from international political situations imply, among other effects, the persistence of volatile conditions in the energy markets and possible speculation*".

On this occasion, the Minister stated - among other things - that *"with the aim of favouring the decoupling of the price of electricity from the price of gas, the option of exploiting part of the hydroelectric resources in favour of the competitiveness of companies will also be evaluated in the broader debate on the reallocation of the relevant concessions*".

Subsequently, in mid-February 2025, during a debate in the Senate on the increase in the price of electricity between the end of 2024 and the beginning of 2025, a motion was passed committing the government to prepare regulatory changes aimed at "*introducing measures to contain the wholesale price of electricity, also by preventing the generation of excessive inframarginal rents for plants fuelled by renewable sources and which, at the same time, a) are effective already in the short term; b) do not present any problems from the point of view of legality; c) do not discourage the necessary investments; d) are actually or actually intercept a large amount of energy, for example, by considering the possibility of introducing measures to contain the variable costs incurred for thermoelectric production and gas, possibly within the limits of the various charges that currently affect gas consumption for thermoelectric production*". It was stipulated "*that the compensation measures referred to in the previous point will be fully reflected in electricity prices throughout the market; still keeping the cost of electricity generation with gas at levels that do not discourage the entry of new renewable capacity*".

The government also undertook "*to evaluate, in the broader debate on the reallocation of the relevant concessions, also the option of valorising part of the hydroelectric resources in favour of the competitiveness of companies*".

Also in February 2025, a motion was approved in the Senate that commits the Government "*to initiate with the European Commission all appropriate interlocutions in order to protect the Italian hydroelectric industry aimed at amending the rules contained in Legislative Decree no. 79/1999, as amended by Article 7 of Law no. 118 of 5 August 2022, consistent with the provisions of milestone M1C2-6 of the NRRP, with regard to the procedures for entrusting hydroelectric concessions, envisaging, in particular, the possibility of reallocating concessions to the outgoing concessionaire against investment plans shared with the granting administrations themselves, which would guarantee important positive repercussions both in terms of energy and the environment for the territories concerned and for Italy in general, thus eliminating regulatory asymmetries in the management of energy assets between the various states*".

In this regard, at the end of February 2025, the Minister for European Affairs, the NRRP and Cohesion Policies confirmed that negotiations had begun with the new European Commission, which took office on 1 December 2024, to allow for the alternative route to tenders, the so-called "fourth way". As regards the capacity market, it should be noted that at the auction held on 26 and 27 February 2025 for the delivery year 2027, 38,047 MW of existing capacity and 594140 MW of new capacity were allocated, as far as national capacity is concerned. The valuation premium was, in all national areas, Euro 47 thousand/MW/year for existing capacity and Euro 47.0 thousand/MW/year for newly authorised capacity.

Alperia Trading Srl, participating in the auction for existing capacity only, was awarded 588 MW, which corresponds to revenues of approximately Euro 27.6 million.

In order to address the aforementioned increase in energy commodity prices, the Government approved Decree-Law No. 19 of 28 February 2025, on "*Urgent measures in favour of households and companies on tariff* *concessions for the supply of electricity and natural gas, as well as on the transparency of retail offers and the strengthening of sanctions by the Supervisory Authorities*".

The new regulations have strengthened and expanded the protection mechanisms for low-income households, small and medium-sized enterprises (SMEs) and energy-intensive businesses in relation to energy consumption costs by 2025 by allocating resources of approximately Euro 3 billion, without creating a new deficit for the public budget.

For families, first of all, an extraordinary grant of Euro 200 was provided:

- in addition to the support already granted to domestic customers with ISEE up to Euro 9,530, Euro 15,000 with three children, Euro 20,000 in the case of more than three children;
- new for customers with ISEE up to Euro 25,000.

The grant will be paid in the second quarter of 2025 to those who have already submitted ISEE and in the first quarter in the case of resubmission.

In order to contain the increased burden caused by the rise in the international cost of natural gas, a mechanism has been put in place to verify the higher VAT revenues resulting from this increase at certain price thresholds. Resources equal to the increased revenue will be allocated to a special fund and used to finance specific facilities, identified by ARERA with its own resolutions, in favour of vulnerable households and micro-enterprises, on the supply of electricity and natural gas.

Action was then taken on the regime for supplying electricity to vulnerable customers, in particular:

- provision has been made for ARERA to regulate the vulnerability service, ensuring that this service starts from a date no earlier than the end of the graduated protection service (which will end on 31 March 2027).
- Pending the award of the vulnerability service, the supply of electricity to vulnerable customers who have not chosen a supplier will continue to be ensured by the distribution company, also through sales companies;
- the Single Buyer will perform, in accordance with the terms and conditions established by ARERA, the function of centralised procurement of wholesale electricity for subsequent sale to the operators of the vulnerability service.

Investment and support measures for vulnerable households and micro-enterprises will be established as part of the implementation measures of the Social Climate Plan under EU Regulation 2023/955 (establishing the Social Climate Fund), not exceeding 50 per cent of the total available resources.

For the protection of SMEs and energy-intensive enterprises, an expenditure of Euro 600 million was authorised for the year 2025 for the financing of the Energy Transition Fund in the industrial sector. In addition, a further Euro 600 million was earmarked for subsidies for the supply of electricity and gas to SMEs, in particular the zeroing for one half year of system charges relating to the support of energy from renewable sources and cogeneration for non-domestic low-voltage end customers with available power above 16.5 kW.

Lastly, measures were introduced for the transparency and comparability of offers to domestic electricity and gas customers on the free market, so as to allow offers and contracts to be easily readable, also with the provision of model documents by ARERA.

Another important measure approved by the government on 28 February 2025, under preliminary consideration, is a draft enabling act on sustainable nuclear energy.

The text is aimed at the inclusion of sustainable nuclear and fusion power in the so-called "*Italian energy mix*" and intervenes in an organic form under the economic, social and environmental profiles, within the framework of European decarbonisation policies with a time horizon of 2050, consistent with the objectives of carbon neutrality and security of supply.

The purpose of the intervention is to:

- ensure continuity of energy supply in the face of a constant increase in demand and facilitate the achievement of energy independence;
- contribute to the decarbonisation goals needed to tackle climate change;
- ensure the sustainability of costs for end customers and the competitiveness of the national industrial system.

The main lines of action are as follows:

- overcoming previous nuclear experiences: a clear break with the nuclear power plants of the past (so-called "first" or "second generation"), destined for final decommissioning, subject to possible reconversion, and the use of the best available technologies, including modular and advanced technologies. With this in mind, consideration will be given to the establishment of an independent nuclear safety authority with the tasks of regulation, supervision and control over nuclear infrastructure;
- organic regulation of the entire life cycle of nuclear energy: a comprehensive regulation of the entire life cycle of nuclear energy is envisaged (possible testing phase - plant design - plant authorisation - plant operation - management, storage and disposal of radioactive waste - decommissioning of plants);

- coordination and constant dialogue with electricity grid operators: the development of the new nuclear policy is also assessed in its impact on the overall structure of the national electricity system, including the electricity market;
- guarantees: the promoters of nuclear projects must provide adequate financial and legal guarantees to cover the costs of construction, operation and decommissioning of the plants and for the risks, including those not directly attributable to them, arising from nuclear activity.

In the European context, it should be noted that on 6 February 2025, the EU Advocate General filed his conclusions on the compatibility of the rule of extra RES profits introduced by Article 15-bis of Decree-Law 4/2022 converted, with amendments, by Law 25/2022: it is recalled that this rule had established - starting on 1 February 2022 and until 31 December 2022, a deadline later extended to 30 June 2023 by Decree-Law 115/2022 - a cap on market revenues obtained from the production of electricity with plants fuelled by renewable sources through a two-way offsetting mechanism.

Ruling in the case referred to the European Court of Justice by the Lombardy Regional Administrative Court in July 2023, the EU Advocate General concluded that EU law (in this case, EU Regulation 2022/1854) does not preclude national legislation which provides that the cap on market revenues is determined on the basis of the arithmetic mean of the prices recorded in the relevant market area over the last ten years, revalued on the basis of inflation, provided that that ceiling is set at a level which does not undermine the investment signals and provided that it ensures that investments and operating costs are covered, while allowing investors to obtain a reasonable margin in relation to the price they could have expected.

The EU Advocate General also stated that "*it is for the referring court to assess the possible negative impact that the provision at issue may have on investment and, in particular, the question whether the reference price was set at a level that went beyond those expectations and exceeded the limits of what could be considered necessary and proportionate*". However, he added, "*the Court can in any case provide guidance in this respect*".

In the conclusions, some considerations are made that seem to promote the Italian measure; we await the publication of the judgment by the European Court of Justice to find out whether or not it will share the view of the EU Advocate General.

On 26 February 2025, the EU presented an Action Plan to lower energy costs, which are seriously hampering the competitiveness of European companies, as well as burdening household budgets. According to the European Commission's estimates, the Action Plan for Affordable Energy should lead to annual savings of Euro 45 billion in 2025, which will progressively increase by 2030 to Euro 130 billion, rising to Euro 260 billion by 2040. The action plan should bring short-term "relief" to consumers

and pave the way for the completion of the Energy Union, anticipating the benefits of increased availability of renewable energy.
Basically, the plan proposes actions to address the structural problems that are driving up energy costs in the EU, in particular Europe's dependence on imported fossil fuels and the lack of full integration of the electricity system. The plan is based on the reform of the electricity market structure, the RePowerEu plan, with sector-specific projects for wind and solar power, grids, and the revision of energy and climate legislation, as part of the Fit for 55 package. Besides promising progressive savings, the Energy Efficiency Action Plan aims to act on all items that make up the cost of electricity. On the one hand, the Commission suggests that Member States make the most of margins, particularly on the fiscal side, to reduce charges and taxes in their bills. On the other, it promotes the increased use of long-term, price-agreed contracts (such as PPAs - power purchase agreements) to offer price stability to both companies and clean energy producers. Another pillar of the plan concerns energy efficiency.
Brussels intends to accelerate the spread of low-consumption appliances and technologies, including through new rules on ecodesign and energy labelling (the labelling system that classifies products according to their energy efficiency). To do so, it intends to encourage forms of financial support, including guarantees through the European Investment Bank, for the purchase of high-efficiency solutions. The strengthening of the internal energy market, with more interconnections and more cross-border trade, should contribute to a further drop in prices, while the new Gas Market Task Force will have the task of monitoring the fairness of the gas markets, preventing any abuse or manipulation. On the energy security side, the Commission wants to update the current security of supply framework to cope with geopolitical risks, cyber attacks or extreme weather situations. Among the measures proposed is the possibility of "rewarding" consumers who reduce consumption at peak times, so as to curb price flares. In addition, the reinforcement of interconnections in emergencies is suggested, to divert electricity flows where costs are highest. At the same time, the EU executive reiterates the need to organically complete the Energy Union, estimating that the full integration of markets could generate benefits of Euro 40-43 billion per year already by 2030. The idea is to overcome infrastructure bottlenecks, speed up permitting for renewables and better integrate storage systems to reduce price volatility and attract long-term investment.

As far as electromobility in South Tyrol is concerned, it should be noted that the provincial government presented - at the end of February 2025 - a comprehensive package of support measures to strengthen it at all levels.

Recalling that the mobility sector is currently responsible for 44% of South Tyrol's greenhouse gas emissions and that the South Tyrol Climate Plan 2040 aims to reduce combustion engine vehicle traffic by 40 per cent, the provincial government's goal is to specifically increase incentives for e-mobility, expand recharging infrastructures, and offer favourable tariffs.

In particular, with regard to the charging network, the Province of Bolzano has set clear targets: by the end of 2026, there must be a total of 1,000 charging points in South Tyrol, with at least one in each of the 116 municipalities in the region.

With regard to commercial offers, from 1 March 2025 and for a whole year, Alperia customers will be able to charge their electric vehicle in South Tyrol, on the network of the subsidiary Neogy, at a particularly advantageous price that is unique in Europe, and non-Alperia customers will also be able to enjoy a tariff that allows them to save money.

With regard to Neogy Srl, it should be noted that the two shareholders - not having received an offer deemed adequate to bring in a third party in the company's capital - reached an agreement on the reorganisation of the electric mobility business.

More specifically, the procurement, installation, management and maintenance of the charging stations throughout Italy will continue to be carried out by Neogy Srl in its capacity as Charge Point Operator, while the commercial activity in the field of electric mobility, as regards both the sale of charging services on public infrastructures as Mobility Service Provider and the sale of goods and services to end customers (customer centricity), will instead be carried out independently by the two groups through their respective sales companies.

With regard to district heating in the city of Bolzano, it should be noted that at the beginning of March 2025, Alperia Ecoplus Srl started work on expanding the district heating network in the city of Bolzano. The project, which will cover several city areas over the next three years, aims to further extend the network to offer an increasingly widespread and sustainable service.

The works will affect, in 2025, Via Cassa di Risparmio (central and southern part), Via Leonardo da Vinci, Via Sernesi, Via Ospedale, Via Carducci (northern part), Via Wendelstein and the Lungo Talvera. In 2026 they will move to Via Cassa di Risparmio (northern part), Via Talvera, Via Rosmini, Via della Posta, Vicolo della Parrocchia, Piazza Domenicani and Via Marconi. Finally, in 2027, the work will be completed with the restoration and final paving. The total extension of the network includes approximately 4,300 metres of piping for the supply and the same amount for the return.

The realisation of this major project, made possible thanks to the contribution of the European Regional Development Fund (ERDF) under the ERDF 2021-2027 programme, was carefully planned to minimise the impact on the city's road system.

At the beginning of March 2025, the Parent Company made a payment to Alpsgo Srl for a future capital increase in the amount of Euro 350,000 as a specific reserve pertaining exclusively to Alperia Spa. The purpose of this transaction is to strengthen the equity of the investee company in relation to the investments envisaged in the 2025 budget.

9. Contingent liabilities

With respect to what was reported in the consolidated financial statements as at 31 December 2023 concerning the main contingent liabilities affecting the subsidiaries of Alperia Spa, the following should be noted.

Alperia Spa

- Sale and Purchase Agreement of Cellina Energy Srl's shares

With reference to the award issued by the National and International Arbitration Chamber of Milan, which was communicated to the parties on 31 January 2024 at the conclusion of the arbitration proceedings brought by Edison Spa with an arbitration request dated 27 July 2018, the Parent Company paid Edison the amount due as capital, equal to Euro 9.8 million, towards the end of March 2024. At the end of October 2024, Alperia also settled the positions claimed by Edison for interest and revaluation, amounting to Euro 3.0 million.

As regards other items, the award ascertained Edison's right to be indemnified in respect of certain liabilities (in particular, the increase in new fees), although it did not quantify them.

Alperia Spa's financial statements include a special provision for risks, which was prudently supplemented in the financial year 2024.

As a result of the aforementioned award, the Parent requested A2A Spa - within the envisaged terms - to activate the indemnities under the framework agreement signed at the time.

- Merano IAFR district heating

By judgment No. 20717 dated 19 July 2024, the Regional Administrative Court of Lazio declared Alperia Spa's appeal for the annulment of the GSE's memorandum dated 7 August 2017 "inadmissible for supervening lack of interest", considering that the GSE - by a measure dated 21 November 2017 - had annulled in self-defence, pursuant to Article 21 nonies of Law No. 241 of 1990, the measures appealed against.

With a further notice dated 15 December 2017 and a subsequent note dated 31 January 2018, GSE requested that Alperia SpA return a portion of the green certificates – in its opinion – not due for the same Merano plant, and Alperia SpA therefore had to appeal to the Lazio Regional Administrative Court under Case No. 2060/2018 for the annulment of the contested deeds and measures. A hearing has been scheduled for 21 March 2025, after which the dispute will be adjourned for decision. The Parent Company, although considering a loss only possible, has prudently written down a portion of receivables in past years.

Alperia Spa and Alperia Green Future Srl

- Energy Efficiency Certificates

With reference to the business branch transferred to Alperia Green Future Srl by the then Alperia Bartucci Srl, which the Parent Company took over from 1 January 2022, various proceedings are pending against GSE concerning its provisions that officially cancelled and/or disputed the assignment of Energy Efficiency Certificates (TEE).

The appeals were filed by the Parent Company; with reference to certain proceedings initiated by the latter, an independent appeal was subsequently also lodged by Alperia Green Future Srl.

The Parent Company believes that there are valid legal reasons to consider GSE's arguments to be unjustified and that, therefore, at present, it is not likely that any liability will arise for the company.

With reference to two ex officio annulment measures pursuant to Law 41/1990 of the respective measure of acceptance of the Project Proposal and Measurement Programme, as well as the Requests for Verification and Certification with a claim for the return of around Euro 5.35 million and around Euro 1.85 million respectively, already challenged, the GSE – while not accepting the request for review reiterated again by the Parent Company – expressly reserved the reports already approved.

An out-of-court request has also been made by a previous customer who, following an audit by the GSE, which resulted in a procedure to ascertain the existence of the CAR requirements, reserves the right to request the return of fees paid for an amount of approximately Euro 1.02 million with reference to the Energy Efficiency Certificates recognised for the years 2016-2017-2018, which is believed to be unfounded. At present, the action brought by the previous customer before the TAR against the measures taken by the GSE to revoke the TEE measure for the return is still pending, and it is therefore not possible at present to assess the specific risk in relation to the causation of the event that gave rise to the GSE measure.

The proceedings under RG 10832/2017 (concerning the Parent Company) and RG 2869/2022 (concerning Alperia Green Future) were decided unfavourably for the two companies by judgment No. 2961/2025 dated 28 January 2025. Although they consider it likely that they will lose the case, the two companies will consider an appeal before the Council of State.

The proceedings under RG 10550/2016 (Parent Company) and RG 3263/2022 (Alperia Green Future) were decided unfavourably for the two companies by a ruling of the Lazio Regional Administrative Court dated 28 January 2025 (filed on 3 March 2025); although they consider it likely that they will lose the case, the two companies will consider an appeal before the Council of State.

The proceedings under RG 4274/2017 (Parent Company) was decided by unfavourable judgment No. 20513 dated 19 July 2024; the Parent Company, considering only possible to lose the case, lodged an appeal pending before the Council of State under RG 987/2025.

The proceedings under RG 3381/2022 (Alperia Green Future) are pending the setting of a hearing. The company only considers it possible that it will be unsuccessful in court.

<u>Alperia Greenpower Srl</u>

- IRAP 2014

The notice of assessment for the year 2014 of higher tax due in the amount of Euro 1,183,584, as well as the imposition of the related administrative sanctions in the amount of Euro 1,065,226, was challenged by Alperia Greenpower Srl and the latter was victorious in the first two levels of proceedings.

By appeal notified on 29 January 2024, the State Attorney - on behalf of the Revenue Agency - challenged the second instance judgment confirming the first instance ruling. The company already filed a defence on 11 March 2024.

It is pending the setting of the hearing by the Court of Cassation.

- IRAP 2015 and IRAP 2011-2012-2013

The notice of assessment for the year 2015 of higher tax due in the amount of Euro 520,557 and the imposition of the relative administrative sanctions in the amount of Euro 468,501 was challenged by Alperia Greenpower Srl and the latter was victorious in the first two levels of proceedings.

The Tax Court of First Instance of Bolzano also ordered the refund of overpaid IRAP for 2011 (Euro 219,447), 2012 (Euro 109,950) and 2013 (Euro 134,106). Following the favourable ruling, the company has already been reimbursed the amounts requested for the reimbursement plus interest.

By appeal notified on 23 February 2024, the State Attorney - on behalf of the Revenue Agency - challenged the second instance judgment confirming the first instance ruling. The company already filed a defence on 3 April 2024.

It is pending the setting of the hearing by the Court of Cassation.

- IRAP 2016

The notice of assessment for the year 2016 of higher tax due in the amount of Euro 205,570 and the imposition of the related administrative sanctions in the amount of Euro 185,013, was challenged by Alperia Greenpower Srl and the latter was victorious in the first two levels of proceedings.

By appeal notified on 26 February 2024, the State Attorney - on behalf of the Revenue Agency - challenged the second instance judgment confirming the first instance ruling. The company already filed a defence on 8 April 2024.

It is pending the setting of the hearing by the Court of Cassation.

- IRAP 2017

In November 2023, Alperia Greenpower Srl received an invitation to attend a hearing in order to ascertain an alleged higher IRAP (regional business tax) for the 2017 tax year of Euro 900,418, with a minimum penalty of Euro 810,376 (in the event of settlement, reduced to one third equal to Euro 270,125), plus interest for Euro 170,611 calculated up until 29 November 2023.

The company rejected the proposal of the higher IRAP assessment formulated by the Revenue Agency and, therefore, in March 2024 the relevant assessment notice was received. The company filed an appeal on 21 May 2024.

Based on studies also carried out by a leading tax consulting firm and by highly reputable professionals acting for Alperia Greenpower Srl, considering that the arguments are based on solid assumptions, and that the application of the ordinary rate to the free market production of electricity (including hydropower production) practised by Alperia Greenpower Srl, rather than the increased rate, is shared by other leading sector operators, also encouraged by the favourable rulings, the risk of losing the cases in question may only be considered as possible. For this reason, it was not considered necessary at present to allocate specific provisions for risks. Alperia Greenpower Srl has allocated the best estimate of legal fees that it expects to pay in the proceedings to the provision for charges.

- IRAP 2018-2019-2020-2021

For the tax periods 2018-2019-2020-2021, on 21 August 2024, the Revenue Agency notified schemes in relation to which the company submitted observations and counter-arguments in which it also represented the position taken by the case law on the same matter.

Nevertheless, on 26 November 2024, the aforementioned Agency served the notices of assessment for the years in question.

The company filed an appeal on 27 January 2025 requesting the suspension of the contested measures. A hearing is scheduled for 25 March 2025 to decide the applications for suspension.

On 17 March 2025, the Revenue Agency notified the company of three cancellation orders in self-defence of the notices 2019-2020-2021 on the grounds that the continuation break between the tax year 2019 and the previous tax years from 2014 to 2018 was erroneously omitted in the imposition of penalties.

- ARERA Resolutions 266/2022/R/eel and 143/2023/R/eel

Alperia Greenpower Srl appealed against the GSE's communication concerning the inclusion in the scope of application of the two-way mechanism referred to in Article 15-bis of Decree-Law No. 4/2022 of the Marlengo and Val Di Vizze plants, despite the fact that these are duly authorised plants, which went into operation following refurbishment works in 2004 and 2009 respectively and, therefore, were incentivised on the basis of interministerial decrees, as partial refurbishment interventions, until 31 July 2023 for the Marlengo plant, and until 30 April 2031 for the Vizze plant.

It is pending the setting of the hearing by the Lombardy Regional Administrative Court; the risk of losing is only possible.

Alperia Greenpower Srl was also forced to challenge before the Lombardy Regional Administrative Court the GSE's notes on the inclusion of some sections of its plants in the scope of application of the offsetting mechanism under Article 15-bis of Decree-Law No. 4/2022, with different effective dates or with the exclusion of individual sections from the regime of the aforementioned Article 15-bis.

In February 2025, Alperia Greenpower Srl received invoices from the GSE for the payment of amounts allegedly due for the period January - June 2023 in the amount of approximately Euro 7.6 million. The company, while not paying what was requested also on the basis of an opinion of a qualified external law firm, prudently allocated a specific provision in the balance sheet, albeit of a smaller amount than the amount of the invoices received.

Due to the complexity and unprecedented nature of the various issues in dispute and the prejudicial nature of the decision expected from the Court of Justice of the European Union, the risk of losing the case is considered possible.

It is pending the setting of the hearing by the Lombardy Regional Administrative Court.

<u>Alperia Greenpower Srl, Alperia Vipower Spa and Alperia Ecoplus Srl</u>

- ARERA Resolutions 266/2022/R/eel and 143/2023/R/eel

Alperia Greenpower Srl, Alperia Vipower Spa and Alperia Ecoplus Srl appealed against the abovementioned ARERA resolutions concerning the implementation of the two-way compensation mechanism provided for in Article 15-bis of Decree-Law No. 4/2022 and paragraphs 30 to 38 of Law No. 197/2022 - respectively - for the period from 1 February 2022 to 31 December 2022 and from 1 January 2023 to 30 June 2023, as well as the related preliminary and consequential acts, including the GSE's communication of the inclusion of the specific plants in the scope of application of Article 15-bis.

With additional pleas, the companies concerned of the Alperia Group further challenged the compatibility of Article 15-bis and related implementing acts with Council Regulation (EU) 2022/1854.

The relevant proceedings are now awaiting a hearing on the merits.

As regards entirely similar proceedings brought by other operators, the TAR partially upheld the claims of the appellants, ordering the annulment of ARERA Resolution No. 266/2022/R/eel. ARERA appealed to the Council of State against the measures published on 1 December 2022.

Pending the outcome of the proceedings, the resolutions in question are fully effective and, therefore, with the obligation for producers to pay any sums due pursuant to the measure in question, if there are no conditions for exemption to be proven in the manner provided for by the above-mentioned ARERA resolutions and the related technical regulations.

The companies consider the risk of losing only possible.

Alperia Greenpower Srl and Alperia Vipower Spa

- Variable State fee - Resolution of the Provincial Council of Bolzano 20 August 2024 No. 691

On 2 December 2024, for each of the large derivation concessions, notes were forwarded to the companies by the Deputy Director of the Provincial Agency with which the resolution of the Provincial Council of Bolzano 20 August 2024 no. 691, adopted in implementation of Article 13, paragraph 1, of Provincial Law no. 20 of 16 August 2023, whereby the "criteria for the determination of the variable component of the fee for public water users for hydroelectric use pursuant to Provincial Law no. 20 of 16 August 2023" were established.

The Provincial Agency assumes the applicability of the aforementioned "variable state fee" also to existing concessions, requiring the communication of the data used to determine the fee by 31 December 2024.

The companies immediately appealed to the TSAP against the actions taken against them. The hearing before the TSAP is set for 10 December 2025.

The two companies have prudently set aside a special provision for risks in their balance sheets.

Alperia Vipower Spa

- COSAP - Municipality of Curon

In a letter dated 4 June 2024, the municipality of Curon Venosta requested Alperia Vipower Spa to pay the amount of Euro 18,891,372.36, reduced by one third if paid within 30 days of receipt of the request, as COSAP for the occupation of three plots of land at Lake Resia in respect of which the municipality itself is currently the registered owner. The company requested a legal opinion to analyse the merits of the Curon municipality's request. The opinion showed that the claims made by the municipality were completely unfounded and therefore the company urged the municipality of Curon not to issue the assessment notice. If, on the other hand, the municipality were to issue it, an appeal would be necessary.

To date, no further communication and/or measures have been received from the municipality of Curon.

Alperia Ecoplus Srl

- Bolzano IAFR district heating

Alperia Ecoplus Srl appealed to the Lazio Regional Administrative Court for the annulment of the GSE note of 29 November 2018 with notification of the outcome of the control activity through verification and inspection of the cogeneration plant combined with the "Bolzano Sud" district heating network and relative recalculation in peius of the amount of incentives due for the years 2010-2016. Subsequently, it was necessary to appeal on additional grounds, also against the restitutory claim in GSE's note of 20 February 2019, referring to the same items appealed against regarding GSE's communication of 29 November 2018.

We are currently awaiting the date of the public hearing.

The public hearing was set for 9 May 2025.

The company has however, already prudently allocated a specific risk provision in its financial statements in the event of a possible loss of restitution claims for past years.

<u>Alperia Smart Services Srl and Alperia Ecoplus Srl</u>

- Carbon Tax

In December 2022, two rejection notices were received from the Revenue Agency - Pescara Operations Centre for two requests for refunds for the years 2019 and 2020 submitted by Alperia Smart Services Srl for a total of Euro 1,813,970 in relation to previous receivables pursuant to Article 8, paragraph 10, letter F) of Law No. 448 of 23 December 1998, and Article 29 of Law No. 388 of 23 December 2000 (the so-called "Carbon Tax" law) for not having submitted also to the territorial office, documentation deemed necessary to support the requests. A similar notice of refusal was also received by Alperia Ecoplus Srl for its request for a refund submitted with reference to the year 2019 for Euro 1,272,465 again in relation to previous "Carbon Tax" credits.

The companies promptly filed appeals before the Court of First Instance of Pescara, considering the receivable to be recoverable in full – also through offsetting. Moreover, the Revenue Agency does not dispute that Alperia Smart Services Srl and Alperia Ecoplus Srl meet the substantive requirements of the legislation to qualify for the credit, but rather alleges formal violations of the relevant provisions. The proceedings concerning the two companies were decided with unfavourable rulings by the Court of First Instance of Pescara (for Alperia Ecoplus it was ruling no. 542 dated 10 September 2024 and for Alperia Smart Services ruling no. 129 dated 28 March 2025); the companies took steps to lodge an appeal, believing - also on the basis of an opinion of a qualified tax firm - that the ruling was wrong and, consequently, that the refusal opposed by the Revenue Agency was unfounded and unlawful.

In the light of the above, the companies only consider the risk of losing to be possible.

Alperia Smart Services Srl

- Provincial excise duties on electricity

Several legal disputes are currently pending at various levels of justice brought by customers seeking recognition of the amounts paid as provincial excise taxes on electricity for the years 2010 and 2011 (for which the sales companies charged their customers these amounts, which were then paid in full to the competent administration - Customs Agency or Provinces). Alperia Smart Services Srl is monitoring the various levels of judgement until they become final, in order to be able to exercise its right to reimbursement from the tax authorities.

The company has prudently set aside a special provision for this.

In the meantime, the judgment of the European Court of Justice in Case C-316/22 was handed down on 11 April 2024. The European Court opens the way for private individuals to take direct action against the financial authority for the recovery of sums paid but not due, considering national legislation that does not allow the customer to request reimbursement directly from the Member State to be contrary to the principle of effectiveness.

Following this pronouncement of the European Court, two rulings were issued by Court of Milan on 21 June 2024. They not only confirmed the customer's right of action against the Member State on the basis of the aforementioned CJEU judgment, but even ruled out, in application of the principle of procedural economy, that the customer could still sue the energy supplier. As a result, the judges of the Court of Milan considered that, following the aforementioned CJEU ruling, the civil litigation procedure between the final consumer and the supplier is no longer admissible.

Alperia Green Future Srl

- Failure to communicate discount options on invoices to the Revenue Agency Service

The company appointed a firm of chartered accountants and lawyers in Padua to proceed with the issuance of the compliance visas governed by Article 119, paragraph 11, of Legislative Decree No. 34/2020 and with the communication of the discount options on the invoice to the platform made available by the Revenue Agency. Due to an unidentified blackout of the computer system used by the external firm to notify the aforementioned Agency of the options, a considerable amount of options (for a nominal amount of approximately Euro 17.0 million) was not notified to the Revenue Agency - as required by Decree-Law No. 39 of 29 March 2024 - by 4 April 2024. Hence, Alperia Green Future Srl's definitive non-usability of the tax benefit purchased for consideration from customers.

The company has activated the planned mediation procedure before the Padua Bar Association with the call of the two partners of the firm who performed the task in question. The mediation procedure, despite several postponements, ended in a negative outcome.

The company mandated the law firm, which had already assisted it in the mediation proceedings, to institute legal proceedings before the Court of Padua to obtain compensation for the damages suffered.

10. Related party transactions

Related parties are essentially those that share the same parent company with the Company, those companies that directly or indirectly control, are controlled by, or are subject to joint control by the Company, and those in which the Company holds an interest such that it can exercise significant influence.

It should be noted that, in accordance with paragraph 25 of IAS 24 "*Related Party Disclosures*", the company is exempted from the disclosure requirements in paragraph 18 (which requires the company to disclose the nature of the relationship with the related party, in addition to providing information about the outstanding balances of those transactions, including commitments, necessary for users of the financial statements to understand the potential effects of that relationship on the financial statements) in the case of relationships with another entity that is a related party because the same local authority has control, joint control or significant influence over both the entity that prepares the financial statements and the other entity.
However, the tables below show the balance sheet and profit and loss account balances of Alperia Spa in respect of its related parties for the year 2024 (data are shown in thousands of Euro):

Consolidated Balance Sheet	**At 31 December 2024**
Other non-current receivables and financial assets	27,799
Non-current assets	**27,799**
Trade receivables	12,833
Other current receivables and financial assets	13,151
Current assets	**25,984**
Total assets	**53,783**
Non-current borrowings from banks and other lenders	(6)
Total non-current liabilities	**(6)**
Trade payables	(23,977)
Current borrowings from banks and other lenders	(17,199)
Total current liabilities	**(41,176)**
Total liabilities	**(41,182)**

Consolidated income statement	2024
Revenues	14,521
Other Revenues and Income	274
Total revenues and other income	**14,795**
Costs for raw materials, consumables and goods	(30,327)
Cost of services	(61,095)
Personnel costs	(4,216)
Other operating costs	(1,738)
Total costs	**(97,376)**
Operating income	**(82,581)**
Financial income	617
Financial charges	(9)
Profit before taxes	**(81,974)**

We note, however, that during the year under review, (i) related party transactions were carried out at arm's length (or determined on the basis of similar methodologies), (ii) the main details of transactions with group companies are highlighted in the individual sections of the notes (iii) the main transactions with the shareholders concerned dividends to shareholders for Euro 34.0 million.

11. Number and nominal value of treasury shares and of shares of parent companies held by the Company

With reference to the provisions of the aforementioned Article 2428, paragraph 2, nos. 3 and 4 of the Italian Civil Code, at 31 December 2024, the Company did not own treasury shares nor did it made acquisitions or disposals of such shares during the year, either directly or through trust companies or third parties.

12. Group situation and operating performance

12.1 Operating data

The main operating data of the group in the electricity segment are presented below.

(in GWh)	**2024**	**%**	**2023**	**%**	**% change**
Hydropower and photovoltaic production	5,159	45%	4,095	42%	+ 26%
Wind production	58	0%	0	0%	-
Production from cogeneration and biomass (with SEU customers)	113	1%	291	3%	- 61%
Wholesale	875	8%	471	5%	+ 86%
Sales to final customers	5,235	46%	4,783	50%	+ 9%
Total	**11,440**	**100%**	**9,640**	**100%**	**+ 18%**

N.B. Hydroelectric and photovoltaic production means the energy produced by subsidiaries and associates on the basis of the Alperia Group's share

The Group's hydroelectric production amounted to an impressive 5,159 GWh (an all-time record for the Group, or 26% more than the previous year), benefiting from a particularly favourable precipitation trend - both rain and snow.

The meteorology and avalanche prevention office of the Bolzano provincial civil protection agency recorded 2024 as a year with 10 to 40% more rain than the long-term average and thus comparable with the previous year.

Analysing rainfall month by month, while the amounts that fell in January were balanced, February was the wettest month in the last ten years.

The month of March was also characterised by rainfall two to three times the long-term average.

April went through very different phases: overall, the month ended above the long-term average.

In May, more than twice as much rain fell than the long-term average.

June was also a particularly wet month, with around 30% more rain than usual.

In July, for the first time this year, there was normal rainfall, although there were large differences between one area and another.

In August, rainfall proved to be scarce.

September and October were again rainy months, while the remaining two months of the year were very dry in terms of precipitation.

Looking again at the Group's operating data, we highlight wind power production of 58 GWh for the first time; photovoltaic production, on the other hand, stood at 0.25 GWh (slightly down from 2023).

Electricity production from cogeneration stood at 45 GWh, and that from biomass at 68 GWh (note that the company Biopower Sardegna Srl - now Biopower Ottana Srl - was sold by the Parent Company at the end of April 2024). Overall, the value produced is slightly down on the previous year's figure.

The sale of electricity to both wholesale (+86%) and end customers (+9%) increased compared to 2023.

As far as heat is concerned, production amounted to 260 GWht, higher than the 248 GWht recorded in 2023.

Sales of natural gas to end customers amounted to 327 million cubic metres, whereas in 2023 they amounted to 346 million cubic metres.

The data for the six areas in which the Group is organised are presented below:

1. Production (hydropower and photovoltaics);

2. Sale (electricity, natural gas, heat and various services);

3. Trading (electricity, natural gas, energy certificates);

4. Networks (distribution of electricity and natural gas);

5. Heat and services (cogeneration, district heating and biomass plants);

6. Smart Region (Smart Land areas, photovoltaics and energy efficiency).

The costs incurred by the Parent Company were allocated to the six business areas on the basis of their EBITDA. The latter are reported according to the so-called "view by responsibility" of the different BUs.

EBITDA is a performance indicator that is calculated by adding amortisation/depreciation, provisions and write-downs to the operating income, which is taken from the income statement.

12.2 Energy production

EBITDA amounted to Euro 42.2 million compared to Euro 44.8 million in 2023.

12.3 Sales

EBITDA amounted to Euro 30.7 million compared to Euro 29.5 million in 2023.

12.4 Trading

The EBITDA of this area increased dramatically from Euro 171.8 million in 2023 to Euro 382.9 million in 2024.

12.5 Networks

EBITDA in this area also rose sharply, amounting to Euro 59.5 million, compared to Euro 41.7 million in 2023.

12.6 Heat and Services

The area's total EBITDA amounted to Euro 10.8 million, down from the previous year when it amounted to Euro 16 million.

12.7 Smart Region

EBITDA in this area closed with a negative result of Euro 23.3 million, compared to the positive result of Euro 23.8 million recorded in 2023.

13. Outlook

In Italy, in the first two months of 2025, the cumulative value of electricity demand, equal to 51.8 TWh, was slightly down on the same period of 2024 (-0.5%); see, in this regard, the following table.

Energy balance in Italy (GWh)	Jan/Feb 2025	Jan/Feb 2024	Change %
Hydroelectric (including pumping)	5,623	5,989	- 6.1%
Thermal	29,357	25,264	+ 16.2%
Geothermal	860	892	- 3.6%
Wind	3,844	5,107	- 24.7%
Photovoltaic	3,595	3,408	+ 5.5%
Stand-alone accumulations	90	3	+ 2900.0%
Total net production	**43,369**	**40,663**	**+ 6.7%**
Imports	9,565	12,126	- 21.1%
Exports	747	424	+ 76.2%
Foreign balance	*8,818*	*11,702*	*- 24.6%*
Pumping consumption	(238)	(243)	- 2.1%
Stand-alone accumulator absorption	(103)	(3)	+ 3333.3%
Electricity demand	**51,846**	**52,119**	**- 0.5%**

(Source Terna Spa, Monthly Report on the Electricity System, February 2025)

As can be seen, production from hydroelectric sources (including pumping), was down compared to the figure recorded in the same two months of the previous year (-6.1%).

During the period considered, demand for electricity was met for 52.4% by production from non-renewable energy sources, for 30.6% from renewable energy sources and the remainder from the foreign balance. The same figures for the same period last year were 44.2% and 33.3% respectively.

With regard to rainfall trends in South Tyrol, the competent meteorology and avalanche prevention office of the Bolzano Provincial Agency for Civil Protection Agency noted that the 2024/2025 meteorological winter was dry. A single heavy accumulation of snow at the end of January meant, however, that rainfall was close to the multi-year averages in the end.

At the end of February 2025, the equivalent energy stored by the snowpack at high altitude in the geographical area covered by Alperia Greenpower Srl's plants is significantly below the previous year's level, although it remains within the historical average.

The year 2025 opened with a tense European gas market after the blockade of Russian gas supplies via Ukraine that was triggered on 1 January 2025, widely anticipated but no less burdensome for a system already pressurised by lower temperatures than in previous years, low wind power production due to a windless autumn (the so-called "*Dunkelflaute*") and from storage at lower levels than in the previous two years.

In the geopolitical scenario, uncertainty factors remain, starting with the difficulties of France and Germany, which undermine the solidity of the European Union precisely at a time when a new president has taken office in the United States who intends to profoundly change the foreign, economic and energy policy lines followed by the previous administration.

This was also reflected in the sale price of electricity on the market, which saw - in the first two months of 2025 - a significant increase compared to the last month of 2024: The new GME PUN Index rose - in January 2025 - to 143.03 Euro/MWh and - in the following month of February 2025 - even to 150.36 Euro/MWh.

As far as the Group's performance is concerned, it should be noted that the Group's margins depend to a large extent on the performance of hydroelectric production and the related sales prices. In this regard, it should be recalled that - following a well-established practice - the Group hedged itself in advance against the volatility of electricity prices through the forward sale of most of its production at an attractive average price.

14. Main risks to which the Alperia Group is subject and their mitigation actions

The main risks to which the Alperia Group is exposed can be classified in the following three macro-categories:

- Strategic risks, concerning the potential failure to achieve set strategic objectives;
- Risks related to the external environment, linked to the context in which the Group operates;
- Internal risks, directly related to the Group's operations.

The risks falling into these macro-categories are analysed below.

14.1 Strategic risks

It should be noted that the medium/long-term strategic guidelines of the Alperia Group are formalised in the 2023-2027 Business Plan, approved by the Management Board and the Supervisory Board of Alperia Spa.

The current version of the document under mention sets out three guidelines in this regard:

- sustainability, in terms of reducing emissions in line with territorial targets;
- consolidation of business in the territories currently served;
- innovation, understood as business development consistent with the energy transition.

The effective achievement of the objectives formalised in the 2023-2027 Business Plan may be, even partially, jeopardised by the presence of the following risks:

- internal group resistance, lack of resources or unforeseen exogenous changes;
- activities undertaken in the context of partnership agreements or joint ventures in relation to which the Group does not exercise control of an exclusive nature and which may therefore lead to results that are also significantly different from those budgeted;
- inadequacy of business models and technologies adopted in the market context.

The Group monitors the three risks identified above by periodically updating the 2023-2027 Business Plan, with particular attention - to the extent of interest here - to the aspects highlighted below:

- update of market scenarios;
- review and, where necessary, revision of the objectives, as well as verification of the presence of adequate resources - especially financial resources - for their achievement;

- performance of the main projects undertaken by the Group, including those undertaken in partnership with third parties.

The outcomes of the most recent update of the 2023-2027 Business Plan are summarised in section "6. Significant Events in 2024" of this Report on Operations.

The two risks under consideration are mitigated, primarily, by the following actions:

- promotion of a group company culture aimed at innovation;
- focus on technological diversification, e.g. through the development of storage systems, which includes pumped storage systems, or investment in new businesses, such as power generation from wind power plants;
- Continuous assessment of trends in the reference markets and related identification of the most suitable solutions to meet them, e.g. through the establishment of an internal Innovation Management department, the creation of ad hoc working groups and constant participation in sector events;
- implementation of a structured process to manage innovative projects from an end-to-end perspective, supported by a software tool owned by the Group.

14.2 Risks related to the external environment

The Alperia Group's operations are influenced by externalities of various kinds and are therefore affected by exposure to risks attributable to exogenous factors, which may be - depending on their nature - of a short or medium/long-term nature. These risks basically fall into three categories:

- risks related to the political, legislative and regulatory environment;
- environmental risks;
- financial risks.

The first category of risks related to the external environment refers to the possibility that the political or social environment or the regulatory framework may negatively impact the Group's business, essentially due to:

- situations of political and social instability, with unfavourable repercussions - both in the short and in the medium/long term - on the Group's operations, on the success of the new initiatives it has adopted, or on the value of its assets. Such events, leading to distortions in supply and demand, may, however, in turn lead to the emergence of further risks, such as those of a financial nature;

- changes in policies, laws or regulations that have medium/long-term repercussions related to both well-established operations (for example, in the context of the procedures for the re-allocation of hydroelectric concessions, or in the event of changes in the remuneration tariffs of the electricity distribution service with a direct impact on the Group's operating results), or short-term repercussions (for example, with regard to the authorisation process required for the start-up of new projects).

The main mitigants adopted by the Alperia Group in this respect are the following:

- careful ongoing monitoring of the evolution of the political, legislative and regulatory environment through the establishment of specific internal "Regulatory" bodies with a particular focus on the main business sectors, as well as - in particular cases - task forces such as the one envisaged by the 2023-2027 Business Plan at the Generation Business Unit level to deal with the issue related to the renewal of expiring concessions;
- Constant dialogue with institutions, especially local ones, continuous comparison and adoption of joint initiatives with other companies in which they hold shares (for example, with the initiative with SASA, mentioned in section "19.4.1 Sustainable Products and Services ."of the Sustainability Report), as well as active participation in initiatives for dialogue with the population (for example, at the Citizens' Council organised in the Municipality of Ultimo, mentioned in section "17.3 Stakeholder Engagement" of the Sustainability Report).

The second category of risks attributable to the external environment with a negative impact on the Group's operations includes:

- those, typically of a short-term nature, related to extreme climatic events of a contingent nature (e.g. natural disasters), or external attacks (e.g. so-called "Cyberattacks"), which can lead to damage to physical assets, personal injury, unavailability of information systems and/or theft of sensitive data;
- those, in the medium/long term, related to climate change (e.g. water scarcity that may adversely affect the generation capacity of hydroelectric plants), which will ultimately have an unfavourable impact on the Group's ability to generate cash flow.

It should be noted that the negative impacts of the risks falling into this category may be reflected not only directly, but also indirectly on the Group's business (e.g., the misappropriation of sensitive data may

- once in the public domain - not only expose the Group to penalties, but also engender mistrust in its customers, potentially leading to their partial loss).

The Group addresses environmental risks through actions such as, but not limited to:

- taking out insurance;
- the establishment of information campaigns aimed at its staff, with particular reference to so-called “Cybersecurity”;
- the implementation - with the help of external experts - of initiatives aimed at ensuring the physical security of production sites and company premises;
- the commissioning of specific studies on climate change - such as the one commissioned to Eurac Research - aimed at exploring future scenarios to improve the Group's ability to adapt.

Finally, the third category of risks attributable to the external environment with a negative impact on the Group's operations includes a series of risks related to changes in the macroeconomic, geopolitical or supply and demand dynamics.

These risks are mainly of a financial nature (market risk, credit and counterparty risk, exchange rate risk and liquidity risk) and are exhaustively analysed - also in terms of the mitigants adopted and quantitative analysis - in section "6 Disclosure of financial risks" of the Notes to the Financial Statements.

14.3 Internal Risks

The Alperia Group is a vertically integrated group that, by keeping the core part of its supply chain in-house, exercises direct control over the different stages of its main production chain. Such an arrangement necessarily exposes it to risks related to the possible inefficiency of its internal processes and procedures, as well as to the occurrence of contingent events, such as malfunctions or unavailability of plant or machinery. The Group is also indirectly affected by similar risks affecting the third-party suppliers it uses.

The main risks in this respect - with potential impacts both in the short and medium/long term - are summarised below, together with the measures adopted by the Group to mitigate them:

- compliance risk, which relates to possible non-compliance with laws, regulations and industry standards (e.g., due to failure to implement regulatory changes, incorrect interpretation of existing legislation, or shortcomings in the internal control system and/or company procedures). To this end, the Group has a compliance function and an Organisational Model pursuant to Legislative

Decree 231/2001, constantly verifies the effectiveness and efficiency of its internal control system through its internal audit function and periodically organises training and awareness-raising initiatives for its personnel on the subject;

- legal risk, which relates to the possibility of the Group incurring litigation as a result of obligations undertaken in the context of its business. To this end, the Group has an in-house legal structure, which, also with the support of external consultants, constantly monitors the developments until their conclusion, also guaranteeing - where necessary - the allocation of adequate provisions in the Consolidated Financial Statements (an overview of litigation outstanding as at 31 December 2024 is provided in the section "9. Contingent liabilities" of this Report on Operations);
- data security risk, related to the possibility of unauthorised access, loss, or misappropriation of corporate or sensitive data due to cyber attacks, security system failures, or human error. To this end, the Group adopts appropriate IT security measures, personnel training initiatives, and corporate policies for the protection of sensitive information;
- risk of failure or incorrect maintenance and operation of facilities, which may lead to failures, malfunctions or inefficiencies also attributable to human error, process deficiencies, use of inappropriate technology, and failure to follow procedures. To this end, the Group has internal procedures to ensure adequate maintenance scheduling, the adoption of state-of-the-art technology, and timely management of operations.

It should be noted that the risks listed above may lead to direct consequences (e.g. sanctions imposed by authorities), but also indirect consequences (reputational damage with related potential loss/reduction of customers).

For further information on the controls connected to the Group's main risks, please refer to the paragraph Report pursuant to Article 123-bis, paragraph 2, letter b), of Legislative Decree 58/1998, concerning the risk management and internal control system of this Report on Operations.

15. Disclosure on derivatives

It should be noted that the Alperia Group makes use of derivative financial instruments in order to:

- manage specific types of risks, such as interest rate risk, commodity risk, or foreign exchange risk. The types of derivative financial instruments used in this sense are illustrated in section "6. Disclosure of financial risks" of the Notes to the Financial Statements;

- to safeguard the value of its investments (e.g. by purchasing put options on its own shareholdings), to secure the possibility of taking advantage of opportunities to consolidate them (e.g. by purchasing call options on minority shareholdings, with reference to majority shareholdings held), or, in the context of negotiations with certain counterparties (e.g. by selling put options on minority shareholdings, with reference to majority shareholdings held).

An overview of the derivative financial instruments recognised in the balance sheet of the Consolidated Financial Statements can be found in section "7. Fair Value Estimate" of the Notes to the Financial Statements.

16. Report pursuant to Article 123-bis, paragraph 2, letter b), of Legislative Decree 58/1998, on the risk management and internal control system

During 2024, Alperia SpA continued to develop the activities to establish an internal control and risk management system (the "Internal control system") capable of managing the risks inherent in the activities of the company and the group; this effort is still being implemented.

The internal control system is a set of rules, procedures and organisational structures whose purpose is to monitor compliance with strategies and the reduction of business risks, as well as the achievement of the following goals:

- effectiveness and efficiency of processes and business operations;
- adequate risk control;
- quality and reliability of economic and financial information;
- compliance with laws and regulations, as well as with the company's articles of association and corporate rules and procedures;
- safeguarding the value of corporate activities and assets and preventing losses.

The following bodies are currently involved in control, monitoring and surveillance processes: the Supervisory Board, the Control, Risk and Sustainability Committee, the Management Board, the Senior Management; the Internal Audit Department; the Risk Management Department; the Compliance Department and the Supervisory Body.

Given the dual management and control model adopted by the company, both the Supervisory Board and the Management Board of the Parent Company are actively involved in risk control activities and specifically:

- pursuant to Article 16, paragraph 1, letter (xii) of Alperia SpA's Articles of Association, the Supervisory Board "*assesses the degree of efficiency and adequacy of the internal control system, with specific regard to the monitoring of risks, the functioning of internal audit and the accounting information system*". Pursuant to Article 17, paragraph 1, letter (v) of the Articles of Association, the Chair of the Supervisory Board, "*supervises and activates the procedures and systems in place for the control of the Company's and Group's activities......... ".* Pursuant to Article 17, paragraph 1, letter (vi) of the Articles of Association, the Chair of the Supervisory Board "in accordance with the budget established by the Management Board and approved by the Supervisory Board, also activates the information tools necessary to monitor the correctness and adequacy of the organisational structure and of the accounting and administration system adopted by the Company and the Group";
- pursuant to Article 28, paragraph 1 of the Articles of Association, the Management Board "*is vested, on an exclusive basis, with the broadest powers for the management and administration of the Company*.........". In addition, pursuant to Article 29, paragraph 1 of the Articles of Association, the Management Board "submits a special report to the Supervisory Board on the overall performance of the company's operations and on major transactions in terms of size and characteristics performed by the Company or its subsidiaries and, in any case, it reports on transactions in which members of the Management Board have an interest on their own or on behalf of third parties".

Within the Supervisory Board, the Control, Risk and Sustainability Committee was set up, which has the task of assisting the Committee in its responsibilities with regard to the internal control system with non-binding recommendation, investigation and advisory functions.

The task of verifying the adequacy and the effective functioning of the internal control systems, which is assigned to the Supervisory Board, involves conducting meetings and analyses with the main stakeholders, including – in particular – the 231 Supervisory Body, the Internal Audit Director, the Risk Management Director and the controlling bodies of the subsidiaries; it also involves the activation of periodic reporting and monitoring systems.

The Internal Audit Director has no operating responsibility; he/she reports to the Chair of the Management Board and, functionally, to the Chair of the Supervisory Board. He/she has direct access to all information useful for carrying out duties and operates in accordance with the provisions of a specific Internal Audit Mandate approved by the Management Board, and in accordance with a process of internal Quality Assurance and ever improving adherence to Internal Audit industry standards. In this sense, at its meeting of 28 October 2024, the Management Board approved the revision of the Mandate, updated with respect to the new requirements introduced by the new Global Internal Audit Standards (effective from January 2025).

The Internal Audit Director reports the results of his/her activity, which is defined in a specific Audit Plan, including any identified deficiencies and the related commendations/corrective actions proposed, through appropriate Audit Reports that are submitted to the Supervisory Board, the Management Board, the General Manager and Deputy General Manager of the Parent Company and the head of the function that is being audited; if the audit concerns the group companies, the Audit Reports are also sent to the relevant bodies of the company concerned. The management of recommendations is monitored on a quarterly basis according to a process that was further refined during 2024.

In addition, annual summary reports of the activities carried out during the reference period are drawn up, which are sent to the Supervisory Board and to the Management Board.

The Internal Audit Director participates, by invitation, in the meetings of the Supervisory Board and the Management Board and is also a permanent participant in the meetings of the Control, Risk and Sustainability Committee.

Internal Audit supports the 231 Supervisory Body of Alperia Spa, of which the Director is an internal member, as well as various Group companies. For continuity of action, other management staff are also internal members of other 231 Supervisory Bodies in other Group companies. To this end, it supported the Bodies in defining and improving the information flow process required by the Organisation, Management and Control Model (MOG) itself.

During 2024, the Internal Audit Department first defined a specific Audit Plan, which was approved by the Management Board at the meeting of 28 March 2024, after consulting with the Chair of the Supervisory Board.

In the interim reports and in the annual report for the year 2024, containing a summary of the activities carried out during the period under review, the Director of Internal Audit pointed out that - on the basis of the audits carried out in the year 2024 - no findings emerged that could lead to a negative assessment of the adequacy and effectiveness of the internal control system.

With regard to the Risk Management implementation process, this is constantly evolving in order to develop tools that meet the ever-increasing risk control and management requirements imposed by the organisational complexity of the Parent Company and the entire group, the status as issuer of listed bonds and the developments that are typical of a multi-business group. Alperia SpA has put in place a risk assessment and reporting process, based on best practices in Risk Management, which aims to make risk management an integral and systematic part of management processes. The main assumptions considered in the model specifically refer to the 2023-2027 Group Business Plan.

The risk assessment is based on the introduction of two essential variables: The impact on company performance if the risk event occurs and the probability of occurrence of the uncertain event.

The methodology adopted is modular and allows for a gradual approach that leverages on the refinement of experience and of the methods of analysis used by the group.

The existing model is based on COSO and ISO 31000 international standards; thanks to a well-established governance structure based on the presence of Risk Owners and Risk Experts, qualitative/non-financial risks have also been identified and assessed, incorporating them – in a single management system – with quantitative/financial risks.

It is recalled that the Management Board meeting of 19 December 2024 approved the update of the Enterprise Risk Policy and the Trading & Commodity Risk Rulebook. While the first document describes the Enterprise Risk Management process within the Alperia Group, the Rulebook defines - in the interest of the Alperia Group's stability - the governance of the risk management process and the economic capital granted by the Parent Company Alperia Spa in the exercise of its management and coordination activities to the subsidiary Alperia Trading Srl in relation to the trading and management of energy raw materials. The focus of the Rulebook update was the introduction of a liquidity and counterparty risk framework.

The Alperia Group implemented the Enterprise Risk process by means of dedicated software, which in 2024 was expanded to be able to handle different types of risk, such as climate change risks. This is crucial to enable the management of all risk categories within a single tool. In addition, the software was extended to be able to manage not only risks but also opportunities. The software also aims to comply with various regulatory requirements.

Considering the possible impact of climate change on Alperia's activities, the climate change risk management process was also deepened in 2024. In addition to internal requirements, several regulations at EU level require a proactive approach to managing climate change risks, including: the EU Taxonomy for physical risks, the Corporate Sustainability Reporting Directive (CSRD) for temporary risks and opportunities (mandatory from 2024) and the Task Force on Climate-Related Financial Disclosures (TCFD) which aims to inform investors about climate risks.

Furthermore, the activity carried out will contribute to the Corporate Sustainability Due Diligence Directive (CSDDD) on sustainability which aims to monitor the supplier chain, the sustainability rating and the requests of external stakeholders. This process is formalised in the "Climate Risk Handbook", with which Alperia decided to design and formalise a process in line with best practice prerequisites and consistent with the company's risk management policy. The process envisages a gradual deepening, with the ultimate goal of obtaining quantitative results based on the different RPC scenarios, assessing the impact on the Alperia Group's activities and assets.

During the year under review, meetings of the liquidity committee, set up in late 2022, were held at regular intervals. This committee is tasked, among others, with (i) evaluating the main loan proposals of the Group and the consequent debt structure, as well as the issue of new financial instruments, including ESG-related instruments (ii) supporting the Control, Risk and Sustainability Committee, the Management Board and the Supervisory Board in the Group's financial policy and (iii) periodically monitoring the Group's exposure to liquidity risk through final and forecast reporting.

During 2024, the implementation of the "Cyber Risk Action Plan", which started in 2023 and will be completed at the end of 2025, continued: This plan covers a set of measures aimed at reducing cyber risks, increasing the IT security posture and raising the Group's maturity in these areas, from both a technological and organisational perspective. The security plan, aligned with the sustainability policy of the Alperia Group, was developed by applying the "Risk Based Thinking" approach to the continual improvement process. For its implementation, different approaches were considered based on the scope of intervention, following internationally recognised standards, guidelines and best practices, as well as the state of the art in the sector.

The overall process of detecting and analysing risk areas also includes the financial reporting process.

In this respect, it is noted, for example, that the annual financial reporting process, and, especially, the description of the main risks and uncertainties to which Alperia and the group are exposed, is linked to the flow of information coming from the Risk Management processes of the companies and the Group.

For a description of the main risks affecting the Company and the Group, please see the respective notes to the separate and consolidated financial statements.

As is well known, Alperia has adopted the Organisation, Management and Control Model (Compliance Programme) pursuant to Legislative Decree 231/2001, as well as a Code of Ethics and a Disciplinary Code, and has appointed a 231 Supervisory Body.

The purpose of the Model is to define the strategies, rules and principles of conduct governing the Company's activities, which all recipients of the Model must follow in order to prevent, within the specific "sensitive" activities carried out at Alperia, the commission of the offences provided for by Legislative Decree 231/2001 and to ensure conditions of fairness and transparency in the conduct of business activities. Its implementation provides that activities considered "sensitive" must be carried out in accordance the provisions of the Model; any behaviour which is not in line may, in fact, lead to sanctions imposed by the Company, according to the provisions of its Disciplinary Code, which forms an integral part thereof.

In its meeting of 16 May 2024, the Parent Company's Management Board approved the new revision of Model 231, which has been significantly updated both to incorporate the regulatory changes that have taken place and to make it even more in line with the Risk Based approach also envisaged by the Confindustria guidelines.

The MOG 231 approved by the Management Board is composed of (i) a general part (ii) four special parts, corresponding to the families of offences which, on the basis of the risk assessment, have been assessed as having a high or medium inherent risk, and (iii) a special part, which identifies the conduct to be adopted to counter the potential commission of those families of offences identified as having a low inherent risk.

The 231 Supervisory Body of the Parent Company has a collegial composition and consists of two external professionals and the Director of Internal Audit.

The composition and functions of the 231 Supervisory Body comply with the characteristics identified by Legislative Decree 231/2001 and relevant Confindustria guidelines.

Specifically, the 231 Supervisory Body has independent powers of initiative and control and the independent exercise of such powers is ensured (i) by the fact that the members of the Body are not subject to hierarchical constraints in the performance of their function, as they report directly to the highest operating level, namely the Management Board and (ii) by the presence of an external member as Chair of the Body.

The members of the Supervisory Body are adequately trained and have a consolidated and qualified experience in accounting, auditing, organisational activities and in criminal law; in addition, they can rely on internal staff within Alperia and on external consultants to carry out any technical activities as may be necessary to ensure the control function is properly performed. For this purpose, the Body has an annual budget, assigned by the Management Board at the time of appointment.

The Supervisory Body:

- is entrusted with the task of monitoring the operation and observance of the 231 Model as well as monitoring its constant updating: in this sense, it reports on the implementation of the 231 Model, the emergence of any critical aspects and the need for changes;
- reports to the Management Board of the Parent Company, informing it, whenever it deems appropriate, about significant matters or events related to the conduct of its activities.

The Group Code of Ethics is a key element of the Model, as well as a component of the preventive control system. This Code sets out Alperia’s ethical and professional principles and the guidelines and principles of conduct designed to prevent the offences referred to in Legislative Decree 231/2001.

The Code of Ethics:

- is an essential and integral element of the Model as it constitutes a systematic corpus of internal rules designed to disseminate a culture of ethics and corporate transparency;
- calls for the observance of the principles and rules contained therein, by the corporate bodies, by all the employees of the group and by anyone who, permanently or temporarily, interacts with the group;
- is available on the website of the Parent Company and companies (where adopted).

Each group company is required to endorse the principles of the Code of Ethics adopted by Alperia and to put in place the most appropriate measures to ensure their respect.

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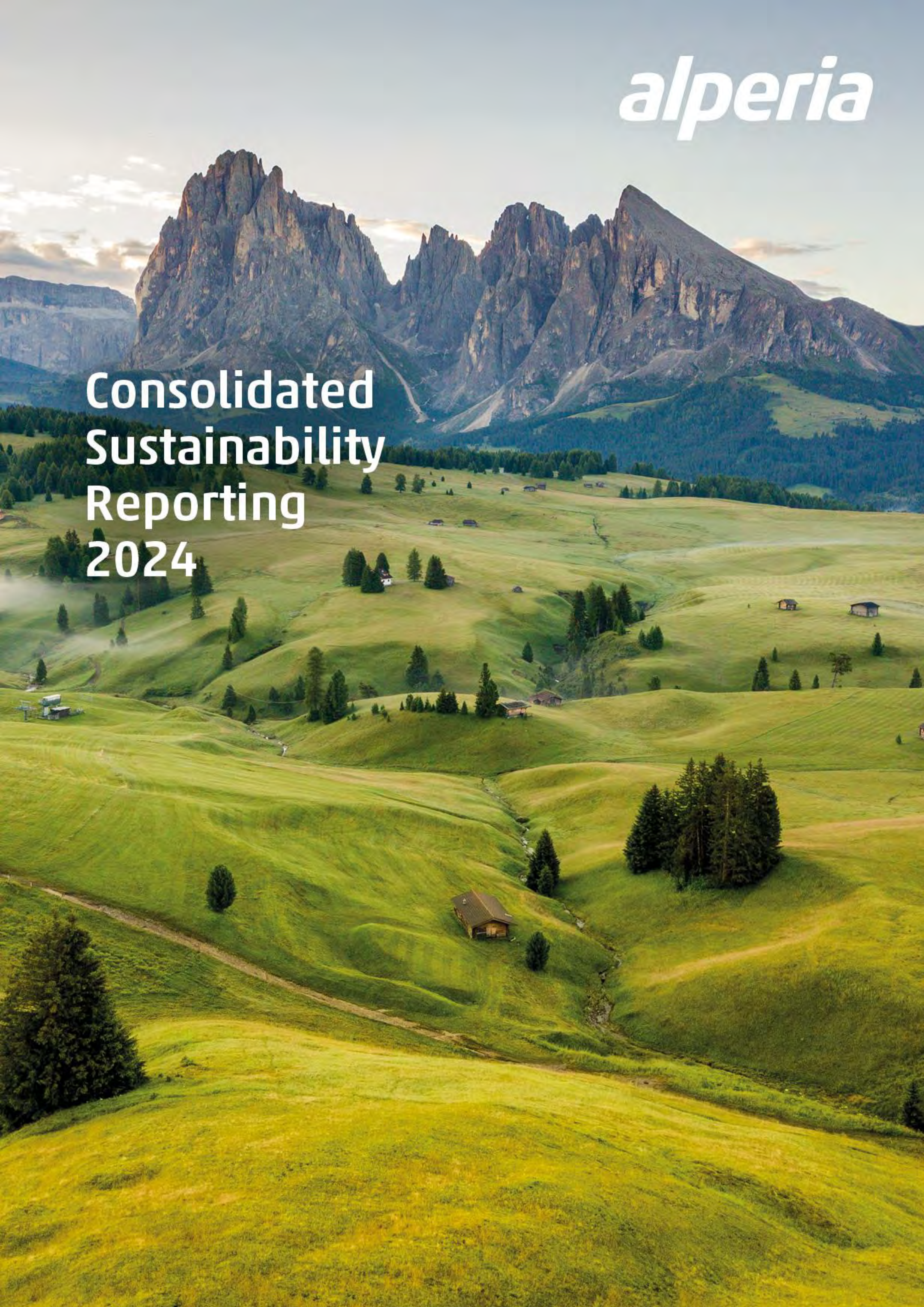
Consolidated Sustainability Reporting 2024



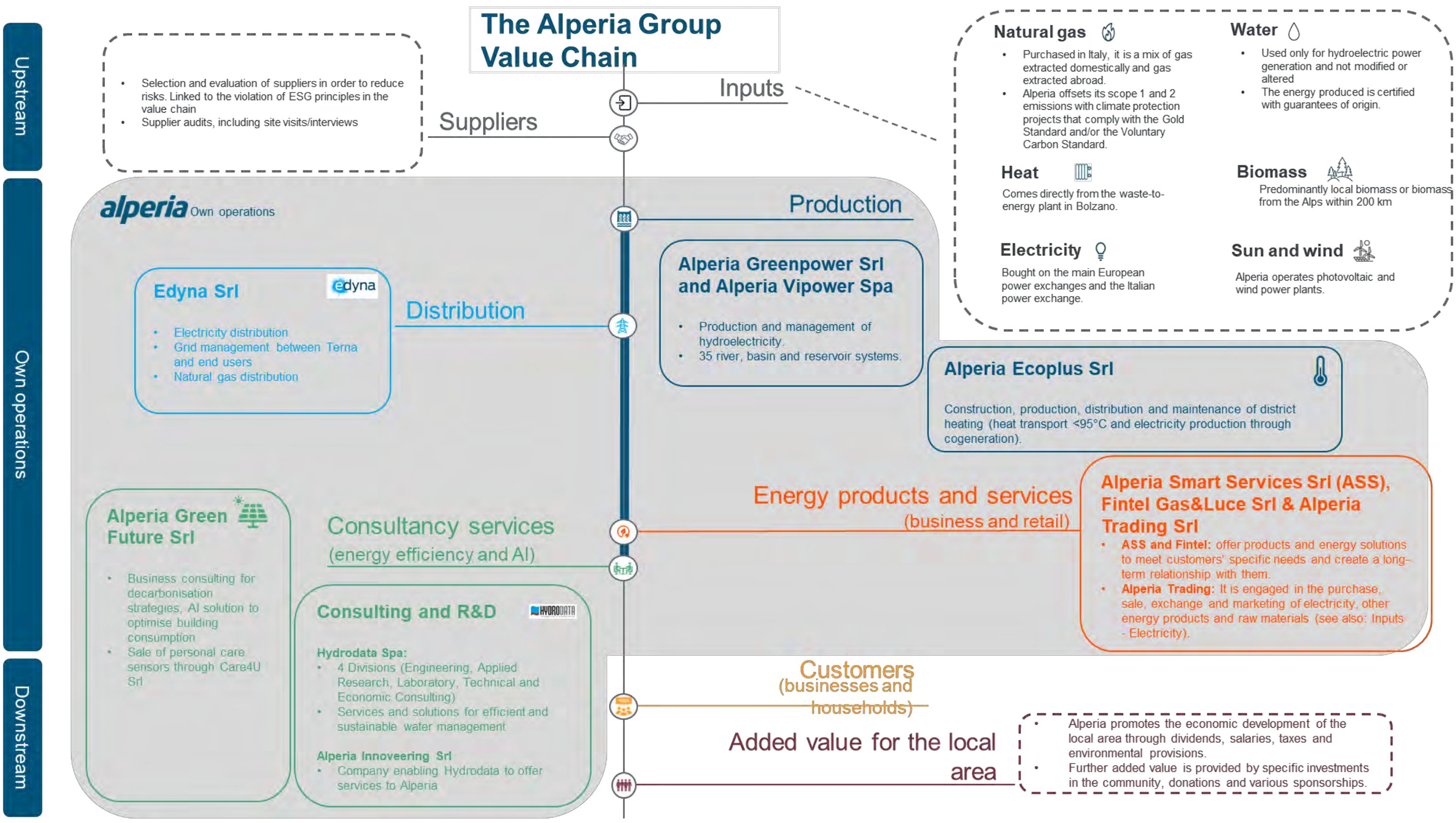
17. General disclosures

17.1 Value chain

In 2024, the Alperia Group (hereinafter the Group) updated the mapping of its value chain by focusing on upstream and downstream activities (primary activities).

With regard to upstream activities, the analysis was conducted by identifying the main activities of the organisation (Generation, Heat and Services, Networks, Sales, Trading and Smart Region) and defining Tier 1, 2 and 3 supply levels down to the natural capital employed. For **hydropower production**, the main suppliers include companies that supply specialised materials and technologies such as turbines, as well as subcontractors for plant work and equipment suppliers. In the area of **district heating**, Alperia relies on suppliers of biomass, heat, natural gas and equipment for heat production, as well as software for monitoring and contractors to carry out works for the expansion and enhancement of the network. For the **transmission and distribution of energy and gas**, monitoring technology, security and electrical infrastructure, such as cables, transformers and switchboards, are purchased. In the **sales and trading** phase, Alperia cooperates with providers of market data, predictive analytics and software platforms for energy management. Finally, for S**mart Region-related** activities, the company uses manufacturers of electronic components, smart grid software and technologies for electric mobility and IoT sensors. With respect to downstream activities, the main stakeholders downstream in the value chain, customers and the territory, have been identified, also considering the continuous dialogue with local communities that the Group pursues to better understand their needs and adapt corporate strategies. It also mapped the support, advice, investment, awareness-raising and collaboration activities that the organisation implements related to its customers and the territory in which it operates.

The analysis conducted in 2024 showed that there were no substantial changes to the Group's value chain compared to what had been outlined and assessed previously. Below is a summary representation of the mapping carried out.



In order to monitor information on key elements of the overall strategy that are related to sustainability issues, the Group maps a breakdown of total revenues, reported in the financial statements, for the significant ESRS sectors. Specifically, with respect to the fossil fuels sector, the Group had no revenues in 2024 from the exploration, extraction, production, processing, storage, refining or distribution, including transport, storage and trading of coal and oil, while with respect to natural gas, revenues amounted to Euro 248,707,226.

17.2 Sustainability risk management

The Group's risk management system plays a fundamental role in the Group's decision-making processes, constantly oriented towards a comprehensive and accurate assessment. The Risk Management function, which has ownership of the implementation and development of risk management, continued in 2024 the improvement of the Risk Management (RM) process. For the risk management process, the Group has adopted the COSO ERM Framework[5] and aims to apply the ISO 31000 Guideline[6]: the process is also supported by a software platform (Risk Tool) that enables comprehensive risk management: identification, assessment, mitigation and periodic reporting to senior management.

In addition to traditional financial risks, the Group's RM system will also manage ESG risks. In particular, in 2024, when the double materiality analysis was finalised, the risk mapping was appropriately expanded to assess the presence of additional risks related to the sustainability issues indicated by the European standards[7]. In 2024, an assessment was conducted to identify opportunities arising from ESG factors for the Group, which will then be managed in a dedicated section of the Risk Tool. Therefore, thanks to the future upgrade of the software platform, it is possible to create specific risk matrices with dedicated fields, including those associated with ESG issues, to provide comprehensive and detailed monitoring to support the Group's decision-making processes.

At the same time, as described in other sections of this Sustainability Report, the Group has undertaken a number of project initiatives, such as the structured stakeholder engagement process, PAS 24000 (Alperia Greenpower Srl) and the UNI/PdR 125:2022 Gender Certification, which also have an impact on ERM, requiring the integration of some risk management components.

Responsibilities and roles in risk management

The key figures in the risk management and identification process are the risk experts and risk owners. The former are responsible for risk management at the operational level, while the risk owners, i.e., the heads of the business units and Corporate, have approval responsibility, thus supporting the reliability and quality of the information entered into the system. In addition, biannual interviews are conducted as per ERM policy. Within the RM system, each risk and its mitigation actions are assigned to a single risk expert/action owner, as the concept of co-ownership is not considered effective. The responsibility for each action is therefore unambiguous in order to ensure clarity and transparency.

[5] The COSO ERM Framework is a reference model and guide for companies wishing to adopt robust risk management processes that can best orient strategies according to performance, also considering the discontinuities that may arise from particularly adverse but plausible scenarios.

[6] The ISO 31000:2018 standard on risk management aims to enable every organisation to identify, prevent and manage all risks in the context of its business, through a structured approach.

[7] "List of sustainability issues" ESRS 1, RA 16.

17.3 Stakeholder engagement

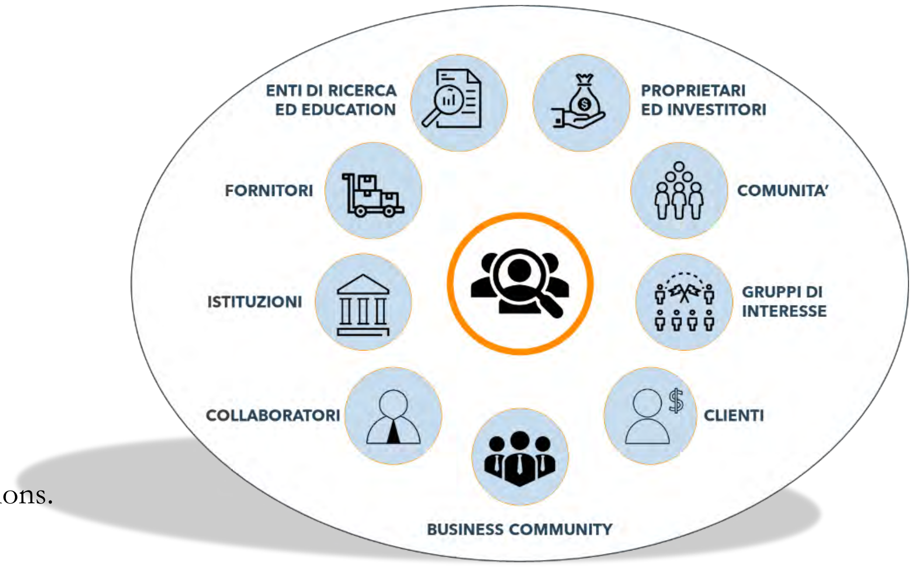
Stakeholder engagement is a priority pursued by the Group at both strategic and operational levels, since ambitious goals such as energy transition and sustainable change can only be pursued through a joint commitment and with positive and constructive relations with all those with whom Alperia interacts.

The Group communicates regularly and continuously with its stakeholders, promptly addressing possible conflicts, preventing complaints, improving corporate reputation and creating long-term partnerships, strengthening ties with the community and the territory.

Stakeholder engagement is also required to comply with laws and standards (ESRS, ISO, Legislative Decree No. 125/24) with the aim of imparting knowledge, raising awareness of corporate strategy, proactively communicating projects and identifying new issues at an early stage. The stakeholder management process adopted by the Group starts with the mapping of stakeholders that are identified following internal workshops and their needs (based on the criteria defined in the AA1000 SES reference standard with a rating scale of 1 to 5). Subsequently, an engagement plan is defined that establishes the topics and modalities of dialogue, continues with the implementation of the plan and culminates in monitoring and follow-up. Connected to the stakeholder management process are the reputational risk management framework, double relevance analysis, sustainability planning and reporting.

Below are the main stakeholder categories of the Group:

- employees;
- owners and investors;
- customers;
- suppliers;
- interest groups;
- community;
- business community;
- institutions;
- research and education institutions.



Each organisational unit of the Group interacts with specific categories and subcategories of stakeholders, selected according to the nature of projects and strategic objectives, using dedicated communication channels.

In this sense, the Group orients its strategy and business model on the basis of stakeholders' needs and opinions, arriving at a participatory definition of the corporate Sustainability Plan through the periodic engagement of stakeholders. This takes place mainly through meetings of the Control, Risk and Sustainability Committee, CSR Steering Committee and through specific meetings with management during which the opinions and views of the various internal stakeholders on the various initiatives are gathered. In fact, several round tables were organised in 2021 with the different stakeholder groups to define the Sustainability Plan 2022–2027, which is still ongoing. In addition, a questionnaire was sent out in 2021 to survey stakeholder opinion on various topics. This activity was not carried out in 2024, but will be carried out in the coming years to deepen the relevance of ESRS topics for stakeholders.

During 2024, the Group developed numerous initiatives to connect with stakeholders. Specifically:

Employees. In 2024, the Group strengthened its commitment to the engagement and well-being of female employees through numerous initiatives aimed at training, health, inclusion and professional development. Dedicated courses on innovation, ESG, design thinking and complexity management were implemented, as well as the successful completion of the language tandem project and the mentoring scheme. In 2024, special attention was paid to gender equality and preparing for the relocation of part of the staff to the new headquarters in Merano. Internal communication was enhanced with monthly training clips for sales agents. Risk management saw the active engagement of employees, with a focus on measuring reputational risk and dialogue on the main analysis and management tools. Refresher courses on digital skills were introduced to facilitate adaptation to new technological tools and improve the skills of employees. Finally, a structured active listening programme was implemented, aimed at collecting direct feedback from employees, improving the corporate climate and identifying opportunities for growth. To foster internal communication with employees and strengthen corporate cohesion, the Group uses an intranet and a newsletter.

Owners and investors. In 2024, the Group strengthened its dialogue with owners and investors through several strategic initiatives. The Sustainability Report was presented at the Shareholders' Meeting, while meetings with the Management Board and Supervisory Board explored key sustainability issues, including training sessions on recent regulatory developments. In 2024, the company's Supervisory Board approved the Management Board's proposal to issue a green bond in the amount of Euro 250 million, intended both for qualified Italian and international investors and the retail public residing in Italy. The Group's main objective was twofold: on the one hand, to finance the Group's sustainability strategy and energy transition projects, and on the other hand, to actively involve the local population by offering an opportunity for direct investment in green bonds. In 2024, the Group continued its discussions with ESG investors through regular communications and meetings, integrating further initiatives related to environmental funds.

Customers. In 2024, the Group took a significant step forward in strengthening its sales network, inaugurating several points of sale, designed to bring Alperia even closer to the territory and to respond in an increasingly direct and personalised manner to customers' needs. Communication with customers takes place via advertisements, PR articles, customer webpage (www.alperia.eu) and institutional website (www.alperiagroup.eu), social media, customer-only online portal and app, and call centre. In 2024, Alperia also promoted sustainability workshops, involving some 80 industrial customers on topics such as mobility, emissions, biodiversity and energy transition. In Edyna Srl, service communication was enhanced, while in Ecoplus Srl, communication regarding network expansion works was improved. Complaint handling was further optimised, with the initiation of framework agreements with trade associations. Direct interaction with risk management included the assessment of reputational risk, confirming the commitment to an ongoing and structured dialogue with customers.

Suppliers. In 2024, the Group actively involved its suppliers in the search for eco-sustainable solutions, with a special focus on the construction of new headquarters, designed according to sustainability and well-being criteria. In tenders, priority was given to sustainable suppliers, integrating ESG criteria and ensuring respect for human rights. Dialogue with suppliers was intensified through targeted meetings and communications focusing on sustainability in the value chain and the integration of ESG criteria in the evaluation of offers and supply relationships. Constant dialogue was maintained with key suppliers, including those of raw materials (such as cables and transformers) and technical software, including direct visits to evaluate products and collaborate on the development of new solutions. This approach made it possible to address market challenges in a shared way and to strengthen alignment with the company's procurement strategy.

Interest groups. In the energy and innovation sector, the Group is actively involved in organisations and associations such as Utilitalia and ASSOESCO, promoting energy efficiency. With Edyna Srl, the Group's distribution company, Alperia acts as an intermediary between the Autonomous Province of Bolzano and the national operator TERNA, representing the needs of the region. In addition, the framework agreement with trade associations, both in South Tyrol and nationwide, strengthens the relationship with interest groups. The Group regularly responds to customer enquiries, publishes comments and insights through interviews with experts and promotes its activities through advertising campaigns. Specific projects include initiatives related to the Minimum Vital Flow (MVF), the protection of marble trout and management of frost-free irrigation.

School, universities and research centres. In 2024, the Group intensified its partnerships with schools and universities, expanding opportunities for internships and joint projects to attract new talent and ensure a harmonious generational change within the organisation. In order to bring young people closer to the world of energy, the Group produces educational materials for schools and organises guided tours of its hydroelectric and district heating plants, accompanied by expert staff. The visits, aimed at secondary and high school students, include the hydroelectric power plants in Marlengo and Tel, as well as the district heating plants in Silandro, Bolzano, Chiusa and Sesto. Guided tours of the Remote Control Centre, the nerve centre of electricity distribution in South Tyrol, are also offered. The Group also provides the Virtual Reality box for schools, which allows students to visit an Alperia hydroelectric power station in a 360-degree video or walk through the tunnels of a dam without ever leaving the classroom. The Group actively collaborates with research institutes to promote sustainability and innovation. It supports the Competence Centre for Sustainability at the Free University of Bolzano by financing a three-year professorship and contributing to the development of research projects (including one on sediment management) in the economic, environmental and social fields, making use of its corporate know-how. Eurac Research concluded the LIFE4HeatRecovery project for the development of intelligent district heating networks in mid-2024 and is collaborating on a research project for the decarbonisation of district heating in Bolzano and Merano. In 2024, the Group expanded its commitment with new partnerships, such as the one with Energy&Strategy of the Politecnico di Milano, the Politecnico di Torino and collaborations with AGICI[8] and CESF (Centro Edile per la Sicurezza e la Formazione) on decarbonisation and biomethane.

Institutions. In 2024, the Group developed several initiatives to connect with its institutional stakeholders, both locally and nationally. The main activities include projects in cooperation with the public administration in South Tyrol, such as the installation of photovoltaic panels with a capacity of 30 MW. On a national level, the Group is a member of numerous associations, including the Italian Federation for the Rational Use of Energy (FIRE), the Italian Association of Air Conditioning Heating

[8] Agici, a consulting and research company for more than 20 years, is active in economic research in the energy, environmental and infrastructure sectors.

and Refrigeration (AiCARR), the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) and the Italian Biogas and Gasification Consortium (CIB). In the local area, the Group has initiated collaborations with the Veronese housing authorities (ATER), highlighting its commitment to the territory. The Group collaborates with the White Cross in South Tyrol on the CARE4U initiative, targeting hospitals and nursing homes, with the aim of enhancing resilience and ensuring greater safety in emergency situations. Furthermore, the Group actively participates in regulations and meetings with authorities and control bodies, such as the GSE, Customs, Utilitalia and the Province of Bolzano, for the transposition of regulations and the management of environmental issues. Through specific meetings with law enforcement agencies, Alperia is committed to ensuring the physical security of the electricity grid, as well as to developing cooperation projects in the field of cybersecurity. The Group also addressed the issue of plant safety, in particular through a**sset integrity** initiatives, and collaborated with the Province of Bolzano on the functional area of mountain basins. Finally, the Group is actively involved in communications and projects with local authorities and territorial bodies, such as regions, provinces and municipalities.

Community. The Group has established a function dedicated to the development of long-term community investments, initiating a dialogue with stakeholders to identify five key issues on which to generate a positive impact. From this comparison, three main projects described in the subsection "Community investment" were selected. In addition to these initiatives, the Group initiated a working table to define a procedure for reporting undesirable events and prepared a model for collecting information, evaluating causes and implementing appropriate solutions. In the area of due diligence, the process of tracking and communicating solutions of objections to stakeholders for Alperia Greenpower Srl was improved. To further strengthen the link with the region, various activities were organised, such as Open Days in the power stations, educational projects on sustainability in schools and meetings with citizens in the municipalities of Val d'Ultimo, in view of the possible construction of a new hydroelectric pumped storage power station. In 2024, the Group continued to engage the community with various actions, including communication through press releases, working groups with civil protection and direct involvement of citizens through the Citizens' Council. A website dedicated to the potential construction of a pumped storage power station in Val d'Ultimo was also developed. Finally, the relationship with the local fire brigade in emergency management was consolidated.

VAL D'ULTIMO PUMPING PLANT PROJECT

Alperia presented an ambitious project to build a pumped storage power station in Val d'Ultimo, near Pracupola and Santa Valburga. This system represents an important innovation for the energy transition, as it will allow excess electricity to be stored at times of overproduction and returned to the grid at times of peak demand. The project envisages an underground connection between Lake Quaira and the Zoccolo reservoir, exploiting a height difference of about 1,100 metres to generate a capacity of 400 MW.

Thanks to the decision to build all installations underground, with the exception of three access portals and a ventilation window, the visual impact will be minimal. The project integrates with existing infrastructure and reservoirs, improving their efficiency and ensuring a sustainable approach. Measures are foreseen to protect the environment, such as the recycling of excavated material and the preservation of the quality of the springs and the surrounding landscape. A central element of this project is the **active collaboration with the local community**. The Group initiated a transparent dialogue through the **Val d'Ultimo Citizens' Council**, a participatory initiative financed by the company and promoted by the municipality of Ultimo. This process aims to directly involve residents, giving them the opportunity to inform themselves, express their opinions and actively contribute to the definition of the project.

During the Council meetings, the details of the power plant, the construction phases, the benefits for the area, and possible compensatory measures to mitigate the inconveniences associated with the work were discussed. The recommendations that emerged from the Council were presented to the population, the Municipality of Ultimo, the Autonomous Province of Bolzano and Alperia in mid-February 2025 and became a fundamental basis for future decisions. This approach demonstrates the Group's deep respect for the territory and its community. Val d'Ultimo, which has already contributed significantly to the energy development of South Tyrol in the past, is now the protagonist of a constructive dialogue combining technological innovation, environmental sustainability and attention to local needs. The ultimate goal is to ensure not only the security of energy supply, but also the well-being of the population, creating added value and new opportunities for the region. All relevant documents are available online for interested stakeholders.

17.4 Double materiality analysis

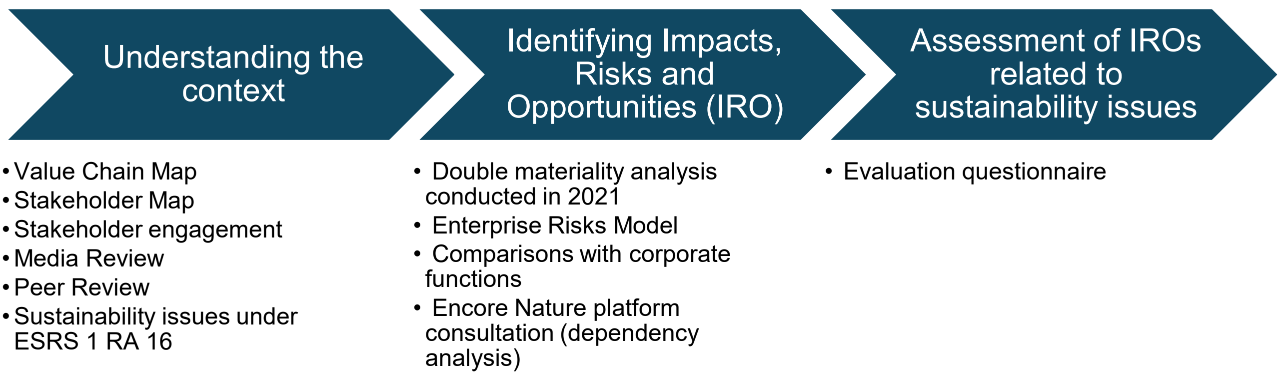
The double materiality analysis is the starting point for determining the information to be disclosed in the Sustainability Statement. The double materiality analysis aims to identify relevant issues for the Group from a double perspective:

- **impact materiality**, which consists of assessing the impacts that the activities carried out by the Alperia Group generate or could generate on the economy, the environment and people ("inside-out" approach); and
- **financial materiality**, based on the assessment of risks and opportunities, linked to ESG factors capable of positively or negatively influencing the Group's economic-financial performance ("outside-in" approach).

The double materiality analysis process was conducted with the aim of adjusting the assessments made in previous years (in particular, the double materiality analysis carried out in 2021) and integrating the perspective of financial materiality, in accordance with the new ESRS (European Sustainability Reporting Standards). In Q4 2024, the process was updated to comply with the requirements of the IRO-1 standard. The analysis, decision-making and approval process are regulated in a dedicated procedure.

The double materiality analysis is conducted by the CSR (Corporate Social Responsibility) function, which operates within the Strategic Marketing & Communication department of the Parent Company, responsible for the double materiality analysis at Group level; the analysis is the result of the active involvement of the relevant functions.

The double materiality analysis was structured in the following steps[9]:



[9] The table in Application Requirement 16 (RA 16) of the ESRS standard provides an overview of the specific sustainability-related topics, sub-topics and sub-sub-topics (collectively "sustainability matters") covered by topical ESRS.

The analysis focused mainly on the impacts, risks and opportunities generated by the Group's activities (illustrated in the section *Identity*), while not neglecting the value chain.

The analysis exercise conducted did not include direct stakeholder involvement. However, the results of the previous engagement carried out in 2021 were taken into account, as well as contributions from stakeholder engagement activities in 2024, as described in the section on stakeholder management. For further information on stakeholder engagement activities, please refer to the section *Stakeholder engagement*. More details on how stakeholders are affected by impacts can be found in the descriptions in the issue tables (section *Impacts, Risks and Opportunities for Alperia*). The process also involved the engagement of external consultants and the first reports of the subsidiaries as experts on the specific contexts of their own operations.

17.4.1 Understanding the context

The Group's activities focus on issues such as climate change mitigation, energy and water use. With the aim of integrating the external point of view, the resonance of the Group's activities was studied and analysed through the following methods:

- **Peer review**: analysis of material topics with 11 peers examined. No further topics emerged to be considered in the materiality analysis;
- **Value chain map**: mapping and analysis of the Group's value chain, described in the section *Value Chain*; and
- **Stakeholder engagement:** results from interactions during the year, described in more detail in the Stakeholder engagement section.

Taking into account also the relevance analysis carried out in 2021, this phase returned a "long list" of topics to be focused on. The list of topics was compared with the sustainability issues in ESRS 1 RA 16 and supplemented with additional topics accordingly.

17.4.2 Identification of Impacts, Risks and Opportunities[10]

The identification of Impacts, Risks and Opportunities was carried out on the basis of the long list drawn up in the previous phase. The identification of impacts arose from a detailed examination of available

[10] Some activities are currently underway to perform due diligence on the value chain. For further information, please refer to the section "The 231 Organisation, Management and Control Model"

documents (e.g., the Non-Financial Statement 2023), the involvement of key function managers and consultation of external sources[11]. In addition, possible differences related to the multiplicity of business lines in the Group were taken into account. This made it possible to obtain as accurate a picture of the impacts, risks and opportunities as possible for the entire Group.

Where appropriate and applicable, impacts along the value chain were also identified. The mapping process was nurtured and supervised by the CSR function team, fostering synergy between the different corporate functions.

The identification of risks and opportunities involved the Risk Management and CSR area. The opportunities identified are in line with the Group's Strategic Plan. The risks associated with the issues were identified by capitalising on the mapping and monitoring provided by the Risk Management system and the Climate Risk Inventory. The association of the risks mapped in the RM with ESG issues took place through the direct involvement of risk experts who selected the relevant risks for Financial Materiality. Consistent with the results achieved and in order to give a realistic picture of the business, residual risks were considered and assessed.

The identification of the main dependencies was conducted through the use of authoritative external sources[12]. The following table shows the main dependencies identified.

Dependencies on natural resources	
Water	Hydropower production depends on the water supply services provided by ecosystems to ensure a sufficient amount of water, which is used to operate hydropower plants. Hydropower generation is also significantly dependent on ecosystem services for flood mitigation to protect flood infrastructure.
Soil and sediment	Hydropower generation depends on soil and sediment retention to provide a stable substrate, erosion control and mitigation of disruptions for infrastructure. Hydropower also depends on flow regulation, including that through natural floodplains, vegetation and wetlands, and would have difficulty coping with severe changes in the timing of flows.

[11] Platform https://www.encorenature.org/en.
[12] The consultation was conducted by examining the following ISIC groups: hydropower energy production, solar energy production, biomass energy production, distribution of gaseous fuels through mains, solar energy production, transmission and distribution of electricity. (Source: ENCORE NATURE). For the purposes of the double materiality analysis, only relevant dependencies are reported.

17.4.3 Assessment of IROs[13]

A qualitative and quantitative assessment was carried out for each impact identified. The qualitative assessment allowed the impact to be characterised according to the following categories:

- type of impact: positive or negative;
- impact characteristics: actual or potential;
- scope of impact: own operations, value chain or both;
- time horizon: short, medium, long term[14].

The quantitative evaluation was structured using the following parameters:

- probability (in the case of a current impact, the highest probability was assigned);
- gravity (consisting of three variables: extent, scope, degree of irretrievability; the latter applicable only to negative impacts).

Each impact was subjected to the combined assessment of magnitude, extent and irretrievable nature and, finally, likelihood of occurrence, using a scale of 1 to 4. The threshold of significance was identified with the occurrence of the following conditions: probability equal to or greater than 3, severity (obtained as the average of magnitude, extent and, if applicable, irretrievability) equal to or greater than 3.

An impact was also rated as significant if it was assigned a severity of 4 and a probability of 2.

For each identified risk and opportunity, the quantitative assessment was based on the following two parameters: potential magnitude of financial effects, probability of occurrence.

With regard to the risks mapped in the RM, included in the double relevance analysis, the assessment made by the risk experts was taken into account consistently with the time horizons applied to the entire analysis. Material risks and opportunities were identified by applying the same criteria used for impacts.

In the following chapters, the following aspects are detailed: how the Group's significant negative and positive impacts affect or may affect people or the environment; whether and how the impacts originate from or are connected to the undertaking's strategy and business model; whether the company is involved in the relevant impacts through its activities or because of its business relations.

[13] For further details, please refer to section "21.3 Impacts, Risks and Opportunities for the Alperia Group".
[14] Medium-term time horizon means up to five years from the end of the short-term reference period (one year) and long-term time horizon means beyond five years.

Although not comparable with the analysis carried out in previous reporting, it should be noted that the double materiality exercise carried out in 2024 led to consistent results, with the only exception of impacts related to water and biodiversity. Compared to previous analyses, it was deemed appropriate to enhance the two topics with a separate discussion of their respective impacts, risks and opportunities, consistent with the requirements of the ESRS.

The materiality analysis and the sustainability plan are approved by the Management Board and the Supervisory Board of the Parent Company, while updates are confirmed when approving the Sustainability Report.

As for topics **E2 – Pollution** and **E5 – Resource use and circular economy**, these were not material in the materiality analysis.

Regarding **ESRS E2 – Pollution**, the Group's activities do not result in significant emissions of air, water or soil pollutants that are not directly applicable. In particular, with regard to **Alperia Ecoplus**, which manages cogeneration and district heating plants, emissions are strictly monitored and comply with the regulatory limits set forth in **Legislative Decree No. 152/2006**, with no exceedances of threshold values for pollutants such as NOx, CO and particulate matter, and no reporting obligations related to the E-PRTR regulations, for which there are no open disputes. In addition, various technologies have been adopted to further reduce the amount of pollutants. With regard to activities in hydroelectric power plants, the main impact could be on water due to lubricating oils. However, various procedures have been drawn up to manage these externalities in order to minimise any losses, which are in any case insignificant amounts out of the total amount of water turbined.

For **ESRS E5 – resource use and circular economy**, Alperia's core business is based on hydropower generation and does not include waste collection, management and disposal. In addition, district heating optimises the use of waste heat from industrial and cogeneration sources, reducing the demand for fossil fuels and improving energy efficiency. The company constantly monitors the consumption of materials and their disposal, which are managed according to the law. Furthermore, the components used in the plants are not produced in-house, so the quantities of waste produced by the Group are insignificant in relation to its activities. Finally, a large part of the waste produced by the Group is composed mainly of scoured material collected from the intake and diversion works.

17.5 Methodological note

This Sustainability Statement takes the form of the Consolidated Sustainability Report pursuant to Legislative Decree No. 125 of 6 September 2024, transposing Directive (EU) 2022/2464 (CSRD), and examines the activities and indicative data of the Group according to the reporting scope of the Consolidated Financial Statements 2024. Any deviations, with reference to the perimeter, are indicated in footnotes to the data in question.

List of subsidiaries

Business unit	Company	Investment (%)	Activity
Holding	Alperia Spa		Parent Company
	Hydrodata Spa	50.51	Engineering and consulting
	Alperia Innoveering Srl	(99 Hydrodata Spa)	Engineering and innovation
Energy production	Alperia Greenpower Srl	100	33 hydroelectric plants 7 photovoltaic systems (Bolzano)
	Alperia Vipower Spa	76.1	2 hydroelectric power stations
Sales	Alperia Smart Services Srl	100	Sale of goods and services
	Fintel Gas e Luce Srl	90	Electricity and gas sales
Trading	Alperia Trading Srl	100	Electricity and gas trading
Networks	Edyna Srl	100	Electricity and gas distribution
Heat & Services	Alperia Ecoplus Srl	100	6 district heating plants
Smart Region	Alperia Green Future Srl	100	Energy efficiency
	Care4U Srl	81.18	E-health services

List of joint ventures without operational control

Business unit	Company	Investment (%)	Activity
Holding	Neogy Srl	50	Electromobility
Energy production	SF Energy Srl Alperion Srl Enermac Srl Bioenergia Srl Generai Srl	50 50 50 50 50	2 hydroelectric power plants 1 wind farm 1 wind farm 1 wind farm 1 wind farm

List of associates without operational control

Business unit	Company	Investment (%)	Activity
Heat & Services	Teleriscaldamento Silandro Srl	49	1 district heating plant
Holding	ALPSGO Srl IIT Hydrogen Srl Bio.Te.Ma Srl	24.9 48.41 11.43	Car sharing Hydrogen research and development Biofuels research and development
Energy production	Azienda Elettrica Campo Tures S.c.a.r.l. Enerpass S.c.a.r.l. Centrale Elettrica Moso S.c.a.r.l.	49 34 25	1 hydroelectric plant 1 hydroelectric plant 1 hydroelectric plant

List of unconsolidated subsidiaries

Business unit	Company	Investment (%)	Activity
Holding	JPE 2010 S.c.r.l. Art Srl	2.9 5	Energy efficiency Engineering and consulting

Please refer to the section "Corporate and organisational reorganisation" within the section "Significant Events in 2024" of the 2024 Consolidated Financial Statements for further details on the corporate transactions carried out by the Group during 2024.

Furthermore, it is specified that in the Sustainability Statement for joint ventures, associates or unconsolidated subsidiaries without operational control[15],the following consolidation method has been applied with regard to energy production and the calculation of emissions:

Type	Consolidation method in the Sustainability Statement
Joint ventures without operational control	Proportionally for energy production
	Proportionally for Scope 3 emissions – category 15
Associates without operational control	Proportionally for energy production
	Proportionally for Scope 3 emissions – category 15
Unconsolidated subsidiaries	Proportionally for energy production
	Proportionally for Scope 3 emissions – category 15

Alperion Srl, a joint venture without operational control, which was established in November 2024, and its subsidiaries Enermac Srl, Bioenergia Srl and Generai Srl, are consolidated proportionally with respect to energy production and for Scope 3 emissions (category 15).

In 2024, no subsidiary of Alperia Spa included in the consolidation is obliged to individual sustainability reporting pursuant to Article 19a(9) or Article 29a(8) of Directive (EU) 2013/34.

The misalignment of the total number of employees presented in this Sustainability Statement compared to the Consolidated Financial Statements is due to the different way the figure was calculated. In the Consolidated Financial Statements, the number reported is calculated from the average number of employees over the year.

The Group's Sustainability Statement is published annually. This Consolidated Sustainability Reporting has been prepared in accordance with the European Sustainability Reporting Standards ESRS (Delegated Regulation (EU) 2023/2772). Where possible, a comparison with the years 2022, 2023 and 2024 has been included.

15 Please refer to Appendices A and B of the 2024 Consolidated Financial Statements for the complete list.

With regard to the gradually introduced disclosure requirements[16], the Group will make use of this option in 2024, provided for by the standard, with regard to the following indicators:

- ESRS 2 SBM-1, Paragraph 40(b) (breakdown of total revenues by significant ESRS sector) and Paragraph 40(c) (list of additional significant ESRS sectors);
- ESRS 2 SBM-3, Paragraph 48(e) (expected financial effects);
- ESRS E1-9, anticipated financial effects from material physical and transition risks and potential climate-related opportunities;
- ESRS E4-6, anticipated financial effects from biodiversity and ecosystem-related risks and opportunities;
- ESRS S1-14, work-related illnesses of non-employee workers.

The Group did not avail itself of the option to omit specific information corresponding to intellectual property, know-how or innovation results nor of the exemption from disclosure of information concerning upcoming developments or matters under negotiation.

The Group has introduced in this sustainability reporting some entity-specific disclosures disclosed in previous periods. The set of additional disclosures is duly noted within the section "ESG Content Index" and some of them refer to GRI reporting principles.

Finally, as far as Scope 3 data are concerned, the significant Scope 3 categories (categories 3 and 11) were calculated using the inventory method (94% of the total), while non-significant Scope 3 categories are estimated using the screening method and therefore Scope 3 suffers from uncertainties.

[16] ESRS 1, Appendix C.

Environmental information

alperia

53
Percentage of energy consumption from renewable sources within the Group

95%
Net energy produced from renewable sources

1,627,905 tCO_2e
Total market-based operational GHG emissions – Scope 1, 2 & 3

18.1 ESRS E1 – Climate change

Impacts, Risks and Opportunities

Through its actions, the Group produces both positive and negative impacts with respect to climate change and energy. In fact, the Group produces, buys and sells energy from different types of sources. The use of renewable sources (such as hydropower) undoubtedly generates a positive impact on its customers and the region, which is reflected in the improvement of the energy mix and the achievement of the Climate Plan targets set by the Autonomous Province of Bolzano. However, the Group also buys and sells energy from fossil fuels, which contributes to increasing the amount of greenhouse gas emissions along the entire value chain.

Furthermore, the production of heat using district heating plants fuelled by natural gas, biomass and waste results in increased emissions from the operations of their facilities (waste-to-energy plants and landfills for municipal waste) and from the energy carriers supplied in the value chain. The installation of gas-fuelled cogeneration plants at customers' premises increases emissions of climate-changing substances into the atmosphere.

With regard to climate risks, the Group takes into account the current and potential effects of climate change, which may affect its infrastructure and energy supply. The analysis developed includes the assessment of spatial vulnerabilities, the exposure of assets to events, and the identification of adaptation measures necessary to ensure operational resilience, which, if not managed, could affect production and thus revenue. In addition, the Group carefully monitors the physical risks associated with extreme events such as droughts, floods or heat waves, assessing their potential financial impacts in both the short and long term.

However, the increasing focus on the fight against climate change and provincial and national climate targets creates an important opportunity for the Group. Through the implementation of its Net Zero climate strategy, the Group can meet this requirement by reducing emissions in the production and sale of non-renewable energy. Furthermore, by promoting services for energy efficiency, consumption reduction and renewable energy production at household and industrial level, the Group can strengthen its role as a partner for the energy transition. Finally, an increased demand for renewable energy could lead to greater diversification of the Group's production facilities, in addition to hydropower.

As mentioned in the "Double materiality analysis" section, the Group conducted an extensive assessment to identify the impacts, risks and opportunities related to its operations and value chain, considering various sources. Concerning GHG emissions specifically, Scope 1, 2 and 3 emissions, which have been mapped for years through the GHG inventory, and the Group activities from which they are generated, were examined. Subsequently, the assessment, conducted according to the criteria outlined in the section on "Double materiality analysis", validated the significance of Scope 1, 2 and 3 emissions generated by the Group's activities.

The specific description of climate change impacts, risks and opportunities can be found in the section "Impacts, Risks and Opportunities for the Group" in the appendix.

Climate Risk and Vulnerability Assessment

The Climate Risk and Vulnerability Assessment was conducted in 2023 and deepened in 2024 with the aim of identifying and assessing the main physical and transitional risks arising from climate change to which the Group is exposed. Our corporate mission is to be a trusted and reliable partner in promoting the energy transition. Consequently, climate change, with its risks and opportunities, is a crucial element to consider in order to ensure the resilience of our business model and service continuity. This is also analysed and reflected in our corporate strategy (2023–2027 Business Plan and Vision 2031). This analysis, among other factors, is based on various climate scenarios from in-depth studies conducted by the Eurac Research Institute in Bolzano.

The analysis comprises three key stages:

- the identification of relevant physical and transitional risks that could affect the economic activity during its lifetime;
- the assessment of the impacts of the same risks through the use of different future climate scenarios (the scenarios used during the process were developed by Eurac[17] on the basis of the IPCC RCP 4.5 and RCP 8.5, applying time horizons up to 2100, respectively; and
- the development and implementation of adaptation solutions that reduce the physical and transient risks identified.

These scenarios are aligned with **climate assumptions**, which ensure consistency between physical and transition risk assessments and economic and financial projections. The analysis considers, for example, variables such as **the evolution of decarbonisation policies, CO_2 prices and future availability of natural resources**, adapting strategic planning and investments according to the evolving external environment as a result of climate change.

The analysis led to the identification of the following risks:

[17] Eurac Research is a private applied research centre based in Bolzano, which was founded in 1992 in South Tyrol.

- risks generated by acute and chronic climatic events that may generate inefficiencies in the group's future production and energy capacities and punctual damage to distribution networks resulting in loss of revenue and cost increases for the Group.

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

- to describe the climate risk management process;
- to define physical and transitional climate risks and opportunities;
- to describe the economic activities impacted by climate change in the business units;
- to provide an overview of business unit investigation objects and activities that are incompatible with our Net Zero objective; and
- to create a process in which climate risks are monitored and mapped.

The Risk Management Department coordinates the climate risk management process:

- determining the overall approach and methodology of the climate risk management process;
- coordinating input from external scientific research organisations;
- establishing knowledge and awareness of climate risks within the Group;
- consolidating, preparing and visualising information collected by business units; and
- creating internal and external relationships related to climate risks.

Through the Climate Risk Handbook, the Group outlines a robust climate risk management process and, at the same time, 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 institutions reflects the desire to adopt rigorous scientific methodologies.

Resilience to climate risks can be increased through technical adaptation solutions. For various reasons, technical solutions may not be sufficient for all risks and impacts, such as gas sales. In such cases, strategic decisions are required. The Risk Management department is responsible for providing the Parent Company's Management Board with a comprehensive overview in order to separate risks requiring technical solutions from those requiring strategic decisions.

In order to better manage and monitor ESG risks, the Risk Management department has set up an integrated and periodic monitoring and reporting process for risk management at Group level, as provided for in the Sustainability Plan. This commitment took the form of the implementation of a dedicated ESG risk environment within the Risk Management tool.

In conclusion, the Group is committed to maintaining high standards of transparency and accountability by consolidating, preparing and displaying the information gathered by the various business units in internal and external reports. The continuous monitoring of the climate risk and its integration into ESG reports underline the Group's holistic approach and long-term vision towards sustainability. The specific description of climate change impacts, risks and opportunities is available in the section "Impacts, Risks and Opportunities" in the appendix.

Managing Impacts, Risks and Opportunities

Policies and procedures

The Group's Sustainability Policy[18] sets out the Group's commitment "*to achieve NET ZERO by reducing its greenhouse gas emissions and promoting low-emission energy production"*. This policy addresses the crucial challenges of **mitigation and adaptation to climate change**, of **energy efficiency** and the **deployment of renewables** setting clear targets to minimise environmental impacts and seize the opportunities of the transition to a low-carbon economy.

The policy does not deal with district heating, climate risks and cogeneration in detail. However, the policy commits the Group to manage its activities by reducing its emissions wherever possible.

Hence Alperia's commitment to reduce the impact of **district heating**, optimising the use of biomass and waste heat, and to enhance **production from renewable sources**, improving the area's energy mix to accelerate the ecological transition. **Gas-fired cogeneration plants** are also operated with an efficiency-oriented approach, adopting advanced technological solutions to minimise their environmental impact.

Finally, to address **climate risks**, the Group invests in **infrastructure security and resilience**, integrating sustainability into corporate governance to ensure business continuity, reduce future costs and contribute to a more stable and responsible energy system.

At the same time, the policy aims to exploit opportunities, such as improving energy efficiency and developing innovative technologies for sustainability.

The policy is integrated into the Sustainability Plan, which details the operational objectives and related performance indicators (KPIs) used to monitor progress. The Sustainability Plan is monitored on an annual basis involving the relevant corporate functions, ensuring continuous verification of its

[18] The Sustainability Policy was drawn up on Alperia's initiative to formalise its commitments towards the environment and people. It is not intended to respond to third-party standards or initiatives. For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

effectiveness. Both instruments are the result of stakeholder engagement activities conducted in 2021. Consequently, they take into account the interests and opinions expressed during this activity.

The Sustainability Policy is approved by the Management and Supervisory Board of the Parent Company and is available for interested stakeholders on the Group's institutional website[19]. It is communicated to all relevant stakeholders, including those who may be directly affected by the impacts or who must contribute to its implementation. The Group ensures the involvement of its suppliers and partners, disseminating sustainability principles and practices along the supply chain.

The policy also extends to the Group's companies, including Alperia Ecoplus Srl, Alperia Greenpower Srl and Alperia Vipower Spa , whose activities are certified according to the ISO 14001:2015 standard and EMAS-registered, testifying to their strong commitment to managing environmental impacts.

The Group's climate strategy, an integral part of the Sustainability Plan, sets clear targets to reduce greenhouse gas emissions and achieve climate neutrality, aligning with the goals of the Paris Agreement.[20]

Emission reduction targets for each business unit have been integrated into the 2023–2027 Business Plan, and emission monitoring, reduction and offsetting activities are implemented following a structured approach that includes:

- reduction through innovative technologies;
- accurate monitoring of emissions (Scope 1, 2 and 3); and
- compensation through climate protection programmes and own initiatives.

Actions

In its Sustainability Policy the Group expresses its Green Mission for a solid commitment to building a more sustainable future. The company operates with respect for nature, the primary source of energy and life, developing innovative solutions to strike a balance between economic activities and environmental protection. For this reason, the Group defined a Vision in 2022, with CO_2e reduction targets, which were subsequently submitted to and evaluated by SBTi for more robust scientific validation.

SBTi-validated targets contribute to monitoring the management of climate change impacts, risks and opportunities.

[19] The Sustainability Policy is available online.
[20] In addition, ESG targets were inherent to management

The Group has initiated major actions to reduce emissions, starting with the targets of Vision 2031, which sets the ultimate goal of **achieving Net Zero by the year 2040 (for more details see section "Targets").** These goals go hand in hand with South Tyrol's Climate Plan, which aims to reduce emissions by 55% by 2030 and cover 75% of energy needs with renewables, reaching Net Zero[21] and 100% renewables by 2040. Like many other EU countries and member states, South Tyrol has also recognised the need to implement the climate targets set at the 2015 Paris Climate Conference[22] faster than 2050 by setting them at 2040. The achievement of the Group's objectives is, of course, underpinned by changes in the external market and regulatory environment.

The Group will achieve emission reductions through the following decarbonisation levers, which are part of our transition plan to achieve Net Zero by 2040 and which are approved by our governing bodies, which require the availability and allocation of human and financial capital[23] for implementation:

- switch to biomass plants or other district heating sources/technologies, as the use of gas is gradually reduced. This significantly reduces the Group's Scope 1 emissions from methane combustion and reduces dependence on foreign countries for this energy source[24];
- electrification of the fleet, where possible, thus reducing direct emissions of CO_2 and air pollutants, helping to improve local air quality and reduce global warming;
- reduction of natural gas to heat offices and increase in renewables with the extension of photovoltaics on the roofs of our site buildings. By reducing the use of non-renewable energy sources, direct emissions are also reduced.

[21] This is in line with South Tyrol's decarbonisation pathway, which is aligned with the Paris Agreement and ahead of the Green Deal.
[22] The agreement reached on 12 December 2015 commits to keeping the temperature rise below 2° C and, if possible, below 1.5° C compared to pre-industrial levels.
[23] For a reconciliation with the figures in the balance sheet, please refer to the section in the notes "9.2 Tangible assets"
[24] For further details on actions, please refer to section 3.2.3 Security of Supply-Telecom

- raising awareness among staff[25] through various training and involvement initiatives and reducing waste through dedicated campaigns in which posters were put up at power plants and company offices with practical advice on reducing consumption and the "Let's save energy together" competition was launched, asking participants to identify sustainable projects, initiatives and behaviour.
- Purchase of wind and solar power plants in order to diversify production sources. In 2024, the Alperion joint venture was established. The company will develop and manage a portfolio of wind power plants in Apulia, with a total capacity of about 120 MW, of which 62 MW already operational and 58 MW under construction. Alperia's share of production in 2024 amounts to 58 GWh[26].
- Alperia Greenpower Srl, in relation to what was presented during the concession-granting/renewal procedure, carries out a series of renovations of existing electromechanical machinery and the construction of new power plants for energy recovery from MVF or residual jumps. This is also to ensure sustainable and efficient management of the water resource while improving safety, environmental impact and reliability, thus increasing the amount of energy produced for the same amount of water. Investments amounting to Euro 30,873,000 have been planned[27] over the three-year period 2023–2025.
- With regard to cogeneration plants, as indicated in the commitment section, the Group currently has no new EPC projects with an electricity-generating power station and addressed invoice (cogeneration side) and is considering alternative solutions, such as hydrogen.

These actions are in line with the transition plan and are in addition to the initiatives carried out and completed in recent years in the context of the Sustainability Plan 2017–2021, which have reduced the Group's emissions[28].

The actions aimed at reducing Scope 1 emissions mainly concern the Group's activities located in South Tyrol. In contrast, actions aimed at reducing Scope 2 and 3 emissions also extend to some extent to the upstream and downstream value chain. In particular, as regards the reduction of Scope 3 emissions from the sale of non-renewable electricity and gas, the future sale of only green electricity and a gradual transition to the sale of bio-fuels, green gas and biomethane are envisaged. The Group's strategy envisages the sale of **388** million standard cubic metres of gas by 2027, which corresponds to a reduction

[25] With regard to remuneration linked to climate targets, please refer to section S1.
[26] For a reconciliation with the figures in the Financial Statements, please refer to the paragraph in the Notes to the Financial Statements "2.2.3 Scope of consolidation and changes"
[27] For more information, please refer to the Environmental Declaration of Alperia Greenpower Srl available on the Alperia website. For a reconciliation with the figures in the balance sheet, please refer to the section in the notes "9.2 Tangible assets"
[28] More details can be found in the Non-Financial Statements available online.

of **21%** compared to 2022, and the sale of the equivalent of 22 million standard cubic metres of biomethane. Finally, in terms of non-renewable energy sold (net) to 2027, **1,775 GWh** is expected to be sold, a **60%** reduction from 2022. This significantly reduces CO_2 emissions (Scope 2 and 3) and promotes a more sustainable energy system for customers and users. In addition, the Group is expanding its offer of biofuels, green gas and biomethane to replace fossil natural gas in the industrial and residential sectors, contributing to the reduction of methane emissions, a greenhouse gas with high global warming potential.[29]

The decarbonisation levers adopted make it possible to seize the opportunities offered by the increasing focus on combating climate change and the provincial and national climate targets, also in response to different climate scenarios. By switching to biomass and renewable sources for district heating, reducing the use of natural gas and progressively selling only renewable energy, the Group contributes to the reduction of emissions in the production and sale of energy, responding in a concrete way to the market's and institutions' need for sustainability. In addition, the expansion of photovoltaics on company buildings and the promotion of energy efficiency and consumption reduction services position Alperia as a strategic partner for industrial and domestic customers who need to reduce their environmental impact. At the same time, the growing demand for renewable energy offers the Group the opportunity to diversify its production mix beyond hydropower. Investments in wind power, as demonstrated by the creation of the Alperion joint venture, and in new energy recovery technologies in hydropower plants, enable an increase in production capacity from sustainable sources. This not only improves energy security and resilience but also opens up new opportunities for growth, generating additional revenues from products and services in line with the ecological transition and strengthening the Group's positioning.

Finally, the Group is carrying out a number of activities in order to make its operations increasingly resilient to the future challenges of climate change.

- Burying Edyna's power lines, reducing vulnerability to extreme events such as storms, fires and heat waves. By protecting cables from weather and falling trees, power outages are minimised, ensuring a more stable and secure supply. Moreover, a more reliable grid facilitates the integration of renewable energy and reduces maintenance costs in the long run, ensuring a more sustainable and resilient energy distribution.[30]
- The Group has implemented several initiatives to mitigate the effects of drought and extreme rainfall, regulating water flows to prevent flooding and ensure minimum vital flow in

[29] For further details, please refer to the actions and targets described under "Sustainable Products and Services".
[30] For further details please refer to the actions and targets described under "Security and accessibility of supply".

watercourses.[31] Furthermore, the diversification of production sources with other renewables makes the Group more flexible and secure to climate change, contributing to energy sustainability in an increasingly unstable climate context.

- Evaluation of possible Capture & Storage projects, consisting of technology to capture CO_2 emitted by industrial activities and store it safely before it is released into the atmosphere. Such projects are a complementary strategy to reduction measures for those residual emissions that cannot be avoided.

In 2024, investments (CapEx) in the eligible activities and aligned to Objective 1 of the EU Taxonomy, amount to Euro 131,481,000 and are part of the Euro 1.14 billion of investments foreseen in the 2027 Business Plan for the energy transition. It should be noted that no investments were made in natural gas distribution during the year.[32]

For more details on eco-sustainable actions identified in compliance with Regulation 852/2020, please refer to the "EU Taxonomy" section. It is specified that there are currently no specific targets or plans regarding KPIs turnover, CapEx or OpEx.

It is specified that the Group is excluded from the EU benchmarks aligned with the Paris Agreement.

With regard to "locked-in"[33] GHG emissions the Group does not consider this to be significant for its business and did not consider this when setting actions and targets.

Metrics, commitments and targets

Supply and green energy

In 2024, the Group produced 5,533 GWh of energy from renewable sources (attested by the relevant guarantees of origin), with a hydroelectric capacity of about 1.4 GW. Specifically, 5,403 GWh of hydroelectric power, 0.93 GWh of solar power, 58 GWh from wind power and 71 GWh from biofuel were produced. 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 RES plants and the expansion of existing ones.

[31] For further details please refer to the actions and targets described in section E3 – Water and marine resources"
[32] However, work is carried out on behalf of third parties.
[33] Locked-in GHG emissions: estimation of GHG emissions that are likely to be caused by the company's key assets or products sold by the company during their operating life.

Net energy production broken down by energy source[34] (E1–5, entity-specific EU 2)

		Unit	2024	%	2023	2022	*Change (2023–2024)*
Total net electrical energy produced		GWh	5,524		4,323	3,147	28%
of which:	Hydroelectric	GWh	5403	93%	2,842	3,814	34%
	Photovoltaic	GWh	0.93	0.02%	0.11	9	201%
	Cogeneration (gas/diesel)[35]	GWh	48	0.8%	57	51	–27%
	Biofuel	GWh	71	1.2%	248	262	–68%
	Wind power	GWh	58	1%			
Thermal energy produced[36]		GWh	309	5.3%	248	234	24%
Total net production		**GWh**	**5,832**	**100%**	**4,571**	**3,381**	**28%**

Net energy production broken down by renewable and non-renewable sources (E1–5) *1

	Unit	2024	%	2023	%	2022	%	*Change (2023–2024)*
Net energy produced from renewable sources	GWh	5,533	95%	4,257	93%	3,090	91%	17%
Net energy produced from non-renewable sources	GWh	299	5%	313	5.8%	291	8.6%	1%
Total net production	**GWh**	**5,832**	**100%**	**4,570**	**100%**	**3,381**	**100%**	**18%**

Monitoring energy consumption

The Group uses mainly energy from renewable sources for its plants and locations. In 2024, the Group's direct and indirect energy consumption, defined as that of the Group's operating companies, customer offices and representative offices, amounted to 729,553 MWh.

47% of energy consumption comes from non-renewable sources and 53% from renewable sources.

[34] Net energy production includes energy produced in established plants (35 hydroelectric plants, six district heating plants, seven photovoltaic plants, one biofuel plant for the first three months of 2024) at 100%. Joint ventures without operational control, associates without operational control and unconsolidated subsidiaries are to be proportionally consolidated for energy production from 2024.
[35] Electricity produced from natural gas (EP Merano, EP Bolzano, EP Chiusa).
[36] Includes thermal energy produced from biomass, gas, oil and purchased from the waste-to-energy plant. Includes Ecoplus Srl and the share of TLR Silandro Srl

Energy consumption (E1–5)[37]

		Unit	2024	%	2023	%	2022	%	*Change (2023–2024)*
Total energy consumption from fossil sources		**MWh**	**345,477**	**47%**	**399,484**	**37%**	**244,359**	**25%**	**–14%**
of which:	Natural gas	MWh	337,986	46%	393,557	36%	234,132	24%	–14%
	Coal	MWh	-	0%	-	0%	-	0%	0%
	Diesel oil	MWh	2813	0%	1,887	0%	5,967	1%	49%
	Diesel	MWh	3119	0%	3,323	0%	3,665	0%	–6%
	Petrol	MWh	1559	0%	717	0%	595	0%	117%
Total energy consumption from fossil sources		**MWh**	**384,076**	**53%**	**694,016**	**63%**	**716,244**	**75%**	**–45%**
Fuel consumption from renewable sources		**MWh**	**225,355**	**31%**	**560,544**	**51%**	**592,775**	**62%**	**–60%**
of which:	Palm oil	MWh	154,784	21%	498,196	46%	539,164	56%	–69%
	Wood chips	MWh	70,571	10%	62,348	6%	53,611	6%	13%
	Hydrogen	MWh	5	0%	-	-	-	-	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources		**MWh**	**149,517**	**20%**	**125,449**	**11%**	**113,992**	**12%**	**19%**
of which:	Electricity	MWh	17,594	2%	17,072	2%	16,606	2%	3%
	Heat	MWh	131,923	18%	108,377	10%	97,387	10%	22%
Self-produced renewable energy consumption		**MWh**	**9,204**	**1%**	**8,024**	**1%**	**9,477**	**1%**	**15%**
Total energy consumption from nuclear sources		**MWh**	**-**	**0%**	**-**	**0%**	**-**	**0%**	**0%**
Total energy consumption		**MWh**	**729,553**	**100%**	**1,093,500**	**100%**	**960,603**	**100%**	**–33%**

[37] The data shown in the "Energy consumption" table are collected using a dedicated tool that is compiled by each contact person identified for each BU. The values were converted into MWh using coefficients provided by DEFRA. The figures refer to the Group's consolidated perimeter, however it should be noted that Biopower Sardegna is included until Q1 of 2024. The data reported have not been subjected to full and dedicated validation by a third, independent body, but are part of certifications obtained by the group such as EMAS and ISO 50001.

Reconciliation of amounts of net revenue from high climate impact activities (E1–5)

	Unit	2024	2023	2022
Net revenues from activities in high-impact sectors	€	684,803,254	647,044,336	1,224,166,100
Total net revenue (Financial tatements)	€	2,366,133,761	2,724,991,513	3,637,897,750
Net revenue (other)	€	1,681,330,506	2,077,947,177	2,413,731,650

Energy intensity based on net revenue related to activities in high climate impact sectors (E1–5, 43)

	Unit	2024	2023	2022	*Change (2023–2024)*
Energy intensity rate	**MWh/Euro**	**0.0011**	**0.0017**	**0.0008**	**–37%**

The energy intensity rate is calculated by comparing consumption (in MWh) and net revenues (in Euro) related to activities in the climate-intensive sectors. In the context of the Group, only activities identified according to the following NACE codes were considered:

- D 35.11 – Production of electricity (relating to the companies Alperia Greenpower Srl and Biopower Sardegna Srl - now Biopower Ottana Srl);
- D 35.13 – Electricity distribution (related to Edyna Srl);
- D 35.30 – Production and distribution of heat (concerning the company Alperia Ecoplus Srl);
- F 43 – Specialised construction works (concerning the company Alperia Green Future Srl).

The revenues used were obtained from the net revenues in the Consolidated Income Statement.

The data reported have not been subjected to full and dedicated validation by a third, independent body, but are part of certifications obtained by the group such as EMAS and ISO 50001.

Monitoring of emissions

The emissions generated by the Group are divided into:

- **Scope 1**: direct greenhouse gas emissions from installations within the Organisation's boundaries due to the use of fossil fuels and emissions of any greenhouse gas into the atmosphere (CO_2 emissions generated by fuels burned in energy production plants and from the company's own fleet/vehicles).
- **Scope 2**: indirect greenhouse gas emissions from the Group's indirect consumption (e.g., emissions generated by the purchase of electricity from third-party suppliers and consumed both in plants and offices, as the Group is indirectly responsible for the emissions generated by the supplier 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 activity. 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).

The monitoring showed that the Group generated 1,627,905 tCO_2e total market-based emissions in 2024 (1,716,437 tCO_2e in 2023). The Group's total emissions decreased by 34% compared to 2022 and by 5% compared to 2023, confirming a downward trend.

The reduction in emissions in the year 2024 compared to the year 2023 is mostly due to a reduction in Scope 1 emissions and, more specifically, to a reduction in direct consumption of natural gas (–18% of Scope 1 emissions) and a reduction in Scope 3 emissions, which are related to the decrease in natural gas sales to end customers (–7% reduction in 2024 compared to 2023 in Scope 3–Use of products sold).

The reduction of emissions in the year 2024 compared to the year 2022 is mostly attributable to Scope 3, where a –35% in 2024 compared to 2022 was recorded, mostly due to a paradigm shift in sales of electricity and natural gas to end customers: increased renewable electricity sold at the expense of non-renewable and reduced volumes of natural gas sold. In particular, 3,296 Guarantees of Origin were cancelled for electricity sales, certifying that 60% of the energy sold came from renewable sources. Gross direct greenhouse gas emissions, i.e., Scope 1, within which SF6 also falls, in 2024 were 76,569 (92,879 tCO_2e in 2023).

GHG emissions[38] (E1–6)[39]

		Unit	2024	2023	2022	*Change (2023–2024)*
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions		tCO_2e	76,569	92,879	61,726	*–18%*
of which biogenic emissions		tCO_2e	3,618	9,781	10,386	*–63%*
The percentage of Scope 1 GHG emissions from regulated emission trading schemes		tCO_2e	10%	11%	13%	*–29%*
Scope 2 GHG emissions						
Gross Scope 2 GHG location-based emissions		tCO_2e	2,506	2,435	1,632	*3%*
Gross Scope 2 GHG market-based emissions		tCO_2e	586	670	612	*–13%*
Scope 3 GHG emissions						
Total gross Scope 3 indirect GHG emissions		tCO_2e	1,550,750	1,622,888	2,390,798	*–4%*
of which:	1. Purchased goods and services	tCO_2e	29,751	42,151	23,176	*–29%*
	2. Capital goods	tCO_2e	42,558	67,345	17,869	*–37%*
	3. Fuel and energy-related activities (not included in Scope 1 and 2)	tCO_2e	746,449	728,564	1,290,028	*2%*
	4. Upstream transportation and distribution	tCO_2e	452	6,079	611	*–93%*
	5. Waste generated in operations	tCO_2e	249	178	315	*40%*
	6. Business travelling	tCO_2e	494	301	344	*64%*
	7. Employee commuting	tCO_2e	472	473	473	*0%*
	8. Upstream leased assets	tCO_2e	–	–	–	–
	9. Downstream transportation	tCO_2e	–	–	–	–

[38] Emissions of the consolidated accounting Group.
[39] The emission factors used according to DEFRA. Data are aggregated according to the GHG Protocol. From 2022, the greenhouse gas inventory is completed (all Scope 1, 2 and 3 subcategories are included in the analysis. Significant Scope 3 categories (categories 3 and 11) are calculated using the inventory method (94% of the total), while non-significant Scope 3 categories are estimated using the screening method, and therefore Scope 3 suffers from uncertainties. The location-based emission factor used for purchased electricity is ISPRA based on the Italian energy mix.

10. Processing of sold products	tCO_2e	–	–	–	–
11. Use of sold products	tCO_2e	714,032	764,018	1,046,003	*–7%*
12. End-of-life treatment of products sold	tCO_2e	5,895	5,895	5,895	*0%*
13. Downstream leased assets	tCO_2e	–	–	–	–
14. Franchises	tCO_2e	–	–	–	–
15. Investments	tCO_2e	10,398	7,882	6,084	*32%*
Total GHG emissions					
Total GHG emissions (location-based)	tCO_2e	1,629,825	1,718,202	2,454,156	*–5%*
Total GHG emissions (market-based)	tCO_2e	1,627,905	1,716,437	2,453,136	*–5%*

The revenues used to calculate the emission intensity were obtained from the net revenues presented in the Consolidated Income Statement, as shown in the table below:

Reconciliation of net revenues used to calculate GHG emission intensity (E1–6)

	Unit	2024	2023	2022
Net revenue used to calculate GHG emission intensity	€	2,366,133,761	2,724,991,513	3,637,897,750

GHG emission intensity based on net revenue (E1–6)

	Unit	2024	2023	2022
Total GHG emissions (location-based) versus net revenue	tCO_2e/€	0.0007	0.0006	0.0007
Total GHG emissions (market-based) versus net revenue	tCO_2e/€	0.0007	0.0006	0.0007

Compensation of emissions

In cases where zero emissions are not possible, the Group offsets the remaining emissions with projects that meet the international VCS and Gold Standard, certified by international auditors. By purchasing certificates equal to the amount of emissions to be offset, the Group supports green practices such as planting trees or installing photovoltaic parks.

Together, these operations allowed the Group to annually offset all Scope 1 and 2 emissions[40] as early as 2020. GHG offsetting activities are part of the Group's climate strategy, presented in section "5.3 Integrated strategy". It should be noted that offset activities do not limit efforts to reduce GHG emissions using other decarbonisation levers.

Currently, the Group has no GHG emission absorption or removal projects in its own operations and has not purchased any offset projects within the EU.

For more details on the projects supported, please visit the dedicated page on the website.

[40] The Alperia Group offsets Scope 1 emissions excluding biogenic Scope 1 emissions (from the year 2023) and emissions already offset through the purchase of offset natural gas and offsets Scope 2 market-based emissions. For the year 2024, Biopower Sardegna's Scope 1 and 2 emissions have not been offset as they are discontinuing.

Cancelled carbon credits (E1–7)

	Unit	2024	2023	2022	Change (2023–2024)
Total carbon credits written off outside the value chain[41]	tCO_2e	330,678	199,753	128,186	66%
Total carbon credits removed or absorbed in own operations	tCO_2e	0	0	0	–
Total carbon credits removed or absorbed in the value chain	tCO_2e	0	0	0	–
Share of carbon credits cancelled through emission reduction projects[42]	%	100%	100%	100%	–
Share of carbon credits cancelled through absorption projects	%	0	0	0	
Share of carbon credits cancelled from removal projects, an explanation whether they are from biogenic or technological sinks	%	0	0	0	
Share of cancelled carbon credits certified VCS	%	100%	100%	100%	
Share of cancelled carbon credits certified Gold Standard	%	0	0	0	
Credits generated by projects in the EU	%	0	0	0	
Credits that can be considered a corresponding adjustment under Article 6 of the Paris Agreement	%	0	0	0	

[41] The Group offsets Scope 1 emissions (excluding biogenic emissions) and Scope 2 market-based emissions. In addition, part of the Scope 3 Category 11b emissions from the sale of offset natural gas are also included in the offsets. Some of the group's BUs offset part of their Scope 1 emissions by purchasing offset natural gas directly.
[42] The Group offsets all Scope 1 and 2 emissions and part of the Scope 3 category 11b emissions from the sale of offset natural gas. However, the exact type of absorption projects is still being defined, and certificates are being purchased. For this reason, the percentage may vary

Carbon credits planned to be cancelled in the future (E1–7)

	Unit	2025
Total carbon credits planned to be cancelled in the future[43]	tCO_2e	**395,541**

Derecognised carbon credits derive from voluntary projects pursued by the Group outside its value chain and from activities related to the sale of offset gas carried out by Alperia Smart Services Srl (Scope 3 – Category 11b). The offset emissions of Scope 1 and 2[44] are offset annually after the conclusion of the review of the Sustainability Declaration. The calculations are based on the company's inventory of CO_2e emissions, calculated according to the GHG Protocol. Natural gas sold as offset natural gas is validated through third-party audits by TÜV Deutschland. The carbon credits expected to be cancelled in the future are derived from the forecast values determined during the work on the Business Plan, i.e., the 2025 CO_2e budget and the estimated natural gas sales.

Internal carbon pricing

To incentivise the energy transition internally, the Group has implemented an internal carbon pricing system, based on the allocation of the average price of offsets among all the different Group companies. This mechanism makes it possible to integrate the cost of CO_2 into business decisions, incentivising investment in low-emission solutions and promoting more sustainable management of climate impact.

Currently, the price charged per tonne of CO_2 equivalent is 8 Euro/tCO_2e. The carbon pricing system considers all Scope 1 and Scope 2 emissions offset by carbon credits[45].

Pricing is done by considering the actual average cost incurred for the purchase of certified carbon credits, ensuring fairness between different business entities. In this way, each Group company is empowered to contribute to the reduction of emissions by promoting energy efficiency strategies and the adoption of clean technologies. This approach not only steers investments towards more sustainable solutions but also makes the transition to Net Zero economically viable.

[43] All offsetting takes place outside the value chain.
[44] Scope 1, except for biogenic emissions of Scope 1 and Scope 2 market-based.
[45] Scope 3 emissions are not covered by internal carbon pricing

Targets

As already mentioned, in order to better manage the impacts, risks and opportunities inherent to climate change, the Group has defined several commitments and targets, which are in line with the Sustainability Policy that expresses the Group's commitment to achieve Net Zero[46].

The reductions validated by SBTi are based on relative (Target 1 and Target 2) and absolute (Target 3) targets and follow a precise methodology to ensure the validity of the commitments made. The targets mainly concern the power and heat generation of the various business units, as well as the sale of electricity and natural gas, but apply to the entire Group. The SBTi targets, with base year 2022, include short-term (2032) and long-term (2040, Net Zero) targets.

The targets are aligned with the Paris Agreement (limiting global warming to 1.5°C) and the South Tyrol Climate Plan (Net Zero to 2040) and were defined in agreement with the reference functions, also based on the demands that emerged from interactions with stakeholders. Progress towards these targets is monitored annually through the CO_2e emissions inventory, with updates of emissions forecasts based on estimates of production, consumption and sales volumes.

GHG emission reduction targets: SBTi Targets (1-4)

	Base year: 2022	Target 2032	Target 2040
Reduction of Scope 1 and 2 emissions from electricity and heat generation	59,924 tCO_2e	–76.7%	–93.96%
Reduction of Scope 1 and 3 emissions related to the production and sale of electricity	1,317,750 tCO_2e	–77.9%	–94.4%
Reduction of absolute Scope 3 emissions from the use of fossil products sold	989,728 tCO_2e	–50.4%	–90.0%

Before embarking on the validation pathway of the SBTi targets, Alperia had already defined in the Group's Vision 2031, CO_2e emission reduction targets (Scope 1, 2, 3) in absolute terms, with the aim of progressively reducing the company's carbon footprint compared to the base year 2021, which saw a total of 2,955,468 tons of CO_2e emitted. The Group's main objective is to achieve Net Zero by 2040 (in line with the SBTi methodology with offsets of residual emissions not exceeding 10%), by progressively eliminating its direct and indirect emissions. To ensure this is achieved, the Group has set interim targets for 2027 and 2031, monitoring progress towards reducing greenhouse gas emissions and adopting innovative solutions to minimise the overall environmental impact. The transition plan was formally approved with the approval of the 2023–2027 Business Plan and Vision–2031 by the Management Board and Supervisory Board. This approach aims not only to reduce emissions at the operational level, but

[46] For further details on district heating commitments, please refer to section 3.2.3 Security of Supply-District Heating

also to support a long-term sustainable energy transition, aligning with global sustainability goals and regulatory requirements to combat climate change.

GHG emission reduction targets: Vision 2031 (E1–4)

	Unit	Base year: 2021	Target 2027	Target 2031	Target 2040
Scope 1	tCO_2e	50,820	89,287	15,246	5,082
Biogenic Scope 1	tCO_2e	10,922	1,185	3,277	1092
(Scope 2) market based	tCO_2e	21,841	890	0	0
Scope 3	tCO_2e	2,871,885	1,547,402	861,566	287,189

In order to achieve these goals, several commitments, defined together with internal stakeholders, were made to ensure the achievement of the set reductions. For example, the study and development by 2027 of projects related to the substitution of SF6 gas, hydrogen, carbon capture & storage, biomethane and thermal energy to enable the technology switch needed to achieve Net Zero. In addition, a phasing out of impactful activities such as EPC (combined heat and power) projects by 2032 is also planned[47].

Furthermore, with regard to targets and actions concerning emissions from the sale of our products, these are part of the Sustainability and Business Plan, scheduled for completion by 2027. In particular, with regard to Scope 3 emissions from the sale of products, the following are expected:

- increase in electricity sales to end customers to 5.9 TWh in 2027, more than 70% of which will be through green energy; and
- decrease in gas sales to end customers, which will reach just over 388 million scm in 2027, of which more than 56% will be CO_2-offset gas and 6% biomethane.[48]

Finally, following the analysis of the physical risks on the Group's assets carried out in connection with the EU Taxonomy, the Group is committed to refining the analysis of the economic impacts of climate risks by 2026, ensuring a greater degree of detail in the analysis.

[47] At present, no quantitative targets have been set for exiting cogeneration (EPC).
[48] For further details on targets for the sale of renewable energy, please refer to section "S4–Sustainable Products and Services".

18.2 ESRS E3 – Water and marine resources

Impacts, risks and opportunities

The Group's activities in the field of hydroelectric production are highly dependent on water resources and their proper management. The main risk lies in the insufficient availability of water resources locally and inter-regionally for all stakeholders, resulting in the Group's obligation to release water, leading to lower energy production, with possible impacts on production and revenue.

Impacts on the consumption, abstraction and discharge of the resource are limited, as the water is only turbined and passed through our facilities. In fact, even the Environmental Declaration of Alperia Greenpower Srl, does not consider this aspect as significant. In addition, South Tyrol is not in a water-stressed zone and, as research on the effects of climate change on the local area shows, the water resource is not expected to decrease by much in the future. According to the projections of a study conducted by Eurac, annual precipitation until 2100 shows an upward trend and an increase of **7%** for the average annual precipitation in the period 2071–2100, for the RCP 8.5 scenario, compared to the average precipitation in the base period 1981–2010. However, heavy rainfall is expected to increase in the period 2071–2100 by about **29%** under the most pessimistic scenario and by about 22% under the intermediate scenario compared to 1981–2010 values.[49]

Thus, despite an increase in total rainfall in the future, a lower frequency and concentration of rainfall is expected in some extreme events, which would lead to a loss of profit due to the impossibility of exploiting the entire water resource in the Group's plants.

Moreover, even if total precipitation is expected to increase, climate change will lead to a worsening of the **SPEI (climate water balance)** index in the future. This index represents the water balance between precipitation and evapotranspiration, which is the amount of water (per unit of time) that passes from the soil into the air in the vapour state due to the combined effect of transpiration, through plants, and evaporation, directly from the soil. This would lead to a lack of water absorption in the soil and increased evaporation of water, which would worsen the water balance in addition to possible serious consequences on the territory in the case of hydrogeological disruptions due to extreme events.

Finally, the projections indicate, first of all, an increase in days of intense heat (temperatures greater than the 90th percentile), resulting in increased evaporation of water from reservoirs and reduced availability of the water resource, with a consequent reduction in production. Furthermore, as far as water reserves in the form of ice and snow are concerned, although water availability is expected to increase in the short

[49] https://www.eurac.edu/it/data-in-action/monitoraggio-dei-cambiamenti-climatici/precipitazione; https://www.eurac.edu/it/data-in-action/monitoraggio-dei-cambiamenti-climatici/precipitazione-intensa

term as a result of melting glaciers, there will be a deterioration in the medium to long term as a result of a decrease in frost days by 2100 of about **30%**, which will lead to less water being stored in the form of snow in the mountains during winter periods. This will obviously lead to lower production during summer periods, as well as various impacts on the availability of the water resource for the local community.

From what emerges, climate change will make the Group's role in storing and managing this resource critical to ensuring access to water for all stakeholders in the area, as described in the section on impacts on the community in section S3. Moreover, the management of flood events, which will increase with heavy rainfall, is a key aspect of ensuring the well-being and safety of local communities.

The following research results also emerged from the climate risk analysis carried out by the RM Directorate in cooperation with Eurac. For more details, please refer to the specific section under Sustainability risk management.

In addition, the Group maintains constant contact with relevant stakeholders such as agricultural consortia, local authorities, riparian municipalities, etc. in order to assess and address their water resource issues. This consultation process is part of the Group's commitment to active stakeholder engagement and encompasses the various activities listed in the Stakeholder engagement and Sharing the resource water sections. Activities include:

- local discussion tables to address specific issues and concerns;
- targeted consultations on projects directly involving the communities concerned;
- regular meetings with local authorities to ensure continuous dialogue; and
- regular collaboration with associations active in the area.

For more information on the process of identifying impacts, risks and opportunities and on stakeholder engagement activities, please refer to the sections Double materiality analysis and "Impacts, risks and opportunities for the Group" in the appendix.

Managing impacts, risks and opportunities

Policies and procedures

The proper management of water resources is at the heart of the company's policies and procedures, with a systemic approach that addresses the various aspects of sustainable water use and water safety.

The Sustainability Policy[50] (Green Mission) expresses the Group's commitment to *"a rational and sustainable use of water resources in cooperation with third parties (e.g., farmers and municipalities) by managing the risks associated with water scarcity and developing initiatives, projects and products that promote a responsible use of water resources."*

The policy commits the Group to careful management of reservoirs and facilities, through constant monitoring of water availability and the adoption of advanced predictive tools, based on hydrological and climatic data and simulation models. It seeks to optimise water storage and release, reducing the vulnerability of the hydropower system to rainfall variations while balancing the needs of the resource's stakeholders, including farmers and local governments. The policy emphasises the Group's commitment to actively collaborate with institutions, local communities and relevant stakeholders to ensure a more efficient use of water resources. Particular attention is also paid to climate change adaptation, with actions aimed at strengthening the resilience of hydropower plants and reducing dependence on water reserves alone. For example, through the possible construction of pumping plants, which would allow water to be stored at times when it is most scarce.

Procedure **ATR.PRO-308 Hydroelectric Plant Production Forecast** determines how the company Alperia Trading Srl goes about estimating the expected production in order to best manage the available water resource.

The company is committed to optimising the use of available water resources, ensuring an efficient supply by continuously monitoring water supplies (**ATR.PRO-206** Monitoring and controlling water supply forecasts).

The **ATR.PRO-304 Plant Planning** procedure ensures that reservoir management and production are planned in such a way as to optimise the use of water resources, minimising waste and ensuring a sustainable strategy, also in the light of increased rainfall seasonality expected in the future.

The **PRO 103 Environmental Risk Assessment** procedure focuses on identifying environmental aspects related to the company's activities, including water, and monitoring the associated risks.

Collaboration with external agencies defines how flood events are to be managed to ensure the safety of downstream populations and the integrity of facilities.

Proper compliance with the procedures is ensured by the company management, which oversees their application in accordance with current regulations and company policies. This is done through a continuous monitoring system and control mechanisms that ensure the effectiveness of the measures taken. In addition, the Management avails itself of the support of the relevant corporate functions to

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[50] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

exercise this control activity at a widespread level, identify any areas for improvement and ensure constant alignment with the company's strategic objectives and governance principles.

By means of the above-mentioned procedures, the Group ensures compliance with the principles of ISO 14001.

The sustainability policy is available to all stakeholders on the company website, while the procedures are available to all interested employees on the company intranet.

Actions

The production of electricity from renewable sources takes place through 35 hydroelectric power plants owned and subject to management and coordination and four subsidiaries (50% San Floriano Energy with two 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 Srl The hydroelectric plants are located in South Tyrol, along the main watercourses. Each area is characterised by a complex superficial hydrographic network originating from multiple catchment areas. Water is used with great care, ensuring its availability for multiple uses: from the water catchment and derivation works of the Group hydroelectric plants, several transfer stations have been built to supply fire-fighting services in various municipalities, irrigation utilities and de-frost services for consortia. Some water supplies are also guaranteed for planned snowmaking in ski areas.

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 (administrative act issued by the Autonomous Province of Bolzano regulating the use of water, in these cases, for hydroelectric derivation plants), which set out the quantities to be released in the derived stretches (so-called Minimum Vital Flows). This is described in more detail in section E4.

Through careful and sustainable management of water resources, the Group seeks to limit the damage from extreme drought events as much as possible, as was the case in 2022, when, due to a winter with little snowfall and a prolonged drought, the Group experienced a decrease in water availability. Nevertheless, the Group decided, in agreement with the relevant authorities, to change the production schedules of the hydroelectric power plants in order to ensure higher flow rates to prevent the salt wedge from rising at the mouth of the Adige River. The ability to coordinate the production of hydropower plants in order to store water resources in reservoirs for future drought periods will be increasingly crucial for the upper Adige region as a result of the concentration of future rainfall due to climate change. In this way, thanks to careful scheduling of the water turbined by all the Group's plants, in agreement with the authorities in charge, the Group is able to limit the effects of prolonged periods of water scarcity on citizens and the territory and ensure energy production even during periods of water scarcity. In 2024, the regulators **did not require** the Group to increase water releases as a result of prolonged drought events.

In addition, Alperia Greenpower Srl is committed to preventing and reducing environmental impacts and risks during the management of its plants, also through the voluntary adoption of Environmental Management Systems certified in accordance with ISO UNI 14001 and EMAS (Eco-Management and Audit Scheme) registration, a community eco-management and audit scheme that companies and organisations that wish to engage in assessing and improving their environmental efficiency can voluntarily join. A central part of EMAS certification is the environmental statement, in which validated information on the organisation's environmental facilities and performance, as well as on the continuous improvement of environmental performance, is provided to the public and other stakeholders. The company is also certified according to UNI ISO 9001:2015 and UNI ISO 45001:2018 and adopts an Integrated Management System.

All the actions described have no defined time limit, as they are integrated into a **continuous and structural approach** to water resource management.

Sybil Water

Alperia introduced **Sybil Water**, an innovative hydroelectric power plant management system based on **artificial intelligence**, with the aim of optimising the use of water resources and increasing production efficiency. The system, operating in the **Sarentino** power station, automatically regulates flows between the **Corvara and Valdurna** reservoirs, ensuring more sustainable water management. Using **advanced sensors and predictive algorithms**, Sybil Water continuously analyses hydrological data and production plans, adapting the release of water in real time as needed. This **reduces waste**, improves energy efficiency and better balances water availability with energy demand.

The APC system also guarantees control even under extreme conditions, i.e., when the volume of the collection tanks exceeds the maximum safety threshold or, vice versa, is below the minimum regulation threshold. Consider, for example, extreme weather events: melting snow or incessant rainfall can, in fact, cause an increase in reservoir volumes, requiring extraordinary management. In these cases, the system intervenes by commanding the transfer of water downstream in order to accumulate resources for subsequent production, keeping the reservoir volumes safe.

Metrics, commitments and targets

The quantities of water turbined reach several billion litres each year; during 2024, around 11 billion m3 of water was turbined in the Group's plants to generate around 5000GWh of energy.

To date, the Group has not defined quantitative targets to manage the risk associated with water availability. But given the growing importance of the topic, we set ourselves the goal of analysing the financial impact of water-related risks and opportunities in order to report quantitative KPIs in the Sustainability Statement 2026. Commitments of a qualitative nature include being in continuous dialogue with relevant stakeholders (e.g., agriculture, snowmaking, fisheries) regarding the multiple use of the water resource and launching water-saving initiatives by 2027. The degree to which commitments are met is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance.

18.3 ESRS E4 – Biodiversity and ecosystems

Impacts, risks and opportunities

Electricity production from renewable sources is carried out through 35 hydroelectric power plants owned, subject to management and coordination, and five subsidiaries, with 13 large dams and 17 smaller reservoirs under provincial jurisdiction. The hydroelectric power generation is managed by Alperia Greenpower Srl

The large hydroelectric plants operated by the Group are located in South Tyrol, along the main watercourses. Hydroelectric plants produce renewable energy; thus, they 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) further downstream under the same conditions.

Using the water resource for hydroelectric production, however, changes the water regime and the amount of runoff downstream of the diversion. Particular attention is therefore 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), which set out the quantities to be released in the derived stretches (so-called Minimum Vital Flows or Ecological Flows) to guarantee the maintenance of a good ecological status of the watercourse.

Rivers are a primary source of biodiversity and represent an important part of the rich natural heritage, and improper management of the Minimum Vital Runoff (MVD) of hydropower plants, together with sediment management activities, can jeopardise the survival of sensitive aquatic species and alter the ecological balance of river habitats.

Moreover, dams and river barriers represent a potential obstacle for the migration of fish but also for the transport of sediments, which is a natural factor in the life cycle of aquatic ecosystems. In order to avoid negative impacts on river ecosystems and the areas affected by the presence of the plants operated by Alperia[51], the company provides considerable funds for the implementation of mitigation and compensation measures (more than Euro 22 million/year). The measures are mainly implemented by the affected riparian municipalities and the provincial administration, but partly also by the concessionaire. A number of measures carried out, in particular by the provincial administration, with these funds, involve the structuring and renaturalisation of watercourses for ecological improvement and to safeguard biodiversity.

[51] For further details regarding the management of impacts on the community, please refer to section "S3 – Water resource management"

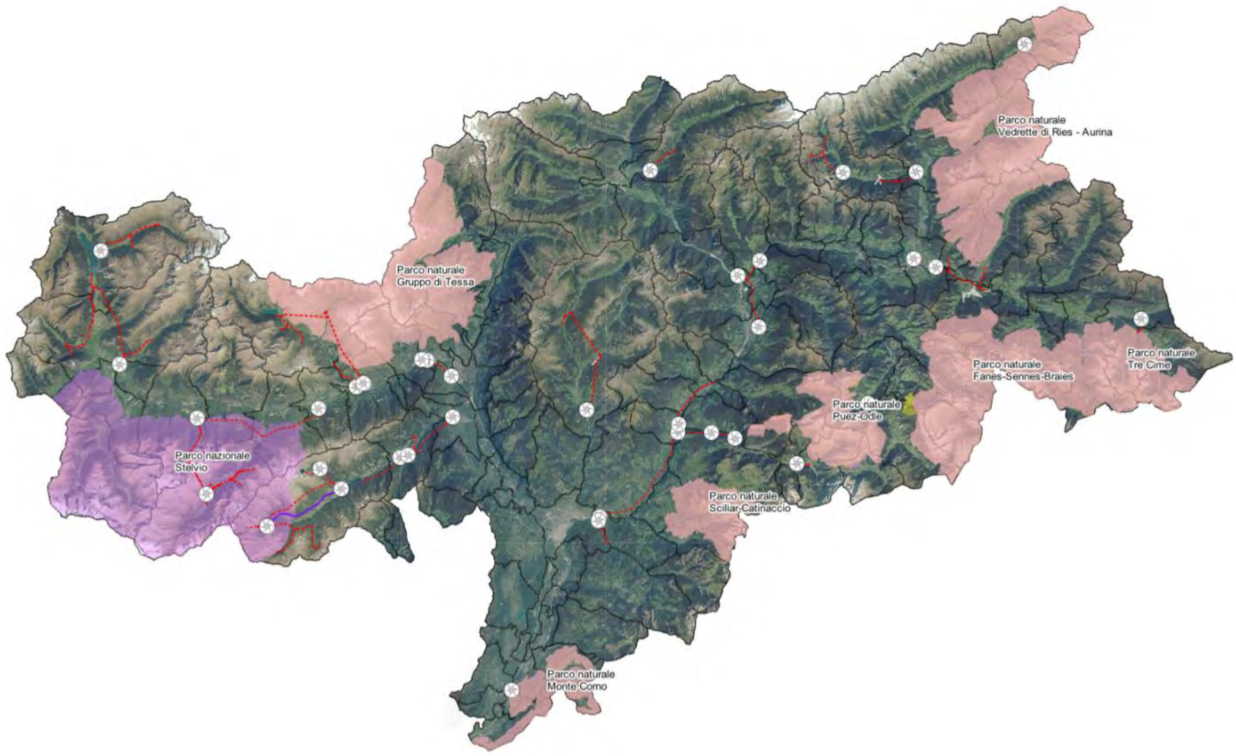
Mention should also be made of small initiatives undertaken or supported by Alperia to make a positive contribution to the protection of biodiversity and river ecosystems, through the implementation of projects and initiatives, some of which were defined in collaboration with local communities, aimed at enhancing ecosystems (e.g., the reforestation project in Luson or the marble trout project) and expanding biodiversity inside and outside the facilities. These latter initiatives can generate a positive impact both for biodiversity in general and with regard to the well-being of the communities living in the affected areas.

The double materiality analysis did not determine the presence of risks or opportunities, arising from climate change and its own activities, material to the Group that are related to biodiversity. However, a dependence on the water resource to carry out its activities has been identified. For more information on the process of identifying impacts, risks and opportunities, please refer to the sections Double materiality analysis and Impacts, Risks and Opportunities for the Group in the Appendix.

Regarding local community engagement activities, please refer to the section Stakeholder engagement.

Sensitive areas

With regard to impacts on biodiversity-sensitive areas such as the protected areas of the Stelvio National Park and nature parks, an overlap of the plants with the spatial development of the protected areas was carried out in relation to hydroelectric power generation activities.



This overlap of the plants with respect to protected areas was assessed on the basis of the catchment area that is affected by the derivations, i.e., whether there is a power plant or an intake within a sensitive area, identified using the Province of Bolzano's GIS software. Data from the QGIS software were used to calculate the catchment area. The following table presents plants that are located within sensitive areas for biodiversity:

<table>
<tr><th>Operation zone</th><th>Plants</th><th>Municipality (Province of Bolzano)</th><th>Reservoirs / Basins / Tanks</th><th>Impact on ecosystems</th><th>Distance from the impacted area</th></tr>
<tr><td rowspan="3">Val Ultimo</td><td rowspan="2">FONTANA BIANCA</td><td rowspan="2">Ultimo</td><td>LAGO VERDE reservoir
(large dam)</td><td rowspan="5">fluitation, sediments, ecosystem disruptions, alteration of the water regime, pulsation</td><td rowspan="5">Stelvio National Park</td></tr>
<tr><td>Lago Pesce dam</td></tr>
<tr><td>S.VALBURGA</td><td>Ultimo</td><td>FONTANA BIANCA basin
(large north and south dams)</td></tr>
<tr><td rowspan="2">Val Venosta</td><td>LASA</td><td>Martello</td><td>GIOVARETTO reservoir (large dam)</td></tr>
<tr><td>MVF ROSIM</td><td>Martello</td><td>Minimum vital flow (MVF) recovery station</td></tr>
</table>

As far as adjacency is concerned, all of the Group's facilities fall within the Upper Adige region, which is characterised by a mountain-type environment with extensive forests and a rich fauna that depends on water resources and ecosystem services in the area. The analysis of the environmental impacts of the plants, which can be found in the Environmental Statement of Alperia Greenpower Srl[52], takes into account all the hydroelectric plants operated by the Group, all of which are located within 20km of the area of high biodiversity, identifying a possible impact. The following table shows which plants are located adjacent to sensitive biodiversity areas:

[52] https://www.alperiagroup.eu/sites/default/files/documents/AGP%20DA_2023.pdf

Operation zone	Plants	Municipality (Province of Bolzano)	Reservoirs / Basins / Tanks	Impact on ecosystems	Distance from the impacted area
Val Isarco	BARBIANO	Barbiano	Funes crossing	fluitation, sediments, ecosystem disruptions, alteration of the water regime, pulsation	7.54 km Puez-Odle Nature Park
	BOLZANO	Bolzano			8.83 km Sciliar-Catinaccio Nature Park
	CARDANO	Bolzano	COLM crossing and tank		6.24 km Sciliar-Catinaccio Nature Park
	PONTE GARDENA	Ponte Gardena	Premesa1 and Premesa2 basin		9.03 km Puez-Odle Nature Park
	PONTIVES	Castelrotto			1.65 km Puez-Odle Nature Park
	PREMESA	Castelrotto			4.07 km Puez-Odle Nature Park
	SARENTINO	Sarentino	Valdurna tank		17.63 km Tessa Group Nature Park
			Corvara tank		12.54 km Tessa Group Nature Park
	SELVA GARDENA	Selva di Val Gardena			1.82km Puez-Odle Nature Park
Val Ultimo	LANA	Lana	ALBORELO basin (large dam)		19.93 km Stelvio National Park
	MVF ALBORELO	San Pancrazio	Minimum vital flow (MVF) recovery station		13.32 km Stelvio National Park
	PRACOMUNE	Ultimo	QUAIRA D. MINIERA reservoir (large dam)		850 m Stelvio National Park
	S. PANCRAZIO	San Pancrazio	ZOCCOLO reservoir (large dam)		8.4 km Stelvio National Park
	TEL	Lagundo	Tel crossing		1.58 km Tessa Group Nature Park
	MVF TEL	Parcines	Minimum vital flow (MVF) recovery station		1.58 km Tessa Group Nature Park
	MARLENGO	Marlengo	Marlengo tank		5.17 km Tessa Group Nature Park
Val Pusteria	BRESSANONE	Bressanone	FORTEZZA basin (large dam)		15.58 km Puez-Odle Nature Park
			RIO PUSTERIA basin (large dam)		16.22 km Puez-Odle Nature Park

	MVF FORTEZZA	Naz-Sciaves	Minimum vital flow (MVF) recovery station		15.58 km Puez-Odle Nature Park
	MVF RIO PUSTERIA	Rio Pusteria	Minimum vital flow (MVF) recovery station		16.22 km Puez-Odle Nature Park
	BRUNICO	Brunico	MONGUELFO basin (large dam)		3.16 km Vedrette di Ries-Aurina Nature Park
	FRENA	San Martino in Badia			950 m Puez-Odle Nature Park
	LAPPAGO	Selva dei Molini	NEVES reservoir (large dam)		11.52 km Vedrette di Ries-Aurina Nature Park
	MOLINI DI TURES	Campo Tures	Selva dei Molini crossing		6.8 km Vedrette di Ries-Aurina Nature Park
	PREDOI	Predoi			1.4 km Vedrette di Ries-Aurina Nature Park
	STEGONA	Brunico			5.12 km Vedrette di Ries-Aurina Nature Park
	VERSCIACO	San Candido	Sesto Pusteria dam		10 m Tre Cime Nature Park
	CURON	Curon Venosta	Melago tank		15.95 km Tessa Group Nature Park
Val Venosta	NATURNO	Naturno	VERNAGO reservoir (large dam)		700 m Tessa Group Nature Park
	SENALES	Naturno			700 m Tessa Group Nature Park

Operation zone[53]	Plants	Municipality (Province of Bolzano)	Reservoirs/Basins/Tanks	Impact on ecosystems	Distance from the impacted area
SF Energy	San Floriano	Egna	LAGO Stramentizzio reservoir		10 m Monte Corno Nature Park
Val Venosta (Vipower)	Castelbello	Castelbello	Lago Resia reservoir (large dam)	Fluitation, sediments, ecosystem disruptions, alteration of the water regime, pulsation	11.94 km Stelvio National Park
	Glorenza	Glorenza			11.94 km Stelvio National Park

The possible impacts on biodiversity resulting from the Group's activities, in particular from the Fontana Bianca, Santa Valburga and Lasa hydroelectric plants, located within the Stelvio National Park, may manifest themselves on various environmental and ecosystem levels.

The modification of the water regime represents a significant impact, since the artificial regulation of stream flow can affect the natural conditions of aquatic and riparian habitats. Particular care must be taken to continuously and reliably ensure minimum vital flow so as not to adversely affect fish communities, particularly sensitive species that depend on a constant flow of water. Furthermore, the fragmentation of aquatic habitats caused by damming works can hinder the migration of fish species and other aquatic organisms, altering pre-existing ecological balances.

A further risk is the management of river sediments, which result from natural soil erosion processes. Sediment accumulation within reservoirs and their management activities can affect benthic species and the ecological dynamics of surrounding areas.

Finally, it is necessary to consider anthropogenic disturbance, due to both the maintenance phases of the plants and their operation. Noise, human presence and vehicular traffic in protected areas can disturb wildlife, inducing changes in behaviour patterns, population distribution and reproduction of some sensitive species.

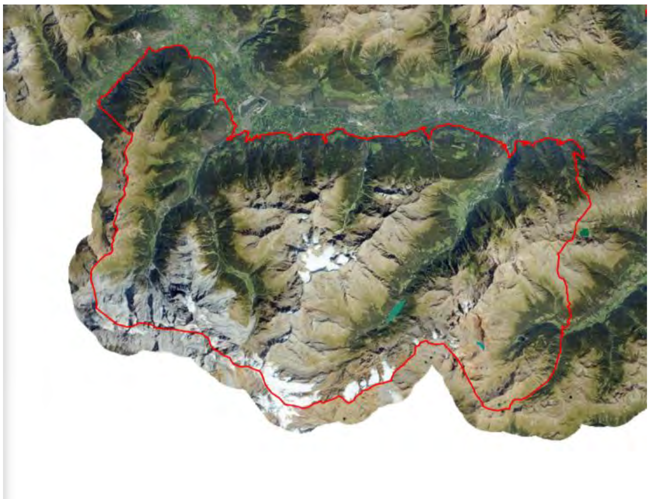
[53] The Alperia Group holds 50% of SF Energy Srl and 76.1% of Vipower Spa

To mitigate these impacts, the Group has put in place several measures to ensure respect for ecological runoff, adopt ecological connectivity strategies for fish fauna, and develop sustainable management plans in cooperation with environmental authorities and riparian municipalities.

The following pages discuss in detail the different actions that are applied to all Group plants, but with particular attention to those in or near biodiversity-sensitive areas.

Water resource management in the Lasa plant and impacts on the Stelvio National Park

The Lasa hydroelectric plant utilises the waters of the Rio Plima and Rio di Lasa, two main streams of the Nördersberg, located within the Stelvio National Park. The upper area of the respective catchment basins, which falls in areas of higher environmental value and in Natura2000-protected areas, is not affected by the plant activity, preserving the natural hydrological regime of glacial origin.

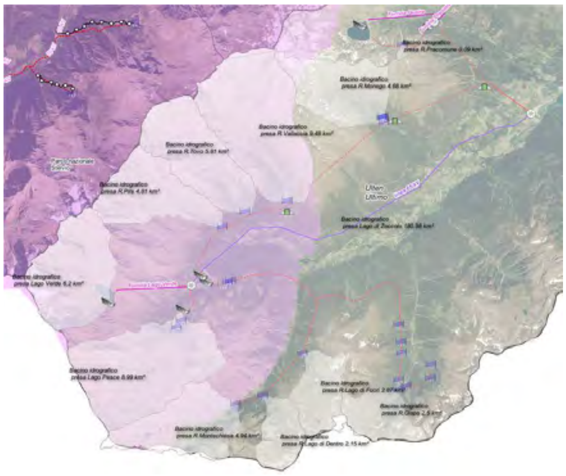


In the case of the Rio Plima, the main diversion is through the Gioveretto dam (1,850 m a.s.l.), supported by secondary diversions into the Rosim, Flim, Soi and Sluder rivers. Out of a total basin of 160 km² within the Park, 47% of the upper part maintains its natural regime, while in the remaining 53% the runoff is reduced compared to its original conditions.

In the case of Rio di Lasa, the catchment takes place at the Alto Lasa bypass (1,862 m a.s.l.), contributing to the power supply of the Lasa power station together with the bypass of the Rio Plima. Again, the upper part of the basin (11.47 km² out of 24.90 km², or 46% of the total) is unaffected, while the remaining 54% suffers a reduction in water availability.

The environmental impact is therefore limited to the lower parts of the valleys, where the water flow is altered compared to natural conditions. However, the plant operates within environmental constraints and protection regulations, ensuring a balance between energy production and ecosystem conservation. For example, the resources of Lago del Gioveretto are only used when there is a high demand for energy.

Water resource management in the Fontanabianca and Santa Valburga plants and impacts on the Stelvio National Park



A vast and complex network of tunnels, penstocks and hydraulic works now crosses a large part of the 40-kilometre-long Val d'Ultimo. The valley, one of the richest in water in South Tyrol, is characterised by its environmental and landscape value as well as its traditional cultural heritage.

In the short space of two decades, from 1949 to 1969, Val d'Ultimo turned into a true "energy valley". Six artificial lakes were created to feed six hydroelectric power plants. These are the Fontana Bianca, S. Valburga, Pracomune, S. Pancrazio and Lana power plants, which were joined in 2014 by the small MVF power plant in Alborelo.

Fontana Bianca, located at 1,900 metres above sea level in the innermost area of Val d'Ultimo, is home to an important reservoir used for the production of renewable energy and is located within the Stelvio National Park.

Hydroelectric infrastructure profoundly transformed the territory between the 1950s and 1960s, with the construction of dams, pipelines and plants that changed the landscape and land use. The introduction of reservoirs has led to a redefinition of local ecosystems, with effects on biodiversity and water management. Over time, however, these reservoirs, although artificial in nature, have become a characteristic feature of the Val d'Ultimo landscape and an important place of recreation.

The sector of the Stelvio National Park covering Val d'Ultimo has an area of 62.76 km².

The Fontana Bianca and Santa Valburga plants collect water in the terminal section of several watercourses. The upper reaches of these streams (and the associated catchment area) therefore have a natural flow that is not altered by hydropower use.

Managing impacts, risks and opportunities

Policies and Procedures[54]

The Group's Sustainability Policy[55] places biodiversity at the centre of its initiatives, with targeted actions around all plants to reduce the impact on species and habitats resulting from the disruption of ecosystems. Within the policy, express reference is made to "*keeping its environmental impact as low as possible thanks to the implementation of programs for the conservation of biodiversity, eco-sustainable waste management and the application of the principles of the circular economy in our business activities.*"

This policy expresses the Group's commitment to combine energy production and sustainability, minimising environmental impacts through monitoring and collaboration with local authorities and communities, in particular with the Autonomous Province of Bolzano and riparian municipalities.

Alperia Greenpower Srl and Alperia Vipower Spa are committed to achieving 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. In addition, Alperia Greenpower Srl has operational procedures for sediment management in reservoirs, minimum vital flow and the management of adduction works, and an Integrated Management System in line with that of the Group[56]:

- PRO GP 307 Minimum Vital Flow (MVF) Management, which defines the operational methods for guaranteeing the release of the minimum vital flow (MVF) in watercourses at the intake works of hydroelectric plants;
- PRO GP 309 Sediment management in reservoirs, which defines the operational methods aimed at the proper management of sediment release downstream of intake works and reservoirs, hydroelectric plants in compliance with current regulations to ensure the efficient management of reservoirs and large reservoirs;
- PRO 103 Environmental risk assessment: defines the operational methods for identifying the aspects associated with its activities, products, services that have an impact on the environment; and

[54] The Sustainability Policy is available to all stakeholders on the Group's website; the procedures mentioned in the paragraph are internal Alperia documents and not publicly available.

[55] The policy does not explicitly address the company's contribution to direct impacts on biodiversity loss (climate change, land use change, freshwater and sea use change, direct exploitation, invasive alien species, pollution), impacts on species status or extent, ecosystem conditions, ecosystem services and dependencies on them. Furthermore, it is pointed out that there are currently no policies exclusively dedicated to deforestation or the sustainable use of seas and oceans. The Sustainability Policy was drawn up on Alperia's initiative to formalise its commitments towards the environment and people. It is not intended to respond to third-party standards or initiatives. The Sustainability Policy was defined on the basis of the stakeholder engagement activities conducted in 2021. Consequently, it takes into account the interests and opinions expressed during this activity. For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

[56] These procedures list how to manage impacts on species and ecosystems in the course of their activities. For example, sediment and Minimum Vital Flow management.

- PRO GP 306 Management of Environmental Funds, which determines the tasks of the Group's corporate structures in the process of making environmental funds available to riparian municipalities and the provincial administration.

One of the most significant aspects concerns the management of the Minimum Vital Flow (MVF), which ensures the release of a minimum flow in watercourses affected by hydroelectric plants. This release is essential to preserve aquatic life and the proper functioning of river ecosystems downstream of the intake works. At the same time, sediment management in the basins is carefully regulated to minimise impacts on aquatic habitats. The controlled release of sediment avoids ecological imbalances, preventing damage to organisms living in rivers and ensuring a sustainable use of water resources.

Another important element is the direct support to local authorities for the protection of land and biodiversity, made possible through the Environmental Funds. These funds are made available to riparian municipalities and provincial administrations to finance ecological rehabilitation and environmental improvement projects. This type of active support allows the Group to contribute not only to the reduction of direct impacts but also to the restoration and enhancement of the natural heritage of the communities in which it operates. The Group's preventive approach also manifests itself in the assessment of environmental risks associated with its activities, which is carried out according to a structured procedure. This assessment system makes it possible to identify potential negative impacts on biodiversity in advance and to take measures to prevent or mitigate them. An essential aspect of this strategy is also the ability to respond promptly to any critical or non-compliant situations. In this sense, the Group has defined specific procedures for the management of undesirable events and environmental emergencies, which enable prompt action to reduce damage and re-establish conditions of ecological balance. The Sustainability Policy also makes explicit the Group's commitment to promoting initiatives aimed at **preserving ecosystem services essential to the well-being of populations**, such as water quality and biodiversity protection, ensuring that business activities contribute to a balance between economic development and environmental protection, and that the ecosystems involved are managed to **maintain or improve biodiversity conditions**.

In the following pages, the above-mentioned topics and the projects and initiatives implemented during the year will be discussed in detail. These actions do not have a defined time limit, as they are integrated into a **continuous and structural approach** to environmental management. Initiatives, such as **habitat conservation, biodiversity monitoring, sustainable management of natural resources and mitigation of impacts on ecosystems**, are permanently implemented and regularly updated to ensure continuous improvement.

Actions

The Group, which is responsible for the hydroelectric management of the valley, adopts strategies to minimise environmental impact and favour a balance between renewable energy production and the preservation of the local ecosystem, as described in the following paragraphs.

Pulsation and MVF

The production of hydroelectric power is characterised by the variability of demand from users, both civil and industrial, with significant differences between day and night, working days and holidays. Hydropower plants using storage reservoirs are able to concentrate production during peak demand hours, making it available to users located up to hundreds of kilometres away. However, it should be noted that peak hydropower production causes impacts on the aquatic environment, so-called pulsations. In fact, hydroelectric derivations using large storage reservoirs concentrate production during times when energy demand reaches peak levels, while during the rest of the day, production is greatly reduced or even suspended. As a result, the water flow downstream of the plant is intermittent, affecting riverine communities that may suddenly find themselves without water. This is detrimental to the natural reproduction of fish communities, especially salmonids, which occurs precisely during the winter lean periods when the effect of the fluctuation is greatest. Alperia Greenpower Srl, as explained above, strictly adheres to the provisions of the Province of Bolzano regarding the Minimum Vital Flow in order to reduce the impact on fish fauna as much as possible. In addition, the management of the systems avoids creating excessive and too fast changes in the river level, thus ensuring that fish have time to swim in areas where water is present. However, the problem of pulsation is inherent to hydropower production from reservoirs, and no matter how hard we try to reduce the damage, it will remain present.

Minimum vital flow (MVF) is the quantity of water that needs to be downstream of a water collection to guarantee the correct functioning and quality of the ecosystems concerned. It is the residual flow rate that protects the natural biocoenosis of the water course in the short and long term. The term Minimum Vital Flow is therefore often replaced by the term Ecological Flow. During flooding and when natural flow rates are high, plants, depending on their size, withdraw water up to the maximum flow rate allowed by the concession decrees; in lean periods, meanwhile, there may be a reduction in the significant flow rate in some sections of the riverbeds.

In the Autonomous Province of Bolzano, the release of the MVF from a water derivation is regulated by the General Plan for the Use of Public Water (PGUAP). For 11 large hydroelectric plants operated by Alperia Greenpower Srl, when the concession was renewed in 2011, a laborious testing and monitoring programme was set up with the aim of identifying a quantity of water deemed to be ecologically optimal, guaranteeing the optimum condition of the watercourse downstream of the derivation. This trial was originally planned to last about eight years and the trial has been completed, as certified by the assessments of the Environmental Services Conference and the resulting resolutions of the Provincial Council. During 2024, no incidents of non-compliance with the MVF requirements set by the Province were reported to the Group, which in total required the release of 38,936 litres per second for all Group plants.

Sediment Management

Dams and river barriers represent a potential obstacle for the migration of fish but also for the transport of sediments, which is a natural factor in the life cycle of aquatic ecosystems. The management of sediment that accumulates upstream of hydroelectric plant intake works (river dams and artificial basins) is of particular hydraulic and environmental importance. During flood events (or even during the period of soft snow), the large watercourses take up the solid transport from the various tributaries and transport it downstream. Sediment transport is a natural phenomenon, which is necessary for the river system itself, but also for lagoon systems at the Adige River inlet and for the maintenance of the Adriatic Sea coastline. In South Tyrol, Alperia Greenpower Srl operates several plants with dams on important watercourses such as the Adige, Isarco and Rienza. Attention is also paid to the mitigation of the effects of plant management, providing, where necessary, for the consolidation of fish stocks.

Management of accumulated sediments, which involves periodic discharging, if not done correctly, can harm habitats and species. It follows that 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.

The release of silt and sand downstream from the dams is also necessary to regenerate the characteristics of the river bed. Sediment release from large artificial reservoirs is regulated at both national and provincial levels. The drawing up of a Reservoir Management Project and an Operational Plan, both approved by the competent authorities, is required. The Isarco and Rienza rivers, for example, during flooding periods are characterised by a high transport of suspended solids that accumulate in the Rio Pusteria and Fortezza (Bressanone plant) reservoirs, managed by Alperia Greenpower Srl The emptying and purging operations of these two reservoirs are foreseen in the Operating and Maintenance Conditions Sheet of the two dams (drawn up by the General Dams Technical Office) and occur on average every four years. The relevant operating procedures (maximum and average allowed water turbidity values, duration of operations, maximum flow rates released downstream, etc.) have been authorised by the relevant offices of the

Autonomous Province of Bolzano (Hunting and Fishing Office and Water Protection Office) through the reservoir management project and are managed by Alperia Greenpower S.r.l, following a specific internal operating procedure.

The amount of sediment discharged downstream during each draining varies according to the watercourse, the hydrological pattern of previous years and the time interval between two successive drainings. The depressing effect on the benthic microfauna generated in the aquatic environment by controlled flow operations are temporary. Surveys carried out on the Isarco and Rienza rivers following the draining of the Fortezza and Rio Pusteria reservoirs show that previous normal conditions are restored within a short period of time (around two to three months). The impact on juvenile fish is greater, and this has led the provincial offices to request trials with alternative or complementary release methods, such as the use of robots to retrieve sediment from dykes.

In 2024, a project began to install an optical system with video footage to constantly monitor the release zone. The solution, implemented on an experimental basis in Val Gardena, makes it possible to detect anomalies in the release by means of digital image comparison analysis (machine learning).

Cooperation 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 Sediplan research – is to detect the dynamics of sediment transport and deposition in the reservoirs, to identify the most suitable forms of management and to understand how their management affects the stream ecosystem (microorganisms, fish flora and fauna) downstream of the dam, with a view to making hydroelectric power generation increasingly more environmentally 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 step, the researchers reconstructed digital GIS bathymetric maps of the reservoir (graphically representing its depth) pre- and post-release of the sediments. The difference between these maps shows the exact amount of sediment deposited. Alperia has provided data on water and sediment discharges recorded by its monitoring stations. This is necessary information to enable the mathematical models used by Alperia and the Free University of Bolzano to perform the numerical simulation of soil erosion and sediment transport processes at the reservoir level. The results obtained clearly show that the phenomenon of sediment deposition and thus the silting up of reservoirs occurs mainly during particularly intense and abundant precipitation events (flood events). As a result of this study, possible methods of exploiting flood events for sediment management were investigated, thereby reducing the impact on fish fauna.

With regard to the above issues, which represent the most critical environmental aspects in hydroelectric plant management, the Group not only adopts preventive behaviour and complies with the provisions of sector regulations but invests in technological innovation processes, in order to find the best solutions for protecting biodiversity and acting responsibly in the local area. The Group intends to minimise the natural and environmental impact of hydroelectric plants and actively protect the biological diversity of watercourses. For large derivations, whose concessions were renewed in 2011 (a total of eleven large derivations), the Group is required 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.

The management of river ecosystems

To support fish migration, the Group has built fish ladders at some derivation works on watercourses of primary importance,in particular at the plants in Barbiano, Sarentino and Castelbello. In the course of 2023, the fish ladder at the Lasa crossing (Castelbello facility) went into permanent operation. This work, costing approximately Euro1,700,000, partially financed with environmental funds, was designed based on the model of the fish passage on the Talvera river at the Corvara intake serving the Sarentino plant. Due to the geographical conditions, a vertical slot pass for fish was created as a solution. In this case, the water flows through vertical slots from one basin to the next and the fish can ascend to the next basin. This design is also suitable for fish migrating downstream. The passage of fish at the Lasa crossing is particularly significant, as it involves a large water course, the Adige, where flow rate fluctuations and variable levels persist. A system of tanks with sluice gates that adjust according to the water level has been designed. To ensure a constant flow in the fish passage, a tank with three different inlet openings was provided. Depending on the water level, the opening to the optimal height is opened automatically.

In addition, a marbled trout conservation facility was completed in Bolzano in 2024. The marble trout, an endemic species of the watercourses on the southern side of the Alps, listed as a species of community interest (Natura2000 species), requires active conservation measures due to the precarious status of the species, also due to the presence of hydroelectric power plants that change the habitat.

Finally, the agreements signed by the Group with local fishermen 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.

Environmental funds[57]

To mitigate the negative impacts caused by the activities of production plants, the Group annually allocates a portion of its revenues as environmental funds, with an average amount of approximately Euro 22 million per year.

The purpose of Internal Procedure 306 is to define the tasks of the Group's corporate structures in the process of making environmental provisions available for the benefit of riparian municipalities and the Autonomous Province of Bolzano, i.e., for the use of such funds by Alperia Greenpower Srl to finance sustainable projects that contribute to the environmental and social improvement of local areas. The procedure applies to large hydroelectric concessions, which have been subject to renewal since 2005, and to large hydroelectric derivations, whose concessions have expired and not yet been renewed.

The management of compensation funds arising from the operation of medium and large hydropower plants in the Province of Bolzano is regulated by the Provincial Council Resolution No. 199 of 21 February 2017, which defines the guidelines and the respective criteria for the management of environmental provisions. Mitigation and compensation measures are implemented in relation to the environmental impact of the hydroelectric plant and environmental improvement measures in favour of the riparian municipalities.

Environmental improvement measures are mainly implemented by the riparian municipalities themselves and the provincial administration. The concessionaire, i.e., the Group, may contribute to the implementation of these measures if:

- they concern public utility works in the security sector;
- they serve to improve the integration of parts of the plants into the landscape;
- the areas held by the concessionaire are intended for environmental and recreational purposes; or
- these measures serve to enhance and illustrate the function of hydroelectric plants.

In the specifications of the concessions that are to be renewed as from 2011, the measures to be implemented by the concessionaire with the use of environmental provisions may be defined in the specification itself and be mandatory. Without prejudice to the portion used by the concessionaire, two-

[57] For a reconciliation with the figures in the financial statements, please refer to the paragraph in the Notes to the Financial Statements "9.12 Provisions for risks and charges"

thirds of the environmental provisions are allocated to the municipalities concerned and the remaining one-third to the Province.

The management and allocation of these resources are defined through a **Central Committee** that includes four representatives of the **Province**, one representative of the **municipalities concerned** and one representative of the Group itself. The Committee is responsible for selecting and approving projects to be funded, based on their relevance to sustainability and positive impact on communities.

The riparian municipalities and the Autonomous Province of Bolzano are responsible for the quality and feasibility of the measures carried out with the compensation funds, documented by means of descriptive sheets and self-certification of completion. These include costs, location and use of funds, with communications to the concessionaire and the provincial environmental agency.

Environmental funds are closely linked to the **environmental compensation measures** taken to mitigate the impact of the Group's hydroelectric power plants on the surrounding environment. In particular, environmental compensation measures that aim to reduce the impact of hydropower plants on nature and the ecosystem through concrete actions of environmental restoration, biodiversity protection and support to local communities. Environmental funds coincide with **compensation funds**; which means that the resources allocated to these initiatives come directly from the revenues generated by the Group's energy activities. Currently, no performance indicators have been identified on the initiatives carried out through environmental provisions.

Local community participation is a key aspect of this initiative, which promotes a channel of active community involvement in the management and selection of projects to be funded. For the next three years, some Euro 2 million environmental provisions have been planned.

Community investment projects

In order to involve the various internal and external stakeholders, several projects in the field of environmental protection and biodiversity were implemented during the year, which are part of the community investment projects carried out by the Group:

Reforestation project in Luson (Bolzano)

Alperia started a reforestation pilot project in Luson in 2024, in cooperation with the Climate Network and with the support of the Forest Inspectorate of the Province of Bolzano. As part of the project, 20 Alperia employees participated voluntarily, helping to plant 300 trees. This first intervention, also supported by the presence of the Director General, was received with great success, consolidating the will to collaborate with the Province for the next 3 years with an ambitious goal: planting **3,000 trees per year**.

The reforestation project is to be monitored for at least three years from the time the trees are planted. The number of trees planted, the number of species planted, the number of healthy trees after 3 years, the area on which the trees are planted and the theoretical tons of CO_2 that the trees will absorb in 30 years are measured. The goal is to get as many trees as possible by the third year, as by then the tree should be big enough to survive on its own. For the reforestation project in Luson, the year 2024 is considered as the base period, and monitoring will be completed in the reference year 2026.

The initiative aims to restore forested areas affected by storm Vaia, strengthening the resilience of local forests against climate change and providing protection for infrastructure located in the areas below. The direct involvement of employees was an important awareness-raising moment for the entire Group team.

Transforming green areas into wild meadows

Alperia started a pilot project in Val Venosta in 2024 to turn some of its green areas into wild meadows, with the aim of fostering biodiversity and promoting the growth of native plants. At this stage, two sites owned by Alperia Greenpower Srl and one substation owned by Edyna Srl were selected. In these areas, which were previously regularly mown lawns, work is being done to convert them into natural meadows where plants and wild flowers can grow freely. Now, management involves mowing reduced to just twice a year, reducing human intervention and promoting more natural growth.

This project requires a considerable organisational and coordination effort. In order to identify the most suitable locations, the group collaborated with the Netzwerk Blühende Landschaft, a German non-profit organisation, and the nature office of the Autonomous Province of Bolzano. Thanks to this partnership, it has been possible to identify donor meadows, natural areas from which to collect native wild plant seeds for reintroduction to the sites. This process also included the involvement of local farmers, who gave their consent to collect seeds from their meadows and use them for sowing on the Group's sites. After sowing, the results of this transformation, measured taking into account the number of plant species per square metre of lawn, are expected within 2– 3 years.

For 2025, the Group has planned to expand the project with three or four more sites and is considering the inclusion of new areas in the vicinity of Bressanone and Bolzano. There is also the intention to bring the initiative to Val d'Ultimo, if it makes sense from an ecological point of view. In Lasa, the conversion of a **6,000-square-metre** area into wild grassland has already been completed, which is a first example of this transformation and will serve as a reference for future work.

Project management is coordinated internally by the Group CSR function, in cooperation with Netzwerk Blühende Landschaft. Thanks to a consultancy contract with the Group, Netzwerk Blühende Landschaft provides precise guidance on the actions to be taken, while the practical implementation of the project is entrusted to Südtiroler Maschinenring, a local company. The latter also involves local farmers, offering them work during the off-season.

Alperia contributes to the project not only with organisational support but also with a donation to Netzwerk Blühende Landschaft, ensuring an ongoing commitment to biodiversity conservation.

Grid management

Edyna Srl's electricity network can have several impacts on biodiversity, in particular the medium voltage network (10 kV to 60 kV) poses a significant danger to local birdlife due to the small distances between the pylons and live components. In particular, the **eagle owl**, a nocturnal bird of prey protected by the European Directive on the Conservation of Wild Birds, is particularly affected. Edyna, continued the **bird protection** project on the instructions of the Nature Office of the Autonomous Province of Bolzano. The project involved the identification and mapping of potentially dangerous power lines and pylons, and the isolation of some power pylons in the St. Mauritius area in Bolzano in order to avoid sources of danger to the eagle owl. The costs amounted to Euro 48,000, from the environmental provisions of the Cardano power plant. The project was continued in 2024, and a further critical site, identified by the provincial nature office, in the Firmian area south of Bolzano, was insulated.

Metrics, commitments and targets

Biodiversity-sensitive areas[58] (E4– 5)

	Unit	2024	2023	2022
Number of sites located in or near biodiversity-sensitive areas adversely affected	**no.**	**4**	**4**	**4**
Area of sites located in or near biodiversity-sensitive areas adversely affected	hectares	24,766	24,766	24,766

The Group has made several **commitments** for the future to manage its impacts, risks and opportunities on biodiversity. For example, in addition to committing to full compliance on releases, a project is planned to install sensors to find blockages in the MVF discharge by 2025, thus ensuring timely intervention in the event of blockages that could impact fish fauna.

Also for 2025, we plan to conduct an assessment for possible integration into the Sustainability Policy of the elements mentioned in ESRS E4-2 DR 23–24, related to biodiversity.

To date, the Group has not defined quantitative targets to manage biodiversity-related impacts. But given the growing importance of the topic for 2026, we plan to conduct a financial impact analysis of impacts, risks and opportunities related to biodiversity and ecosystems to report additional quantitative KPIs in the Sustainability Statement 2026, assess the resilience of the strategy to emerging risks from climate change on biodiversity, and set related targets for the next Sustainability Plan.

The achievement of the set commitments is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance. In addition, digital instruments and sensors are used to detect any critical situations, such as MVF drain blockages, in order to ensure timely interventions. The listed commitments aim to progressively improve the management of negative impacts on biodiversity and to integrate best practices into the sustainability strategy for all Group companies and activities. Finally, the Group periodically assesses the effectiveness of the initiatives implemented, also in response to requests from the relevant bodies, ensuring continuous improvement in biodiversity management.

[58] The biodiversity-sensitive area is the Stelvio Nature Park (UICN). The data concerning the number of sites shown in the table originate from the EMAS registration. As for the calculation of the area, this was carried out with data from the QGIS software. Overlapping catchment areas with impacted biodiversity areas.

18.4 EU Taxonomy

Alperia Spa is divided into six business units (BUs): Generation, Sales, Trading, Networks, Heat & Services and Smart Region.

The Group's activities are related to the Energy (e.g., production, distribution of electricity and heat), Building and Real Estate (e.g., installation, maintenance and repair of energy efficiency devices) and professional, scientific and technical activities.

Not all of the Group's activities are eligible; in fact, trading, the sale of energy carriers and some consulting services are ineligible.

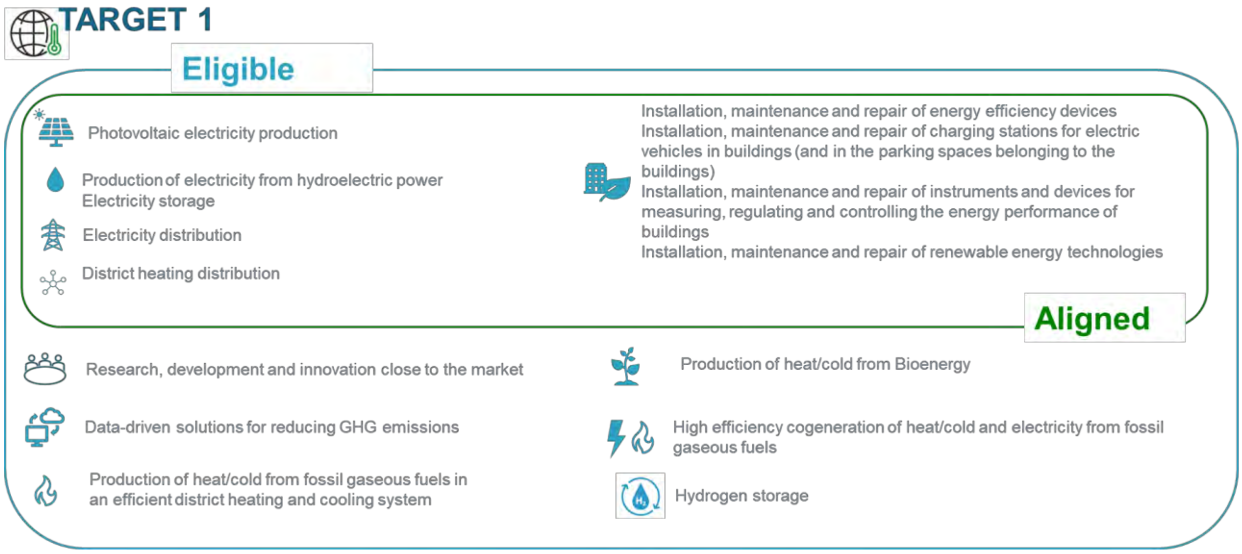
Taxonomic screening of activities

For the year 2024, there were no structural changes in the number and type of eligible activities belonging to the Group compared to previous years. It should be noted that in 2023, the activity *4.8 Production of electricity from bioenergy* carried out by Biopower Sardegna Srl (now Biopower Ottana Srl) is no longer reflected in the balance sheet items where eligible activities are valued pursuant to the Taxonomy Regulation. This is because the amounts referring to this company have been reclassified in the accounts under the so-called "Discontinuing operation". On 30 April 2024, the company was sold to another market operator.

Alignment

Economic activities were considered aligned with the European Taxonomy if they met the Technical Screening Criteria for one or more of the six objectives, the DNSH principles for the other objectives and the minimum safeguards.

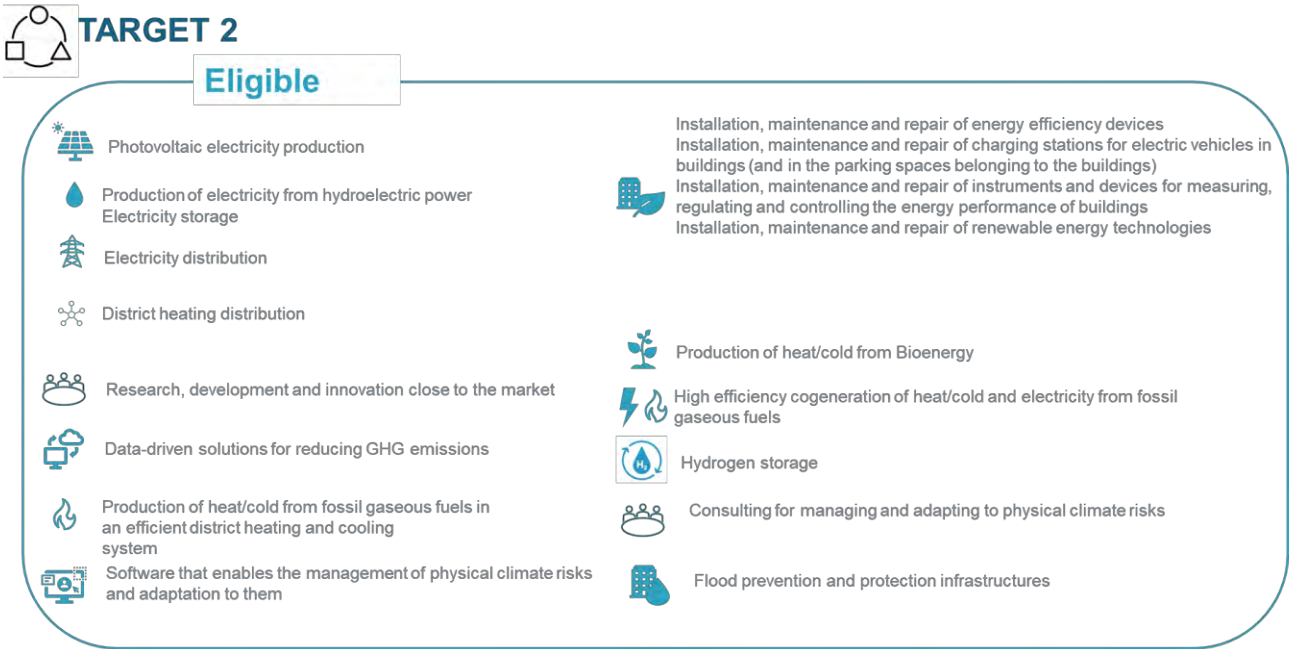
For **Climate Change Mitigation Objective 1**, the following activities are aligned: *4.1 Production of electricity through solar and photovoltaic technology, 4.5 Production of electricity from hydropower* (all hydropower plants are eligible and aligned with the exception of two plants that were conservatively considered not aligned), *4.9 Distribution of electricity, 4.10 Storage of electricity* (intended only as storage of hydropower through pumped storage), *4.15 District heating distribution* (in 2024, it was possible to consider all district heating networks of Ecoplus Srl as aligned, also including Verano), *7.3 Installation, maintenance and repair of energy efficiency devices,* 7.4 *Installation, maintenance and repair of charging stations for electric vehicles in buildings, 7.5 Installation,* *maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings* and *7.6 Installation, maintenance and repair of renewable energy technologies.*



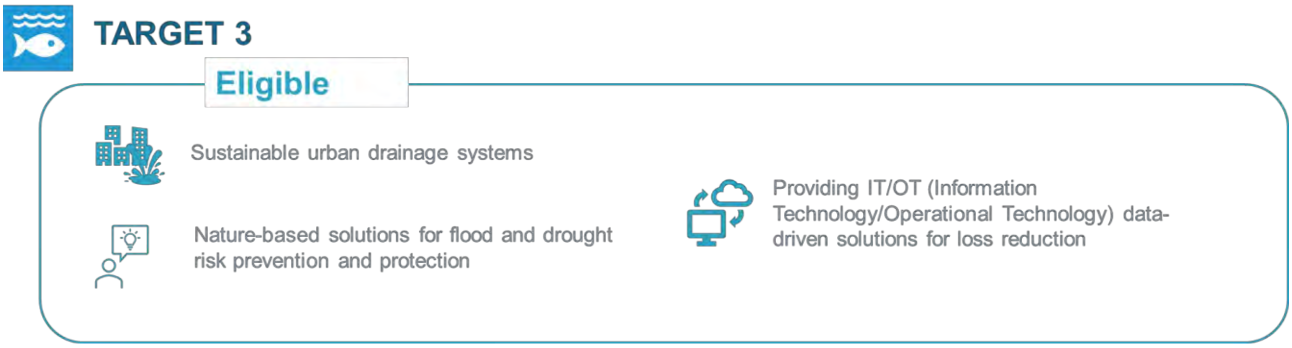
As regards O**bjective 2: Adapting to Climate Change**, the Group, confirming its precautionary approach, decided to consider all eligible activities as non-aligned.

In detail, the analysis conducted by the Risk Management section was maintained for compliance with the DNSH of Objective 2, but not for alignment. Starting from 2022, Alperia has undertaken a Climate Change Risk Analysis project aimed at estimating the risks associated with climate change, their identification and assessment, as well as identifying the actions undertaken and to be undertaken to mitigate these risks. This analysis is in line with the EU –Taxonomy and TCFD and involved the Bolzano research centre EURAC for the definition of future environmental scenarios.

Maintaining a cautious approach, Alperia decided, despite the Climate Change Risk Analysis project, to also consider the activities exclusively eligible but not aligned to Objective 2 for the year 2024.



Similarly, with regard to the reference O**bjective 3: Sustainable use and protection of water and marine resources** (Annex I of Delegated Act 2023/2486), the activities carried out by Alperia were all identified as eligible but not aligned, as they were highly dependent on the demands of external customers.



Analysing Annex II of Delegated Act 2023/2486 (reference O**bjective 4: Transition to a circular economy**), the following activity was identified as eligible (again, as a precaution, it was decided to consider the activity eligible but not aligned):

- **4.1. Provision of data-driven IT/OT (information technology/operational technology) solutions:** the business operates in the information and communication sector; Group companies engaged in this area are Alperia Green Future Srl and Hydrodata Spa .

TARGET 4

Eligible

Provision of data-driven IT/OT (information technology/operational technology) solutions

Analysing Annex III of Delegated Act 2023/2486 (reference **Objective 5: Pollution prevention and control**), the following activity was identified as eligible (again, as a precautionary measure, it was decided to consider the activity eligible but not aligned):

- **2.4 Remediation of contaminated sites and areas:** the business operates in the field of decontamination or remediation of contaminated areas, the Group company involved in this field is Hydrodata Spa , with regard to design, monitoring and analysis activities.

TARGET 5

Eligible

Remediation of contaminated sites and areas

None of the activities listed in Annex IV of Delegated Act 2023/2486 (reference **Objective 6: Protection and restoration of biodiversity and ecosystems**) is within the scope of action of the Group.

Minimum safeguards

Alperia continued to use the information in the EU Final Report on Minimum Safeguards for its analysis of compliance with these minimum safeguards: 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 the company level and not at the individual activity level.

Alperia is convinced that core values such as respect for dignity, equality and freedom are fundamental to building a valuable, open and welcoming working environment. Respect for human rights underpins all Group activities, both internally and externally. Alperia has also maintained the specific clause requiring compliance with these values in its choice of suppliers, in its purchasing contracts and in its Group-wide General Terms and Conditions. In detail, Alperia adopts the UN Global Compact and suppliers who want to qualify in the Group's register must issue a declaration on human rights in which they state that they accept the Global Compact. The document requires participating companies and organisations to share, support and enforce within their sphere of influence a set of core principles relating to human rights, labour standards, environmental protection and anti-corruption.

All Group suppliers must accept the principles of the Group's Code of Ethics and uphold them, starting with the respect 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 Euro 100,000, include this clause, occupational health and safety and respect for the environment and sustainability. Alperia has an organisational system to keep track of the information requested and received from suppliers. It includes the 231 Model, registration on the White List according to the provisions of the Anti-Mafia Code and other certifications held.

It should also be noted that Alperia does not currently carry out a structured due diligence on its value chain, due to the variety and size of its suppliers and the Group's nature as a service company rather than a producing company. In 2024, Alperia set up a working group to implement a structured supply chain due diligence process. In its Vision 2031Alperia has set the goal of carrying out **ESG assessments of its main suppliers**. 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 with an ESG rating or adhering to the Science Based Target initiative.

Alperia is committed to preventing the commission of any offence under Italian Legislative Decree No. 231/2001 through the adoption and implementation of Organisation, Management and Control Models pursuant to Italian Legislative Decree No. 231/2001 (hereinafter referred to as 231 Model(s)) for all the major companies belonging to the Group. The adoption of ethical principles by the Group relevant to the transparency and fairness of the company's activities and useful for the prevention of offences pursuant to Italian Legislative Decree No. 231/2001 is 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 231 Models, containing the set of rights, duties and ethical principles adopted by the entity towards stakeholders (employees, PA, shareholders, third parties). It aims to recommend, promote or prohibit certain behaviours, beyond and independently from what is provided for by the law, by defining the principles of the company ethics that it recognises as its own and on which it calls for the observance of all addressees. In addition, in order to renew its commitment, the Group in the year 2024 started its process of certifying its social management system according to **PAS 24000,** identifying the hydroelectric power generation company Alperia Greenpower Srl as a priority, certified in October 2024. The standard defines the management requirements that enable the certified organisation to meet the expectations of its stakeholders in the medium and long term and the requirements to ensure fair treatment of workers and a safe working environment that does not harm their health and complies with legal and regulatory requirements and the due diligence process.

Calculation and quantification of economic KPIs.

The calculation and quantification of the economic KPIs of the eligible and aligned activities are entrusted annually to the Administration & Finance department, which receives the results of the technical analysis as input. With regard to economic reporting, the Group has defined an internal process for collecting the necessary data and drafted operating instructions to make data collection and KPI calculation traceable and transparent:

- **KPI related to turnover**: calculated as the portion of net revenue from products or services, including intangible products or services, associated with economic activities aligned to the taxonomy (numerator), divided by net revenue (denominator) in accordance with Article 2(5) of Directive (EU) 2013/34. Turnover was determined from revenue recognised in accordance with International Accounting Standard (IAS) No. 1, Item 82 (a).
- **KPI related to capital expenditure (CapEx): f**or the calculation of the share of capital expenditure, the denominator was considered to be the 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 expenditure was determined by applying International Accounting Standards *IAS 16 Property, Plant and Equipment, Paragraph 73 (e), Sub-paragraphs (i) and (iii); IAS 38 Intangible Assets, Paragraph 118(e)(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 align with the taxonomy (CapEx plan) or related to the purchase of products from taxonomy-aligned economic activities and individual measures that enable the target activities to achieve low carbon emissions 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.

KPI related to Operating Expenses (OpEx): given by the ratio between operating expenses relating to activities or processes associated with eligible and aligned economic activities, part of the CapEx plan and the sum of non-capitalised direct costs. In detail, in accordance with the provisions 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 activities, while the numerator corresponds to the portion of operating expenses included in the denominator that satisfy one of the following conditions: 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, or are part of the CapEx plan, or are related to the purchase of products derived from taxonomy-aligned economic activities and individual measures that enable the target activity 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 and May 2024, respectively, the Group issued Green Bonds 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 the Group, 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: the revenues related to taxonomy-aligned activities financed with the proceeds of the Green Bond are deducted from the numerator of the turnover KPI;
ii. Adjusted CapEx KPI: the CapEx related to the taxonomy-aligned activities financed with the proceeds of the Green Bond are deducted from the numerator of the CapEx KPI;
iii. Adjusted OpEx KPI: the OpEx related to the taxonomy-aligned activities financed with the proceeds of the Green Bond are deducted from the numerator of the OpEx KPI.

Results of the economic activities of the Group based on the taxonomy

The results related to the eligibility percentages and alignment of the Group's economic activities to the taxonomy are shown in the tables below in line with the models for the Key Performance Indicators (KPIs) of non-financial corporations in Annex II of Delegated Act 2023/2486. Please note that double counting was avoided by individually examining each item associated with activities classified as eligible, and filling in the taxonomy templates in line with the provisions of the regulation.

Table 1: Group's share of 2024 turnover associated with eligible economic activities aligned to the Taxonomy

Financial year 2024	**2024**			**Substantial contribution**						**DNSH**									
Economic activities (1)	Codes (2) (a)	Revenue (3)	Share of turnover, year 2023 (4)	Climate change mitigation (5)	Climate Change Adaptation (6)	Sustainable use and protection of water and marine resources (7)	Transition to a circular economy (8)	Pollution prevention and control (9)	Protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate Change Adaptation (6)	Sustainable use and protection of water and marine resources (13)	Transition to a circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)	Category - enabling activities (19)	Category - transition activities (20)
U.M.		k€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) [(d)]																			
4.1 Electricity generation using solar photovoltaic technology	**CCM 4.1**/CCA 4.1	117	0,0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,01%	**-**	**-**
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	551.065	23,3%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	19,46%	**-**	**-**
4.9 Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	76.981	3,3%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1,97%	**E**	-
4.10 Storage of electricity	**CCM 4.10**/CCA 4.10	3.572	0,2%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,08%	**E**	-
4.15 District heating/cooling distribution	**CCM 4.15**/CCA 4.15	573	0,0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,03%	**-**	-
7.3 Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	32.605	1,4%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	13,50%	**E**	-
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (nd parking spaces attached to buildings)	**CCM 7.4**/CCA 7.4	2	0,0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,03%	**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	679	0,0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,01%	**E**	-
7.6 Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/CCA 7.6	7.866	0,3%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1,02%	**E**	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		673.460	28%	28%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	36,11%		
Of which enabling		121.706	5,14%	5,14%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	16,60%	**E**	
Of which transitional		0%	0,00%	%						Y	Y	Y	Y	Y	Y	Y	0,00%		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) [(g)]																			
				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	19.839	0,84%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,6%		
4.24 Production of heat/cold from Bioenergy	**CCM 4.24**/CCA 4.24	5.226	0,22%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,2%		
4.30 High efficiency cogeneration of heat/cold and electricity from fossil gaseous fuels	**CCM 4.30**/CCA 4.30	22.211	0,94%	EL	EL	N/EL	N/EL	N/EL	N/EL								1,3%		
4.31 Production of heat/cold from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**/CCA 4.31	5.220	0,22%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,1%		
8.2 Data-driven solutions for GHG emissions reductions	**CCM 8.2**	183	0,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
9.1/9.2 Close to market research, development and innovation	**CCM 9.1**/CCA 9.2	250	0,01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		52.930	2,24%	2,24%	0,00%	0,00%	0,00%	0,00%	0,00%								2,2%		
Turnover of Taxonomy-eligible activities (A.1+A.2)		726.390	30,70%	30,70%	0,00%	0,00%	0,00%	0,00%	0,00%								38,3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B.1)		1.639.744	69%																
Total (A + B)		2.366.134																	

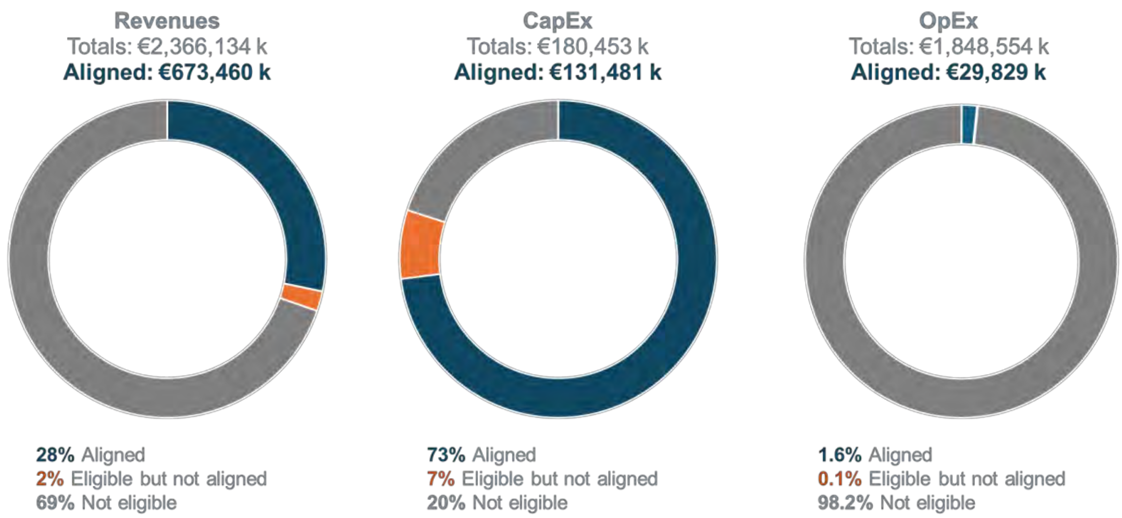
Table 2: Group's share of CapEx 2024 associated with eligible economic activities aligned with the Taxonomy

Financial year 2024	2024			Substantial contribution						DNSH									
Economic activities (1)	Codes (2) (a)	capex (3)	Share of capex,year 2023 (4)	Climate change mitigation (5)	Climate Change Adaptation (6)	Sustainable use and protection of water and marine resources (7)	Transition to a circular economy (8)	Pollution prevention and control (9)	Protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate Change Adaptation (6)	Sustainable use and protection of water and marine resources (13)	Transition to a circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category - enabling activities (19)	Category - transition activities (20)
U.M.		k€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) (d)																			
4.1 Electricity generation using solar photovoltaic technology	**CCM 4.1**/CCA 4.1	196	0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	**-**	**-**
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	46.427	26%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	32,49%	**-**	**-**
4.9 Transmission and distribution of electricity	**CCM 4.9** /CCA 4.8	62.776	35%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	38,76%	**E**	-
4.10 Storage of electricity	**CCM 4.10**/CCA 4.10	7.698	4%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1,28%	**E**	-
4.15 District heating/cooling distribution	**CCM 4.15**/ CCA 4.15	7.010	4%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3,01%	**-**	**-**
7.3 Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	315	0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,41%	**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	31	0%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,08%	**E**	-
7.6 Installation, maintenance and repair of renewable energy technologies	**CCM 7.6/** CCA 7.6	7.027	4%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5,35%	**E**	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		131.481	73%	73%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	81,39%		
Of which enabling		77.847	43%	43,14%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	45,88%	**E**	
Of which transitional		-	0%	0,00%						Y	Y	Y	Y	Y	Y	Y	0,00%		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				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	466	0,26%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,15%		
4.24 Production of heat/cold from Bioenergy	**CCM 4.24**/CCA 4.24	330	0,18%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,17%		
4.30 High efficiency cogeneration of heat/cold and electricity from fossil gaseous fuels	**CCM 4.30**/CCA 4.30	1.182	0,65%	EL	EL	N/EL	N/EL	N/EL	N/EL								1,56%		
8.2 Data-driven solutions for GHG emissions reductions	**CCM 8.2**	304	0,17%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,22%		
9.1/9.2 Close to market research, development and innovation	**CCM 9.1**/CCA 9.2	53	0,03%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,03%		
4.12 Storage of hydrogen	**CCM 4.12** /CCA 4.12	5.902	3,27%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,03%		
7.1 Construction of new buildings	**CCM 7.1**/CCA 7.1	4.448	2,46%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,00%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12.685	7,03%	7,03%	0,00%	0,00%	0,00%	0,00%	0,00%								2,61%		
CapEx of Taxonomy eligible activities (A.1+A.2)		144.166	79,89%	79,89%	0,00%	0,00%	0,00%	0,00%	0,00%								84,00%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non eligible activitie (B.1)		36.286	20%																
Total (A + B)		180.453																	

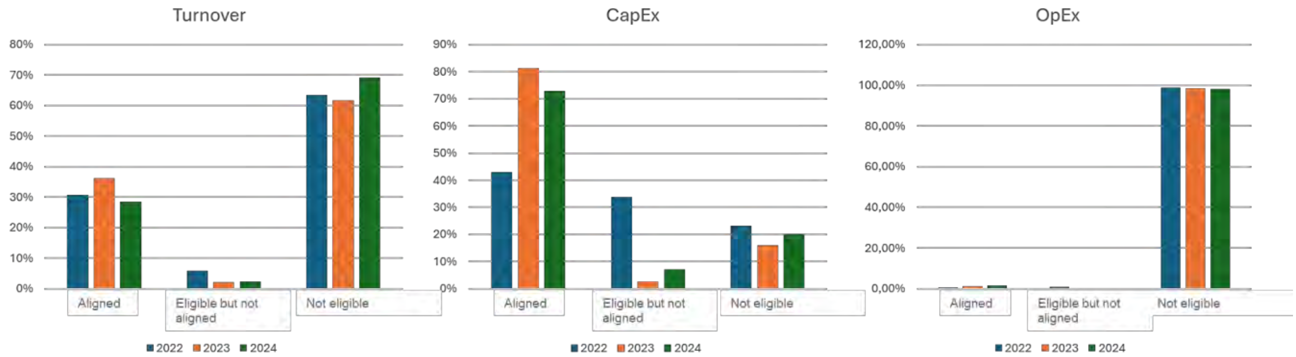
Table 3: Group's share of OpEx 2024 associated with eligible economic activities aligned with the Taxonomy

Financial year 2024	2024			Substantial contribution						DNSH									
Economic activities (1)	Codes (2) (a)	opex (3)	Share of opex,year 2023 (4)	Climate change mitigation (5)	Climate Change Adaptation (6)	Sustainable use and protection of water and marine resources (7)	Transition to a circular economy (8)	Pollution prevention and control (9)	Protection and restoration of biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate Change Adaptation (6)	Sustainable use and protection of water and marine resources (13)	Transition to a circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category - enabling activities (19)	Category - transition activities (20)
U.M.		k€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) (d)																			
4.1 Electricity generation using solar photovoltaic technology	**CCM 4.1**/CCA 4.1	3	0,00%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	-	-
4.5 Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	21.522	1,16%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,88%	-	-
4.9 Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	6.252	0,34%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,18%	**E**	-
4.10 Storage of electricity	**CCM 4.10**/CCA 4.10	1.242	0,07%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,07%	**E**	-
4.15 District heating/cooling distribution	**CCM 4.15**/CCA 4.15	389	0,02%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,02%	-	-
7.3 Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3**/CCA 7.3	36	0,00%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	**E**	-
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (nd parking spaces attached to buildings)	**CCM 7.4**/CCA 7.4	1	0,00%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	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	7	0,00%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	**E**	-
7.6 Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/CCA 7.6	376	0,02%	**Y**	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,03%	**E**	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		29.829	1,61%	1,61%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	1,19%		
Of which enabling		7.914	0,43%	0,43%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	0,29%	**E**	
Of which transitional		-	0%	0,00%						Y	Y	Y	Y	Y	Y	Y	0,00%		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				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	1.238	0,07%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,1%		
4.24 Production of heat/cold from Bioenergy	**CCM 4.24**/CCA 4.24	447	0,02%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
4.30 High efficiency cogeneration of heat/cold and electricity from fossil gaseous fuels	**CCM 4.30**/CCA 4.30	854	0,05%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,1%		
4.31 Production of heat/cold from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**/CCA 4.31	100	0,01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
8.2 Data-driven solutions for GHG emissions reductions	**CCM 8.2**	6	0,00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
9.1/9.2 Close to market research, development and innovation	**CCM 9.1**/CCA 9.2	63	0,00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0,0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2.708	0,15%	0,15%	0,00%	0,00%	0,00%	0,00%	0,00%								0,2%		
OpEx of Taxonomy eligible activities (A.1+A.2)		32.537	1,76%	1,76%	0,00%	0,00%	0,00%	0,00%	0,00%								1,4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non eligible activitie (B.1)		1.816.017	98%																
Total (A + B)		1.848.554																	

In the graphs below, the Group reports a summary of the economic analysis carried out, showing the economic KPIs calculated for the Taxonomy divided by Revenues, CapEx and OpEx in the form of percentage shares of alignment, eligibility and non-eligibility for the:



Comparison of economic KPIs 2022, 2023 and 2024:



Eligible and aligned activities with respect to 2022 increased due to the contribution of activity *4.9 electricity distribution*, which from being eligible also became aligned as of 2023. In 2024, in addition, all district heating distribution (activity 4.15) became aligned. No other changes occurred.

With regard to adjusted KPIs, the portion of revenues attributable to Taxonomy-aligned activities and financed with the Green Bond amounted to almost the entirety of aligned activities (aligned activities 28.5% vs. activities aligned and financed with the Green Bond 28.43%), therefore the Adjusted Turnover KPI is 0.03% (calculated by deducting from the numerator of the Turnover KPI the revenues related to the Taxonomy-aligned activities financed with the proceeds of the Green Bond).

The investment share of activities financed with the Green Bond and aligned to the Taxonomy was 64.4% of the total CapEx, hence the Adjusted CapEx KPI was 8.46%.

Similarly, since the OpEx share of the activities financed with the Green Bond and aligned to the Taxonomy is 1.61%, the adjusted OpEx KPI is 0.0004%.

The Group, as can be seen from the tables above, also includes two of the six activities listed in the Complementary Delegated Act relating to the production of energy from nuclear and fossil gases among its eligible activities: Activity *4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels* and *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, have been found to be admissible but not aligned, which is why a table is set out below that is in line with, but simplified to, 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: Economic activities eligible but not aligned to the Taxonomy related to energy production from nuclear gas

	Economic Activities	Amount and share 2024						Amount and share 2022					
		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)		CCM + CCA		Climate change mitigation (CCM)		Adaptation to climate change (CCA)	
		Amount [€k]	%	Amount	%	Amount	%	Amount [€k]	%	Amount	%	Amount	%
Revenue													
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	22.211	0,94%	22.211	0,94%	0	0	35.771	1,3%	35.771	1%	0	0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EU Regulation 2021/2139 in the denominator of the applicable KPI	5.220	0,22%	5.220	0,22%	0	0	3.938	0,1%	3.938	0,1%	0	0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**698.959**	**29,54%**	**698.959**	**29,54%**	**0**	**0**	175.084	83%	175.084	83%	0	0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2.366.134**	**100,00%**	**2.366.134**	**100,00%**	**0**	**0**	212.045	100%	212.045	100%	0	0%
CapEx													
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.182	0,65%	1.182	0,65%	0	0	2.787	2%	2.787	2%	0	0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EN 6 EN Regulation 2021/2139 in the denominator of the applicable KPI	0	0,00%	0	0,00%	0	0	391	0%	391	0%	0	0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**142.984**	**79,24%**	**142.984**	**79,24%**	**0**	**0**	146.610	82%	146.610	82%	0	0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**180.453**	**100,00%**	**180.453**	**100,00%**	**0**	**0**	178.319	100%	178.319	100%	0	0%
OpEx													
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	854	**0,05%**	854	0,05%	0	0	1.489	0%	1.489	0%	0	0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EN 6 EN Regulation 2021/2139 in the denominator of the applicable KPI	100	**0,01%**	100	0,01%	0	0	55	0%	55	0%	0	0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**31.582**	**1,71%**	**31.582**	**1,71%**	**0**	**0**	2.295.682	100%	2.295.682	100%	0	0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1.848.554**	**100,00%**	**1.848.554**	**100,00%**	**0**	**0**	2.297.226	100%	2.297.226	100%	0	0%

Share of Turnover/total Turnover		
	Aligned to taxonomy by target	Eligible for taxonomy by target
CCM	28,462%	30,699%
CCA	0,000%	30,692%
WTR	0,000%	0,0000%
CE	0,000%	0,0000%
PPC	0,000%	0,0000%
BIO	0,000%	0,0000%

Share of CapEx/Total CapEx		
	Aligned to taxonomy by target	Eligible for taxonomy by target
CCM	72,862%	79,891%
CCA	0,000%	79,723%
WTR	0,000%	0,0000%
CE	0,000%	0,0000%
PPC	0,000%	0,0000%
BIO	0,000%	0,0000%

Share of OpEx/Total OpEx		
	Aligned to taxonomy by target	Eligible for taxonomy by target
CCM	1,614%	1,760%
CCA	0,000%	1,760%
WTR	0,000%	0,0000%
CE	0,000%	0,0000%
PPC	0,000%	0,0000%
BIO	0,000%	0,0000%

Social information

SUPPORTED SDGs:

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

alperia

1,295
Number of employees

5.9%
Turnover of personnel

29%
Percentage of women in the company

381,472,638 €
Added value for the local area

486,384
Total customers

82%
Percentage of revenues from sustainable products & services

37.6
Average training hours per employee

21%
Percentage of women in senior management

5.86
Recordable work accident rate (per 1,000 hours worked)

1,758,916€
Community investment

0.26%
Complaint rate (per 100 customers)

99.5%
Percentage of complaints promptly processed

19.1 ESRS S1 – Own workforce

19.1.1 Working conditions[59]

Impacts, risks and opportunities

With a staff of over 1,000 employees, the Group is one of South Tyrol's main employers, active in all areas of the energy sector, from production and distribution to the sale of energy and innovative services. This activity generates direct and indirect impacts both inside and outside the company and affects all Group personnel. Material impacts, as well as risks and opportunities, on its workforce are integrated into the strategy through the definition of initiatives and objectives described in this section, aimed at managing negative impacts, such as those on human rights, and enhancing positive impacts.

The impacts of personnel management, training and development are closely and systematically linked to the Group's internal activities, which are managed and monitored by the HR function. Among the main positive impacts are the promotion of employee well-being and growth through continuous training, welfare plans and work-life balance measures.

One of the most important aspects is the stability of employment guaranteed by mainly permanent contracts, which provides economic security for employees and strengthens staff loyalty. In addition, the Group promotes flexible working hours, facilitating categories with specific needs, such as new parents, and promoting work-life balance, reducing turnover and training costs. This is complemented by the application of the relevant National Collective Bargaining Agreement[60] and a constant dialogue with the trade unions, which protects the rights of employees and strengthens the sense of belonging to the company.

In parallel, the Group invests in corporate welfare plans and work-life balance measures, such as smart working and part-time work, contributing to employee welfare and overall productivity. The dissemination of corporate culture and the active involvement of staff further enhance the motivation and effectiveness of personnel management initiatives. Furthermore, the implementation of an occupational health and safety management system promotes psychological and physical well-being,

[59] For a reconciliation with the figures in the financial statements, please refer to section "10.5 Personnel costs" and "10.4 Costs for services" in the Notes to the Financial Statements with regard to training and selection costs, and section "9.13 Employee benefits".
[60] All Group employees are located in Italy and therefore no *Global Framework Agreement* applies.

reducing absenteeism and accidents and contributing to a healthier working environment. These measures also have a positive impact on company productivity and employee satisfaction.

However, some critical issues may emerge. Insufficient attention to the mental-physical well-being of employees can lead to increased stress, job dissatisfaction and demotivation. In addition, high workloads and a lack of balance between professional and personal life can negatively affect employee morale.

In order to consolidate employee loyalty, thereby reducing turnover and the costs associated with the loss of know-how, the Group implements several initiatives that will be discussed in detail in the following paragraphs.

Managing Impacts, Risks and Opportunities

Policies and procedures

Explaining the interaction between risks, impacts, opportunities and corporate strategy results in a set of policies, procedures and certifications aimed at seizing opportunities for continuous improvement and mitigating risks and impacts related to personnel management.

First of all, the Group's Sustainability Policy[61] makes explicit the Group's commitment to *"Alperia is an attractive employer and pursues responsible human resources management. This includes, in particular, an active appreciation and recognition of the work done, a culture of open and transparent communication, and continuous staff training in line with individual competences"*.

The **Human Resources Management Policy[62]** represents the main formal policy adopted by the Alperia Group, which defines the general principles and guidelines for personnel management and ensures a fair and transparent work organisation, capable of fostering the professional and personal development of each employee and guaranteeing work-life balance. The Parent Company's General Management is responsible for implementing all policies relating to its workforce, ensuring that the principles set out are adhered to and promoting a working environment that fosters the well-being and growth of employees. This policy, drafted internally, incorporates the fundamental principles of respect for human rights and the main concerns raised by employees, which are essential to the Group's strategy and business model.

[61] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.
[62] The Human Resources Management Policy does not explicitly address the promotion of open-ended contracts and dialogue with trade unions.

The aim of the policy is to promote a corporate culture based on respect, continuous growth and responsibility, principles that are further reinforced by the **Group's new corporate values**, in which the behavioural patterns expected of all employees are also reflected.

The Group not only defines general principles in the policy, but translates them into concrete activities through operational procedures that concretely implement the principles of equity and personnel development and cover the entire working life cycle of employees, from recruitment to ongoing training. The **216 recruitment procedure**, for instance, ensures a structured and transparent management of personnel selection and recruitment activities, ensuring that the process is fair and inclusive. In parallel, the **PRO 201 training procedure** plans and implements training activities aimed at professional development, enabling employees to constantly update and deepen their skills. To facilitate the integration of new recruits, the Group has also introduced a specific **pre-boarding and induction** procedure, which facilitates their entry into the organisation, encouraging a rapid adaptation to the corporate environment.

As far as the operational management of the employment relationship is concerned, the company has implemented a dedicated procedure (PRO 217) that deals with requests related to the administrative management of personnel and compulsory communications to the competent public bodies.

Complementing these practices, which apply to the workforce as a whole, are tools such as the Sustainability Plan, **MBO** procedures for managers (with at least one sustainability-related goal), remuneration systems, reporting of harassment and discriminatory behaviour, the Equal Opportunities Report, and a Strategic Plan with annual monitoring of gender equality certification targets, verified during certification confirmation activities. The various measures and actions are aimed at building a corporate culture based on trust and a uniform leadership culture. Although the primary scope of application is for employees, suppliers and outsourcers are bound to comply with the Group's commitments on workers' rights.

The Group pays great attention to the interests, opinions and rights of its employees, and in particular to the respect for human rights, including the rights of vulnerable workers, which are a key element in the Group's strategy and business model. The Group's Code of Ethics explicitly requires respect for the principles enshrined in the Universal Declaration of Human Rights as well as for workers' rights as an integral part of the corporate culture. Respect for workers' rights is considered essential to ensure a fair and safe working environment. Although there is no direct reference to the UN Guiding Principles, the principles contained in the Code of Ethics and corporate policies reflect international references on human rights, labour rights and decent work. The Group has adopted a system of corrective measures to ensure respect for human rights, including the fair treatment of employees and the promotion of equal treatment and opportunities for all. In the event of violations or incidents relating to workers' rights, the

Group has put in place reporting mechanisms, including whistleblowing, which allow employees to report any human rights violations, discrimination or other issues safely, confidentially and without fear of retaliation. These mechanisms are integrated into a system that provides for prompt and appropriate corrective action, such as internal audits, investigations and other specific actions to resolve any situations of non-compliance.[63] Issues raised by workers and employees are monitored and handled through **structured reporting channels**, such as **dedicated desks, periodic surveys, internal committees and whistleblowing mechanisms**, ensuring confidentiality and accessibility. The effectiveness of these tools is evaluated through the analysis of the reports received and the level of employee satisfaction. The Group adopts a **continuous improvement** approach, periodically updating its communication channels and promoting transparency in the process of handling and resolving grievances, disseminating knowledge of these tools to all employees.

The Group promotes a working environment that respects the rights of all employees, implementing policies that ensure equal treatment and opportunities for all, regardless of gender, ethnicity, origin or other personal characteristics. Equal pay for equal work is a key principle for the Group, supported by continuous monitoring to ensure that workers' rights are respected. Furthermore, the Group is committed to promoting the well-being and health of its employees, ensuring that every worker is protected from occupational hazards and has access to training and continuous professional development, with the aim of building a safe and sustainable working environment. Company policies reflect an integrated and inclusive approach that values diversity, ensuring that every employee can fully realise his or her potential in a context of mutual respect.

The Executive Board of the Parent Company is responsible for the implementation of the policies. In defining them, the opinion of internal stakeholders was taken into account through a survey created in collaboration with the company **Great Place to Work**, which is repeated every three years and allows comments to be collected and issues and problems to be identified that emerged during the year. This survey, along with other key indicators such as the turnover rate, also serves to monitor the effectiveness of initiatives implemented in previous years. All policies and procedures are accessible to employees via the internal **MyAlperia** and **Alperia Process Map** platforms.

Actions

Within the Group, **workers' representation** in the workplace is present in the companies, where some trade unions have appointed employees as company trade union representatives, in compliance with the

[63] For further details, please refer to section "G1 – Governance and good business conduct".

provisions of Law No. 300/1970, Article 19. The Group encourages a dialogue with these representatives, involving them in periodic meetings to discuss issues related to workers' welfare and company policies. Through these discussions, the Group ensures that workers' demands are taken into account in decision-making processes, promoting an inclusive and participative working environment. Although it is not universal across the Group's locations, this model of company union representation allows for a constructive dialogue between workers and the company in the realities where it is active, fostering participation and inclusiveness in company decisions. In addition to trade union representation, the Group adopts structured communication tools, such as dedicated channels on company platforms and meetings with the Corporate HR function, to gather feedback directly from employees and ensure active and constant involvement of the workforce in company policies.

Another central aspect is **social protection**, which protects workers against loss of income in the event of events such as illness, unemployment, occupational injury, acquired disability, parental leave and retirement. It is therefore crucial to assess whether all workers, both employees and non-employees, are covered by adequate protective measures from the beginning of their activity for the company. In accordance with Italian law, National Collective Bargaining Agreements (CCNL) and company agreements, 100% of employees are covered by social protection measures from the start of their employment with the companies. In addition, a further relevant aspect related to social protection for employees also concerns the measures taken to ensure the inclusion and support of people with disabilities. Italian law provides specific protections for workers with disabilities, including job placement benefits, workplace adaptations and protection against discrimination. The Group ensures compliance with this regulation, and the metrics section contains data on the workforce with disabilities. In addition, the Diversity Policy expresses the Group's commitment to valuing the different abilities and skills of each employee and harnessing the potential of people with disabilities. We will also strive in the future to ensure the necessary basic conditions and tools to implement sustainable measures to achieve an inclusive and barrier-free company.

A central aspect of the company's policies concerns the fair **remuneration of employees**, which is essential to ensure fairness and transparency. All Group employees receive an adequate salary, in line with the benchmarks set by the **National Collective Bargaining Agreement (CCNL)**, which is applied to all employees within the scope of the evaluation. In this context, the **pay gap** and **total remuneration** are significant indicators for assessing fairness in wage policies. **Non-employees** in the labour force (e.g., agency workers) are remunerated in the same way as employees. This ensures equal treatment of all categories of workers within the Group.

Another important issue is that of **work-life balance**, which is reflected in family leave regulations. Maternity, paternity, family care (under Law No. 104/92) and parental leave are essential tools to ensure that employees can reconcile work needs with family responsibilities, without compromising their career or well-being.

In this context and with reference to the results of the company climate survey, new initiatives are being considered to make working hours more flexible and to provide more flexible time profiles for part-time relationships in order to meet the needs of parents, but also of students who would be interested in working during their university studies. It is also being investigated whether there are prerequisites for a crèche for the company population

Through the **Family and Work audit**, possible measures and actions aimed at improving the work-life balance are proposed and monitored by a working group of collaborators, known as the Kernteam. In addition, the effectiveness of the various measures implemented is evaluated at regular intervals by means of an employee satisfaction survey in cooperation with the research and consulting company **Great Place to Work**. This survey was conducted in 2017, 2019 and 2023 with a ten-point increase in the Group-wide Trust Index. In addition to measuring the level of general satisfaction, these surveys also assess the effectiveness of own workforce involvement, analysing aspects such as internal communication, the perception of support from the Group and the ability to actively participate in decisions affecting the working environment. The results are used to identify areas for improvement and develop strategies to strengthen employee involvement and participation.

In addition, feedback interviews continued in 2024, extended to all Group employees. Adjustments can be made continuously throughout the year. Measures sent via intranet are reviewed and evaluated quarterly and, if necessary, approved and implemented.

On the **smart working** front, the Group drew up a trade union agreement that standardised flexible working arrangements for all employees, with a maximum of eight days per month. In addition, from 2024, the possibility was introduced for female employees who are mothers to do a full month of smart working in the month before the birth of their child. In addition, within the first year of the child's life, all ***employees who are parents*** can do ***a full month of flexible work***, working from home. With the increased use of smart working, the Group is developing, together with the Digital team, a pilot project for the introduction of flexible workstations: these can be booked by employees, ensuring greater efficiency and organisation of workspaces.

One of the goals for 2025 will be to extend parental leave for male parents, increasing it from 10 to 12 paternity days, with two days paid by companies. This initiative is part of wider measures to support parenting, such as the Active Fathers Day established in 2023 and repeated in 2024. On this day, fathers and sons go to the Renon high plateau to spend time together in a family sharing experience.

In 2024, the parental leave participation rate was not high, although the Group continues to actively promote it through awareness-raising initiatives.

In the context of an ever-changing energy sector, where demands are becoming ever greater, the specialisation and qualification of employees is crucial. In order to prevent the shortage of skilled labour caused by the numerous planned retirements, the Group continues its partnerships with universities and colleges and pursues the goal of ensuring regular training and further education measures for its staff in order to increase satisfaction and performance, reduce staff fluctuations and ensure a high quality of work.

To support these objectives, the Group supports its employees in various ways: from promoting health in the workplace to offering measures to improve work-life balance, such as flexible working hours, part-time working models and allowing smart working.

The MyAlperia platform is a reference point for communicating sustainability-related projects and offers, among its tools, the Whistleblowing system to report illegal conduct or violations of the 231 Model and the Code of Ethics. The Group is also committed to developing internal talent: it organises assessment sessions to fill key roles and promotes individual career development through the **Talent Management** project.

The Group adopts a structured approach to address any perceived negative impacts of employees, firstly by gathering the views of internal stakeholders on both the impact suffered and possible compensation and mitigation measures. To support this, employees can use the MyIdeas platform, accessible to all staff and constantly monitored, to propose new measures or improvements related to unmet needs or concerns, or simply to be able to actively contribute to corporate development. The requests entered are analysed by the Group in order to find suitable solutions. In 2024, 15 ideas suggested by employees were implemented and will be published on the company intranet. A practical example is the *Alperia Internal Open Days*, an initiative that originated from a recommendation on MyIdeas. These training sessions offer employees the opportunity to learn more about the activities of the various Group companies, fostering knowledge sharing and a sense of belonging.

In addition, the Group offers specific whistleblowing and reporting channels for incidents of harassment, bullying or abuse in the workplace, which can be sent by email to Segnalazioni.meldungen@alperia.eu, anonymously through the mailbox located at the rear entrance in the Bolzano office at 8 Via Dodiciville, or directly to the Corporate HR & Organisation Director.

All channels, including forms on MyIdeas and how to report, are communicated to employees via newsletters, during the onboarding process and through a dedicated section on the company intranet. The Group also carries out periodic surveys to gather feedback and respond to workers' needs, contributing to certifications and quality ratings. All reports are handled confidentially, ensuring a transparent and secure working environment.

In 2024, the Group is concluding work on the construction of new headquarters for the organisation in Merano, which will have a capacity of 280 workstations. Of these, 120 are dedicated to staff currently housed elsewhere, who live between Bolzano and Merano and will therefore benefit in terms of home-to-work travel. While for those who will be transferred from Bolzano to Merano, measures are being developed to mitigate the effects on the work-life balance.

In order to cope with the demographic development of the workforce and to prevent the replacement of key resources, the Group is carrying out **succession plans**, developed from the analysis of the key outgoing functions and involving the top management of the individual companies. In this context, it also defined a backup plan in the event of a temporary absence of resources. As of 2024, a succession plan for top positions has been introduced. At the same time, in 2023, the Group drew up job descriptions for Alperia Holding and Alperia Ecoplus Srl, indicating the tasks, objectives and skills required for each professional figure. These job descriptions were published on the MyAlperia portal, facilitating consultation by all staff.

The involvement of people in its workforce is central to the Group and is implemented through a series of structured activities, including management, training and education, which are defined in close cooperation with employees.

Alperia Spa 's Corporate HR function is responsible for ensuring that engagement arrangements are systematically followed and that they meet the established frequencies and guidelines. In this way, the Group promotes a transparent working environment, where communication between employees and the company is continuous and where every employee has the opportunity to be heard, ensuring a constant improvement of the corporate culture and the overall working experience.

To encourage the involvement of employees and their participation in company life, the Group organises various team-building activities each year, with the aim for each organisational unit to organise events outside working hours with its team to strengthen team spirit. In this context, the company **Alperia Smart Services Srl** organised a team-building event for the entire Group with the aim of creating a network between the Group's employees and the sales outlets located throughout the territory, both in South Tyrol and Veneto.

The Group believes in continuous learning at work to maintain the productive capacity of its employees. In order to realise this principle, each year it detects the **individual training needs** both as part of the annual interviews and assessments organised for potential talent and Group pillars, and as part of the training needs survey at organisational unit level, which is organised each year in the autumn for the following year. On the basis of training needs, where they are the same for several people, the Group offers in-house training courses dedicated to both hard and soft skills, supplemented by specific growth programmes for talent. The analysis of training data shows an increase in total training hours from **40,562.91 in 2022** to **48,669.16 in 2024**. The most significant increase was in **white-collar workers**, who recorded +38.7% in three years, followed by **managers**, with a more moderate growth. After a decline in 2023, **executive** training returns to 2022 levels.

Special attention is paid to **mandatory courses,** including those related to Model 231, delivered via e-learning courses on the HR platform. In line with current requirements, new content has been added in 2024 and will be available to employees by the end of the year. Finally, the Cybersecurity and Data Protection courses, mandatory from 2021 and aimed at everyone, are delivered through an e-learning platform[64]. In 2024, the participation rate reached 95%. In 2025, the Cybersecurity Awareness modules will be reviewed, updated and re-provided to all employees.

In addition to the compulsory courses, the Group also offers **additional training courses**, including those dedicated to teaching a second language (Italian or German), as the Group is bilingual. Part of the training also covers innovation and ESG issues: a basic course on sustainability is planned for 2025, as well as an ergonomics course available on the HR e-learning platform. To further enhance soft skills, a provider was selected for training for young managers, with a focus on complexity management and design thinking, the latter developed in cooperation with the NOI Techpark.

In 2024, the Group's training catalogue was expanded with new courses focusing on leadership and physical and mental well-being. New features include a course on mindfulness, mindfulness and yoga, a programme dedicated to mental well-being at work, and one-hour online training pills to support employees in managing their work-life balance. Also in the area of corporate wellness, the Group organised stability training and preventive postural gymnastics courses, both online and in-person.

Another pillar of the training strategy is **the strengthening of managerial skills and the sharing of a uniform leadership culture.** This year, a seven-day basic leadership course was designed, structured in workshop format and divided into four modules, each divided into two days:

[64] For more information, please refer to section "G1 – Cybersecurity".

- Management & personality
- Management & communication
- Leadership & conflict
- Corporate and leadership culture in Alperia and corporate tools

In 2025, the fourth module of the workshop is scheduled to focus on the use of internal tools to support personnel management. This course aims to promote awareness of the tools available and their most efficient use.

Alperia organises planned courses with both internal and external contact people.

At the same time, development plans dedicated to managerial roles or key positions continue to be drawn up, which represent an opportunity to outline medium-term career prospects, both from a training and economic point of view. In this context, the Group plans courses that aim to develop soft skills, including public speaking and management of staff or project teams.

Furthermore, in 2024, the Group introduced a new recruiting tool that includes a resource management system. As of 2025, the new tool will allow the selection process to be completely digitalised and the entire recruitment process to be carried out paperless. Candidates will receive all documentation via a link and can sign it using a digital signature code. In parallel, the Group actively collaborates with technical schools, and an innovative project involving internal ambassadors is planned for 2025: the HR team will organise meetings in schools where technical staff can talk about their work and the training they have received.

Also in 2024, with the aim of making the Group more attractive, Alperia introduced the possibility for anyone interested in an internship to send in spontaneous applications.

The remuneration of Group executives is closely linked to the Group's financial and sustainability performance. Targets are defined annually for the various Group companies by the General Manager of Alperia Spa , with the support of the relevant departments. The annual process of selecting KPIs and setting MBO targets is based on the Group's strategic direction, ensuring alignment with the Group's sustainable growth priorities. The targets are composed of Group profitability targets, which impact 50% of the variable remuneration, and individual targets for each manager, which impact the remaining 50% of the variable incentive remuneration. These objectives are defined in relation to the organisational responsibilities assigned to each manager and the related tasks, and may be both quantitative and qualitative in nature. In addition, at least one objective that contributes positively to the achievement of corporate sustainability goals, in line with the Group Sustainability Plan, will be included in the composition of individual objectives.

In 2024, the Group integrated new ESG objectives into the MBOs: currently, 20% of the targets relate to sustainability issues, of which about half are climate change related. A pilot project is planned for 2025 to give individual targets to identified sales and trading personnel.

The main actions implemented in the **social** sphere cover employees throughout the Group, in the geographical areas where the Group operates. The initiatives cover **well-being and safety at work, training and skills development, diversity and inclusion**, and the improvement of working conditions along the supply chain. The active involvement of **employees, trade unions and the relevant function** ensures a positive social impact and a responsible approach to human resources management. These actions are implemented during the reporting period, but there is no deadline as the Group's focus on employees is constant. In 2024, six agreements were reached with trade unions, specifically concerning: performance bonus provision, smart working agreement, company regulations for flexible working in AGF, Hydrodata, Fintel Gas & Luce and Care4U.

Metrics, commitments and targets[65]

The Group has a steadily growing workforce, with an increase in the total number of employees in recent years. In 2022, the Group had 1,211 employees, rising to 1,252 in 2023 and reaching 1,295 in 2024. This increase was accompanied by a gradual evolution in the gender distribution, with a more marked growth of the female component. The percentage of women within the organisation increased from 26% in 2022 to 29% in 2024, marking a positive trend towards greater inclusion. The male presence remains predominant, standing at 71% in 2024. Fluctuations in the number of employees between 2023 and 2024 show an overall increase of 43 (+3%), with a higher relative growth among women (+5%) than men (+3%). These figures reflect the Group's commitment to strengthening its workforce, with a particular focus on gender diversity.

[65] The data were taken from the Group's management software.

Total number of employees by gender and country (S1-6)

	Unit of measurement	2024			2023			2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy*	Headcount	373	922	1,295	356	896	1,252	320	891	1,211
Total employees	**Headcount**	**373**	**922**	**1,295**	**356**	**896**	**1,252**	**320**	**891**	**1,211**
Percentage of employees	%	29%	71%	100%	28%	72%	100%	26%	74%	100%

**At 31 December 2024 there were no employees outside Italy.*

Fluctuations in the number of employees[66] (1–6)	**Unit of measurement**	***Change (2023–2024)***		
		Women	**Men**	**Total**
Italy	Headcount	17	26	43
Total employees	**Headcount**	17	26	43
Italy	%	5%	3%	3%
Total employees	**%**	5%	3%	3%

From 2023 to 2024, the Group increased the number of employees, thanks to the growth of permanent contracts (+62, +5%), while fixed-term contracts fell by 26% (-19). In South Tyrol, the number of employees rose from 1,041 to 1,052, with a 3% increase in permanent contracts and a 25% reduction in fixed-term contracts. Full-time increased by 13, while part-time remained almost unchanged (-2). Outside South Tyrol, on the other hand, growth was more pronounced, with an increase of 13% in the total number of employees, from 211 in 2023 to 243 in 2024. This increase is due to both new hires and the acquisition of employees of Solar Total Srl (6 people) and Eicom Srl (17 people). Open-ended contracts increased from 206 in 2023 to 240 in 2024 (+17%), while fixed-term contracts almost fell to zero, from 5 in 2023 to only 3 in 2024. Part-time work also increased significantly, from 31 in 2023 to 40 in 2024 (+29%), indicating greater working flexibility.

On the turnover front, different dynamics are observed between 2023 and 2024. After a peak in 2023, with 151 new hires, the number of new hires fell to 114 in 2024, leading to a reduction in the hiring rate

[66] Annual change in employees

from 12.1% to 8.8%. There is also a reduction in the turnover rate from 8.8% (of which 25.5% retirements) to 5.9% (of which 34% retirements). This data suggests a consolidation phase in the workforce, after a more sustained growth in the previous year.

Employees by type of contract by gender* and region[67]

	Unit of measurement	FY 2024			FY 2023			FY 2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
					Total Group					
Open-ended contract	Headcount	362	879	1,241	336	843	1,179	303	849	1,152
	%	97%	95%	96%	94%	94%	94%	95%	95%	95%
Fixed-term contract	Headcount	11	43	54	20	53	73	17	42	59
	%	3%	5%	4%	6%	6%	6%	5%	5%	5%
Total employees	**Headcount**	373	922	1,295	356	896	1,252	320	891	1,211
Full-time contract	Headcount	246	899	1,145	236	873	1,109	214	869	1,083
	%	66%	98%	88%	66%	97%	89%	67%	98%	89%
Part-time contract	Headcount	127	23	150	120	23	143	106	22	128
	%	34%	2%	12%	34%	3%	11%	33%	2%	11%
Contract with variable hours[68]	Headcount	0	0	0	0	0	0	0	0	0
Total employees	**Headcount**	373	922	1,295	356	896	1,252	320	891	1,211
					South Tyrol					
Open-ended contract	Headcount	244	757	1,001	236	737	973	234	745	979
	%	97%	95%	95%	93%	94%	93%	94%	95%	95%
Fixed-term contract	Headcount	8	43	51	17	51	68	15	38	53
	%	3%	5%	5%	7%	6%	7%	6%	5%	5%

[67] All Group employees are located in Italy.
[68] Working hours that employees can spread out over the day, week or month

Total employees	**Headcount**	252	800	1,052	253	788	1,041	249	783	1,032
Full-time contract	Headcount	158	784	942	158	771	929	155	764	919
	%	63%	98%	90%	62%	98%	89%	62%	98%	89%
Part-time contract	Headcount	94	16	110	95	17	112	94	19	113
	%	37%	2%	10%	38%	2%	11%	38%	2%	11%
Contract with variable hours	Headcount	0	0	0	0	0	0	0	0	0
Total employees	**Headcount**	252	800	1,052	253	788	1,041	249	783	1,032
					Outside South Tyrol					
Open-ended contract	Headcount	118	122	240	100	106	206	69	104	173
	%	98%	100%	99%	97%	98%	98%	97%	96%	97%
Fixed-term contract	Headcount	3	0	3	3	2	5	2	4	6
	%	2%	0%	1%	3%	2%	2%	3%	4%	3%
Total employees	**Headcount**	121	122	243	103	108	211	71	108	179
Full-time contract	Headcount	88	115	203	78	102	180	59	105	164
	%	73%	94%	84%	76%	94%	85%	83%	97%	92%
Part-time contract	Headcount	33	7	40	25	6	31	12	3	15
	%	27%	6%	16%	24%	6%	15%	17%	3%	8%
Contract with variable hours	Headcount	0	0	0	0	0	0	0	0	0
Total employees	**Headcount**	121	122	243	103	108	211	71	108	179

** Gender as specified by the employee*

Fluctuations in employee numbers

		2023 vs 2024					
		Women	Men	Total	Women	Men	Total
		Total Group					
Type of contract	**Unit of measurement**	**Headcount**			**%**		
Open-ended contract	Headcount	26	36	62	8%	4%	5%
Fixed-term contract	Headcount	−9	−10	−19	−45%	−19%	−26%
Total employees	**Headcount**	17	26	43	−37%	−15%	3%
Full-time contract	Headcount	10	26	36	4%	3%	3%
Part-time contract	Headcount	7	0	7	6%	0%	5%
Contract with variable hours	Headcount	0	0	0	0%	0%	0%
Total employees	**Headcount**	17	26	43	10%	3%	3%
		South Tyrol					
Open-ended contract	Headcount	8	20	28	3%	3%	3%
Fixed-term contract	Headcount	−9	−8	−17	−53%	−16%	−25%
Total employees	**Headcount**	−1	12	11	−50%	−13%	1%
Full-time contract	Headcount	0	13	13	0%	2%	1%
Part-time contract	Headcount	−1	−1	−2	−1%	−6%	−2%
Contract with variable hours	Headcount	0	0	0	0%	0%	0%
Total employees	**Headcount**	−1	12	11	0%	0%	1%
		Outside South Tyrol					
Open-ended contract	Headcount	18	16	34	18%	15%	17%
Fixed-term contract	Headcount	0	−2	−2	0%	−100%	−40%
Total employees	**Headcount**	18	14	32	18%	-85%	13%
Full-time contract	Headcount	10	13	23	13%	13%	13%
Part-time contract	Headcount	8	1	9	32%	17%	29%
Contract with variable hours	Headcount	0	0	0	0%	0%	0%
Total employees	**Headcount**	18	14	32	0%	0%	13%

New hires

	FY 2024			FY 2023			FY 2022		
	No. of employees	No. of new hires	Hiring rate	No. of employees	No. of new hires	Hiring rate	No. of employees	No. of new hires	Hiring rate
Total	1,295	114	**8.80%**	1,252	151	**12.10%**	1,211	113	**9.30%**

Turnover

	FY 2024			FY 2023			FY 2022		
	No. of employees	No. terminated	Turnover rate	No. of employees	No. terminated	Turnover rate	No. of employees	No. terminated	Turnover rate
Total	1,295	76	**5.90%**	1,252	110	**8.80%**	1,211	78	**6.40%**
of which retirement	–	26	**34.20%**	–	28	**25.50%**	–	27	**34.60%**

In addition to the data on employees, it is important to consider the development of the number of non-employees in the Group, which includes trainees, temporary workers, agents and other specific contracts. Between 2023 and 2024, the total number of non-employees increased by 1%, from 201 in 2023 to 204 in 2024. This increase is mainly due to the increase in the number of trainees from 47 in 2023 to 56 in 2024 (+19%), highlighting the Group's increased focus on introducing young talent through training and internships. The number of agents also grew, from 100 in 2023 to 105 in 2024 (+5%), indicating a strengthening of the sales network.

In contrast, the number of temporary workers decreased significantly, from 54 in 2023 to 41 in 2024 (−26%), signalling a trend to reduce the use of temporary contracts to meet more stable needs.

Non-employed workers by type of contract by gender and region*

	FY 2024			FY 2023			FY 2022		
	Headcount			Headcount			Headcount		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Trainees	15	41	56	13	34	47	13	25	38
Temporary	32	9	41	43	11	54	36	20	56
Agents***	9	96	105	10	90	100	13	85	98
Other (Collaborator)***	0	2	2	0	0	0	0	0	0
Total	56	148	204	66	135	201	62	130	192

** Gender as specified by the employee*

***At 31 December 2024, there were no non-employed workers outside Italy.*

**** Professional figures not managed by HR Alperia*

All data are managed internally.

Fluctuations in non-employee numbers*	2023 vs 2024					
	Women	Men	Total	Women	Men	Total
Type of worker	Headcount			%		
Trainees	2	7	9	15%	21%	19%
Temporary	−11	−2	−13	−26%	−18%	−24%
Agents	−1	6	5	−10%	7%	5%
Other (Collaborator)	0	2	2	0%	0%	0%
Total	−10	13	3	−15%	10%	1%

** Gender as specified by the employee*

Another relevant aspect for the Group concerns the coverage of collective bargaining and social dialogue. Significantly, 100% of the Group's employees, who are based in Italy, are covered by collective bargaining agreements, an element that underlines the Group's commitment to ensuring fair and protected working conditions. This comprehensive coverage is essential to ensure that all resources are protected by the rights and benefits of collective agreements, without distinction between temporary and permanent workers, and helps to maintain a working environment characterised by stability and transparency.

Employees covered by National Collective Bargaining Agreements

	Unit of measurement	FY 2024	FY 2023	FY 2022
Total no. of employees covered by National Collective Bargaining Agreements	Headcount	1,295	1,252	1,211
Total no. of employees	Headcount	1,295	1,252	1,211
Percentage of employees covered by National Collective Bargaining Agreements	**%**	**100%**	**100%**	**100%**

Employees covered by collective agreements by country (Italy)

	Unit of measurement	FY 2024	FY 2023	FY 2022
		ITALY	**ITALY**	**ITALY**
Total no. of employees covered by collective agreement	Headcount	1,295	1,252	1,211
Total no. of employees	Headcount	1,295	1,252	1,211
Percentage of employees covered by a collective agreement	**%**	**100%**	**100%**	**100%**

Data on workplace representation confirm that a significant percentage of employees is covered by company trade union representatives. From 2022 to 2024, the percentage of employees who can rely on the presence of company trade union representatives increased from 87% in 2022 to 84% in 2023 and to 100% in 2024.

Workplace representation by country

	Unit of measurement	2024 ITALY	2023 ITALY	2022 ITALY
Total no. of employees covered by trade union representatives	Headcount	1,295	1,057	1,048
Total no. of employees	Headcount	1,295	1,252	1,211
Percentage of employees covered by National Collective Bargaining Agreements	**%**	**100%**	**84%**	**87%**

Another central aspect is social protection, which protects workers against loss of income in events such as illness, unemployment, occupational injury, acquired disability, parental leave and retirement. It is therefore essential to assess whether all workers, both employees and non-employees, are covered by adequate protective measures from the beginning of their activity for the Group.

Below, the tables show the level of coverage for each category of workers with respect to the main risks related to loss of income. In accordance with Italian law, National Collective Bargaining Agreements (CCNL) and company agreements, 100% of employees are covered by social protection measures from the start of their employment with the Group.

Social protection for all employees

	Unit of measurement	FY 2024	FY 2023	FY 2022
Sickness	Headcount	1,295	1,252	1,211
Unemployment starting from when the own worker is working for the undertaking	Headcount	1,295	1,252	1,211
Employment injury and acquired disability	Headcount	1,295	1,252	1,211
Parental leave	Headcount	1,295	1,252	1,211
Retirement	Headcount	1,295	1,252	1,211

Social protection for non-employees*

	Unit of measurement	FY 2024	FY 2023	FY 2022
Sickness	Headcount	43	54	56
Unemployment starting from when the own worker is working for the undertaking	Headcount	43	54	56
Employment injury and acquired disability	Headcount	43	54	56
Parental leave	Headcount	43	54	56
Retirement	Headcount	43	54	56

** Criterion applied only to employees and collaborators.*

A relevant aspect related to social protection for employees also concerns the measures taken to ensure the inclusion and support of people with disabilities. Italian law provides specific protections for workers with disabilities, including job placement benefits, workplace adaptations and protection against discrimination. Below, the tables show the percentage of workers belonging to protected categories, broken down by gender, providing an overview of the representation and integration of these workers within the Group.

Percentage of protected categories by gender*1

	Unit of measurement	FY 2024			FY 2023			FY 2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Total employees	Headcount	373	922	1,295	356	896	1,252	320	891	1,211
Employees with disabilities*2	Headcount	20	24	44	18	24	42	15	26	41
Total	**Headcount**	**5%**	**3%**	**3%**	**5%**	**3%**	**3%**	**5%**	**3%**	**3%**

**1 Gender as specified by the employee*

**2 Only disabled persons as defined in the relevant legislation – not disadvantaged persons (e.g., orphans, refugees, etc.)*

The Group is committed to promoting a fair and inclusive working environment. In this context, **training** plays a strategic role, contributing to the professional growth of employees and the dissemination of a corporate culture based on inclusion. Over the past three years, the number of training hours provided has been on an upward trend, demonstrating the increasing focus on skills development.

To monitor this metric, a report extracted from the HR management system was used, which records the training hours for each employee, broken down by qualification and gender. This approach allows a detailed analysis of the distribution of learning activities and their accessibility, helping to ensure equity in learning opportunities. However, the accuracy of this analysis depends on the quality and completeness of the data entered into the system.

The table below illustrates the trend in training hours by professional category and gender, providing a picture of the Group's commitment to promoting inclusive training and valuing diversity.

Training hours

	Unit of measurement	FY 2024			FY 2023			FY 2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	Hours	207.28	976.31	1,183.59	170.2	613.07	783.27	187.7	1,002.62	1,190.32
Middle managers	Hours	1,259.91	4,073.68	5,333.59	1,374.63	4,000.52	5,375.15	1,273.02	3,668.67	4,941.69
White-collar workers	Hours	10,520.59	22,128.37	32,648.96	9,012.36	18,182.56	27,194.92	7,616.97	15,923.31	23,540.28
Workers	Hours	15.7	9,487.32	9,503.02	18.1	7,978.73	7,996.83	142.22	10,748.4	10,890.62
Total	**Hours**	12,003.48	36,665.68	48,669.16	10,575.29	30,774.88	41,350.17	9,219.91	31,343	40,562.91

A further analysis is possible by looking at the **average hours of training per employee**, which makes it possible to assess not only the total number of hours provided, but also their distribution among workers. The table below shows the average value of training hours per employee, broken down by gender and professional category. This indicator provides a clearer view of access to training in the different company groups, highlighting any disparities and progress over time.

Average hours of training

	Unit of measurement	FY 2024	FY 2023	FY 2022
Total number of training hours provided to employees	Hours	48669.16	41350.17	40562.91
Total number of employees	Headcount	1295	1252	1211
Average training hours per employee	**Hours**	**37.6**	**33.0**	**33.5**
Total number of training hours provided to female employees	Hours	12003.48	10575.29	9219.91
Total number of employees	Headcount	373	356	320
Average training hours per female employee	**Hours**	**32.2**	**29.7**	**28.8**
Total number of training hours provided to male employees	Hours	36665.68	30774.88	31343
Total number of male employees	Headcount	922	896	891
Average training hours per male employee	**Hours**	**39.8**	**34.3**	**35.2**
Total number of training hours provided to Executives	Hours	1183.59	783.27	1190.32
Total number of Executives	Headcount	19	21	21
Average training hours per executive	**Hours**	**62.3**	**37.3**	**56.7**
Total number of training hours provided to middle managers	Hours	5333.59	5375.15	4941.69
Total number of middle managers	Headcount	116	112	111
Average training hours per middle manager	**Hours**	**46.0**	**48.0**	**44.5**
Total number of training hours provided to White-collar workers	Hours	32648.96	27194.92	23540.28
Total number of White-collar workers	Headcount	898	851	791
Average training hours per White-collar worker	**Hours**	**36.4**	**31.9**	**29.8**
Total number of training hours provided to Blue-collar workers	Hours	9503.02	7996.83	10890.62
Total number of Blue-collar workers	Headcount	262	268	288
Average training hours per Blue-collar worker	**Hours**	**36.3**	**29.8**	**37.8**

The analysis of average training hours per employee shows an increase from 33.5 hours in 2023 to 37.6 hours in 2024, despite the increase in the workforce from 1,252 to 1,295 employees. Women saw an increase from 29.7 hours in 2023 to 32.2 hours in 2024, while men saw an increase from 34.3 to 39.8 hours.

Among the categories, executives saw an increase from 37.3 hours in 2023 to 62.3 hours in 2024, while middle managers remained stable. White-collar workers had the largest growth, with an increase from 32 hours in 2023 to 36.4 hours in 2024, while blue-collar workers saw a slight decrease from 29.8 hours in 2023 to 36.3 hours in 2024. With regard to specific training on diversity issues, Group employees undertook **1,936.66** hours of training, mainly on gender equality and age diversity.

In parallel, it is interesting to analyse the distribution of **periodic performance evaluations** received by employees, broken down by **professional category and gender**. The following tables show the number and percentage of employees who received regular performance appraisals, providing an insight into how performance is monitored and recognised in relation to training and professional development.

Employees who received a periodic performance evaluation by category and gender (S1–13)

	Unit of measurement	FY 2024			FY 2023			FY 2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	Headcount	2	17	19	2	23	25	N/A	N/A	N/A
Middle managers	Headcount	25	79	104	20	60	80	N/A	N/A	N/A
White-collar workers	Headcount	280	486	766	219	419	638	N/A	N/A	N/A
Workers	Headcount	1	249	250	1	219	220	N/A	N/A	N/A
Total	**Headcount**	**308**	**831**	**1,139**	**242**	**721**	**963**	N/A	N/A	N/A
	%	**83**	**90**	**88**	**68**	**81**	**74**	N/A	N/A	N/A

** Gender as specified by the employee*

Data on performance evaluations for 2022 are not available. However, in 2023, 963 evaluations were carried out, with 242 women and 721 men, while, in 2024, the total increased to 1,139 evaluations (308 women and 831 men), marking an increase of 18.3%.

Another important issue is that of **work-life balance**, which is reflected in family leave regulations. Maternity, paternity, family care (under Law No. 104/92) and parental leave are essential tools to ensure that employees can reconcile work needs with family responsibilities, without compromising their career or well-being.

Below is an overview of access to family-related leave over the different years, with an analysis of trends in the number of eligible employees and those actually taking leave. The analysis shows an upward trend in access to family leave, with a significant increase in the number of eligible employees actually taking leave, particularly for maternity/paternity leave and for caregivers (Law No. 104/92). In particular, the percentage of employees entitled to family leave corresponds to the totality of employees subject to National Collective Bargaining Agreements. The share of employees in the total number of employees taking family leave increased from 15% in 2023 to 16% in 2024.

Family leave[69]*

	Unit of measurement	FY 2024			FY 2023			FY 2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
No. of employees	Headcount	373	922	1,295	356	896	1,252	320	891	1,211
Percentage of employees entitled to take family-related leave	**%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Entitled employees who have taken maternity/paternity leave	Headcount	11	37	48	11	27	38	7	17	24
Entitled employees who have taken caregiver leave	Headcount	21	42	63	19	45	64	14	44	58
Entitled employees who have taken parental leave	Headcount	40	53	93	45	35	80	30	20	50
Percentage of entitled employees who took family leave	**%**	**19%**	**14%**	**16%**	**21%**	**12%**	**15%**	**16%**	**9%**	**11%**

** Gender as specified by the employee*

(°) With regard to Paragraph 93 (a), employees entitled to family-related leave are those who are covered by regulations, organisational policies, agreements, contracts or collective bargaining agreements that contain family-related leave entitlements and have reported their entitlement to the undertaking or the undertaking is aware of the entitlement.

[69] Entitled persons correspond to the totality of employees, as all employees of the Group are covered by the National Collective Bargaining Agreement for electricity, which provides for such protections.

The Group continues to pursue tools to promote a feedback culture. Various **feedback interviews** are conducted, ranging from the evaluation of staff performance with the annual interview to interviews at the end of the probationary period or at the transformation of the fixed-term employment contract into a permanent one (involving 88% of staff in 2024). These interviews are also provided for those returning from maternity leave or after an absence of six months with the aim of facilitating optimal reintegration. Provision is made for staff to carry out a self-assessment, allowing a direct comparison between their own assessment and that carried out by the manager. Finally, each manager conducts a feedback interview as part of the annual interview to share individual objectives.

As far as personnel costs are concerned, please refer to section S3 – Value added for the territory. The allocation of resources is aligned with corporate strategy and objectives, ensuring a positive impact on Group employees. The implementation of the plan may depend on preconditions, such as access to public incentives, changes in labour regulations and the adoption of further corporate social responsibility policies.

Among the various **commitments** made by the Group to its employees, there is the active and constant listening to employees. This is also done by taking advice and/or ideas from employees via the MyIdeas portal. Annually, we aim to monitor the number of implemented projects and their progress. In 2024, 11 projects were approved. In addition, in order to disseminate the Group's ethical principles, the company has undertaken to train all its employees in the principles of the code of ethics.

As far as relations with trade unions are concerned, there is no quantitative target, but the Group is committed to establishing uniform framework conditions for all Group companies, in particular for new hires.

The Group has set several **objectives** for the future in order to manage its risk and opportunity impacts on the entire workforce, which have been defined in agreement with the reference function, based on the main impacts identified in the performance of its activities and from interactions with employees. The degree to which targets are met is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance. Objectives on social issues are defined through methodologies based on statistical data, sector benchmarks and national, European and international regulations. The assumptions used consider reference scenarios for worker welfare, ensuring full alignment with EU policies and international labour and human rights standards, as well as relevant ISO standards. Furthermore, the objectives take into account local socio-economic conditions and company policies and procedures, ensuring a positive impact on the community and responsible management of human resources in the company:

Operational objectives	Deadlines	KPI	Target value	Baseline year value (2022)	2024 Value	Status	Reference stakeholders
Launching initiatives to increase talent acquisition and reduce the turnover rate	2027	Turnover of personnel	<3%	4%	5.9%	Ongoing	Employees
Maintaining and developing company know-how and boosting employee training	2027	Average hours of training	28h	27.8h	37.58h	Ongoing	Employees
Raising the satisfaction index of employees from 50% (2019) to 60%	2027	Employee satisfaction index	60%	50% (2019)	60% (2023)	Ongoing	Employees
Culture: the creation and implementation of a plan for the inclusion of ESG topics in corporate training programmes to raise awareness of ESG topics and create a culture of sustainability and corporate social responsibility among our management and our employees	2027	ESG trained population (%)	90% (2027)	7% (2022)	60.53%	Ongoing	Employees

19.1.2 Diversity and equal opportunity

Impacts, risks and opportunities

Impacts on equal opportunities and staff diversity arise directly from the Group's activities. Among the most relevant aspects are a relatively high average age and a low presence of pink quotas, linked to the specificity of the technical sector. This can lead to an increase in the gender gap, with fewer opportunities for skills development and reduced participation of women in strategic roles, limiting diversity and innovation. Moreover, the psychological well-being of employees may be compromised due to stereotypical and discriminatory behaviour, contributing to increased stress and a worsening corporate climate. The presence of instances of violence or harassment could cause psychological and emotional harm to employees and lower their overall well-being.

To meet these challenges, the Group promotes a work environment that fosters job satisfaction and increases the Group's ability to attract and retain talent. The promotion of gender equality in the workplace ensures fair and meaningful participation of all employees, regardless of gender. The Group provides employment stability and economic security for staff with disabilities, contributing to a fair and safe working environment. Furthermore, the integration of protected categories (the disabled, orphans, etc.) in line with the obligations of Law No. 68/1999 promotes equal treatment and opportunities, with positive impacts on both the work environment and society.

The Group also develops awareness-raising and training initiatives to increase staff awareness of diversity, equity and inclusion issues, as well as the prevention of gender-based violence. These efforts contribute to a more inclusive and respectful work environment, strengthening the sense of belonging and collaboration between colleagues. Investing in diversity and inclusion is not only a matter of equity, but also a strategic lever that improves adaptability to changing market conditions and increases the Group's attractiveness as an employer. The presence of discrimination due to poor dissemination of a culture of inclusion and lack of opportunities for confrontation can threaten internal cohesion. On the contrary, improving employee satisfaction through appropriate equal opportunity and social inclusion plans has a positive impact on corporate welfare and the Group's competitiveness.

A well-structured training programme helps employees to develop and update their skills, enabling them to perform their tasks more efficiently and effectively, increasing the quality of work. In addition, offering training opportunities increases employee satisfaction by reducing (positive) turnover.

Reduced employee satisfaction, as a result of the failure to develop their skills, could decrease motivation and involvement, with detrimental effects on the overall well-being of the Group.

Managing impacts, risks and opportunities

Policies and procedures

To manage the impacts, risks and opportunities on workforce diversity, the Parent Company's Executive Board has defined and approved several policies and procedures over the years.

In addition to the **Sustainability Policy**[70] which sets out the commitment to "*Alperia is an attractive employer and pursues responsible human resources management. This includes, in particular, an active appreciation and recognition of the work done, a culture of open and transparent communication, continuous staff training in line with individual competences, the creation of a family-friendly environment for both women and men, and the promotion of diversity and equal opportunities in all activities."* The other key pillar is the **Diversity Policy**, drafted in 2023, which establishes a clear framework of principles on diversity and inclusion. By means of this policy[71], the Group is committed to providing all employees with a non-discriminatory and equal- opportunity working environment, regardless of age, gender, language background or disability. The policy explicitly covers different forms of discrimination, including those of a political nature, social background or religion, thus ensuring an inclusive and respectful approach to diversity, particularly for vulnerable employees. For the Group, this also implies the guarantee of equal pay and equal career opportunities for men and women. The policy also makes explicit the Group's commitment to ensure, for vulnerable and disabled employees, the basic conditions and tools necessary to implement sustainable measures to achieve an inclusive and barrier-free company.

The Sustainability Policy was drawn up on the Group's initiative to formalise its commitments towards the environment and people. It is not intended to respond to third-party standards or initiatives. The Sustainability Policy was defined on the basis of the stakeholder engagement activities conducted in 2021. Consequently, it takes into account the interests and opinions expressed during this activity.

In this context, the adoption of certifications such as **Family and Work**, **PAS 24000** and the **UNI/PdR 125:2022** gender equality certification represents an important milestone, but above all a concrete commitment to ensure fairness in the workplace, promoting a balance between personal and professional life and the protection of workers' rights, and the policies adopted by the group comply with the

[70] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.
[71] The policy was amended in 2024 and adapted to the requirements of the UNI/PdR 125:2022 certification for Gender Equality.

aforementioned certifications. In addition, PRO 217 defines the modalities for the handling of staff requests, also with regard to work-life balance.

The proportion of women in the Group is relatively low due to the specificity of the technical sector in which the company operates, which is why the Group tries to get more and more women into technical professions.

In the area of human resources management, the Group has paid particular attention to the recruitment of disabled personnel and compliance with the relevant legal quotas, which are slightly lower than those of companies in other sectors in view of the technical activities carried out in the electricity sector. In order to open up opportunities to the external labour market, since 2024 there has been a specific channel on the Group's homepage allowing applications for positions reserved for protected categories. We want to give people dignity and offer them the opportunity to apply directly instead of through the employment service.

To ensure greater transparency and accountability, the Group has defined internal roles and responsibilities for **personnel management**. The added value created for employees is considered an essential component of the economic value generated by the Group. Although a specific complaints management system is not currently operational, a **whistleblowing platform** is available that allows employees to confidentially report illegal conduct, violations of the 231 Model or the Code of Ethics pursuant to Legislative Decree No. 24/2023. So far, no reports have been received. However, by June 2025, the Group plans to integrate the Whistleblowing channel into a new stand-alone platform that will specifically include the handling of complaints concerning discriminatory behaviour and bullying. Currently, for this subject area, the system takes the form of a postbox. All reports received through the implemented channels are handled by a dedicated control body, which ensures the confidentiality of the reporter's identity and the proper analysis of the content. The management process provides for a preliminary assessment phase to check whether the report is well-founded, followed by an in-depth internal investigation in cases where concrete elements of irregularity emerge. Reports are monitored on an ongoing basis and regularly reported to corporate governance bodies. In addition, the IT system, operational from 2025, provides for the possibility of updating the reporter on the progress of their report, ensuring transparency and traceability of the process. During 2024, there were no reports and/or sanctions for the violation of employees' human rights.

Internal stakeholders, including those with disabilities, 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 to define projects to promote diversity in the Group.

Actions

Diversity represents, in all its dimensions, a considerable added value for the Group. Aware of this importance, in 2021 the Group equipped itself with a **Diversity Manager,** and, in 2023, a Diversity Policy was defined.

Also in 2024, the Group renewed its **Family and Work** certification, awarded by the Family Agency of the Autonomous Province of Bolzano and the Chamber of Commerce, obtaining the consolidation re-audit. Another initiative developed by the Group was the publication of guidelines on the topic of Diversity & Inclusion with the aim of raising awareness among all employees on the correct communication to be held externally and internally within the Group. In the group, as a further step towards equal opportunities, we want to keep the language as gender-neutral as possible. This form of sensitive communication aims to speak and write in a way that does not discriminate against any biological sex, social gender or gender identity and does not perpetuate gender stereotypes. Gender-inclusive language offers the opportunity to become aware of one's use of language and to address all people, valuing and appreciating their diversity.

Finally, in October 2024, the Group introduced a Harassment, Bullying and Discriminatory Behaviour Reporting Channel, which allows people to report, even anonymously, cases of harassment and discriminatory behaviour in the workplace.

The Group has obtained the UNI/PdR 125:2022 Gender Equality Certification: a tool that further oversees diversity policies in the company, with periodic assessments and benchmark indicators that aim to reduce some substantial differences, such as, for example, the gender pay gap. In the same year, the Group introduced new measures in the area of gender equality certification, including a podcast on **Diversity & Inclusion** entitled "***Gender Equality"***. The podcast, consisting of 10 episodes, was followed by about 60% of the employees (800 people).

All these initiatives aim to improve the well-being and skills of employees, fostering an inclusive corporate culture that complies with social responsibility and safety standards.

Other projects organised to enhance diversity include:

- **mentoring**, a path of exchange and growth between experienced managers and directors (mentors) and junior key figures (mentees);
- 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 reference organisations in the sector 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;
- **talent management**, a multi-year project that is repeated at certain intervals during which training modules are organised for colleagues identified as "talented". As well as being selected, it is also possible to apply to join the programme;
- **measures for parental leave and "active paternity":** we promote the use of parental leave also by fathers, we made a video of some fathers 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 intervening immediately and sanctioning any kind of aggression; in addition, 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 Group;
- **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 the Group or CRAL in which they can continue to participate after retirement; and
- **networking:** we encourage the creation and consolidation of contacts between our employees and between different companies.

The group also had an **Equal Opportunities Commission** with eight members, four proposed by the group 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 the various initiatives.

Another initiative to promote inclusion is the fact that for several years now, recruitment vacancies have also been published internally on the myAlperia platform, and a training catalogue is also available to the entire company.

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

Metrics, commitments and targets

The analysis of diversity metrics provides insight into the composition of the workforce and representation within the company. In particular, the distribution of management by gender and the segmentation of the corporate population by age group allow for an assessment of generational inclusion and balance.

The following tables illustrate the gender breakdown in senior management and the composition of the workforce by age group, providing a clear picture of diversity within the organisation. Substantial stability is observed in the composition of the Group's governing bodies, which maintain the same number of members (12) and gender breakdown (4 women and 8 men) over the three-year period 2022–2024. As far as executives are concerned, there is a slight increase in the presence of women: the number of women increased from two in 2023 to three in 2024, while the number of men decreased from 19 to 16. The category of executives, on the other hand, grew overall from 112 in 2023 to 116 in 2024, but with an increase concentrated on men (from 87 to 92), while the number of women decreased slightly (from 25 to 24). Overall, total senior management increased from 145 in 2023 to 147 in 2024, but with no significant change in the gender distribution, which remains stable at around 21% women and 79% men.

Senior management by gender*

	Unit of measurement	FY 2024			FY 2023			FY 2022		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Governing bodies of the Parent Company Alperia Spa	Headcount	**4**	**8**	12	**4**	**8**	12	**4**	**8**	12
Executives	Headcount	3	16	19	2	19	21	1	20	21
Middle managers	Headcount	24	92	116	25	87	112	26	85	111
Total	**Headcount**	**31**	**116**	147	**31**	**114**	145	**31**	**113**	144
%	**Headcount**	**21%**	**79%**	**100%**	**21%**	**79%**	**100%**	**22%**	**78%**	**100%**

** Gender as specified by the employee*

Senior management fluctuations by gender	Unit of measurement	2023vs2024		
		Women	Men	Total
Executives	Headcount	**1**	**−3**	−2
Middle managers	Headcount	**−1**	**5**	4
Total	Headcount	0	2	2
Executives	Headcount	**50%**	**−16%**	**−10%**
Middle managers	Headcount	**−4%**	**6%**	**4%**
Total	Headcount	0%	2%	1%

Analysing the distribution by age group, an increase can be seen in all categories, with the most significant growth in the 30–50 age group (+30 employees) and a smaller increase among the over-50s (+7 employees) and the under-30s (+6 employees) compared to 2023. However, the percentage composition of the workforce remains almost unchanged, with the core group (30-50 years old) accounting for 55% of the total, while the share of employees over 50 declines slightly from 33% in 2023 to 32% in 2024.

The increase in the number of young people under the age of 30, from 157 in 2023 to 163 in 2024, suggests an increase in the recruitment of new resources, contributing to generational change.

Employees by age group

	Unit of measurement	FY 2024 < 30 years	FY 2024 30–50 years	FY 2024 > 50 years	FY 2024 Total	FY 2023 < 30 years	FY 2023 30–50 years	FY 2023 > 50 years	FY 2023 Total	FY 2022 < 30 years	FY 2022 30–50 years	FY 2022 > 50 years	FY 2022 Total
Total employees	Headcount	163	713	419	1,295	157	683	412	1,252	136	666	409	1,211
%	Headcount	13%	55%	32%	100%	13%	55%	32%	100%	11%	55%	34%	100%

Employee fluctuations by age group

	2023 vs 2024			
	< 30 years	**30–50 years**	**> 50 years**	**Total**
Total employees	6	30	7	43
Headcount	6	30	7	43
Total employees	4%	4%	2%	10%
%	4%	4%	2%	10%

The following tables provide an overview of average pay and the pay gap by year and by gender, with a focus on wage inequality and equity in compensation distribution. The gender pay gap shows a fluctuation between 2022 and 2024, rising from 8% in 2022 to 11% in 2023, then falling to 10% in 2024, indicating a slight narrowing of the gap. Gross annual earnings for women increased by 4% between 2023 and 2024, higher than 3% for men.

As far as total remuneration is concerned, the median wage increased by 3%, while the total remuneration rate decreased slightly from 5.46 in 2023 to 5.29 in 2024, indicating a narrowing of the disparity between maximum and median wages.

In summary, the data reflect progressive wage equality and a slight reduction in wage inequality, with more marked increases for women.

Gender pay gap

	Unit	FY 2024	FY 2023	FY 2022
Pay gap	**ratio**	**0.10**	**0.11**	**0.08**

The pay gap is calculated as the difference between the gross annual pay of female and male employees. The worsening of the gender pay gap from 2022 to 2024 is due to the entry of companies outside South Tyrol into the Group with a lower average pay (Fintel, Eicom).

Fluctuations in gross annual employee remuneration	FY 2023 vs FY2024
Average change in gross annual remuneration of male employees	3%
Average change in gross annual remuneration of female employees	4%
Gender pay gap change **%**	−7%

Total remuneration ratio

	Unit	FY 2024	FY 2023	FY 2022
Total remuneration ratio	**ratio**	5.29	5.46	–

Total remuneration rate fluctuations	FY 2023 vs FY2024
Change in total annual remuneration for the person with the **highest salary** in the company	0%
Change in median annual total remuneration of employees (excluding the person with the highest salary)	3%
Variation in remuneration rate %	**−3%**

The Group has set several **objectives for** the future in order to manage its workforce diversity risk and opportunity impacts, which have been defined in agreement with the reference function, based on the main impacts identified in the performance of its activities and from interactions with employees. Targets on diversity issues are defined through methodologies based on statistical data, sectoral benchmarks and national, European and international regulations. The assumptions used consider reference scenarios for diversity and inclusion, ensuring full alignment with EU policies and international labour and human rights standards, as well as relevant ISO standards. At present, there are no specific quantitative targets concerning the integration of certain categories of people (disabled, orphans, etc.) into the world of work by the Group. The degree to which targets are met is monitored annually by the relevant function when preparing the Sustainability Report, which also assesses possible opportunities for improvement based on performance:

Operational objectives	**Deadlines**	**KPI**	**Target value**	**Baseline year value (2022)**	**2024 Value**	**Status**	**Reference stakeholders**
Increase in the proportion of women in the company and in 1st and 2nd level management	2027	% women in the company	35%	26% (2022)	29%	Ongoing	Employees
Increase in the proportion of women in 1st and 2nd level management	2027	% women in management	27%	23% (2022)	21%	Ongoing	Employees
Age diversity: boost for intergenerational initiatives and those aimed at lowering the average age of women	2027	Average age women	42	42 (2022)	43	Ongoing	Employees
Age diversity: boost for intergenerational initiatives and those aimed at lowering the average age of men	2027	Average age men	43	45 (2022)	44	Ongoing	Employees
Age diversity: attraction of young talent and qualified professionals (bilingual in South Tyrol)	2027	Number of internships	80	60 (2022)	56	Ongoing	Employees

19.1.3 Occupational health and safety

Impacts, risks and opportunities

The Group 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. The Group operates facilities and infrastructures that are critical to the region and of high technological complexity. Some company activities expose employees to physical, chemical and environmental risks, with potential negative impacts on their health, safety and well-being. The lack of adequate protective measures can lead to accidents, thus reducing the quality of life. Hazardous working conditions in higher-risk activities, including transport accidents, contact with hazardous objects and equipment, and exposure to harmful substances, can lead to accidents, creating a negative impact on the safety and well-being of workers, especially for those who carry out operational activities in the power and generation grid.

In addition to the impacts due to the levels of work-related stress experienced by company staff, which could lead to a decrease in attention in the workplace, resulting in accidents due to distraction, there are also the impacts on the health of employees, with a consequent increase in absenteeism at work. The reduced or lack of attention to the psycho-physical well-being of employees can lead to increased stress, job dissatisfaction and demotivation. Intense work pressures, high workloads and a lack of work-life balance can negatively affect employee morale, increasing the risk of burnout and mental health problems. A lack of attention to the mental and physical well-being of employees can also lead to an increase in sick days or injuries related to mental health (stress, burnout), with a negative impact on quality of life and work performance.

In addition, an increase in postural complications, due to insufficient provision of ergonomic workstations to employees, could lead to an increase in days of absence or the inability to perform certain tasks, with a consequent negative impact on the productivity and physical well-being of workers.

Investing in the health and safety of employees through prevention and training programmes, such as ergonomics, postural gymnastics and mental health awareness courses, and implementing an occupational health and safety management system that promotes the psycho-physical well-being of Group employees by reducing absenteeism and accidents, leads to a reduction in both short-term and long-term costs related to occupational accidents and illnesses.

Managing impacts, risks and opportunities

Policies and procedures

The health and safety of workers is a top priority for the Group, which is committed to ensuring high standards of occupational safety for its staff and contractors. This commitment is enshrined in the **Sustainability (People) Policy**[72], which states *"The health of its employees is of central importance to the Group, which guarantees the highest levels of occupational safety for both staff and contractors."* Security levels are guaranteed by the compliance of Group companies with the requirements of ISO 45001.

Furthermore, the Group's HR policy includes specific prescriptions to protect the health and psycho-physical well-being of employees, which are part of the company's fundamental principles and are supported through specific prevention and protection programmes, such as ergonomics programmes, as well as through a company survey that is carried out periodically at Group level.

A further fundamental reference is the Group's **Code of Ethics**, which calls upon all employees and collaborators to respect safety regulations and individual responsibility in preventing risky behaviour. The Code emphasises the importance of a collaborative approach to security management, actively involving all stakeholders.

The Group has implemented a number of specific procedures to translate the principles expressed in the corporate policies into practice. **PRO 102 Health and Safety Risk Assessment** defines the operational methods for identifying and assessing risks associated with company activities, products and services that may pose a health hazard to workers. This procedure includes detailed instructions for dealing with special situations, such as work in confined spaces or operations involving open flames. The objective is to ensure that all risks are analysed and managed effectively, minimising the exposure of workers to potential hazards.

Concerning the management of incidents, **PRO 210 Accident/incident, near-miss accident/incident and environmental emergency management** establishes a clear protocol for the reporting and handling of such events. This procedure not only regulates the timely reporting of incidents, but also provides for an analysis of the causes and the implementation of corrective measures to prevent the recurrence of similar situations. A special focus is dedicated to the management of environmental emergencies, confirming the Group's commitment to integrate safety with environmental protection.

Monitoring is a cornerstone of health and safety management in the Group. Performance indicators, such as the number of accidents, training hours provided and near-miss reports, are constantly analysed

[72] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

to assess the effectiveness of the policies and procedures adopted and published in a monthly report. This data-driven approach makes it possible to identify critical issues at an early stage and to implement targeted corrective actions.

The Group has promoted and completed the implementation of **certified integrated management systems** for all main Group companies.

Actions

The Group works to create a healthy and safe working environment and implements all necessary measures to reduce the risks arising from its various activities.

Health Surveillance Legislative Decree No. 81/2008: the Group provides for medical examinations for each of its employees (depending on the position) to check their professional suitability. The examinations are specifically tailored to the job description and are carried out in cooperation with occupational physicians with whom we have established a long-standing relationship. All this is intended to ensure better doctor-patient relationships and to encourage as much of a family doctor approach as possible. The Group also provides **supplementary health insurance** and insurance against **work related and non-work related injuries** 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 reports and **lessons learned**. Through monthly reports, employees are therefore involved in the implementation of the occupational health and safety management system.

The conformity of the integrated management system APM (Alperia Process Map) is regularly verified through internal (first party) and external (third party) audits conducted by accredited bodies. Pre-defined indicators constantly monitor the effectiveness of the system throughout the year, enabling improvements to be made if necessary. In 2024, the Group spent an average of 63 man-days on third-party audits, confirming its commitment to maintaining high management and safety standards.

For each certified company, periodic meetings are organised, including management reviews and meetings pursuant to Article 35 of Legislative Decree No. 81/2008, aimed at sharing results and improvement programmes. During these meetings, not only the results of audits are analysed, but also the results of health surveillance and the progress of training and improvement programmes.

Health at the centre

Health and safety training is provided in accordance with the State-Regions agreement, through targeted courses that meet regulatory obligations. In 2024, for example, a distance learning session was organised for the Group's project managers, focusing on environmental and safety aspects, with the aim of raising awareness on these issues. The training commitment had already been consolidated in 2023, when the Group activated a course dedicated to the **risks associated with office life and smart working**, with a focus on ergonomics. This course, developed in two languages (Italian and German), was delivered in 2024 via an e-learning platform. It involved and will involve over 700 people, including technical and clerical profiles, and is still ongoing. In the meantime, training activities already underway continue, such as the course on the prevention of musculoskeletal disorders in the workplace, which is gradually being extended to company staff who had not yet participated, and sessions on safe driving. As far as the latter is concerned, the remaining sessions for the Parent Company will be completed by 2025. The course on the prevention of musculoskeletal disorders, realised in cooperation with Confindustria Alto Adige, is also delivered via an e-learning platform.

In parallel, the HR function has set up a **corporate well-being programme** that includes sports, resilience and mindfulness courses, as well as initiatives to improve the well-being of employees, such as the "stability training course in postural and preventive gymnastics". **Among the new activities are those dedicated to stress management and corporate well-being, part of a broader project to support flexible working arrangements such as smart working.** The theme of well-being will also be central in the new headquarters in Merano, designed to offer improved liveability thanks to dedicated spaces, including a fitness room and a relaxation room.

In compliance with Legislative Decree No. 81/2008, the Group also provides for a medical examination to check the professional suitability of personnel. Added to this is the possibility for employees to allocate part or all of their production bonus to welfare benefits, such as the reimbursement of school fees for a family member or care expenses for family members, whether cohabiting or not. Supplementary health insurance and long-term care cover against occupational and non-occupational accidents in the event of permanent disability is also offered.

A number of improvements have been introduced at the sites, also thanks to suggestions collected via the MyIdeas tool open to employees: glass water bottles for offices, aluminium bottles for operational roles, drinking water dispensers, free apples, free tampons for women, and dispensers with sanitisers at the entrance and in the toilets. New bins for the disposal of disposable masks were also installed. Finally, the agreements with the CRAL, some Bolzano sports centres and other associations in the area were renewed until 2026.

Safe working

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

Each company in the Group has an **HSE manager and a Prevention and Protection Service Manager (RSPP).** This person is in charge of promoting all the procedures to protect workers, analysing and predicting conditions that may be dangerous to their safety. The role is indispensable in maintaining a safe and healthy working environment. HSE is also responsible for publishing the monthly report on quality, asset integrity, environment, health and safety, in which any accidents at work are discussed and there is also a section on zero waste. This awareness-raising also continues with information bites on the company intranet and lessons learned.

With the aim of further improving event monitoring, the Group integrated the **APM management system.** APM Integrated Management System compliance is checked regularly through first-party (internal) and third-party (external, by an accredited body) audits. Recently, the Group overhauled the document procedures portal in order to make it more effective. As part of digitisation, the Group is building a digital space where all employees can find personal information, from training (under development) to health surveillance (already in place). In parallel to this business process digitisation project, the Group is pursuing **the implementation of the UNI/PdR 125:2022 standard** for all Group companies. The UNI PDR 125 standard provides for a certification adopted at corporate level; other certification standards such as ISO 9001, ISO 14001 and ISO 45001 are managed separately for each legal entity of the Group.

In 2023, the Group received the **Excellence Certificate**, the recognition reserved for organisations that have distinguished themselves for the number and quality of their certified management systems, issued by IMQ Spa , a leading organisation in the field of conformity verification. 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 are dedicated at all times to improving their processes. In addition, there was an extension of certification 27701, 27017 and 27018 dedicated to the protection of personally identifiable information. Management system certifications are an indicator of reliability and effectiveness for all stakeholders and imply a concrete involvement for all Group personnel. In addition to these are the EMAS declarations, i.e., voluntary environmental performance certifications, for the companies Alperia Ecoplus Srl, Alperia Greenpower Srl and Alperia Vipower Spa .

The risks as defined by Legislative Decree No. 81/08 for the Group are assessed in the **Risk Assessment Document** (RAD). For the management of accidents and near misses, the Group has a procedure in place to speed up the reporting and analysis of such events. During 2024, RAD management was overhauled using the Zucchetti platform; the digitisation of the HSE to the Zucchetti suite allows an integrated management of the process and consequently of the main compliance aspects, including the RAD. The use of a single platform to manage all the RADs of the Group's companies facilitates collaboration between the various Health & Safety Services. The tool is in the process of being populated, and therefore a revision of the document for the various Group companies is underway. The RAD is always kept up-to-date in order to respond to significant company changes, including the introduction of new technologies and company restructuring that require a reworking of safety plans and an adjustment of operating procedures.

Finally, as far as Edyna Srl is concerned, guaranteeing the safety and health of workers is a priority. This is why, in addition to following industry 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 to prevent **work-related injuries**. It is a process of best-practice sharing, adopted to ensure the best safety conditions for its technicians and the many companies that collaborate in the development and management of the plants. Companies in the sector share some of their most significant experiences such as: the new devices for safe working on roofs and supports by Edyna Srl, 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, finally, the new education and buddy project by E-Distribuzione.

Metrics, commitments and targets

All the measures described above contribute to creating a more welcoming and welfare-focused environment, with a positive impact on engagement and – in the absence of a pandemic – absenteeism. The Group ensures the coverage of all workers, both employees and non-employees, through an Occupational Health and Safety Management System (OHSMS), demonstrating a strong commitment to safety protection and the monitoring of occupational risks.

Total number of employees and non-employees covered by an occupational health and safety management system (S1-14)

	Unit of measurement	FY 2024	FY 2023	FY 2022
No. of employees	Headcount	1,295	1,252	1,211
No. of employees covered by OHSMS	Headcount	1,295	1,252	1,211
Percentage of employees covered by OHSMS	**Headcount**	100%	100%	100%
No. of non-employees	Headcount	204	201	192
No. of non-employees covered by OHSMS	Headcount	204	201	192
Percentage of non-employees covered by OHSMS	**Headcount**	100%	100%	100%

With regard to accidents among employees, the number of recordable accidents decreased in 2024 compared to 2023, from 19 to 12 (−37%). As a result, the accident rate also dropped from 9.62 to 5.86, from 691 lost days to 144. This reduction is a positive sign, suggesting an improvement in safety conditions compared to the previous year.

Work-related injuries for employees

	Unit of measurement	FY 2024	FY 2023	FY 2022
Number of fatalities as a result of work-related injuries and work-related ill health	No.	0	0	0

Number of work-related injuries recorded	No.	12	19	12
Number of hours worked	Hours	2,046,290	1,974,942	1,902,443
Recordable work-related injuries rate	**Rate**	**5.86**	**9.62**	**6.31**

Fluctuations in work-related injuries for employees	2023 vs 2024	%
Number of fatalities as a result of work-related injuries and work-related ill health	–	0%
Number of work-related injuries recorded	–7	–37%
Number of hours worked	71,348	4%
Total	**71,341**	**–33%**

A particularly positive figure relates to work-related ill health: in the three-year period 2022–2024, there were no cases of work-related ill health or days of absence due to work-related ill health. This result highlights the effectiveness of the prevention measures adopted by the company, which appear to be adequate in reducing the risk of exposure to factors harmful to workers' health.

Work-related ill health for employees

	Unit of measurement	FY 2024	FY 2023	FY 2022
Number of recordable work-related ill health	No.	0	0	0
Number of working days due to ill health	No.	0	0	0

In summary, the Group has made significant progress in improving occupational safety, ensuring that all workers are covered by a structured management system. The fall in the number of injuries among employees and the absence of work-related ill health confirm the effectiveness of the measures taken.

With the aim of assessing both the accident performance within the Group and that of external companies operating at Group sites, there is a consolidated system for collecting data on the activities carried out by staff (e.g., hours worked), and a procedure for reporting accidents described above in the Policies section has been consolidated.

The Group has made several **commitments** in order to manage and mitigate the most relevant impacts on employees' health and safety. Aware that many of the Group's operational staff are often driving, thus posing a greater risk to their own safety. The Group has made a commitment to offer safe driving courses for operational personnel by 2024. In the course of the year, we trained 78 people from the different group companies, identified according to work role. Stability training and preventive postural gymnastics and an online Pilates course were also organised in 2024. These courses are the result of the Group's commitment to ensuring the well-being of employees, which will continue in the coming years.

The Group has set several **objectives for** the future in order to manage its risk and opportunity impacts on the health and safety of the workforce, which have been defined in agreement with the reference function, based on the main impacts identified in the performance of its activities and from interactions with employees. Objectives on social issues are defined through methodologies based on statistical data, sector benchmarks and national, European and international regulations. The assumptions used consider reference scenarios for occupational safety, ensuring full alignment with EU policies and international labour and human rights standards, as well as relevant ISO standards. The degree to which targets are achieved is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance:

Operational objectives	Deadlines	KPI	Target value	Baseline year value (2022)	2024 value	Status	Reference stakeholders
Reduction of the absence rate below 3.5 days of absence per 1000 hours worked	2027	Absence rate (days of absence per 1,000 hours worked)	<3.5	5.8 (2022)	4.5	Ongoing	Employees
Reduction of accidents related to employees and external companies	Annual (from 2025)	Accident Frequency Index (FI)	≤8	11.34 (2021)	5.86	Ongoing	Employees External collaborators

19.2 ESRS S2 – Workers in the value chain

Impacts, risks and opportunities

Responsible management along the value chain is a strategic priority for companies aiming to ensure security, respect for human rights and operational sustainability. In this context, the Group is adopting a structured approach to monitor and improve the working conditions of its suppliers and sub-suppliers, reducing impacts and generating a positive impact on the region. The Executive Board of the Parent Company is the highest-level function within the company, with the operational responsibility for ensuring that the commitment to worker safety and respect for human rights along the value chain is concretely implemented. The Group-s commitment mainly takes place during the supplier selection and management phase, with a constant effort over time through periodic meetings and monitoring audits.

The Group has several impacts on workers along the value chain, resulting from its activities and services, in particular for the workers of contractors working at our facilities and those of affiliated companies. Violations of workers' rights and negative impacts resulting from poor selection and control of suppliers and sub-suppliers can compromise workers' safety and respect for human rights. A concrete example of such impacts is the high-risk activities carried out by external companies for the Group, such as work on high-voltage lines or excavations, where inadequate supervision can lead to situations of non-compliance with occupational safety regulations or contractual requirements and a lack of training and involvement in the identification and prevention of risks and impacts. Work at oil/gas fields and offshore platforms, for example, entail high-safety impacts for workers in the value chain. Value chain activities expose workers to working conditions with potential negative impacts on their health, safety and well-being. Lack of adequate protective measures can lead to serious accidents, injuries and occupational diseases, reducing the quality of life.

Another area of risk for the Group concerns the **inappropriate selection of suppliers**, with possible negative impacts on the health and safety of workers in the value chain with regard to working methods and respect for human rights, in addition to legal obligations.

Such suppliers may, for example, use child labour, which may have a negative impact on human rights, which may have a reputational as well as an economic impact, if due diligence is not respected. To address this risk, the Group integrates a compulsory module into its supplier selection processes, dealing with respect for human rights, with a focus on the elimination of child and forced labour, contributing to a fair and safe working environment[73].

Ineffective management of supplier selection can lead to significant negative impacts, due to the type of resources purchased such as gas, such as the use of child or forced labour, especially in certain geographical areas or in relation to specific commodities, which can compromise not only the respect of human rights, but also the reputation and legal compliance of the Group.

The Group has defined several policies and actions to prevent the negative impacts caused by insufficient control of its value chain, gearing its strategy and business model towards a greater commitment to selecting and controlling its suppliers. This will ensure that labour practices respect workers' fundamental rights and contribute to the improvement of safety conditions along the entire value chain, with a positive impact on workers' well-being and corporate reputation.

The Group involves all workers in its value chain, ensuring that they are adequately considered in ESG monitoring, management and reporting processes. This approach ensures effective management of all security and human rights impacts, risks and opportunities, while ensuring full compliance with standards and transparent communication.

Managing impacts, risks and opportunities

Policies and procedures

The Group considers the rights, interests and opinions of workers along its value chain as guiding principles in defining its strategy and business model. Respect for human rights and the welfare of workers are at the heart of its policies, which guide supplier selection, contract management and the monitoring of working conditions to ensure a positive territorial and social impact. The protection of human rights is defined in the Group's Code of Ethics, which requires respect for the universal principles of human rights, including forced labour, child labour and human trafficking. Although the Group has not yet adopted a Supplier Code of Conduct, the Code of Ethics also applies to suppliers in the value chain, binding them to comply with the principles established by the Group.

In order to manage relevant risk and opportunity impacts, several policies and procedures have been approved by the Parent Company's General Management over the years to define how the Group relates to suppliers in the different phases of a project. These documents are available to internal stakeholders

[73] For more details, please refer to section "G1 – Supplier Management".

on the company intranet in order to align practices for all projects. The group's **Sustainability Policy**[74] ensures the highest levels of occupational safety for both staff and contractors, guaranteeing the application of ISO 45001 principles for all work at its facilities. In particular, the policy provides for the identification of specific risks for workers with special characteristics, such as those employed in high-risk environments or physically demanding activities. The approach taken ensures the implementation of targeted preventive measures for these vulnerable groups, thus responding to a detailed risk analysis.

In addition, the social responsibility policy of Alperia Greenpower Srl[75] explicitly manages its human assets in a correct and transparent manner and raises the awareness of management, suppliers, employees and all external collaborators of the Group in compliance with the principles of social responsibility set out in PAS 24000. These principles recall what is defined by the UN Universal Declaration of Human Rights, committing to full respect and promotion of internationally recognised fundamental human rights within all its operations and throughout its supply chain, and to the rejection of the practices of human trafficking, forced and compulsory labour according to ILO conventions. The Executive Board is responsible for the implementation of the Sustainability Policy and the supervision of compliance with ISO 45001 and PAS 24000 standards. The Sustainability Policy respects the principles established by these international standards, actively contributing to a safe working environment that respects human rights. The policy considers the interests of key stakeholders, including employees, suppliers and external partners, to ensure responsible and safe human resources management. The sustainability policy is made available to all employees and collaborators via the company intranet platform and dedicated training sessions. Suppliers and contractors are informed through specific contracts that require compliance with applicable regulations and company policies. In this way, all stakeholders and those involved in the implementation of the policy are properly informed.

Procedure 204 for purchase and contract management defines the process for managing purchase requests, from their receipt to the conclusion of contracts. The main objective is to ensure that suppliers fulfil their contractual commitments and that the procurement process is transparent, effective and complies with company standards, including health and safety standards. This procedure includes constant monitoring of the execution of contracts to ensure the quality of supplies and full compliance with contractual clauses.

The *Project and works management* procedure fosters collaboration between the different Group companies, ensuring a uniform approach to project management. It assigns well-defined roles and responsibilities to

[74] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.
[75] https://www.alperiagroup.eu/sites/default/files/documents/AGP%20Politica%20PAS24000_2024.pdf

people within the Group, ensuring that projects are conducted according to strict standards of safety, quality and compliance with applicable regulations and standards.

The safety of external employees is also ensured through the application of the *Permit to Work* instructions, which define in detail the safety requirements to be met. These instructions bind contractors to adopt specific and controlled standards, reducing the risk of accidents and promoting a safe working environment.

In addition, the *Non-conformities and reports* procedure establishes a structured management system for dealing with events that deviate from the established requirements. The procedure covers both anomalies that have direct safety and environmental implications and those of a repetitive nature that may affect the overall quality of the activities performed. This approach allows timely response to critical issues, promoting continuous improvement in supply chain performance.

The Group constantly monitors the performance of activities entrusted to suppliers through regular audits and proactive interface management. This approach ensures that suppliers operate in accordance with company standards and applicable safety and environmental regulations. Any non-conformities are dealt with quickly, and corrective and preventive actions are taken to reduce the risk of recurrence.

The work plan, which defines the operating methods and associated risks, is communicated to external companies. To this end, a document describing the specific risks of the reference site is provided, attaching the DIRS (specific risk assessment document) or DUVRI (single document on the assessment of risk from interference), in which the risk mitigation methods for each company involved are indicated. In addition, continuous training is provided to the internal functions that manage the work, so that they can correctly apply HSE (Health, Safety and Environment) principles to external companies as well, ensuring compliance with the company’s safety regulations and procedures.

Actions

Currently, the Group encourages the involvement of workers in the value chain through practical initiatives, such as **safety induction** sessions for external companies and **coordination meetings** during the course of work. These actions aim to ensure a safe working environment and to foster constant dialogue between all parties involved. The Group’s initiatives cover the entire operational chain, including activities in South Tyrol in the areas of energy production and distribution, as well as operations at construction sites. The focus is on the workers of suppliers, contractors and subcontractors, ensuring that high safety standards are adhered to by all those involved. Ensuring that appropriate protective measures are in place to avoid serious accidents, injuries and occupational illnesses, which could reduce the quality of life of external employees.

The effectiveness of the Group's engagement with workers along the value chain is monitored through various methodologies, including the analysis of incidents and identification of causes in HSE Steering Committee meetings.

Through the HSE Steering Committees, a regular review of incidents is carried out, analysing the causes and identifying possible areas for improvement. This process helps to assess the effectiveness of the corrective actions taken, ensuring continuous monitoring of working conditions and the adaptation of its practices to the changing environment.

The monitoring and communication of any concerns or needs by external collaborators, including those of vulnerable groups, takes place mainly through audits and site visits, which allow information to be gathered and ensure compliance with safety regulations. Safety actions are integrated into a continuous process of monitoring and improvement.

In the presence of situations that have generated safety risks, Alperia has already taken measures such as formal reprimands against the companies involved and the organisation of specific training courses to improve awareness and compliance with safety regulations. In addition, the Group has strengthened its audit system to detect and correct any non-conformities in a timely manner. Critical issues are addressed during coordination meetings, where corrective actions are agreed with the contractors.

In this way, possible negative impacts on the health and safety of workers in the value chain due to inaccurate selection and/or insufficient supervision of Alperia with regard to working methods and respect for human rights, beyond legal obligations, are managed.[76]

In the coming months, the company plans to undertake a preliminary analysis to explore best practices adopted by other organisations, evaluate possible applicable solutions and plan the implementation of a dedicated system to improve dialogue with external workers.

Last year, following an event that happened to an external contractor, we made a commitment to improve our contractor accident monitoring system. During 2024, the company monitoring statistics were improved by introducing a new format that facilitates the monitoring of undesirable events. The Group monitors the **activities and accidents of its suppliers** to avoid and mitigate significant negative impacts on occupational health and safety directly related to their activities. This is already taking place upstream: the Group has implemented a **Supplier Register** portal and a **Vendor Rating System** that allows suppliers to be assessed on the basis of predefined indicators, including accident indices. This portal,

[76] For metrics related to the health and safety of non-employee workers, please refer to section "S1 – Working conditions"

however, does not provide for any further active checks on the data provided; a detailed analysis was carried out for the Group's strategic suppliers as part of the adoption of the PAS 24000 standard, a certification adopted by Alperia Greenpower Srl that also includes the verification of sustainability aspects in the supply chain. Stricter selection criteria are applied for larger suppliers. In 2024, no injuries were reported among the company's main contractors.

The Group confirms that no serious problems or human rights violations have been reported in its value chain, either upstream or downstream. Taken together, these measures aim to reduce operational and reputational risks, strengthening the Group's positive contribution along the entire value chain.

Human rights

The Group 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 provides opportunities for all to share in its benefits. The Group is committed to respecting the Global Compact and applying its policies, particularly those relating to the value chain, throughout the entire operating cycle, actively collaborating with suppliers and commercial partners to ensure that the principles of the Global Compact are integrated into all phases of operations. Adhering to the UN Global Compact is a concrete commitment by the Group to fight harmful practices such as forced labour and child labour, and to monitor and quickly remedy any violation of these practices throughout the value chain. This adherence is supported by a monitoring and verification system that ensures compliance with fundamental principles on human and labour rights throughout the value chain. The Group ensures that suppliers and external collaborators respect the same labour rights commitments through a system of auditing and evaluation of labour practices.

Therefore, suppliers who want to qualify in the Group Register are required to issue a human rights declaration 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. The Group has also included a human rights clause in its general terms and conditions and specific contracts. There is also a format for orders directly from the departments in which the Global Compact compliance clause has been included.[77]

[77] With regard to actions and targets concerning the selection of suppliers, please refer to section "G1 – Supplier Management".

Metrics and commitments

For non-employed workers, the number of accidents remained unchanged in 2024 compared to 2023 (1 case), but the accident rate increased from 1.62 to 2.47 due to the reduction in hours worked (–34.5%). This trend suggests that while there are fewer accidents in absolute terms, their incidence on total hours worked has increased, highlighting the need for more attention to safety for this category of workers as well.

Work-related injuries for non-employees

	Unit of measurement	FY 2024	FY 2023	FY 2022
Number of fatalities as a result of work-related injuries and work-related ill health	No.	0	0	0
Number of work-related injuries recorded	No.	1	1	4
Number of hours worked	Hours	405,059	618,304	627,904
Recordable work-related injuries rate	**Rate**	**2.47**	**1.62**	**6.37**

Fluctuations in work-related injuries for non-employees	**2023vs2024**	**%**
Number of fatalities as a result of work-related injuries and work-related ill health	0	0.0%
Number of work-related injuries recorded	0	0.0%
Number of hours worked	–213,245	–34.5%
Total	**–213,245**	**–34.5%**

Given the impacts, risks and opportunities that the Group has on workers in the value chain, the Group's main **objective**, in addition to regulatory compliance, is to implement a supply chain due -diligence process supported by a preparatory tool for the ESG assessment of the Group"s suppliers by 2025. Subsequently, based on the findings of the analysis, the definition of quantitative targets and the financial resources to be allocated will be considered.

In addition, following the analysis of industry best practices, objectives and commitments will be defined to manage the negative impacts on the health, safety and welfare of non-employee workers operating at our facilities.

19.3 ESRS S3 – Affected communities

19.3.1 Added value for the territory

Impacts, risks and opportunities

The Group is one of the largest groups in South Tyrol with exclusively public shareholders. The economic growth of the Group, resulting from its activities, has direct and indirect impacts, creating and distributing wealth in the region. Through responsible practices, annual investments in the community, compliance with environmental laws and regulations, and consultation with local communities, the Group contributes to sustainable economic development, generating benefits for businesses, people and all Group stakeholders. The Group aims to generate significant **added value** for the various local stakeholder groups every year by supporting economic development through dividends, salaries, taxes and environmental funds.

The most directly impacted communities are the **riparian municipalities**, which are located along the watercourses or in the vicinity of the facilities. These areas are the subject of direct intervention by the Group, which carries out support activities to improve the quality of local life and contribute positively to the community.

The Group is actively engaged in promoting a **cultural change** to support the environmental transition, contributing not only to reducing the ecological footprint, but also fostering awareness and responsible behaviour among citizens, customers and businesses in order to reduce waste and better manage natural resources. This commitment helps to build a sustainable culture that has a long-term positive impact on all levels of society. In addition, the Group promotes initiatives to actively listen to the territory, to develop projects that meet the socio-economic needs of local communities, with a strong focus on environmental sustainability and the shared use of water resources. These initiatives contribute to the development of business ecosystems that intercept and meet the specific needs of local people and businesses, stimulating inclusive and lasting progress.

Moreover, a lack of attention to the problems and needs of the territories in which the Group operates, and the failure to develop initiatives that meet the needs of local communities (such as the Alto Adige bonus), could lead to the impoverishment of the local socio-economic fabric. This could fuel feelings of frustration among residents and reduce social cohesion, with negative effects on the economic growth of the affected areas and lead to an increased risk of non-development of new projects, such as the development of new energy production plants and the distribution network, due to the lack of **consensus among local communities**, which may lead to the loss of business opportunities and/or reduced profit margins.

Of note, however, are the Group's initiatives and agreements aimed at supporting local farms, which help mitigate the impact of hydropower production on water accessibility. Thanks to these measures, farms that depend on water runoff from the plants can benefit from a fairer and more sustainable management of the resource, reducing the risk of water shortages that could jeopardise production. However, balancing the energy and water needs of local communities requires continuous engagement and collaboration with local stakeholders to ensure a shared and efficient use of water, especially in a context of increasing climate variability.

At the same time, Alperia is committed to raising the awareness of local communities on the importance of efficient water use, promoting initiatives to reduce waste and improve the accessibility of the resource. Working with local institutions, such as the Municipality of Tirolo, to identify inefficiencies and leaks in water networks is a fundamental step to ensure a fair use of the resource among the different actors in the area. In a context of climate change, characterised by increasingly frequent periods of drought, these actions become crucial to prevent negative impacts on local communities and economic activities that depend on water, ensuring a more stable and sustainable supply over time. Finally, the Group is in constant dialogue with provincial and regional authorities in order to coordinate the management of water resources, particularly during periods of drought in order to balance energy production needs with stakeholders' dependence on this resource.

Managing impacts, risks and opportunities

Policies and procedures

The Sustainability Policy[78] explicitly states the Group's commitment to "*create local added value, including in terms of jobs, taxes and supply contracts and social engagement. In addition to proactive stakeholder management, which ensures transparency and prevents reputational and operational risks in order to generate added value.*" Furthermore, the policy requires the Group to "*strive to make rational and sustainable use of water resources in cooperation with third parties (e.g., farmers and municipalities) by managing the risks associated with water scarcity and developing initiatives, projects and products that promote responsible water use.*"[79]

The involvement of stakeholders in the definition of projects and initiatives for the territory is regulated by Alperia Greenpower Srl's procedures for the management of environmental funds and for the

[78] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.
[79] The risks inherent in the violation of human rights of local communities are not considered significant in view of the geographical context in which the Group operates.

management of undesirable events, as well as for the entire Group, by the CSR procedure which aims at the activation of a **stakeholder management** process and proactive involvement of stakeholders.

The Group provides a number of **channels** for local communities to express concerns and needs, including:

- the website dedicated to Val d'Ultimo[80];
- power plant committees, composed of representatives of the municipalities and the Province of Bolzano;
- the general email address info@alperia.eu;
- the Group's freephone number and Edyna Srl;
- a specific mailbox for Group complaints: reclami@alperia.eu.

The availability of these tools is supported through the Group's commercial relationships, with a focus on the Group"s commercial website, points of sale and integrated invoice communications. All channels are trilingual, ensuring inclusive access to local stakeholders. Complaints, calls to the Edyna Srl hotline and reports via the whistleblowing platform are continuously monitored. In addition, to monitor and manage the issues raised, the Group has set up a system of corrective actions, supervised by the Parent Company management or the relevant business unit, which approves the measures to eliminate the causes and mitigate the effects of the undesirable event, with a formal closure at the end of the initiative. In line with national and European regulations, the Group's reporting channels ensure the confidentiality of the identity of whistleblowers and those involved. A committee of citizens of Val d'Ultimo was set up to discuss a project of significance for the entire area and to find suitable solutions, which helps to ensure an open and collaborative dialogue with the local community. In addition, the page on Alperia's website dedicated to whistleblowing reports (Legislative Decree 24/2023) also contains information on the possibility of making an external report to the ANAC (National Anti-Corruption Authority), with a link to the entity's website. The effectiveness of the involvement process is indirectly evaluated through the achievement of the set objectives as well as the realisation of projects that require their collaboration, as in the case of the agreements with the Farmers' Federation on water resource management.

The Group directs its commitment to the region through contributions organised in two categories: voluntary and non-voluntary projects. Voluntary projects include:

[80] https://www.alperiagroup.eu/it/batteriaverde/dialogo-con-la-popolazione.

- **sponsorships**: collaborations with third parties to give visibility to the Alperia logo. This type of activity can be used, for example, to support local sports teams through the purchase of jerseys and balls for youth teams or other activities for marketing purposes. Sponsorships in the Group are a marketing tool and are therefore managed by the Management, which classifies and selects them according to the guidelines of internal procedure 214 in order to ensure consistency between the sponsorship activities themselves and the corporate objectives. The Group monitors the implementation of the agreements through the Corporate Communication service, requesting a final written report and photographic documentation of the activities carried out, sent digitally. Payment is subject to verification of the proper performance of the contractual counter-performances; in the event of default, the Group may reduce or withhold the amount. The applicant's seriousness, punctuality and accuracy in fulfilling obligations is also assessed;
- **donations**: the Group finances specific projects on request. The allocation procedure is clear and structured, with defined criteria for the recognition of non-profit character. The final approval decision is taken by the Parent Company's Management Board. The granting of donations in the Group is regulated internally by the PRO 213 procedure, which describes in detail how donations are requested, assessed and approved. The monitoring of the proper handling of donations is done through an annual report by the General Manager, in which the beneficiaries, the reasons for the donation and the amount are indicated. The Supervisory Body then has the power to carry out inspections and checks on the actual application of this procedure; and
- **community investment**: investments in social and environmental impact initiatives, designed to meet the needs of the local area and local communities. The Group follows an internal procedure for the deliberation of projects that is currently being finalised. This procedure clearly sets out the areas of intervention, objectives, and operational guidelines to ensure a structured and repeatable management of projects, with a review every three years to keep them up-to-date with company, sector and social developments.

As already pointed out, a large part of the impacts generated by the Group's activities in the area is related to hydroelectric and district heating plants. To address these challenges and reduce negative externalities, in addition to the environmental funds provided for by legislation and described in section E4, the Group plans projects and initiatives aimed at improving the involvement of local communities. In addition, corrective actions are foreseen in the event of undesirable events that may adversely affect the population.

To identify the necessary actions to be implemented in response to negative impacts, the Group adopts a structured approach that includes regular consultation with relevant stakeholders. In the case of undesirable events, the relevant stakeholders are directly involved in order to understand their needs and define targeted interventions. The company applies the procedures or works directly with the affected stakeholders, as in the case of Val d'Ultimo and the new Merano site, where practical actions were implemented to mitigate the critical issues. To ensure that corrective processes are effective, the Group follows a process that includes not only initial consultation but also final follow-up with relevant stakeholders. This makes it possible to assess the results of the actions undertaken and to verify their impact, thus ensuring transparency and effectiveness. The aforementioned projects fit in with the goals of the Sustainability Plan 2022–2027, which devotes specific resources to community investment, sponsorships and donations to promote a positive impact on the territory. The scope of the main actions is mainly concentrated in the South Tyrol area, where the most significant impacts arise from hydropower production and heat, with significant effects on riparian communities, biodiversity and emissions. These actions are implemented during the reporting period, but there is no deadline as the Group's focus on the community is constant over time.

The Group's objectives and actions in relation to the affected communities are defined in the corporate strategy and Sustainability Plan, and, therefore, the financial and human resources required to achieve the objectives are allocated as part of the annual budgeting process, ensuring that planned investments are fully aligned with strategic priorities. No adjustments to the allocated policies, strategy and resources were necessary during the year.

Among the planned future investments, the 2023 – 2027 Business Plan allocates about Euro 1 million to 2027 to community investment initiatives, and about Euro 20 million per year of environmental funds have been planned, reflecting the Group's commitment to the region. It is also the Group's intention to invest Euro 1.14 billion in the traditional sectors, Generation, Networks, Smart region and Heat and Services, by 2027, paying attention to the economic and social impact on the region.

The progress of actions and the achievement of targets are reported in the **annual Sustainability Statement**, which provides a clear and transparent picture of progress against the Sustainability Plan.

Actions

Engagement with affected communities

In 2024, the Group has actively involved both legitimate representatives (mayors, association presidents, etc.) and local communities, as in the case of Val d'Ultimo, to better understand their needs and define projects and initiatives aimed at reducing negative impacts on stakeholders. This approach is an integral part of the Stakeholder Engagement Plan, which is drawn up annually to ensure an ongoing, targeted dialogue and aims to reduce the risk of non-development of new projects resulting from a lack of consensus among local communities. This dialogue focuses mainly on critical stakeholder categories (such as riparian municipalities, institutions, etc.) and is specifically extended to those areas where more direct intervention is needed (e.g., in the event of environmental loss or damage), adapting its strategy and objectives to the changing context. The Group is also attentive to the demands of women and girls within the local community, for which it decided to join the European initiative No Woman No Panel which aims to promote a balanced participation of women and men in public events.

Sharing the resource water

In order to reduce the risk of insufficient availability of water resources at a local and inter-regional level, the Group has continued its collaboration with the offices of the Autonomous Province of Bolzano in charge of managing water use to serve the various activities on the territory, to protect the aquatic environment and fish, as well as the agreement signed with the Consorzio di Bonifica Val Venosta (Val Venosta Land Reclamation Consortium) to guarantee the quantity of water needed 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 made possible with the volumes stored in the artificial reservoirs in Resia and Gioveretto. The reservoirs of Val d'Ultimo protect the apple orchards of the Lana and Cermes plains from frost; further important anti-frost measures are guaranteed by the Tel, Bressanone and Cardano plants. In these cases, water is discharged for entire nights, with reduced revenues for the Group in favour of the aim of ensuring multiple use of water. These are just a few examples that demonstrate the Group's commitment to promoting a conscious use of water resources, including through collaboration and dialogue between stakeholders (public institutions, consortia and trade associations).

Municipality of Tirolo Project

In cooperation with the municipality of Tirolo, Alperia started – in January 2024 – a pilot project, the first of its kind in South Tyrol, to make the municipal drinking water network more efficient and sustainable and at the same time reduce operating costs. To achieve this goal, Alperia has developed an innovative service package that aims to significantly reduce water losses.

The package includes various services, from the analysis of the current state of the water network to the installation of smart water meters and remote monitoring using artificial intelligence.

Alperia first carried out an analysis of the condition of the municipality's water networks, then digitised the water maps and, finally, anonymously analysed consumption. In addition, eight water meters were replaced with smart meters, which allow remote reading, and the artificial intelligence software Sybil Water, specially developed by Alperia, was installed.

Based on the first data collected, it was possible to make a preliminary calculation of the losses, which averaged 48% in recent years. This will now be followed by the two-year test phase, in which Alperia will use the structural data collected, in combination with smart water meters and continuous monitoring by predictive control software, to propose ongoing improvements to optimise the water network.

Contributions to society

The Group supports families in need with various initiatives: not only by promoting bonuses and advantageous tariff offers for specific categories, but also by supporting solidarity projects. In 2024 in fact, in the wake of the excellent results recorded in the first half of the year, the Group implemented an unprecedented campaign, called Bonus Alto Adige, thanks to which between December 2024 and January 2025 a bonus was awarded to all Alperia domestic customers with electricity supply on the free market and residence in the served area, in a simple and automatic way, directly on their bills.

Community investment[81]

Within the scope of Community Investment, a function has been created that deals with developing long-term investments for the community, to which a significant budget has been allocated. The Group, through an open dialogue with interested parties (in particular the riparian municipalities and the South Tyrolean community in general), has identified a number of key areas of intervention to guide its actions in order to generate positive impacts on the local community:

[81] For a reconciliation with the figures in the financial statements, please refer to the section in the notes "10.8 Other operating costs".

- **inclusion**: cross-cutting factor that is integrated in every project, to promote access and participation of all;
- **awareness raising and education**: key objectives in all projects, with the aim of raising community awareness on relevant issues and creating a culture of social and environmental responsibility;
- **social welfare and health**: promotion of well-being and quality of life for people in the area;
- **support in case of emergencies**: provision of immediate aid and resources in emergency or disaster situations; and
- **environmental protection**: interventions and actions dedicated to safeguarding natural resources and protecting local ecosystems.

Within the aforementioned areas of investment, we therefore identify specific projects in which to invest, which are in addition to those that the Group carries out on a daily basis to strengthen its relationship with the territory, such as Open Days at power stations, sustainability education projects for schools and meetings with the citizens of Val d'Ultimo in view of the possible construction of a new pumped storage power station.

In order to further define the processes and characteristic areas of these projects, a guideline has been formalised within the Group to give the exact value of the community investment made. This procedure is based on the standard of the B4SI Network (Business for Social Impact), of which the Group is a member, which defines parameters for the management, measurement and reporting of social impact activities. To date, the Group has classified projects by identifying those with a purely marketing purpose, those oriented towards donations and those aimed at long-term community investment, with the aim of involving both parties inside and outside the organisation.

Climate Show

Climate Show Young is a project of Alperia in cooperation with the "Organisation für Eine solidarische Welt" (OEW), a non-profit organisation working mainly in the social and environmental field. The aim of the project is to raise students' awareness of climate change and the concrete actions they can take in their daily lives to reduce their impact. During an hour-long interactive show in South Tyrolean secondary and high schools, topics related to the climate crisis are dealt with in an engaging manner, with a format and language constructed with the direct participation of young people, to ensure that topics of real interest to them are addressed. In 2024, 10 presentations were organised in South Tyrolean schools attended by around 900 students.

An innovative element of the project is the introduction of impact measurement: through targeted questions, qualitative feedback is gathered from students to understand their perceptions and involvement. The project was launched in German in South Tyrolean schools and, after initial successes, was confirmed until 2025, with an evaluation scheduled for 2026. At the moment, no impact data are yet available, but a brief update on the feedback collected was requested to assess the effectiveness of student engagement.

Donations

Also in 2024, as per tradition, the Christmas donation scheme was launched: the Group, on behalf of its employees, donates a total value of Euro 30,000 to South Tyrolean and national associations and organisations. Employees proposed the associations to which the donations should be made, and the Parent Company's Executive Board made the choice. The Christmas donations are in addition to those the Group makes throughout the year. Overall, in 2024, the Group made donations worth a total of Euro 308,250. 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 Masatsch in Caldaro, a hotel facility for the disabled which, also through the support of Alperia, manages to guarantee the continuation of its activities, and the Association of Residences for the Elderly in South Tyrol.

Other entities that have received donations from the Group are:

- adlatus – Verein für Menschen mit Beeinträchtigung EO
- AEB Arbeitskreis Eltern Behinderter
- Agentur Landesdomäne – Agrarbetrieb Laimburg
- APSP Fondazione San Nicolò - ÖBPB Stiftung Sankt Nikolaus
- Archimede – A.I.A.S. Laives
- Associazione A.I.A.S. ODV Bolzano
- Fondazione Admo Alto Adige Südtirol ETS
- Fondazione Haydn
- Freiwillige Feuerwehr Bozen EO
- GretA – Genitori e Rete Autismo – Autismus Denkfabrik / BZ ODV
- Il Trapianto è Vita
- Kapuzinerstiftung Liebeswerk

- Associazione Caritativa Santo Stefano ODV
- Associazione Chernobyl Alto Adige Südtirol ODV
- Associazione Endometriosi Alto Adige
- Associazione Equspera Onlus
- Associazione Kaleidoskopio ETS
- Banco Alimentare del Trentino Alto Adige – Landestafel
- BRD Martell
- Bürgerkapelle Klausen
- Centaurus Arcigay Alto Adige Suedtirol ODV
- Centre for the Protection of Patients' Rights ODV
- Centro Syn Don Bosco APS
- Climate Action South Tyrol
- Collegium vincere ALS
- Cooperativa Sociale Amici di A.I.A.S.
- Cooperativa Sociale S.I.I.Pa.C.
- Eltern Kind Zentrum
- End Polio RAAM
- Ente Autonomo Teatro Stabile di Bolzano
- Katholischer Familienverband Südtirol
- Kirchenchor Montan
- Lebenshilfe Onlus Hotel Masatsch
- Montebelluna Rugby Club 1977 ASD
- Musikkapelle Lajen
- Musikkapelle Montan EO
- OEW
- Rugby Villadose '76 ASD
- Sozialgenossenschaft VergissMeinNicht
- Sportgruppe für Körperbehinderte
- Theater am Vinzentinum
- Unione Italiana dei Ciechi e degli Ipovedenti ETS-APS Sezione Territoriale Alto Adige
- Unione Nazionale Cavalieri d'Italia - Sezione di Bolzano
- Verband Ariadne – für die psychische Gesundheit aller VFG
- Verband der Seniorenwohnheime Südtirol
- Verein il sorriso – das Lächeln VFG
- Verein Transart

Sponsorships

The Group's distributed economic value of Euro 2.6 million includes all sponsorships, donations and community investment. In order to manage these funds in a transparent manner, a contract has been defined that stipulates the investment ceiling for these initiatives and tracks their distribution through timely accounting. Each investment is aligned with the distributed economic value data, supporting transparent reporting.

Sport, art and culture, environmental protection and safety: every year, the Group 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, the applications are assessed after checking the completeness of the documentation and compliance with the required conditions and are submitted to the Management Board of the Spa Group, which decides whether to accept or reject the application and, if accepted, the amount of sponsorship. In 2024, the partnerships started in previous years were consolidated, and the **Rugby per tutti** project that the Group supports in the Veneto region continued with an interesting response from the public.

To support South Tyrolean non-profit associations and promote the use of energy from renewable sources, the Group promoted the "Invite a member" initiative. South Tyrolean associations invited their members/supporters to use green energy from South Tyrolean renewable sources via the special platform. For each supporter or member who chooses the Group's 100% green energy (Alperia Smile Day & Night light offer), the association receives a contribution of Euro 40, while the association's supporter receives a welcome bonus of Euro 60. At present, a test is being carried out with two South Tyrolean associations, after which the initiative will be extended to all South Tyrolean non-profit associations that wish to join.

Events and partnerships

The Group is strongly committed to promoting its approach to sustainability, participating in major events such as **Pact4 Future**, organised by Il **Sole 24 Ore** and Bocconi University[82]. On this occasion, the company took part in a panel focused on the role of nature as a key stakeholder for companies, illustrating how respect for and enhancement of the environment can guide business strategies. The meeting was an opportunity to emphasise how sustainability is integrated into the Group's decision-making processes, with the aim of raising awareness among both the public and the business community of the importance of considering nature in corporate impact assessments.

The Group is dedicated to building strong and lasting partnerships through projects and initiatives that address practical and long-term community needs. The partnerships, developed with associations and organisations, are also selected on the basis of their ability to generate value over time. The Group prefers collaborations that bring mutual benefits, both for the territory and for its own reality, expanding the

[82] More information can be found at the link: Pact4Future: The Future Takes Shape - Bocconi University.

range of initiatives together with established partners such as **OEW**, with whom dialogues are underway to launch new projects.

In addition, Alperia has launched **a competence centre** at the Free University of Bolzano, with the aim of promoting research and raising awareness of sustainability issues among students of various faculties. The centre focuses on innovative and multidisciplinary initiatives for sustainable development, encouraging the involvement of new generations. The collaboration with the university is still active and constitutes a central element of the Group's commitment to an ongoing dialogue with the academic and scientific world, jointly addressing sustainability challenges.

Metrics, commitments and targets

Distributed economic value (entity-specific)

The **revenue** generated by the Group in 2024 amounted to Euro 2.3 billion (Euro 2.7 billion in 2023), the majority of which, approximately Euro 1.8 billion (Euro 2.3 billion in 2023), was intended to cover operating costs.

More than Euro 382 million (Euro 401.5 million in 2023) were allocated to the territories in which the Group is present in terms of direct value (–5% compared to 2023), of which Euro 178 million (Euro 165 million in 2023) paid to public bodies in the form of taxes, environmental concession fees and electricity provided free of charge to the Province, Euro 85 million (Euro 81 million in 2023) allocated to salaries and social security contributions paid for employees, Euro 2.6 million (Euro 2.6million in 2023) paid in the form of grants to society, such as sponsorships and donations. To the owners, Euro 36 million (Euro 34 million in 2023) were paid as dividends.

Finally, local companies were entrusted with tasks that generated revenue of approximately Euro 80 million (Euro 120 million in 2023). The economic value distributed indirectly benefits the whole province. Political institutions can fund numerous public initiatives that benefit the population through collected taxes and distributed dividends.

Directly generated and distributed economic value {GRI 201-1 Entity-specific}

	Unit	2024	2023	2022	Change
Economic value generated:	EUR	2,366,133,761	2,724,991,513	3,637,897,750	–13%
Revenue	EUR	2,366,133,761	2,724,991,513	3,637,897,750	–13%
Distributed economic value	EUR	2,115,392,505	2,639,929,798	3,576,183,400	–20%
Operating costs*1	EUR	1,816,748,233	2,331,920,067	3,342,507,242	–22%
	%*4	76.8	85.6	91.9	
Personnel costs	EUR	84,674,604	80,546,791	78,635,568	5%
	%*4	3.6	3.0	2.2	
Contributions to investors	EUR	35,966,294	60,138,195	35,384,714	–40%
	%*4	1.5	2.2	1.0	
Contributions to public administration*2	EUR	178,003,374	164,766,366	117,170,004	8%
	%*4	7.5	6.0	3.2	
Contributions to society *3	EUR	2,577,877	2,558,379	2,485,873	1%
	%*4	0.1	0.1	0.1	
Economic value retained	EUR	250,741,255	85,061,715	61,714,351	195%
	%*4	10.6	3.1	1.7	

*1 The purchase of energy for commercial purposes accounts for about 90% of operating costs.

*2 The item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees, free energy, environmental provisions, 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.

Added value for the territory {GRI 201-1 Entity-specific}

	Unit	2024	2023	2022	2021	Change
Personnel costs[*1]	EUR	84,674,604	80,546,791	78,635,568	71,792,398	5%
	%	22.3	20.1	27.4	26.7	
Contributions to public administration[*2]	EUR	178,003,374	164,766,366	114,978,632	103,920,113	8%
	%	46.9	41.0	40.0	38.6	
Dividends to the local administration[*3]	EUR	36,000,000	34,000,000	32,000,000	30,000,000	6%
	%	9.0	8.5	11.1	11.1	
Contributions to society[*4]	EUR	2,577,877	2,558,379	2,485,873	2,147,587	1%
	%	0.7	0.6	0.9	0.8	
Local suppliers[*5]	EUR	80,216,783	119,680,093	59,079,423	61,415,472	–33%
	%	21.1	29.8	20.6	22.8	
Added value for the local area	EUR	381,472,638	401,551,630	287,179,495	269,275,570	–5%
	%	100.0	100.0	100.0	100.0	

[*1] Excluded from the count are employees with operational headquarters outside South Tyrol (Alperia Green Future, Hydrodata, Fintel and Total Solar).

[*2] This item includes taxes (IRES, IRAP, IMU, etc.) and other payments (such as water, state and riparian fees, free energy, environmental provisions, etc.).

[*3] The shareholders of Alperia are: Province of Bolzano, City of Bolzano, City of Merano and Selfin. Proposed and declared dividends for the year in question 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 suppliers" means suppliers located in the same province as the registered office of the company they supply.

Purchases, if made centrally, are the responsibility of the Procurement function. In 2024, 57% (61% in 2023) of contracts were signed with local suppliers. It is a choice that the Group adopts whenever possible, compatible with business needs and current 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 2024 was 37% (44% in 2023) of total expenditure. Among these:

- origin of works suppliers: 72% local;
- origin of service suppliers: 22% local;
- origin of product suppliers: 15% local.

Local supplier sourcing (GRI 201-1 Entity-specific)

	Unit	2024	2023	2022	2021	2020
Percentage of products and services purchased locally (based on spend in euros)	%	37	44	40	28	36
Percentage of locally purchased jobs spend (based on total jobs spend)	%	72	79	78	77	72
Percentage of services purchased locally (based on total services spend)	%	22	27	23	30	20
Percentage of products purchased locally (based on total spend on products)	%	15	5	17	5	21
Percentage of contracts awarded locally (by number of contracts)	%	57	61	60	59	58

Investments in the community – types of grant by topic

		2024					2023				
	Unit	Money	Working time	Contribution (in-kind)	Total	Percentage	Money	Working time	Contribution (in-kind)	Total	Percentage
Total	€	1,635,297	3,200	120,419	1,758,916	100.0%	1,613,000		50,318	1,663,318	100%
of which											
Education	€	72,550		21,809	94,359	5.4%	68,500		17,890	86,390	5%
Health	€	750,097			750,097	42.6%	776,000			776,000	47%
Economic development	€	62,500			62,500	3.6%	40,000			40,000	2%
Environment	€	8,500	3,200	62,767	74,467	4.2%	19,500		13,228	32,728	2%
Art and culture	€	501,550			501,550	28.5%	481,500			481,500	29%
Social care	€	175,000			175,000	9.9%	183,000			183,000	11%
Emergency aid	€	58,600		19,200	77,800	4.4%	33,000		19,200	52,200	3%
Other support	€	6,500		16,643	23,143	1.3%	11,500			11,500	1%

	Unit	2024 Money	2024 Work time	2024 Contribution (in-kind)	2024 Total	2024 Percentage	2023 Money	2023 Work time	2023 Contribution (in-kind)	2023 Total	2023 Percentage
Total	€	1,635,297	3,200	120,419	1,758,916	100.0%	1,613,000		50,318	1,663,318	100.0%
of which											
Investments in communities	€	6,500	3,200	120,419	130,119	7.4%			50,318	50,318	3%
Commercial initiatives	€	1,320,547			1,320,547	75.1%	1,362,000			1,362,000	77%
Donations	€	308,250			308,250	17.5%	251,000			251,000	14%

Community investments

	Unit	2024 Total	2024 Percentage	2023 Total	2023 Percentage
GOAL 2: Zero hunger	€	2,000.00	0%	0	0.3%
GOAL 3: Health and well-being	€	773,892.00	44%	818,500	55.9%
GOAL 4: Quality education	€	90,153.00	5%	87,528	2.2%
GOAL 5: Gender equality	€	0.00	0%	15,000	0.1%
GOAL 7: Affordable and clean energy	€	2,740.00	0%	10,090	0.1%
GOAL 8: Decent work and economic growth	€	69,000.00	4%	51,500	3.1%
GOAL 10: Reduced inequalities	€	167,198.00	10%	155,500	3.8%
GOAL 11: Sustainable cities and communities	€	596,550.00	34%	515,700	34.1%
GOAL 15: Life on land	€	57,383.00	3%	9,500	0.2%
Total	**€**	**1,758,916.00**		**1,663,318**	

The Group has made clear **commitments** in the Sustainability Plan, consistent with the Sustainability Policy, for each of its spheres of action, focusing mainly on hydropower generation activities and downstream value chain operations, as they have a direct impact on the surrounding area. An example of a positive initiative is the reforestation project, aimed at protecting biodiversity and enhancing positive environmental impacts on local communities. The commitments were defined in agreement with the Group's business units on the basis of the issues that emerged from interactions with stakeholders during the year, and the emission reduction targets, which are based on the Science Based Targets initiative (SBTi) methodology.

Each objective was linked to one or more of the Sustainable Development Goals (SDGs), according to the specific targets identified. Stakeholder involvement was crucial in defining the Sustainability Plan and its objectives. Through regular meetings with representatives (such as mayors and association presidents) and the local community, particularly in areas such as Val d'Ultimo, information was gathered to better understand the needs of communities and develop projects aimed at reducing negative impacts. Furthermore, as already mentioned in section E3, the Group is committed to being in continuous dialogue with stakeholders regarding the multiple use of the water resource and to raising awareness for a conscious use of energy. Stakeholder engagement activities also included personnel management activities, training on diversity and inclusion issues, and discussions in dedicated committees. Performance against objectives is monitored and reported annually in the Sustainability Statement, with possible revisions of targets and initiatives based on changes in the external environment. Collaborative projects with stakeholders include a final phase of discussion to evaluate the results achieved and identify possible improvements. Once defined, the objectives of the plan remain unchanged until they are achieved, unless there are significant changes in business operations or in the external environment. The commitments underlying these objectives are based on the Group's Sustainability Policy, Code of Ethics, PAS 24000 and the commitments made through the adoption of the Science Based Targets initiative (SBTi) methodology. By 2027, the Group plans investments of Euro 1 billion, with significant environmental, economic and social spillover effects. The aim is to create an annual added value of Euro 300 million for the region (through dividends, salaries, taxes and environmental funds). The Group's efforts will focus on energy transition and customers, with energy refurbishment of buildings, activation of CERs, and investments to improve the efficiency and sustainability of our facilities and operations. With targeted investments, the Group 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 of the Company's website at www.alperiagroup.eu. For the future, the Group aims to define further quantitative targets, on the occasion of the new Sustainability Plan, in order to monitor the effectiveness of the actions implemented through quantitative KPIs.

19.3.2 Security of supply

Impacts, risks and opportunities

The Group guarantees a constant supply of electricity, gas and heat to local stakeholders, thanks to a correct and efficient management of procurement and generation services, ensuring the supply of electricity even in mountainous and remote areas. This commitment ensures the stability of resources and the well-being of local communities. However, it is also crucial to consider the risk of disruption of essential services, such as hospitals and other crucial services. Inadequate monitoring and supervision of electricity, gas and heat generation plants can cause significant disruption to local stakeholders by interrupting the provision of primary services. The consequences may include economic damage for companies, difficulties in mobility (e.g. lack of electricity for electric vehicles), health problems (e.g. lack of warmth in winter) and inconvenience in daily life.

Several factors put the reliability of the distribution network at risk, including extreme weather events, deficiencies in maintenance activities, and an inadequate level of automation to detect faults in time. Furthermore, the lack of investment in infrastructure improvement can reduce the efficiency and stability of facilities, increasing the likelihood of disruptions. A further critical issue arises from the need to adapt the distribution network to the new dynamics of energy demand, linked both to the increasing electrification of consumption and the effects of climate change on the availability of energy resources.

However, technological innovation and the integration of renewables offer opportunities to increase grid resilience and reduce environmental impact. The adoption of intelligent energy supply and demand management systems can help improve the security of supply and ensure greater operational efficiency in the long run.

Managing impacts, risks and opportunities

Policies and procedures

In order to manage and mitigate significant impacts related to the supply of electricity, the Group has adopted a series of policies and procedures to ensure the security and reliability of the service. Among them, the Sustainability Policy[83] makes explicit the Group's commitment to "*offering innovative and competitive energy products and services, minimising environmental impact and ensuring a stable and efficient supply*."

A central aspect of the Group's strategy is the operational management of the high, medium and low voltage plants, regulated by the INS ED 303.1 procedure, which establishes the procedures for the management of the network owned by Edyna Srl in compliance with current regulations and ARERA directives, with the aim of optimising resources and guaranteeing system efficiency. In parallel, the procedure INS ED 303.4 regulates the monitoring of service continuity, outlining processes for recording interruptions on the electricity grid and taking timely corrective measures to reduce inconvenience to users.

The implementation of advanced automation systems plays a key role in optimising network management in cases of sudden changes in demand. The INS ED 303.10 procedure regulates the use of remote controls for the remote control of systems, ensuring effective system configuration and maintenance to ensure timely intervention and reduced downtime. In addition, the PRO 212 procedure on business continuity establishes guidelines for the management of major incidents and disasters, ensuring effective coordination of recovery operations and a rapid return to normal operating conditions in the event of unforeseen events.

The remote monitoring centre in Bolzano, operating 24 hours a day and staffed by bilingual personnel, is an essential point of reference for the timely reporting and management of faults and disruptions, contributing to the stability and reliability of the network. Investments in service quality improvement and infrastructure modernisation are constantly monitored and reported in sustainability reporting. Furthermore, stakeholder involvement is a key element in the definition of procurement strategies. Through meetings with management, consultations with customers via the freephone number and energy points, as well as roundtables organised as part of the update of the double materiality analysis, the Group constantly collects useful feedback to guide its initiatives. Group companies, including Edyna Srl, Alperia Greenpower Srl and Alperia Ecoplus Srl, promote specific engagement activities to ensure a constructive dialogue with all actors involved in the energy procurement process.

[83] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

Constant monitoring and maintenance of the network helps prevent breakdowns and disruptions, while improving efficiency and reducing the expenditure of resources. The approach adopted by the Group reflects an integrated strategy aimed at ensuring continuity of supply and sustainability of the energy system in the long term.

Actions

The distribution network[84]

In order to further improve the resilience of the network, Edyna Srl carried out activities[85] in 2024:

- underground burying of lines (currently equal to 78%);
- replacement of Points of Delivery (PODs) with the new digital (2G) (about 250,000);
- progress in the multi-year plan for the construction of primary substations;
- replacement of the transformers of the secondary substations (51% progress) and PTP pole cabins using vegetable oil transformers;
- installation of reactive power compensation reactors on the grid;
- 1,425 secondary substations are remote-controlled as of 31 December 2023 (a further 127 secondary substations were equipped with remote control in 2024); and
- replacement of bare cables of low-voltage overhead lines to avoid fire hazards.

Edyna Srl carries out aerial inspections of power lines using both drones and helicopters, thus validating the use of an increasingly competitive and environmentally friendly technology for this type of activity. The aim of the controls is to monitor the condition of overhead power lines, which are difficult to control from the ground, and to detect any anomalies in sections that are difficult to access from the ground. This is a prevention and maintenance activity that Edyna Srl carries out periodically (every two years) to guarantee the local population and businesses a reliable and resilient electricity grid.

The inspections are carried out without any interruption of the electricity supply, thus avoiding inconvenience to customers. The adoption of these advanced technologies enables more precise and efficient control, contributing to optimal network management. Thanks to these activities, the continuity

[84] For further details, please refer to the section "Electricity Distribution Network" within the 2024 Consolidated Financial Statements.
[85] For a reconciliation with the figures in the balance sheet, please refer to the section in the notes "9.2 Tangible assets".

of the service has improved, as shown by the SAIDI and SAIFI figures of 14.776 and 1.317 in 2024, showing progress compared to previous years. The SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) indicators play a crucial role in managing the continuity of electricity supply. A low value of SAIDI, which measures the average duration of interruptions per user, and SAIFI, which indicates the average frequency of interruptions, is an indication of effective network management and careful monitoring of the installations. Thanks to these parameters, criticalities can be identified and preventive and corrective maintenance can be optimised, thus guaranteeing a constant supply of energy to local stakeholders. Ineffective management, with high SAIDI and SAIFI values, could instead cause disruptions in essential services such as hospitals and e-mobility systems, with significant economic, health and social impacts. For this reason, careful monitoring and supervision of the generation and distribution infrastructure is a fundamental element for the safety and quality of life of the communities served.

In **2024**, Edyna Srl activated new compensation reactors to reduce reactive power flows in the grid and maintain high transport capacity. This is a necessary measure following the increase in the number of underground lines, which has changed the management of the network and made greater control over the quality of the distributed energy essential.

In parallel, the plan to install remote controls on secondary substations continued, at a rate of around 150 new installations per year. This innovation enables more timely control and more efficient infrastructure management. The **plan for the FNC[86] on primary substations** also continues with the activation of the primary substations of Prati di Vizze (Sterzing, Zl Sterzing, Fleres, Casateia, Montecavallo, Sasso Vizze lines) and Brenner (Brenner and Giggelberg lines). In 2023, in order to reduce the duration of power outages, Corvara, Resia 20kV, Sarentino, San Leonardo and then Cardano, Sant'Antonio and Laives were activated. In Val d'Ultimo a black start was carried out with Terna with excellent results. There is also the **PESSE** (Electricity System Emergency Plan), an emergency plan issued by Terna to be activated in the event of major faults or production deficits

As is customary, Edyna Srl held regular discussions with the **South Tyrolean municipalities** during the year in order to strengthen collaboration.

Similarly, the Group company acts as a mediator between the Autonomous Province of Bolzano, the South Tyrolean municipalities and Terna, participating in working groups at which it supports the territory's requests. An intensive investment programme is planned in many areas of South Tyrol, such as Bolzano, Val Gardena, Val Badia, Val Pusteria, Valle Isarco.

[86] Compensated Neutral Function.

Edyna Srl's electricity network can have several impacts on biodiversity, in particular the medium voltage network (10 kV to 60 kV) poses a significant danger to local birdlife due to the small distances between the pylon and live components. In particular, the **owl**, a nocturnal bird of prey protected by the European Directive on the Conservation of Wild Birds, is particularly affected. Edyna, continued the **bird protection** project on the instructions of the Nature Office of the Autonomous Province of Bolzano. The project involved the identification and mapping of potentially dangerous power lines and pylons and the isolation of some power pylons in the St. Mauritius area in Bolzano in order to avoid sources of danger to the eagle owl. The costs amounted to Euro 48,000, from the environmental provisions of the Cardano power plant. The project was continued in 2024, and a further critical site, identified by the provincial nature office, in the Firmian area south of Bolzano, was isolated.

Ensuring the safety and health of workers is a priority for Edyna Srl; This is why, in addition to following industry 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 to prevent **work-related injuries**. It is a process of best-practice sharing, adopted to ensure the best safety conditions for its technicians and the many companies that collaborate in the development and management of the plants. Companies in the sector share some of their most significant experiences such as: the new devices for safe working on roofs and supports by Edyna Srl, 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, finally, the new education and Buddy project by E-Distribuzione.

Edyna Srl's research and **innovation projects**

FORT: 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 Horizon2020 plan. With the aim of making European electricity grids more resilient and reliable against failures, cyber attacks, physical disturbances and data privacy issues, innovative technological solutions were implemented for the detection, prevention and mitigation of risks and vulnerabilities, with positive effects on the operation and stability of the electricity system. The eFORT solutions will be demonstrated at the Transmission System Operators (TSO), DSO, substation and consumer levels in four real demonstration grids that have been selected considering their complementarities and relevance to address the main threats of European energy systems. There are three objectives in particular: provide in-depth knowledge of the vulnerabilities and risks of the European electricity grid, both current and future, in its transition towards a more digitised and decentralised system, develop a robust power system defence system composed of secure technologies by design that can address a wide range of potential threats in compliance with real-time requirements, and develop a secure network structure that addresses privacy and data management issues.

District heating[87]

Alperia Ecoplus Srl, a Group company, owns and operates six plants in South Tyrol: Bolzano, Merano, Verano, Sesto, Chiusa and Lazfons. It also operates the district heating system in Silandro, in which it holds 49% of the shares (ownership is held by the municipality of Silandro). Alperia Ecoplus is one of the major national operators with approximately 260 GWht produced and sold.

Alperia Ecoplus Srl's district heating is closely linked to the territory: to produce thermal energy, it uses both biomass (60% local) and natural gas. In addition, it utilises residual heat from industrial processes as well as heat from Bolzano's waste-to-energy plant, which recycles municipal waste. In total, there are **2,237 consumers served,** amounting to thousands of South Tyrolean households. In the event of an emergency, Alperia Ecoplus Srl has made a freephone number available to its customers.

[87] For further details, please refer to the section "District Heating" within the Consolidated Financial Statements 2024.

The Bolzano district heating system in detail

The Bolzano district heating system (source: Alperia)

Heat created from waste. (1) Steam produced by combustion in the Bolzano waste-to-energy plant drives a turbine (2) to produce electricity. The residual heat (3) is used by the Group district heating plant, responding to the needs of the local population. In addition to the heat from the waste-to-energy plant, the Group has a heat storage tank (4) and spare boilers and co-generators (5) which allow it to cope with demand peaks. From the power plant, the heat, in the form of hot water, is fed into the district heating network (6), made up of a closed circuit of underground pipes. The hot water flows into the district heating network, then onwards to individual homes. Here, thanks to a heat exchanger (7), energy is used to heat the sanitary water of homes and heating systems. All this happens without the loss of any water. After the heat has been released, the water goes back to the plant through the district heating network (8) to be reheated and resume its cycle. In addition to heating private homes, the district heating system meets the energy needs of many public buildings in the city, including the Bolzano hospital (9).

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, coverage of the heat requirement of 60% from waste heat from the waste-to-energy plant is achieved, and with the accumulation tank, coverage of 95% is reached, with a significant reduction in CO_2 emissions.

The valorisation of the heat recovered from the Bolzano waste-to-energy plant is essential to offer a safe and cost-effective supply to district heating customers. This is accompanied by a further positive effect for the city: winter pollution from nitrogen oxides and smoke from individual thermal power plants decreased significantly, waste heat was utilised 137.5% more, and CO_2 emissions were reduced by 60% (data from 2013–2019). For peaks in demand or in the event of breakdowns in the biomass boiler (where present), the district heating plants have gas and oil boilers, but the goal is to increase the share of biomass used to generate thermal energy.

In eight plants (of which three in installation solutions at premises not owned by Alperia Ecoplus Srl), cogenerators (plants that simultaneously produce electricity and heat and thus guarantee very high levels of energy efficiency) running on natural gas have also been installed.

The heat produced by the individual power plant is distributed to the end customer through a network of insulated steel double pipes (flow and return) that allow for minimal heat loss. A leakage control system has been installed in the underground pipelines that monitors any criticalities and transmits them to the power station. If the leak detection system is not present, leaks are monitored by controlling the amount of make-up water in the network, and any anomalies are detected in a very short time. If the leak is located in an unmonitored part of the network, the affected areas are isolated. The leak is then detected by means of geophones, thermal imaging or tracer gas. Once the leak is found, immediate repair is carried out.

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), or 30% of the national territory.

Solid biomass is, today, the most widely used renewable source in the thermal sector: produce around 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 agro-forestry sector as a whole would be able, if properly oriented and supported, to avoid importing 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 targeting 16.5 Mtoe of thermal energy produced from bioenergy by 2030, equivalent to about 146 GW of installed power.

The Alperia Ecoplus Srl integrated system is certified according to the UNI ISO 9001:2015, UNI ISO 14001:2015 and UNI ISO 45001:2018 standards and has an EMAS declaration. During 2024, the objectives of the second phase of the Group’s ISO 50001 certification project were met; in detail, certifications were maintained for: the Alperia Ecoplus Srl TLR power plant in Bolzano, the Alperia Ecoplus Srl TLR power plant in Sesto, the Alperia Greenpower Srl hydroelectric power plant in Ponte Gardena, and the Group’s Dodiciville headquarters. In addition, the following were certified for the first time: the Treviso headquarters of Alperia Smart Services Srl, the hydroelectric power plant Alperia Greenpower Srl in Pracomune. Finally, a pre-audit was carried out for the Alperia Ecoplus Srl TLR power plant in Merano.

Investments in district heating

Alperia Ecoplus Srl manages seven district heating production plants, supplying heat to users thanks to a network of over 155 kilometres. A quarter of the thermal energy produced in South Tyrol by district heating is generated by the plants of Ecoplus Srl, which, with **260 GWh** produced, is the fifth largest national operator and the largest in South Tyrol. An ongoing expansion of the district heating network in Bolzano and Merano as well as maintenance and innovation projects in the plants are underway. In line with Vision 2031, Alperia Ecoplus Srl is working towards:

- expanding district heating networks and investing in new plants to reach +163 GWht of thermal power (+60%);
- favouring a progressive switch towards biomass plants or other sources/technologies (by 2031, +12% of biomass in the production mix);
- acquiring/managing new district heating plants in the South Tyrol area (+45 GWht);
- developing the organisational structure (+18 FTE) to support the planned development, operationally take charge of the new plants acquired and provide an ad-hoc service to customers.

According to the 2023–2027 Business Plan, by 2027, Alperia Ecoplus Srl will be working towards[88]:

- increasing the amount of thermal energy sold through the expansion of existing networks, new plants and acquisitions, reaching 349 GWht of which 54% is produced from non-fossil sources
- developing 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;
- acquiring two biomass plants with estimated entry into operation in 2025 and 2028;
- carrying out a feasibility analysis for the use of deep geothermal energy.

Metrics, commitments and targets

The electricity supply in South Tyrol is operated by Edyna Srl with a network length of 9,430 **kilometres and** 97 **connected municipalities** (out of a total of 116). In four municipalities, Edyna Srl also deals with natural gas distribution. In total, we distribute 2.69 TWh of electricity to more than 240,806 supply points with:

- 5,679 km low-voltage lines (of which 4,721 km underground, 83%);

[88] For a reconciliation with the figures in the balance sheet, please refer to the section in the notes "9.2 Tangible assets".

- 3,574 km of medium voltage (of which 2,595 km underground, 73%);
- 178 km of high voltage (of which 25 km underground, 14%);
- 35 HV/MV primary substations;
- 4,206 MV/LV secondary substations; and
- 43 MV switching substations.

Distribution network*1 {EU 4 – Entity-specific}

		2024				2023				2022				Change
Length of the distribution network	**Unit**	Surface	Under ground	Total	% under-ground	Sur-face	Under-ground	Total	% under-ground	Surfac e	Under-ground	Total	% under-ground	
High voltage	km	152	25	178	14%	152	22	174	13%	221	21	242	9%	1.41 %
Medium voltage	km	979	2,595	3,574	73%	1,020	2,546	3,566	71%	1,048	2,462	3,510	70%	1.21 %
Low voltage	km	958	4,721	5,679	83%	1,000	4,608	5,608	82%	1,031	4,416	5,447	81%	0.97 %
Total	km	2,089	7,341	9,430	78%	2,172	7,176	9,348	77%	2,300	6,899	9,199	75%	1.08 %

*1 *The distribution network includes the network of Edyna Srl, the Municipality of Parcines and the Municipality of Laces.*

Gas distribution network

	Unit	2024	2023	2022	YtY variation
	km	113	114	114	0%

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

Unit	2024	2023	2022	2021
No. of municipalities	97	97	96	96

Customers connected to the electricity network*2

Unit	2024	2023	2022	2021	Change
No. PODs	241,886	240,806	238,676	237,423	0%

**2 From 2020 all PODs (including interconnected distributors) and only customers active on 31 December are included.*

Electricity distributed in South Tyrol*3

	Unit	2024	2023	2022	2021	Change
	TWh*3	2.7	2.6	2.6	2.7	3%

**3 From 2020, all PODs (including interconnected distributors) of customers active as of 31 December are included.*

Substations*4

	Unit	2024	2023	2022	2021	Change
HV/MV primary substations	No.	35	39	39	38	–10%
MV/ LV secondary substations	No.	4206	4,210	4,166	4,156	0%
MV switching substations	No.	43	43	44	44	0%

**4 Includes the substations of Edyna Srl, the municipality of Parcines and the municipality of Laces.*

System Average Frequency Index (SAIFI/SAIDI) {ENTITY-SPECIFIC – EU 28; EU 29}

	Unit	2024	2023	2022	YtY variation
SAIFI (frequency of interruptions per customer)	No.	1,317	1.32	1.40	0%
High SAIFI concentration	No.	0.596	0.44	0.25	36%
Medium SAIFI concentration	No.	1,232	1.14	1.18	8%
Low SAIFI concentration	No.	1,981	2.16	2.48	–8%
SAIDI (power outage duration per customer)	Minutes	14,776	18.80	17.28	–21%
High SAIDI concentration	Minutes	4.59	9.22	5.27	–50%
Medium SAIDI concentration	Minutes	15.97	14.34	17.59	11%
Low SAIDI concentration	Minutes	21.74	30.01	26.21	–28%

The change of 36% in the high SAIFI concentration was mainly caused by 2 faults in the Colle substation and the Sassari substation, which caused the opening of the HV/MV transformers, disconnecting about 25,000 users. As for the 11% change in the medium SAIDI concentration, this increase was mainly due to failures in May to August, caused by adverse weather events, including strong winds and thunderstorms.

The recording of interruptions is carried out in accordance with the provisions of ARERA Resolution 617/2023 (TIQD). To date, some necessary calculations and checks are not performed by the Networks software, but are handled outside the system.

Commitments

The Group has made several commitments for the future to manage its risk and opportunity impacts on security and accessibility of supply. The Group currently has no specific quantitative targets, but has made a commitment to increase the share of sustainable heat sold. To fulfil this commitment, the Group is committed to building 6 new district heating plants by 2027 to ensure the supply of heat produced from sustainable sources. There are currently 6 new plants under development, of which 3 are biomass (Klausen beginning 2026, Meran 2028, and Bolzano 2029), 1 gas boiler (WaltherPark April 2025) 1 high-efficiency cogeneration (hospital 2026), 1 back up (Bolzano in industrial area). In addition, the opportunity to build two biomethane production plants and the feasibility analysis for the use of deep geothermal energy by 2027 is being evaluated.

The Group has set itself several objectives for the future to manage its impacts, risks and opportunities on security and accessibility of supply, which have been defined in agreement with the relevant function, based on the strategy, policies and requests that emerged with stakeholders during the year. The degree to which targets are achieved is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance:

Operational objectives	Measures implemented in 2024	Deadlines	KPI	Target value	Baseline year value (2022)	2024 Value	Status	Reference stakeholders
Increase of remote-controlled CS/disconnectors and automations on MV lines to reduce the duration and number of interruptions	56CS/disconnectors were remote-controlled; 110 old remote controls with 2G communication were replaced; FNC automation was activated on the MV lines of the Sarentino substation and S.E. Resia	Annually	Number of CS/disconnectors and MV lines (annual)	Number defined in the FNC annual remote control and automation plan	150 (2021)	110 remote control renewals 56 new remote controls	Achieved	Customers territory, local authorities, national authorities

Reducing the duration of power outages for high concentration	56 CS/disconnectors were remote-controlled and 110 replacements of old remote controls with 2G communication were carried out	Annually	High SAIDI concentration (minutes)	Target level dictated by ARERA for high concentration	7.26 (2023-2024)	4,585	Achieved	Customers territory, national authorities
Reducing the duration of power outages for medium concentration	56 CS/disconnectors were remote-controlled and 110 replacements of old remote controls with 2G communication were carried out	Annually	Medium SAIDI concentration (minutes)	Target level dictated by ARERA for medium concentration	18.36 (2023-2024)	15.965	Achieved	Customers territory, national authorities
Reducing the duration of power outages for low concentration	56 CS/disconnectors were remote-controlled and 110 replacements of old remote controls with 2G communication were carried out	Annually	Low SAIDI concentration (minutes)	Target level dictated by ARERA for low concentration	29.12 (2023-2024)	21,736	Achieved	Customers territory, national authorities
Reducing the number of power outages for high concentration	The start-up of the Sarentino substation and the remaining ones of S.E. Resia were automated	Annually	High SAIFI concentration (number of interruptions per user)	Target level dictated by ARERA for high concentration	0.427 (2023-2024)	0.596	Not achieved	Customers territory, national authorities
Reducing the number of power outages for medium concentration	The start-up of the Sarentino substation and the remaining ones of S.E. Resia were automated	Annually	Medium SAIFI concentration (number of interruptions per user)	Target level dictated by ARERA for medium concentration	1.290 (2023-2024)	1,232	Achieved	Customers territory, national authorities
Reducing the number of power outages for low concentration	The start-up of the Sarentino substation and the remaining ones of S.E. Resia were automated	Annually	Low SAIFI concentration (number of interruptions per user)	Target level dictated by ARERA for low concentration	2.474 (2023-2024)	1,981	Achieved	Customers territory, national authorities

19.3.3 Asset integrity

Impacts, risks and opportunities

For the Group, the issue of asset integrity relates to the use of solutions for the safe management of facilities in order to protect employees and local residents, 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. Failure to make the plants safe could have serious consequences on the workers, the territory and the society that resides there, involving a large number of people and/or damaging the flora and fauna.

The Group's distribution infrastructure and power generation facilities, with dams and other hydraulic works, are considered sensitive locations in terms of accidents, natural disasters or terrorist attacks. The Group pays particular attention to minimising risks through investments in safety and modernisation. In order to deal adequately with possible emergency circumstances, regular drills are carried out and activities are planned with external bodies such as the Civil Protection Agency.

The monitoring and assessment of the effectiveness of the actions undertaken during the year is carried out on an annual basis during the drafting of the Sustainability Report and the progress of the objectives declared in the Sustainability Plan through specific KPIs. Furthermore, the results are presented and evaluated by the top corporate bodies.

Managing impacts, risks and opportunities

Policies and procedures

Asset integrity procedures aim to ensure that plants 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 in such a way as to eliminate or minimise any negative impact on people's health or the environment in which they live.

The **Sustainability Policy**[89] enshrines the Group's commitment to give "*top priority to the technical safety of plants and the resilience of infrastructure to protect employees and the public*".

[89] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

This commitment is also ensured through cooperation with the relevant authorities in the event of emergencies.

PRO GP 303 Large dam flood management ensures that hydraulic systems are designed and operated to cope with extreme events, such as floods, reducing the risk of structural damage and protecting the population downstream of the systems. This procedure also defines how the Group alerts the Civil Protection Agency in case of flood emergencies.

In addition, the **PRO 212 Business continuity** – major incident and disaster management: defines the guidelines, at Group level, for the coordination and management of business continuity and operations to restore the normal operating conditions of business processes (recovery) in all those cases in which unplannable events of any nature occur (disaster), which by their magnitude of impact and/or severity and duration significantly compromise the operating capacity, generating prolonged outages. Another important aspect is the management of flood events that could have significant impacts on the territory.

PRO GP 313 Undesirable event management defines how the Group responds to undesirable events in order to take action to control and correct non-compliance and subsequently deal with the consequences.

Finally, **PRO 210 Accident/incident communication management** regulates the internal and external communication process in the event of accidents or emergency situations. With the ultimate goal of ensuring a timely and effective response to minimise damage and protect the safety of people and the environment.

Actions

The safety of our dams

The Group constantly 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, by law, under the control of the Venice Dams Technical Office, which is part of the General Dams Technical Office of the Ministry of Infrastructure and Transport. The Condition Document for the operation and maintenance of dams precisely regulates management methods and indicates the parameters relating to controls and the frequency of detection. Each large dam with a reservoir of more than one million cubic metres of water and/or a barrier height of more than 15 metres has a Civil Protection Agency Document drawn up by the Autonomous Province of Bolzano. Twice a year, representatives of the Ministry of Infrastructure and Transport's Technical Office for Dams visit the plant and carry out inspections together with the responsible engineer appointed by Alperia Greenpower Srl or their designated representative.

The Hydrology and Dams Office of the Autonomous Province of Bolzano is responsible for checking "minor" hydraulic works. Its officials, accompanied by the appointed Alperia Greenpower Srl technician, carry out annual inspections. The general criteria for managing flood events are set out in an Alperia Greenpower Srl operating procedure called Flood Management – Large Dams. The operation of reservoirs, during the increasing phase of flood events, ensures that the flows allowed to flow downstream from the dams are always less than, or at most equal to, those arriving at the reservoirs. 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 mitigate flood phenomena and to reduce, as much as possible, any damage caused by natural flows. Flood development is continuously monitored by the staff of the Cardano Remote Control Centre, to which all the data collected from the plants, including the dams, is fed. In the event of major weather events, Alperia Greenpower Srl provides reinforced dam monitoring with specialised technical staff. The first phase of a flood event is not considered an emergency, since dams are able to delay or reduce downstream flows compared to incoming flows (lamination effect). As a result, greater safety can be ensured for the population. In addition, any destructive effect on the ecosystems immediately beneath can be contained. During flood events, real-time data on the height of the reservoir, the flow discharged and the flow derived from the large dams managed by Alperia Greenpower Srl are also sent to the operations room of the Civil Protection Agency 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 operate the outflow systems, even in the absence of telephone communication.

Alperia Greenpower Srl provides regular training for flood management personnel and carries out drills with the cooperation of the local Civil Protection forces. Around half of Alperia Greenpower Srl's 200 employees are in charge, in various capacities, of controlling and maintaining the dams and all electromechanical components of each hydroelectric plant. The plant availability index, which in 2024 corresponds to 85.7%, expresses the ratio of the time a plant is operational to the total time available, taking into account any stoppages due to breakdowns, scheduled maintenance and extraordinary interventions. The higher the availability index, the greater the continuity of energy production and the ability to meet demand.

Faults and maintenance have a direct impact on this index. Scheduled maintenance, while temporarily reducing plant availability, is essential to prevent more serious failures and improve long-term efficiency. Conversely, unplanned failures can significantly lower the availability index, causing interruptions in production and potential disruptions in runoff management.

For this reason, predictive maintenance strategies, based on advanced monitoring and diagnostic systems, are essential to optimise the operational continuity of hydropower plants and ensure efficient use of water resources. A system for scheduling and planning maintenance measures was developed in the course of 2024, in order to make our plants safer, with a focus on maintaining the balance between environmental impacts and production optimisation. In the course of the year, a prototype was built to monitor the Ponte Gardena power plant. The system allows the monitoring of the overall performance of the production units and makes it possible to understand the wear status of the turbines in order to schedule maintenance work.

Finally, a plan to proactively engage communities (e.g., road shows) on asset integrity was implemented in 2024. At the end of May 2024, an informative event on dams was held as part of the Dam Day organised throughout Italy by ITCOLD. To mark the occasion, Alperia organised a seminar for the pupils of the Galileo Galilei Institute in Bolzano, with the Head of Dams and Hydraulic Works Safety of Alperia Greenpower Srl and the Director of the Hydrology and Dams Office of the Provincial Civil Protection Agency. The children were told how dams work, how they are monitored and their importance for climate change mitigation and adaptation.

Secure fibre

The connection of communication infrastructures via fibre optics is one of the projects in which the Group has invested to increase the availability of its facilities. Unlike traditional telephone networks, which can suffer blackouts in the event of violent weather conditions, fibre provides greater stability. Cables, being underground, are more secure and favour redundancy in communication channels. After the main sites, which are already fully connected, the Group is also continuing this work at secondary plants.

THE ALPERIA GREENPOWER SRL HYDROSIM 4.0 PROJECT

In order to be even more at the forefront in the safe management of its plants, Alperia Greenpower Srl has developed the Hydrosim 4.0 project aimed in particular at better management of 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, flood waves can be predicted 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 experience 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.

Correctly forecasting these phenomena makes it possible to reduce the flood wave by 30–40%, thus eliminating, or at least limiting, downstream flooding. The system was tested in particular in the Fortezza dam during actual floods: together with the accuracy of the weather forecasts, allowed the flood event to be predicted 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 carrying out a controlled discharge of sediment, 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 lower.

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 Protection Department. The aim 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 to manage the sediments in the reservoir in a more environmentally sustainable way.

The Hydrosim 4.0 project was also presented at the national conference "Ital-IA, Italia intelligenza artificiale", organised by CINI and the National Research Council (CNR) on artificial intelligence with MIPU Energy Data Società Benefit.

Metrics, commitments and targets

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 Srl, but not subject to management and coordination by the Group): these facilities include 13 large dams, 17 smaller reservoirs, 160 kilometres of tunnels and 21 kilometres of penstocks. These are complex and sensitive infrastructures for which we plan regular monitoring, investment and maintenance to keep them reliable, safe and efficient at all times.

In 2024, Alperia Greenpower Srl and Alperia Vipower Spa invested more than Euro 61 million in activities to improve plant performance in terms of safety, reliability and efficiency, ensuring an availability of the generating units of 85.7%.

The main extraordinary interventions carried out, and partly completed, during 2024 include[90]:

- Bressanone (large derivation) – partial refurbishment of plant – Euro 43.0 million (activity completed during 2024)
- Lasa (large derivation) – partial reconstruction of plant and new penstock – Euro 40.8 million (work completed during 2024)
- Cardano (large derivation) – partial refurbishment of plant – Euro 36.6 million (activity completed during 2024)
- Lana (large derivation) – partial refurbishment of plant – Euro 42.2 million (ongoing, completion by 2025)
- San Pancrazio (large derivation) – new penstock – Euro 48.4 million (ongoing, completion by 2026)

[90] For a reconciliation with the figures in the balance sheet, please refer to the section in the notes "9.2 Tangible assets"

Environmental incidents {ENTITY-SPECIFIC – F 11}

	Unit	2024	2023	2022
Number of environmental incidents	No.	4	4	2
Number of significant environmental incidents	No.	0	0	0
Financial impact of environmental incidents*1	€	53,808	35,400	0

**1 Includes paid fines and cleaning costs. In 2023, reclamation costs only.*

Energy availability {ENTITY-SPECIFIC – EU 30} *1

	Unit	2024	2023	2022	Change
Hydroelectric	%	85.7	86.17	84.15	

**1 This indicator refers exclusively to the plants Alperia Greenpower Srl (100%) and Vipower Spa (100%). The availability factor of a power plant is the amount of time it is able to produce electricity in a given period.*

The Group has made several commitments and objectives to ensure the safety of its plants, such as the Group's commitment to coordinate with the relevant bodies (e.g., civil protection) in order to manage emergencies[91]. By 2024, we had also set ourselves the goal of creating and implementing a plan to proactively engage communities (e.g., road shows) on asset integrity. At the end of May 2024, an informative event on dams was held as part of the Dam Day organised throughout Italy by ITCOLD. To mark the occasion, Alperia organised a seminar for the pupils of the Galileo Galilei Institute in Bolzano, with the Head of Dams and Hydraulic Works Safety of Alperia Greenpower Srl and the Director of the Hydrology and Dams Office of the Provincial Civil Protection Agency. The children were told how dams work, how they are monitored and their importance for climate change mitigation and adaptation.

The various objectives to manage its impacts, risks and opportunities on asset integrity, have been defined in agreement with the relevant function, based on the strategy, policies and requests that emerged with stakeholders during the year. The degree to which targets are achieved is monitored annually when the

[91] For this IRO, there are no objectives of a quantitative nature.

Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance:

Operational objectives	**Measures implemented in 2024**	**Deadlines**	**KPI**	**Target value**	**Baseline year value (2022)**	**2024 Value**	**Status**	**Reference stakeholders**
Increase the energy availability index for hydroelectric plants to over 88%	The system of acquiring unscheduled unavailability in MAIA has been improved, introducing new rules and continuous monitoring through the Area Operations Support	2024	Energy availability index (%)	88	84.15	85.7	Not achieved	Customers territory, local authorities, national authorities
Increase the burial of cables to increase the resilience of the electricity grid to extreme climatic events		2024	Underground cables/total electricity grid (total)	–	74% (2021)	77.85	Achieved	Customers territory, local authorities,
Monitoring cable burial rates to increase the resilience of the electricity grid to extreme climatic events		Annual (from 2025)	Underground cables/total electricity grid (total)	–	74% (2021)		Ongoing	Customers territory, local authorities

19.4 ESRS S4 – Consumers and end users

19.4.1 Sustainable products and Services

Impacts, risks and opportunities

The Group is committed to developing and selling sustainable, innovative and green products and services designed to meet customers' needs in a responsible manner, with a positive impact on the environment and the community. The aim of this commitment is to reduce the negative externalities associated with the use of the products and services offered, contributing to a lower environmental impact and supporting the transition to a more sustainable future. The Group is also pursuing Net Zero, as envisaged in the 2050 Climate Plan of the Autonomous Province of Bolzano, with the aim of significantly reducing its CO_2 emissions.

The impacts generated by the Group's activities mainly concern private and corporate customers. Offering quality products and services, combined with efficient **listening and customer care channels** (such as reducing customer service interruptions), increases customer satisfaction and strengthens loyalty. Transparency and timeliness in corporate communications are key to improving the customer experience and reducing complaints, contributing to more lasting customer relationships. Clear communication and effective communication channels strengthen customer trust, leading to greater customer loyalty and satisfaction. However, unclear communication with respect to contractual conditions can have a negative impact, undermining customers' freedom of choice and their confidence in the services offered.

The Group also recognised the importance of improving local infrastructure to foster sustainable mobility, increasing the deployment of fast-charging stations and reducing the impact of transport-related emissions. This improvement in charging infrastructure for electric vehicles facilitates the adoption of sustainable modes of transport powered by renewable energy, with significant benefits for both customers and the environment. In addition, the Group promotes energy efficiency solutions in residential and industrial settings, helping to reduce energy consumption, generate financial savings for customers and reduce their direct emissions. **Energy efficiency and sustainable mobility solutions** represent positive impacts for the environment and customers, contributing to improved environmental performance and the achievement of sustainability goals.

The risks of price fluctuations, which could affect the economic stability of consumers, are closely monitored to ensure customer protection through transparent and stable pricing solutions.

The Group has realised that it is crucial to respond to the needs of vulnerable groups, such as those with difficult economic or geographical access, by providing them with subsidised rates and clear information for using products and services. **Inclusiveness and customisation of services** for these groups is a priority for the Group, to ensure that all consumers have access to educational resources and manuals that help them use the products offered safely and efficiently. To protect vulnerable groups, dedicated verification processes, such as telephone verifications, were introduced to avoid harmful business practices and promote greater transparency. In addition, the Group promotes customer and market awareness of ESG issues, both through the promotion of our products and services and by carrying out targeted awareness-raising initiatives. They also aim to acknowledge and encourage greater customer and/or regulatory awareness of energy efficiency and renewable technologies which represent an important opportunity for growth and strategic development for the Group.

In conclusion, the Alperia Group is constantly striving to develop and promote sustainable solutions with positive impacts for both customers and the environment. Efforts to reduce CO_2 emissions, improve service quality and promote sustainability are supported by strategies aimed at ensuring that the products and services offered are affordable, transparent and in line with sustainability goals.

Managing impacts, risks and opportunities

Policies and procedures

The Group has established a **structured policy** for managing the relevant impacts of products and/or services on consumers and end users to identify, monitor and mitigate the risks and opportunities associated with its products and services. The[92] policy is based on an integrated approach that aims to ensure responsible and sustainable management of the company's activities and states that *"Alperia is proactively committed to developing and selling sustainable, innovative and green products and services with a better environmental and social impact"*. This approach involves a system of continuous monitoring to ensure that objectives in terms of sustainability and responsibility towards consumers are met. The main objectives include the reduction of risks arising from the use of energy-efficient products, compliance with industry regulations and the promotion of sustainable energy solutions.

The policy covers all the Group's commercial activities aimed at end customers in the free market. **Particular attention is paid to the South Tyrol market, where the Group operates with strong**

[92] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

local roots and a specific focus on customer needs. It involves various stakeholder groups, including private customers (through continuous meetings with the consumer protection association), SMEs (through framework contracts and meetings with trade associations) and corporate stakeholders.

Alperia contributes to the energy transition by offering solutions with high environmental performance, such as district heating, e-mobility, hydrogen and smart living, supporting customers and companies in energy efficiency to reduce consumption, costs and emissions. It also invests in enhancing sustainable mobility by expanding the network of fast-charging stations to facilitate the adoption of renewable energy transport.

The constant focus on sustainability is essential for achieving the goals of the South Tyrol Climate Plan. Insufficient commitment in this area could limit the improvement of the environmental performance of the services offered, with negative impacts on the environment and territory.

The highest management level responsible for the implementation of the policy is the pricing committee, which includes the CEO of Alperia Smart Services Srl, the Risk Manager, Controlling, the retail market manager, the product management manager and the indirect sales manager. In addition, new initiatives and relevant products are evaluated and discussed within a specific steering group, also consisting of the Parent Company's General Manager and Strategic Marketing Director, to ensure strategic alignment.

The interests of key stakeholders are constantly considered through direct consultations, regular feedback and customer satisfaction analysis. In response to the data collected, the Group adapts its products and services to meet the needs expressed by consumers, guaranteeing high standards of quality and safety. The policy is made available through various communication channels, including the company website, meetings with associations representing customers and social media. The Group ensures that the policy is accessible and understandable, including through graphic representations and, if necessary, translations into other languages.

The Group adopts a CSR procedure to ensure that the rights of consumers and end users are respected. The main elements include: respect for human rights, ensuring fair and secure access to energy services; consumer engagement, through the collection of feedback and information to improve services; the provision of remedies for negative impacts through effective mechanisms for handling customer complaints and problems.

The Group confirms that its consumer and end-user policies comply with the UN Guiding Principles. The downstream value chain is monitored for violations of the Global Compact principles and the OECD Guidelines and, in 2024, there were no reports of violations. This integrated approach allows relevant impacts on consumers to be identified, managed and mitigated, ensuring continuous attention to their needs and constant improvement of business performance.

The Group uses an integrated approach to identify, manage and mitigate relevant impacts on consumers and end-users by continuously monitoring satisfaction through review platforms and weekly comparisons between channel managers. This includes specific action plans to address these impacts, with an ongoing monitoring process to assess the effectiveness of the actions taken and adapt them if necessary. These plans include sustainable initiatives such as using recyclable materials, promoting the circular economy and reducing waste, supported by adequate financial, human and technological resources.

The main actions implemented include the creation of communication channels with consumers and the promotion of more sustainable products. Looking ahead, the Group plans to further enhance transparency and increase consumer satisfaction, thus contributing to the achievement of its sustainability goals.

Actions are implemented in all operational areas of the Group and involve the entire value chain, both upstream and downstream. In particular, these initiatives cover the Group's key markets, involving local stakeholders for greater effectiveness. Key actions are planned over a time horizon of 1 to 5 years, depending on complexity and expected impact.

With regard to customer awareness policies and procedures, Alperia Smart Services Srl has shared documentation within the company. The latter has very precise operating procedures for the green offering part. In particular, there is a working document on budgeting and resource management, developed in collaboration with the operational marketing team.

Innovation

The Group promotes **innovation in the energy sector** through numerous research projects and continuous improvement of its business processes and supporting information systems, following the best standards on the market. Consequently, such projects can have direct and indirect impacts on the community, the environment and the economy through the development of new products/services. The main objective of the Alperia Group is to improve 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 lead to job losses or the exclusion of some categories of people who do not have access to technologies or the skills needed to take advantage of the opportunities offered by innovation. In addition, innovation can affect how people protect their privacy and use their personal information. This is why the Group has a broad approach to innovation that not only covers 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, customers 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 companies in the area (e.g., start-up incubators).

The Group **invests in innovation and research** to respond efficiently and effectively to the challenges of the energy market as well as to provide a modern energy supply and cutting-edge energy services in the future. The Group collaborates with local and international partners on **various projects** aimed at promoting research and developing intelligent systems for efficient energy distribution and production (e.g., smart grids, smart cities, smart meters).

The Group procedure – According to the provisions of Vision 2031, innovation must be increasingly focused on promoting sustainable and customer-centric services/products and developing new businesses useful for decarbonisation (H2, biomethane, CER and photovoltaic). The investments are subjected to an internal procedure during which the effectiveness of individual projects is assessed as is the allocation of resources, so as to standardise and strengthen their management. There is also a focus on innovation in **training**.

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

Actions

Green energy and gas CO_2 offset

Much of the electricity produced by the Group is certified green. This certification is guaranteed by the digital 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 GO-qualified plants. The Group's green eEnergy is produced from renewable sources through hydroelectric power plants. In this way, Group customers can supply themselves with clean energy, produced from the power of the water that flows from the mountains, contributing to climate protection.

This is also important for businesses, which can gain important environmental credentials by buying green energy. In addition to green eEnergy, the Group also supplies 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 CO_2 voluntary standards). They are programmes that meet the strict criteria of the Kyoto Protocol for climate protection. The climate-neutral position is certified every year by TÜV NORD, a renowned independent certification body. For further details on the supported projects, see the dedicated page on the Alperia website.

The Group's strategic objective is to increase the share of sustainable products sold. For SME and Retail customers, the Group offers exclusively renewable electricity and CO_2-offset gas. The Group also provides companies with a free communication package including a green energy certificate, a metal plaque or a green energy logo, which can be published on the website or printed on company materials and product packaging. In 2024, the Group experienced **a year of strong growth** and the achievement of important goals, with a particular focus on two main customer segments: the retail market and the corporate and public administration market. The Group achieved some significant milestones in this area by actively choosing to participate in public tenders that required the provision of green energy. Furthermore, in some multi-year supplies, the Group succeeded in raising awareness among customers, encouraging them to increase the share of green energy in their electricity supplies. This also had a positive impact on the economic side. Due to the increased adoption of renewables and the consequent reduction in prices of green energy certificates, many customers have chosen the green route, both out of necessity and affordability.

A further important factor was the obligation for energy-intensive customers to pay a certain percentage of green energy on their consumption in 2024. Many of these customers responded to this need by purchasing green energy, contributing to a further push towards sustainability. In addition, Alperia Smart Services Srl started working on an innovative offer in the energy market: the **Power Purchase Agreement (PPA)**, a multi-year contract that allows companies to secure green energy for an extended period, facilitating a more stable and planned transition to renewable sources and thereby also reducing the Group's Scope 3 emissions.

The division called **Commodity Products and Non-Commodity Products** deal with the creation of both commodity and non-commodity products. The objectives of the function include optimising the procurement of electricity, GOs, GAS and green gas certificates. The work of the area 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 was established that will also create products bundled with energy and gas products. The aim is to focus on photovoltaics, e-mobility, and consumption efficiency with Sybil. The new organisation responds to the goal of customer centricity: all Alperia customers will have Alperia Smart Services Srl as their only interface.

Among the activities followed by Fintel Gas e Luce Srl, a sales company in the Marche region, there is a project born from the "Safe & Green" call of the Marche region (2018–19) dedicated to the rebirth of earthquake-prone territories, which has as its symbol a green building (67% owned by Fintel) equipped with a photovoltaic system with storage, consumption control systems and CO_2 emitted by the building and advanced efficiency systems.

In 2024, one of the most important projects of Alperia Smart Services Srl was **the introduction of advanced solutions for energy efficiency and electric mobility**, especially for the domestic segment. The company has focused its efforts on proposing complete solutions that meet not only the needs of reducing energy consumption, but also those related to sustainable mobility. The aim is to become a reference point for customers, offering a broad portfolio of solutions ranging from energy efficiency to e-mobility infrastructure, thus creating a pivot company for the everyday and sustainable needs of its customers.

The **events organised by the Group will be instrumental in promoting practical examples** of success among companies that have not yet embarked on this sustainable path, showing how the transition to green is not only possible, but also economically and strategically advantageous. In 2024, for example, an event took place in Verona, organised in cooperation with Alperia Smart Services Srl, which was attended by around 80 industrial customers. The initiative had a strong focus on sustainability, with a workshop involving industry experts and academics. During the workshop, participants were divided into working groups to discuss various scenarios. Afterwards, an interview with a professor on the topic of climate change took place. The event, designed primarily for training purposes, was a unique and distinctive moment in the year. The results that emerged from the workshops were used as input for further study, while a satisfaction questionnaire was administered to the participants at the end of the workshop.

The Group pays great attention to the interests, opinions and rights of consumers and end-users, and in particular to respect for human rights, which are central to the orientation of its strategy and business model. To ensure that consumer expectations are integrated into our operations, the Group regularly consults with stakeholders, including **satisfaction surveys and targeted feedback**. This ongoing dialogue allows us to better understand consumer needs and adapt the Group's products and services by promoting responsible and transparent practices.

New partnerships: The agreement already in place between Alperia Smart Services Srl and the **Südtiroler Wirtschaftsring – Economia Alto Adige and Rete Economia – Wirtschaftsnetz** is moving in continuity so that each company can choose the most advantageous product according to its consumption profile. In line with the Group's sustainable business strategy, all customers benefiting from the Alperia Eco Business tariff receive 100% green energy from South Tyrolean hydropower. Again, in South Tyrol, there is a framework agreement with the **South Tyrolean Cableway Operators Association,** which allows cableway companies to source certified green energy. In addition to the competitive energy prices provided for in the framework agreement, cable car companies that choose Alperia also receive green energy certification, which allows them to certify themselves as a sustainable business. The structural agreement signed in 2020 by Alperia with **Sparkasse**, the Bolzano savings bank, remains in place. The initiative provides for bank branches to offer electricity from South Tyrolean renewable sources and Alperia's CO_2 compensated gas for domestic use, giving customers the opportunity to sign contracts directly at the bank. This partnership means a rational use of local resources and further strengthens the Group's local presence. Thanks to the numerous Sparkasse branches in South Tyrol and Triveneto, the Group will be able to be even closer to its customers, spreading its green energy services widely.

Smart Region

With its Smart Region business unit, the Group invested Euro 6 million[93] in 2024 to develop and implement innovation projects, energy efficiency, renewable energy communities, decarbonisation consulting for companies and smart health with the start-up Care4u Srl that make the region more sustainable, more efficient and smarter.

[93] For further details, please refer to section "18.4 – EU Taxonomy".

Specifically:

Energy efficiency: falls into the three main areas of activity – strategic business consulting, energy performance contracting (EPC) and artificial intelligence. There are four Artificial Intelligence solutions:

- **Alperia Sybil Home**, smart thermostat that controls and manages the temperature in the home. Alperia Sybil Home devices have been supplied – among others – to ATER houses 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 steelmaking group and leading European producer of merchant bars, which with Alperia Green Future Srl has defined a **decarbonisation plan**, **developed energy efficiency projects** following the Energy Performance Contract model, modernised the 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 optimised cold management in 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 resolved by using the Group's artificial intelligence system, which automatically adjusted the refrigeration energy according to the production plan to obtain the quantity of cold needed for the process. In addition, with the **Energy Performance Contract** model, Suanfarma replaced two old refrigeration units with a larger and more efficient one, increasing safety and automation levels and reducing maintenance. Finally, Alperia Green Future Srl has signed a partnership with Nippon Gases, a company that supplies technical gases and will support the dissemination of Sybil technology for cold production.

In 2024, the company further strengthened its partnerships with the p**ublic administration** and worked on the energy upgrading of large properties with a focus on real estate companies. Also in 2024, Alperia Green Future Srl incorporated Solar Total, with which it will manage **residential photovoltaics** and **renewable energy communities**. One of the most significant projects in 2024 is a 1 MWh photovoltaic plant built in cooperation with a company in the biomedical sector. Another major project concerns the installation of 30 MWp of photovoltaics for energy communities, which will be realised through the investment fund Euregio Plus Energy Alto Adige – Südtirol).

2024 was a year of great transformation for Alperia Green Future Srl, **particularly in the field of energy efficiency in buildings**. With the end of the efficiency bonus season, the company has intensified its efforts in the management of tax credits and is reorganising itself for the post-bonus phase. In the future, the focus will be on implementing measures to improve energy efficiency, with a focus on optimising consumption and reducing emissions. Important innovations include the application of artificial intelligence to improve the efficiency of buildings and industry, with the aim of implementing new patents.

During 2024, Alperia Green Future Srl 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 Exhibition in Milan at Bocconi University, Smart Building Expo in Milan, was a partner of the Venice Sustainable Fashion Forum and organised a workshop in Verona with 50 customers and prospects on the topic of sustainability.

Decarbonisation consulting: in the course of 2024, Alperia Green Future Srl expanded its services by introducing sustainability-oriented consulting, such as carbon footprint analysis, modelling of climate scenarios using advanced software, and the drafting of sustainability reports.

Care4u Srl: the smart health company, founded with the aim of providing the community with technology and expertise to improve the well-being of its citizens, has 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 has been further enhanced in 2024. Activities in organised facilities also continued during the year: Care4u Srl is present in Bolzano (Villa Europa, Hospital, Residenza Girasole), Terlano, Egna, Montagna and 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 the Group, which in this way contributes to the well-being of the local population: the ageing population and its care.

Electric mobility

With the joint venture Neogy Srl, the Group supports the extension of electric mobility. In total, Neogy operates 1,753 public charging points throughout Italy. The activity contributes to the achievement of the CO_2 reduction targets set out in the Provincial Climate Plan and the Alperia 2023–2027 Business

Plan, and to making Trentino-Alto Adige the best equipped region in Italy and one of the best in Europe in terms of sustainable mobility (source: Smart Mobility Report of the Politecnico di Milano).

In 2024, a new hub will open in Klausen, and, in late 2024/early 2025, also in Meran. This is intended to make the transition to electric easier, and the numbers at the territorial level support this: South Tyrol has 12% of electric vehicle registrations, compared to 4% nationwide, and the energy supplied by the Neogy-operated electricity columns has increased again by 20% in 2024 (over 6 GWh). 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 Carsharing Alto Adige cooperative together with the Group. The fleet has been considerably expanded and is switching to purely battery-electric vehicles with their own charging points at many 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** 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, the Group participates with Neogy in numerous international research projects. Specifically: after completing the Mobster project (Electric Mobility for Sustainable Tourism, ending in 2022), the Group 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 the two-way flow of electricity and developing an app to manage energy flows. The project will also explore the aggregation of vehicle battery storage capacity to provide monetised network 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) continues, with which South Tyrol is to become a model region for zero-emission mobility in the Alps. To make this happen, partners from all parts of South Tyrol have joined forces to expand the infrastructure network for zero-emission mobility, put pilot fleets on the road and develop zero-emission services (e.g., taxis, shuttle services and freight transport). As part of the project, Alperia and Neogy installed and operated ten fast charging stations throughout the Alps. In addition, the Group continued to expand the provision of as-a-services with small utilities by developing a network dynamic made up of consultancy, technology and know-how, as well as renewing charging solutions, such as Neogy ON, for private customers, with the installation of a charging pillar by a professional directly in the customer's garage or private car park. Finally, it should be noted that Neogy is part of the Motus E association, an association of industry players, the automotive supply chain and academia that aims to accelerate smart mobility.

Hydrogen

The Group's activities in this area date back to 2014, where its subsidiary IIT Hydrogen Srl operates H2 South Tyrol, **Italy's first public hydrogen refuelling station** for cars and buses. This plant is powered by the Group's own renewable energy, ensuring that the hydrogen produced is indeed sustainable. 26 June 2024 marked the start of work on the construction of a **new hydrogen refuelling station** in the Brunico area along the SS49 in the Val Pusteria, to be operational for the 2026 Olympics. The facility was also integrated with 400 kW superfast charging stations for battery electric vehicles with Alperia's own funds.

It is one of the first infrastructures of its kind in South Tyrol, located on one of the main routes in the Province of Bolzano, in an area of high tourist activity.

The new station, with a hydrogen refuelling capacity of approx. 800 kg/day, will be able to supply buses, trucks and cars with three filling points. The realisation of the project will benefit from funds allocated by the NRRP (approximately Euro 4 million).

With regard to the production sector, it should be noted that the project presented by Alperia jointly with SASA for the construction of a renewable hydrogen production plant in Bolzano – after having obtained a non-repayable grant under the NRRP amounting to Euro 14 million – received a further subsidy of Euro 3.4 million under the provisions of the MASE decree of 17 April 2024, subsequently increased to Euro 6.0 million under the MASE decree of 27 June 2024. The contributions were made available by the Autonomous Province of Bolzano, as the delegated entity for the territory of South Tyrol for the implementation of projects within the NRP, to the temporary consortium of companies (RTI) formed by Alperia and SASA in order to implement the project in question; as noted, the RTI participation fees are divided between the parties as follows: SASA (51%) and Alperia (49%). The plant will have a capacity of 2 MW and will be partly powered by a 1.5 MWp photovoltaic plant.

Tender procedures are currently underway for the construction of the plant, which is to be completed and commissioned by June 2026.

These projects are part of the Hydrogen Adige Valley, which aims to establish a complete hydrogen supply chain, from renewable energy sources for hydrogen production to applications in various sectors, on site.

In addition, a number of customer projects are being implemented, such as the construction of a hydrogen production plant for a large steel plant by Alperia Green Future Srl, which is supported by IIT Hydrogen Srl

Metrics, targets and commitments

In 2024, the revenue generated by the Group from sustainable products and services was **82%,** but the goal, according to Vision 2031 and in line with the South Tyrol Climate Plan, is to gradually increase this share. This mission reflects the achievement of the business objectives of the products and services mentioned above (e-mobility, smart region, etc.). Already now, 100% of the products on sale on the free market in South Tyrol for residential customers are green, and the share of offset gas, which from 2019 will also be offered outside South Tyrol to residential and business customers, has also increased. Furthermore, from 2020, through a unilateral contract modification, the Group made it possible for all customers belonging to the free market to switch to green energy. In addition to energy and gas, there are also district heating, electric mobility and energy efficiency projects. In order to ensure that more and more companies can use offset gas, the Group has an agreement in place with the Sϋdtiroler Wirtschaftsring, an organisation that brings together the six most representative business associations of the South Tyrol – Unione Commercio Turismo Servizi Alto Adige, Unione Albergatori e Pubblici Esercenti dell'Alto Adige, Confartigianato Imprese, Unione Agricoltori e Coltivatori Diretti Sudtirolesi, Assoimprenditori, Associazione Liberi Professionisti Altoatesini. The Alperia Group also continues this work outside South Tyrol so that more and more SMEs adopt renewable energy and offset gas. Over the years, although the Group has not defined quantitative targets, it has undertaken to define **internal guidelines** to support employees in **raising awareness among corporate customers** about green products, in line with the sustainable Alperia brand. To this end, clear guidelines have been developed on how to promote sustainable solutions. In addition, a **joint workshop** was organised in 2024 between Alperia Smart Services and Alperia Green Future to explore specific topics and define a **structured internal process** that facilitates the sharing of objectives and customers in the green sphere, strengthening corporate synergies.

Products sold (entity–specific)

	Unit	2024	2023	2022	Change 23vs24
Electricity sold to end customers	GWh	5,235	4,783	6,854	9%
of which green electricity sold to end customers	GWh	3,166	2,529	2,399	25%
	%	60	53	35	
Trading	GWh	874	471	978	86%
Thermal energy sold to end customers	GWh	258	248	234	4%
Gas sold to end customers	Msmc	347	358	503	–9%
of which CO_2 compensated gas sold to end customers	Msmc	146	50	25	163%
	%	42	14	5	

Smart region e-mobility (entity–specific)

E-MOBILITY	Unit	2024	2023	Change
Public charging points	N.	1,753	1,383	27%
Charging points installed during the year	N.	370	approx. 300	approx. 25%
Wallboxes sold during the year	N.	80	162	–51%
Total number of hyperchargers	N.	146	63	132%
Hyperchargers installed during the year	N.	83	14	493%
KWh delivered at public charging stations	KWh	6,561,875	5,485,719	20%
Kilometres travelled with supplied energy	MKm	39,371,250	32,914,314	20%

The Alperia Group has set itself several objectives for the future to manage its impacts, risks and opportunities on the offer of sustainable products and services, which have been defined in agreement with the reference function and aligned with the company's policies, strategy and based on the requests that have emerged from interactions with stakeholders. The degree to which targets are met is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance.

Operational objectives[94]	Measures implemented in 2024	Deadlines	KPI	Target value	Baseline year value	2024 value	Status	Reference stakeholders
Increase the share of sales of sustainable products and services to 60%		2027	Share of revenue from sustainable products and services (%)	60%	47% (2021)	82%	Achieved	Customers
Care4u Srl: extend the teleassistance services to the service of healthcare facilities	Technical and commercial proposals to increase active customers were pursued.	2027	Active customers added	185	5 (2022)	94	Ongoing	Customers territory
E-mobility: expanding the number of managed public charging infrastructures		2027	Public charging points (number)	3000	1000 (2022)	1753 (2022-2024)	Ongoing	Customers territory
Neogy: expanding the number of private charging infrastructures		2027	Number of wallboxes sold	1000	300 (2022)	80 installed in the year 2024	Ongoing	Customers territory
E-mobility: increase the energy supplied by green energy		2027	Energy supplied (GWh)	47 GWh	3 GWh	6.5 GWh	Ongoing	Customers territory
62% of gas sold (based on volume) offset gas and biomethane)		2027	% Offset gas and biomethane sold	62%	2% (2022)	42%	Ongoing	Customers

The objectives of the Sustainability Plan refer to the entire Group.

Share of CO2-offset gas sold in line with the 2023–2027 Business Plan in line with SBTi targets		Annually	% offset gas and biomethane sold	36% (2024)	2% (2022)	42%	Achieved	Customers
70% of electricity sold (based on volume) is green		2027	% green electricity sold	70%	39% (2022)	60%	Ongoing	Customers
Share of green electricity sold in line with SBTi targets in the 2023–2027 Business Plan		Annually	% green electricity sold	53% (2024)	39% (2022)	60%	Achieved	Customers
Increasing the deployment of residential and industrial photovoltaics to apartment blocks, SMEs and PA in line with the 2023–2027 Business Plan	619 kW in 2024 as residential photovoltaics +13.7 MW of industrial photovoltaics	2027	Total cumulative installed power (MW)	52.2MW	2.7 MW (2022)	14.319 MW installed	Ongoing	Customers
Increase in emissions avoided by energy efficiency projects with customers in line with the 2023–2027 Business Plan[95]	17,108 tCO2 avoided in 2024 by EPC, Sybil HVAC and residential FTV projects	2027	Ton of CO2 avoided (third-party customers) with energy efficiency services	Reduction of 244 kton CO2 by 2027 (cumulative value 22–27 compared to 2021 emissions)	160 kton (2021)	50.805 kton tCO2 avoided compared to 2021 emissions target achievement status: 21%	Ongoing	Customers

[95] For further information on the reduction of energy consumed by customers, please refer to section E1.

19.4.2 Customer satisfaction

Impacts, risks and opportunities

During 2024, the Group continued to pursue its goal of involving customers throughout the life cycle of its products and services, investing in initiatives to improve and expand customer service, with the intention of building a lasting relationship of trust. However, failure to properly manage and maintain communication and billing channels could lead to inefficiencies in contract management and a shortage of support services, with negative impacts on the customer experience. Positive impacts arise from the adoption of transparent product communication and sales practices that improve customer awareness of the characteristics and impacts of our products. These practices strengthen customer trust and contribute to a more solid and sustainable relationship. The company has also had a positive impact on the communities it serves by tackling energy poverty with initiatives such as utility bill instalments, which are a proactive approach to helping customers better manage their energy bills, thereby improving their well-being and quality of life. However, there remains the risk of possible negative fallout if communication and marketing practices are not clear or truthful. Such unclear practices could undermine the trust of private, industrial and public customers, undermining the trust and damaging the Group's reputation. It is therefore essential to maintain a high standard of transparency and integrity in communications with customers.

Managing impacts, risks and opportunities

Policies and procedures

The Group's **Sustainability Policy**[96] focuses on customer satisfaction and well-being and states that *"Alperia involves customers throughout the life cycle of the products and services offered and includes initiatives to improve and expand customer service, with the aim of building a lasting customer relationship. In addition, Alperia proactively strives to develop and sell sustainable, innovative and green products and services with a better environmental and social impact. Alperia's marketing activities and corporate communication are transparent, timely and stakeholder-focused and take into account the various social and ecological aspects."* Through the policy, the Group is committed to offering

[96] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

high-quality products and services, strengthening transparency and trust through effective communication channels, promoting lasting relationships and reducing complaints.

To manage the impacts, risks and opportunities on customer satisfaction, the Parent Company's Executive Board has defined and approved various procedures over the years.

All complaints from outside are treated as non-conformities according to **PRO 404 Non-conformities and reports**.

Moreover, the way complaints are handled, response times and remedies are strictly monitored and regulated by the Regulatory Authority for Energy Networks and the Environment (ARERA), which requires operators to comply with the requirements and, if possible, to improve them further. To guarantee operational efficiency, the quality management system is certified according to the international ISO 9001 standard, with clearly defined responsibilities within the Group. To ensure the timely processing of complaints, a dedicated control centre was set up.

The Group has implemented **structured processes to identify and address any negative impacts on consumers** that go far beyond the complaint handling processes defined by **ARERA**. When a service or operation is found to have caused a negative impact, the Group intervenes with a remedial plan that includes:

a) a root cause analysis: an investigation to understand the origin of the problem,
b) corrective action: modification of the processes or products involved if deemed necessary,
c) customer engagement: dialogue with the consumer to understand their perspective and evaluate the effectiveness of the actions taken,
d) the effectiveness of remedies is evaluated through constant analyses of processes and demands. If necessary, the Group makes further adjustments to improve the customer experience.

Actions

Alperia Smart Services Srl

In 2024, Alperia Smart Services Srl faced an important evolution related to the transition from the protected market for non-vulnerable customers to the free market, with a focus on providing clear information and support to vulnerable customers to understand the impact of the change. The company introduced **new products to its portfolio** to provide greater predictability in managing energy expenditure. In addition, Alperia Smart Services Srl increased the number of **points of sale** by opening six new ones outside South Tyrol, thus improving the accessibility of its services. These points of sale are designed to be easily accessible, with clear and simple communication so that everyone can understand the benefits and offers on offer. The Group has also expanded its networks, opening corners in shopping centres and expanding its network of Partner Energy Points, such as Arezzo (AR), Castelfranco Veneto (TV), Latina (LT), Francavilla al Mare (CH) and Montegrotto Terme (PD).

In addition, the accessibility of the website was improved, making it customisable even for users with visual impairments.

For domestic customers, Alperia Smart Services Srl has extended the possibility of taking advantage of convenient and transparent offers, not only for its employees, but also for employees of corporate customers, through special agreements and benefits for electricity and gas. On the green theme, Alperia Smart Services Srl has introduced new definitions: for electricity, it offers 100% GO (Guarantees of Origin) certified energy, while for gas, it offers offset gas to reduce environmental impact.

Alperia pursues the goal of improving and expanding customer service and the quality of services provided, focusing on **customer satisfaction and complaint handling**. To this end, two specific areas have been set up: **Contact Center and Complaints & Conciliation**. One tool to support customers is the **free hotline**, which is operated by bilingual operators. In addition, an additional **freephone number dedicated exclusively to the district heating service** was set up in 2024 to offer an even better and exclusive service.

For requests received in written form, Alperia Smart Services Srl has **implemented a web ticketing system** to replace traditional emails, making the process more efficient and traceable. 95% of requests enter through this system, which guarantees answers to the customer within the day or, at most, within 48 hours. In order to support customer needs and requests, Alperia Smart Services Srl has introduced **an outbound function** within web ticketing **that further improves the professional handling of written customer requests.**

To support the management of all customer requests, Alperia Smart Services Srl has also developed a dashboard that allows real-time monitoring of all requests, providing a complete view of performance. This allows immediate and constant monitoring of key service KPIs. In 2024, the company handled approximately 285,000 requests that were dealt with through telephone support or web ticketing.

Customer satisfaction is also measured annually through specific surveys and, in 2024, the results were above the industry benchmark[97], confirming the effectiveness of the strategies adopted. This approach is

[97] See, for example, Altroconsumo survey on electricity and gas providers 2024.

set to continue in the near future, with the aim of further improving the customer experience and minimising inconvenience in order to meet their needs.

In handling complaints, the Complaints & Conciliation department follows the procedure required by ARERA (Regulatory Authority for Energy, Networks and the Environment) and, in particular, by the TIQV – Integrated Text of the regulation of the quality of electricity and natural gas sales services. In 2024, 930 complaints were registered; the complaint rate (ratio of the number of complaints to the number of so-called customers served) remained well below the national average. Alperia was able to respond within the stipulated timeframe (according to the regulations, the company is obliged to respond within a maximum of 30 calendar days), except in a very few cases (only four, and in two of these for reasons attributable to third parties – distributors).

If the complaint is not satisfied or if there is no response to the complaint, the customer has the option of going to conciliation (regulated by the TICO – Integrated Conciliation Text), which is a completely free-of-charge but mandatory procedure (and fulfils the condition for judicial proceedings). In 2024, ARERA's conciliation service registered a total of 26 cases for a total of 44 meetings; most conciliation cases were successfully concluded by agreement between the parties. The most frequent complaint and conciliation topics mainly concern billing, which is the main source of dissatisfaction among customers.

Alperia implements various mechanisms to ensure the **engagement of consumers** and end users, with the aim of proactively managing the relevant impacts of its products and services. The Group relies on both direct consumer involvement and the support of representatives, especially for retail and SME customers. Through a structured approach mediated by these representatives, Alperia obtains a comprehensive view of customers' needs and expectations. This involvement process has several stages:

a) service and product planning, in which consumers are consulted through analysis of feedback received on different communication channels and product sales and usage data, usually quarterly;
b) service development and improvement phase, in which regular meetings with representatives and key stakeholders are planned; and
c) post-implementation monitoring and evaluation through continuous feedback, collected through different ways of measuring customer satisfaction.

The CEO of Alperia Smart Services Srl is responsible for ensuring that these engagement processes are properly implemented, assisted by the company's first-level management team and supported by the Strategic Marketing Department of Alperia S.p.A. The Group assesses the effectiveness of engagement through customer satisfaction metrics, complaint resolution rates and qualitative feedback collected in surveys. In parallel, any agreements with consumer associations or specific stakeholders are monitored and evaluated for their positive impact. In addition, the Group takes measures to better understand the views of particularly vulnerable customers, such as people with disabilities or the elderly, by providing:

a) on-site support services, i.e., support through trained shops and consultants with clear rules on what to offer to which target group and,
b) improved accessibility through accessible Energy Points and customisable communication channels (accessible website) and staff training to ensure inclusive interaction.

Contact with customers is crucial in order to develop initiatives and products that meet their needs and intercept emerging trends.

In parallel, the Group has also adopted a more focused approach to **customer satisfaction**, constantly monitoring review platforms (such as Trustpilot and Facebook) to gather feedback and improve its processes. In the case of complaints, Alperia Smart Services Srl created a dedicated section on its website, while the customer care team reorganised its internal processes, optimising the flow of reports and introducing improvement measures. Every month, an information clip on complaints is published, and the sales network is made aware of how to reduce the risk of dissatisfaction among customers and minimise the negative externalities of their products.

In case of complaints, Alperia Smart Services Srl has dedicated a specific communication on myAlperia to the topic of complaints. Every month, an information clip on complaints is published, and the sales network is made aware of how to reduce the risk of customer dissatisfaction.

Another important change is the extension of the contact centre's opening hours, now operating from 8.30 a.m. to 5 p.m. from Monday to Friday. Tests were also carried out on Saturdays to evaluate a possible extension of the weekly opening hours.

The sound tree of the contact centre was also revisited, making it more user-friendly: now, with just two clicks, customers can talk directly to a consultant.

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

The Group offers several direct **communication channels** for consumers to express their needs, including:

a) telephone and online customer service: available during extended hours to ensure timely assistance;
b) physical counters: for those who prefer direct contact;
c) digital platforms and apps: for rapid reporting and immediate feedback; and
d) in addition to internal channels, the Group works with third parties, such as consumer associations and representative groups, to gather and respond to needs.

In addition, the Group ensures that its business partners have communication channels available to consumers and requires them to support and promote the use of these channels. In this way, consumers can access service channels regardless of their point of contact with the Group.

In terms of **control and monitoring**, the Group constantly monitors the issues raised through KPIs that track key customer satisfaction indicators and service requests. The Group conducts regular audits with internal stakeholders to assess the effectiveness of communication channels and makes changes, if necessary, to improve accessibility and effectiveness. Furthermore, the Group clearly communicates the existence of these channels and service procedures to consumers via its website, information material and in direct interactions with customer service.

One of the main objectives of Alperia Smart Services Srl during 2024 was **to become more transparent in its communication with its customers.** This approach took the form of initiatives designed to make offers more comprehensible and accessible, making it easier to understand the benefits and details of each product. A significant example of this commitment was the debut of the Alperia Smart Services Srl one-stop shop at the Bolzano Autumn Fair, where customers had the opportunity to purchase products related to electric mobility, energy (light and gas), district heating and car sharing. This shop represents an important step towards a complete offer, in which Alperia Smart Services Srl offers not only energy commodities, but also innovative mobility solutions, alternative to traditional ones, thus responding to a growing demand for environmentally friendly and sustainable options.

In another important aspect of the strategy, Alperia Smart Services Srl chose not to employ salesmen in **its energy points**, thus simplifying the direct approach to the customer. This approach has fostered greater customer autonomy in the choice of products and services, enhancing transparency and self-sufficiency in managing their energy and mobility needs. In this way, Alperia Smart Services Srl is evolving from a simple supplier to a strategic partner for an integrated and sustainable management of energy resources and mobility, leveraging innovative solutions and an increasingly broad and clear offer.

In terms of communication, Alperia Smart Services Srl has chosen to raise awareness among some of its customers through targeted initiatives, such as the **weekly newsletter**, which deals with sustainability, energy efficiency and renewable energy opportunities. The company also took part in events such as the **Sustainable Future,** organised in Verona in spring 2024, where it invited its customers to discuss this in a direct and engaging way. The company's approach is also supported by a strong presence on social media and through the Group's website, its brand is characterised by a concrete commitment to sustainability, communicating its initiatives and projects through various channels.

In order to implement customer-related actions in both product sales and the customer experience, the Group invested approximately Euro 14 million in 2024.[98]

Metrics, commitments and targets

Monthly average of calls answered to the freephone number*1 {ALP 1 – entity-specific}	Unit	2024	2023	2022
Monthly average of calls answered – freephone number	%	**96**	**96**	85
Total number of calls	No.	153,072	173,959	205,723

In 2024, the Group maintained a monthly average of answered calls to the freephone number stable at 96%, which is an improvement on 2022 (85%). Compared to 2023, the percentage showed no change, indicating a constant capacity to respond. However, the total number of calls decreased by 12% from 173,959 in 2023 to 153,072 in 2024. This decrease reflects a reduction in demand, which can be attributed to the fact that, at the beginning of 2023, the Group was still affected by the energy crisis, but has now reached a normal level of stability.

Number of customers*1*2*3 {GRI EU 3 – entity-specific }

Type	Unit	2024	2023	2022	Change
Electricity customers	No.	360,758	321,715	305,013	12%
District heating customers	No.	2237	2,184	2,117	2%
Gas customers	No.	123,389	99,530	73,784	24%
Total customers	No.	486.384	423,429	380,914	15%
of which resellers		77.625	56,939	60,526	

**1 Customer accounts = active network connections (POD/PDR) as of 31 December.*

**2 The POD/PDR percentage only includes customers supplied and billed directly by Alperia, including resellers and the protected market.*

**3 Smart Region customer accounts are not included.*

[98] For further information, please refer to section 12.3 in the Report on Operations

The Group supplies electricity, natural gas and district heating to more than 460,000 customers (420,000 in 2023), including households, large and small enterprises and public institutions. Seventy-four percent of customers signed contracts for electricity, 25% for gas and 0.5% for heat.

Complaints from customers*1 {ALP 2 – entityspecific}	Unit	2024	2023	2022	Change
Number of complaints in the reference period	No.	930	883	426	5%
i. number of complaints registered in the reference period*2	No.	906	874	417	4%
ii. number of complaints handled in the reference period*3	No.	896	843	405	6%
Number of complaints not handled, including previous periods*4	No.	0	0	0	
Resolution rate of customer complaints in the reporting period, addressed within 30 days	%	99.57	98.75	99.75	1%
Complaint rate (number of complaints per 100 customers)*5	Rate	0.26	0.28	0.11	

*1 *Includes complaints about Alperia Smart Services Srl, Ecoplus Srl*

*2 *Zero complaints from 2023 were registered in 2024*

*3 39 complaints were registered in 2023 and resolved in 2024.

*4 *Twelve complaints were registered in December 2024 and handled in January 2025.*

*5 *From 2023 onwards, 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 those who have stipulated a supply contract that provides for the supply of electricity/gas also at more than one withdrawal/delivery point, thus aligning the methodology with that communicated to ARERA.*

The Group has made several commitments for the future to manage its risk and opportunity impacts on customer satisfaction, which have been defined in agreement with the relevant function and aligned with Group policy and strategy. The degree to which targets are met is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance. In order to ensure access for all customers, the Group is committed to increasing the number of points of sale accessible to customers with disabilities or from disadvantaged groups (e.g., pensioners) to 2027. The upcoming openings are all designed to be accessible to a high standard. In addition, again with regard to the accessibility of services, we have committed ourselves for 2027 to create a simplified communication channel to ensure that essential information is understandable to all.

Finally, by 2026 we are committed to creating an ESG policy to exclude those customers that operate in controversial sectors and are not aligned with the Group's principles.

In order to monitor progress in the management of IROs that impact customer satisfaction, the Group, in agreement with the relevant functions, has defined several objectives, also based on the instances that emerged during the year with customers (for more information, please refer to the section "Stakeholder engagement").

Operational objectives[99]	Measures implemented in 2024	Deadlines	KPI	Target value	Baseline year value (2022)	2024 Value	Status	Reference Stakeholders
95% of freephone calls are answered.		Annually	Percentage of telephone calls answered	95%	94%	96%	Achieved	Customers
Standardise and refine complaint responses and monitor response times.		Annually	Proportion of complaints processed promptly (within 30 days)	99%	99.5%	99.5%	Achieved	Customers
Containment of the number of complaints (number of complaints every 100 customers less than 0.3)		Annually	Number of complaints per 100 customers	<0.3	0.13	0.26	Achieved	Customers

[99] The objectives of the Sustainability Plan refer to the entire Group These objectives apply to Alperia Smart Services as it is responsible for selling products to customers.

19.4.3 Cybersecurity and information security

Impacts, risks and opportunities

Cybersecurity and information security have been identified by the Group as essential in terms of risks.

In carrying out its activities, the Group guards against risks related to the compromise of the confidentiality, integrity and availability of information (corporate, commercially sensitive, personal and non-personal data, etc.) and of the systems it uses in its activities or in the provision of services. The management of risks related to information security, personal data systems, intellectual property, and service continuity is of paramount importance.

In managing these aspects, different risk scenarios and the effectiveness of the security measures (controls) applied to mitigate them are evaluated. The conduct of the Business Impact Analysis, carried out alongside risk analysis, also supports a number of strategic choices that are fundamental for consistent risk management, also in harmony and compliance with voluntary, current and mandatory regulations.

Finally, for effective and efficient governance in the area of Cyber Risk, the aforementioned issues are included within the Cyber Risk Strategy, which is implemented in security plans (Action Plans) updated annually and shared with operational departments for consistent evaluation and implementation.

Managing impacts, risks and opportunities

Policies and procedures

The Sustainability Policy[100] makes it clear that the Group's commitment to the "*protection of all data and systems is guaranteed at all times"*. The Group takes a proactive approach to protect data, intellectual property and business continuity from cyber threats such as phishing and malware, investing in **advanced monitoring, prevention and response systems**, implementing encryption, multi-factor authentication and vulnerability testing. In addition, it ensures a **high level of regulatory compliance** (ISO/IEC 27001, NIS2, GDPR) and promotes a cybersecurity culture with **regular training and simulations**.

Since 2020, the Group has been managing Data Protection activities through the Data Protection area, and Cybersecurity activities through the Cyber Risk area, as well as the Digital & Technology department.

The Data Protection area is responsible for the protection of personal data managed by the Group (e.g., personal data of customers, employees, suppliers, etc.), i.e., the implementation of and compliance with

[100] For further details on the Sustainability Policy, please refer to the Sustainability Governance section.

the General Data Protection Regulation (GDPR) and generally applicable data protection legislation. Overseeing this activity is the DPO (Data Protection Officer), a figure provided for by the GDPR and specifically appointed in the cases provided for by the legislation.

The Cyber Risk area oversees information security, the integrity of management systems and takes care of the application of voluntary, applicable and mandatory regulations. Its activities also include aspects such as training, organising awareness-raising events, monitoring applicable regulations, defining policies and strategies, drafting procedures and maintaining contacts with the authorities.

Finally, the Digital & Technology directorate 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 Centers, Cloud Computing, WiFi, Mobile Network and Local Area Network, Internet of Things, Manufacturing Plants, Distribution Plants, Telecommunications, Smart Grids, Transmission Systems, Fixed and Mobile Devices. Specific limitations derive from the business organisational structure of the various BUs and areas each with their own specific needs.

Cybersecurity

Management approaches aim to establish a state-of-the-art security standard that optimally prevents and mitigates any negative impacts inside and outside the company (e.g., possible impact on the continuity of service delivery). The Group adopts procedures, regulations and operating instructions to manage information and systems security aspects and, in general, to comply with applicable cybersecurity regulations. For example, the rules of conduct in the use of the Group's IT and information tools are governed by Regulation 220.01.

Management approaches include, among others, ISO 27001 certification (upgraded to version 2022 and extended to schemes 27701, 27017 and 27018 in 2024 from the Cyber Risk and Data Protection areas). The Cyber Risk area and the Digital & Technology department also introduced a new specific procedure for cyberincident management. As far as management schemes are concerned, the Cyber Risk area, responsible for ISO 27001 and the ISO 27017 extension, manages the ISMS – Information Security Management System.

Management systems are evaluated at regular intervals (from annual to more frequent intervals). Since 2015, ISO 27001 certification has been assessed annually by a certification body. The effectiveness of management systems is regularly reviewed and monitored on the basis of set indicators and procedures. A relevant example concerns Business Impact Analysis (BIA), a process introduced in 2024 as part of the business continuity strategy. The BIA enables the analysis and classification of potential impacts resulting from disruptions in business processes, examining technological, financial and reputational factors. This assessment aims to ensure business continuity, minimising risks and optimising recovery plans in the event of a disaster. Certification, together with business continuity plans and the security threat prevention plan, aims to establish a state-of-the-art and continuously updated data protection standard.

In the course of the year, the necessary adjustments are implemented where required. In addition, the results are incorporated into the Sustainability Plan and presented to senior management.

Actions

The Group's Cyber Risk structure oversees cyberrisks, cybersecurity and compliance with voluntary standards and legal requirements on cybersecurity. The Cyber Risk area drew up the **2024 Security Plan**, placed within the Cyber Risk Strategy aligned with the Group's policies, in which a number of activities to be performed in terms of analysis, measures and checks aimed at risk mitigation were identified. The Plan, divided into sixteen areas and for which a scale of priorities was defined with respect to the most urgent actions to be taken, was approved by management, presented to the Group's board and shared with the operating departments, which contributed various points for improvement. Cost reductions were already observed during the first implementation of the Plan. This activity involves the cooperation of the Digital & Technology department, which is responsible for installing and managing the identified technical and organisational measures and solutions. The aim is to try to reduce the residual risk as much as possible through the implementation of technical and organisational measures, including training of employees. The update of the plan is included in the half-yearly ERM reporting.

The **IT Systems & Operations** area completed the introduction of multifactor authentication and the Zero Trust model, which led to a lowering of risks. Every network transaction, in fact, must be authenticated before it can materialise. Therefore, to prevent possible attacks, all the steps following access are checked and authenticated. It therefore does not matter whether the user has already logged on to 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 should be considered untrusted until proven otherwise. Audits of the new technologies introduced were also carried out to ensure that specific international safety standards were met. The Cyber Risk area, together with the IT Systems & Operations area, carried out audits of the cloud section to ensure that the CSA Star standard and ISO 27017 were followed, as well as having penetration test activities conducted on defined perimeters. In addition, through the Cyber Risk area, training sessions focused on cyberincident 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 team participates in workshops and conferences, training and refresher courses, and collaborates with leading national and international industry 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), ISACA (Information Systems Audit and Control Association, an international professional association focused on IT governance), Politecnico di Milano and Digital Club (CISO:27001 Interactive Panel). Furthermore, Alperia collaborates with CSIRT, the Utilitalia working group for the study of KPIs on security risk to be used as an inter-company benchmark. In addition, the Cyber Risk area organises frequent training activities for Group employees with mini-courses, videos and information clips. Many of these e-learning courses use gamification modes and include tests to analyse the most vulnerable areas. This activity is complemented by blind phishing simulations to field-test the effectiveness of the lessons. To reduce the risks of external attacks, or at least mitigate them, it is not sufficient just to have the best technology. It is increasingly important to invest in greater awareness and training of people who are exposed to such risks every day when working with IT systems. During 2024, the Data Protection and Cyber Risk units transferred the operational management of training delivery to human resources. The Cyber Risk and Data Protection areas also in 2024 involved, in various ways, all Group employees in training activities, including phishing campaigns, security pills, cybersecurity courses and cyber event simulations.

The training packages provided include modules on topics such as phishing, secure smartphone handling and data privacy. The introduction of digital training enabled the Group to reach a participation rate of 95% for cyberaspects and 100% for data protection aspects in 2024. The digital approach to training has also been reinforced through the use of online platforms that enable the monitoring and tracking of each employee’s progress, thus ensuring the effectiveness of awareness programmes.

In 2024, the Cyber Risk structure helped to obtain the upgrade of ISO 27001 certification to version 2022, extending it to the cloud with the ISO 27017 scheme, concerning the cybersecurity management system, while the Data Protection area helped to maintain ISO 27701 certification and its extension to the cloud with the ISO 27018 scheme, referring to privacy protection. In 2024, the scope of the ISO/IEC 27001:2022 certification was changed to “Management of the technological infrastructure, services provided by IT and remote control OT services, also in IaaS, PaaS and SaaS mode, using ISO/IEC 27017:2015 and ISO/IEC 27018:2019 guidelines, with the management of information and personal data as PII Controller and PII Processor by applying ISO/IEC 27701:2019 requirements and guidelines.”

Cyber risk management was further improved in 2024 by embedding these aspects within an Enterprise Risk Management (ERM) system, which allows Alperia to track, analyse and mitigate cybersecurity and data risks in real time. The new opportunities offered by the updated version of ISO 27001, implemented in 2024, have also led to an update in the risk analysis methodology, allowing for greater integration of protection measures into the overall corporate security strategy.

Data protection

The Group's data protection structure oversees data protection and compliance with the GDPR and voluntary standards and legal requirements on data protection. The contribution to the operational continuity of the Group's information systems is ensured through the monitoring of system vulnerabilities, the introduction of advanced security and data protection measures and the promotion of awareness and training programmes for employees on data protection.

The Group has a procedure, regulations and operating instructions for the management of GDPR aspects, Legislative Decree No. 196/2003 as amended, and, in general, the applicable legislation on the protection of personal data. By way of example, the handling of requests for the exercise of the data subject's rights, roles and responsibilities in the area of privacy is governed by PRO 220. Any breaches of personal data (data breaches) are handled in line with procedure 211. The **Data Protection** area carried out, as usual, the first-party privacy audit activities in 2024, 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 the digitised management of data protection activities was completed. The objective is to ensure compliance in privacy management according to regulations through an integrated and participative management process by the various stakeholders of recurring data protection documents. In addition, the privacy extension of ISO 27001 was obtained, namely ISO 27701, which specifies requirements and provides guidance for implementing, maintaining and continuously improving a privacy information management system (PIMS). As far as management schemes are concerned, the Data Protection area, responsible for ISO 27701, follows the PIMS, Privacy Information Management System.

In addition, the Group also obtained an extension to the ISO 27018 standard**,** which covers security in the management of personal data in the cloud.

In 2024, procedures relating to data protection and data breach management were also updated, and new procedures relating to privacy risk management and data retention were introduced.

Another important step forward concerns the implementation of a data protection and cyberrisk compliance tool, a data protection and cybersecurity management software, which facilitates the automation of compliance operations, improving the management of processing logs, management activities in the exercise of data subjects' rights (e.g., the right to be forgotten) and user privacy. The compliance tool allows the Group to manage GDPR compliance and privacy legislation in general in an integrated way.

The Data Protection team, like the Cyber Risk team, is also committed to continuous training and updating. In addition, the Data Protection area organises privacy training activities, similar to those organised by the Cyber Risk team, for Group employees.

As reported above, more than a thousand people were involved in the cyberrisk and data protection areas in training activities.

Metrics, commitments and targets

Cyber security

On the cybersecurity side, 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 time trends, due to physiological changes resulting from new systems and methods of measuring events. Moreover, most of the statistics expressed do not depend on internal factors, but mainly on the evolution of security contexts on which one cannot act.

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

- approximately 1,400 malicious messages, or 4% of all incoming emails; as already noted, external and uncontrollable contextual factors also contribute to the formation of this indicator; and
- approximately 102 failed connection attempts, or 3% of all external accesses blocked by security systems. This indicator, revised from previous years, relates to and depends on access attempts, measured on the outer perimeter and protected by MFA technology.

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

- approximately 69 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 noted, external and uncontrollable contextual factors also contribute to the formation of this indicator; and

- approximately 26% of internet activities are blocked monthly by security systems. This indicator, revised from previous years, is influenced by the change of technology introduced, the measurement method and the additional security measures implemented.

The results of the Group's **Cybersecurity Awareness Programme** are also noted:

- security awareness: 95% user participation rate in security training; and
- phishing simulation: 4% of people opened the link in the message.

Cybersecurity (entity-specific)

	Unit	2024	2023	2022	Change
Malicious emails	No.	1,443	13,600	9,400	–89%
% of malicious emails out of total emails processed	%	4	21	24	–81%
Malicious connection attempts	%	3	5	N/A	–40%
Events detected and blocked by antivirus	No.	69	38	N/A	82%
% of blocked internet activities (previously malicious internet activities and applications)	%	26	9	N/A	189%
Security awareness: % user participation rate in safety training	%	95	94	88% out of 1,300 users	1%
Security awareness: % overall result of the final test	%	N/A	90	90	
Phishing simulation: % of links clicked	%	4	20	16	–80%
Phishing simulation: compromised logins	%	N/A	3	1	

Data protection

The results of the Group's **Data Protection Awareness Programme** are also noted:

- data protection: 99.6% (244 completed out of 245 invited), while the extended version achieved 99.7% (1,066 completed out of 1,069 invited).

In 2024, the Group had four data protection incidents. However, pursuant to Article 33 GDPR, the "risk to the rights and freedoms of natural persons" was assessed as not entailing an obligation to notify the Italian Data Protection Authority.

	Unit	2024	2023	2022	2021	2020	Change
Total number of complaints received about customer privacy breaches	No.	1	0	0	0	0	0%
i. complaints received from external subjects and confirmed by the Organisation	No.	0	0	0	0	0	0%
ii. complaints from regulatory bodies	No.	0	0	0	0	0	0%
Total number of identified customer data leaks, thefts, or losses	No.	4	0	0	0	0	0%

In order to manage the impacts, risks and opportunities related to cybersecurity, although the Group has not set quantitative targets, it has defined several commitments to minimise the negative effects and risks related to cybersecurity, consistent with the Group's strategy and policy. Annually, we are committed to renewing our ISO 27001 certification to ensure that our information security management system complies with international best practices, aimed at significantly reducing the risks and negative impacts inherent in information privacy.

Governance information

38%
Percentage of active suppliers with an environmental or social certification

0
Established incidents of corruption

SUPPORTED SDGs:

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

20.1 ESRS G1 – Business conduct

Integrating sustainability aspects into governance, e.g., through policies, procedures and strategies, is of paramount importance to the Group. Furthermore, the Group implements integrated risk management and promotes an ethical and transparent corporate culture.

20.1.1 Governance and good business conduct

Impacts, risks and opportunities

In order to identify material impacts, risks and opportunities, several potential but realistic scenarios were considered throughout the Group's value chain to assess the possible impact on the Group and its stakeholders. The criteria applied to identify material aspects related to corporate governance are based on the Group's policies, the inherent risks arising from the relationship between corporate governance and local authorities, including interactions that could be linked to other corporate functions and local stakeholders.

The Group's governance is geared towards respecting and promoting an ethical corporate culture, in line with ESG principles and sustainability regulations. The Group is committed to promoting business practices aligned with ethical and cultural values, raising awareness and training employees on the principles of integrity and honesty, in accordance with the Code of Ethics and the principles of the sustainability policy. This approach reinforces the coherence between the Group's strategy and sustainability goals, helping to improve internal and external relations.

Managing impacts, risks and opportunities

Policies and procedures

To spread good practice throughout the Group and promote a corporate culture based on ethics and transparency, the Group has formalised the management of impacts on various sustainability issues within its corporate procedures. The effects and impacts of the Group relating to Governance derive from the policies and procedures applied internally. They have effects on the Group's way of interacting with the various categories of stakeholders.

The Group integrates aspects of corporate responsibility into its day-to-day management and decision-making in the following areas: risk management, strategies, programmes, policies and procedures, reporting and corporate culture. In particular, it has the following documents approved over the years by the Parent Company's Executive Board:

- **Code of Ethics**: expresses the ethical principles that the Group recognises as its own and the lines and principles of conduct aimed at preventing unlawful conduct. The code expressly calls for observance of the principles and rules contained therein with reference to the conduct of both the corporate bodies and all Group employees and those who, permanently or temporarily, interact with the same;
- **Corporate values:** set out the values that the Group has adopted and that its employees are expected to respect in carrying out their activities;
- **Risk management**: non-financial risks were identified, assessed and managed in the Group's Enterprise Risk Management;
- **Remuneration systems**: we have integrated the non-financial components into the corporate remuneration systems. The bonus paid to employees at the end of the year is linked to the percentage of achievement of the Sustainability Objectives envisaged by the Sustainability Plan, while an objective linked to the MBO is envisaged for each manager; and
- **Complaint systems**: in order to manage conflicts or disagreements with individual stakeholders or stakeholder groups, written information has been made available, forums in which stakeholders and the organisation can present their views and seek solutions (e.g., Stakeholder Roundtables), and systems for reporting wrongdoing without fear of retaliation (e.g., Whistleblowing platform).

These documents are available to internal stakeholders on the company intranet and to external stakeholders on the website. These tools are communicated during onboarding and 231 training to ensure that all employees are aware of these policies.

20.1.1.1Sustainability governance

The Group's **Sustainability Policy**[101] is the document stating the Group's commitment to the relevant impacts on key sustainability issues. The document, drawn up in 2019 and updated in 2022, covers the Group's five strategic areas for sustainability:

- **Governance and resilience:** the Group integrates ESG aspects into corporate governance, within compliance and risk management procedures and policies, plans and practices, also in order to spread good practices throughout the Group and promote a corporate culture based on ethics and transparency. The Group is committed on a daily basis to creating long-term economic value for the Group and the region, constantly strengthening the resilience of the business model to cope with new evolutionary and competitive scenarios, guaranteeing the quality of data and supporting systems, and prioritising the safe operation of plants and the reliability of infrastructures to protect employees and the corporate population;
- **Customers:** the Group involves customers throughout the life cycle of the products and services it offers, improving customer care service with the aim of building a lasting relationship with them, promoting an integrated value proposition (commodity and services) focused on the energy transition with 100% green offers, and carrying out communication and awareness campaigns on sustainability;
- **Green Mission:** the Group is committed to achieving its Net Zero objective 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:** through its activities, the Group promotes a constructive relationship with the territory in which it operates, creating added value locally, including in terms of employment opportunities, taxes, procurement contracts from local suppliers and social commitment. In fact, the Group has developed a Community Investment plan, activating several projects dedicated to reforestation and the protection of biodiversity. By integrating ESG factors into supplier selection and evaluation processes, tenders and supplier audits, the Group contributes to developing a sustainable sourcing approach; and
- **People:** the Group pursues responsible management of human and intellectual capital through various instruments – the development and continuous training of people, the creation of a

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

family-friendly environment, the promotion of diversity and equal opportunities, the application of appropriate measures to ensure high levels of health and safety of employees in the performance of their work.

The Sustainability Policy thus expresses the Group's commitments to its stakeholders in all companies within its operations and value chain without any geographical limitation. The Policy has been approved by the Executive Board of the Parent Company, which is ultimately responsible for its implementation and dissemination within the Group.

Monitoring and assessment of the effectiveness of the actions taken during the year are carried out annually when the Sustainability Statement is drawn up and the progress of the objectives stated in the Sustainability Plan 2022–2027 is assessed through specific KPIs. The objectives and KPIs of the Plan were identified by means of five roundtables involving South Tyrolean and Veneto stakeholders, internal and external to the Group (customers, interest groups, mayors, representatives of the province, etc.). On the basis of the Group Policy, each company can issue a policy that integrates that of Alperia Spa with its own specificities, establishing specific strategic objectives for its core business processes. Furthermore, the Group has integrated the principles of sustainable development into its business strategy by defining which SDGs set by the United Nations it wants to and can contribute to. Furthermore, the results are presented, with the consequent assessment of the same, by the top corporate bodies.

The Group also has a **CSR management procedure**[102], in which it documents the relevant processes for CSR management according to DIN ISO 26000. The procedure states the 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 relevant governing and controlling bodies in defining the Sustainability Plan, overseeing the drafting of the Sustainability Report to be submitted to the relevant bodies for approval, designing, implementing and monitoring CSR activities and coordinating them at Group level, preparing regular reporting and communication to the relevant 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 individual competent functions.** In particular, some of the activities of the Supervisory Board are the monitoring of the implementation of Legislative Decree No.125/2024, the implementation of the

[102] Please refer to the relevant section for details.

Sustainability Plan and the approval of the Sustainability Report. The Management Board prepares and implements the Sustainability Plan and prepares and approves the draft Sustainability Statement. The Management Circle implements the financial planning in accordance with the objectives defined in the Sustainability Plan, is responsible for its operational implementation and ensures the quality of the ESG indicators reported. In addition, there is the **Control, Risk and Sustainability Committee**, which also met periodically in 2024 and is composed of members of the Supervisory Board: this Committee is also responsible for ensuring that sustainability is properly integrated into corporate governance.

The monitoring, management and control of impacts, risks and opportunities are carried out in a collegial manner within the technical committees (liquidity risk, credit risk, etc.) and reported at management meetings. The Risk Management department is delegated for specific activity in the management and control of impacts, risks and opportunities. Internal Audit is involved in the evaluation of the system of internal controls and risk management (ICRMS). Internal audits are carried out following the guidelines and principles contained in the new Global Internal Audit Standards, operational as of January 2025. In October 2024, the Internal Audit Mandate was updated, incorporating the organisational and regulatory changes that have taken place. The Internal Audit Manual 2025, in the section dedicated to risks, also includes a reference to ESG risks on an annual basis, Internal Audit prepares an annual report on the performance of the ICRMS, based on the results of the audit plan and follow-ups, which is shared with the Supervisory Board and the Management Board. At least every six months, a progress report is drawn up and presented.

On the basis of the information gathered in the area of impacts, risks and opportunities, the RM department prepares a periodic risk assessment report that provides a summary view of the Alperia Group's overall risk profile as well as its evolution over time, by defining appropriate indicators and constructing statistical analysis tools. The report also provides an in-depth analysis of the most relevant risk scenarios and an analysis of the economic-financial and reputational impacts of the risks to which the Group is exposed. The report also provides a prioritised view of risk scenarios based on their level of severity, thus enabling the verification of the consistency of risk response strategies with the expected risk profile. The Alperia Group's periodic risk assessment report is drawn up at least once every six months by the Risk Management Department, which shares it with the Group's Top Management. In the context of the implementation of the 2023–2027 Business Plan and Vision 2031, aspects of impacts, risks and opportunities are taken into account in cooperation with the RM.

Continuous improvement

Each year, the Parent Company's Executive Board and key functions review the effectiveness and efficiency of the **Integrated Management System IMS**, evaluating possible improvements, both at the level of individual BUs and at the Group level. Each legal entity within the Group therefore carries out its own review, with a particular focus on sustainability aspects. In addition, specific issues relating to the plant improvement of each entity are analysed in detail. The integrated occupational health and safety management systems do not formally include an analysis of the Group's value chain, but there is continuous monitoring of operations to ensure compliance and mitigation of any risks.

The reviews are carried out both at the individual subsidiary and Group level. To carry out the subsidiary review, the Executive Board is supported by the HSE of the BUs and the person(s) responsible for the key processes of the individual company (e.g., Budgeting & Controlling, Corporate HR & Organisation). The HSE of the BU coordinates the collection of data and reports by preparing a report containing the "input factors" (among these: 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 the results of any audits by the relevant bodies, etc.) and "output factors" (among them: the need for resources, multi-scheme improvement programmes at the individual company level, guidance from the occupational physician, etc.). The same dynamics apply to the Group audit, with the assessment of "input factors" and "output factors". As part of General Management reviews, one of the main outputs is the improvement programmes, which identify the improvement activities for the various schemes with the related performance targets. These objectives refer in particular to improving the efficiency and effectiveness of the management system and may have a multi-year time frame.

Actions

20.1.1.2 Corporate Governance

Alperia Spa has adopted the **two-tier 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, jointly, by the shareholders Autonomous Province of Bolzano and Selfin Srl and three, jointly, by the shareholders Municipality of Bolzano and Municipality of Merano.

Management Board and Supervisory Board

The Management Board is chaired by the 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 Alois Amort and Deputy General Manager Paolo Acuti. The Management Board has sole responsibility for the broader administration and management of the company, as well as for the preparation and implementation, once approved by the Supervisory Board, of the general strategic and programmatic policies of the company and the Group. The Supervisory Board is made up of Maurizio Peluso (Chair), Luitgard Spögler (Deputy Chair), Wolfram Sparber, Manfred Mayr, Silvia Paler and Stefano Parolin. Meanwhile, the Supervisory Board monitors compliance with the law and the company's bylaws and the principles of sound administration. It also approves the operations decided by the Management Board, which are considered strategic by the bylaws. Women make up 33% of the 12 total members on the company's two senior bodies. None of the members are under 30 years of age, 25% belong to the age group 30–50, and the remaining 75% of the members of the Management and Supervisory Board are over 50. The General Manager and Deputy General Manager hold executive positions, while the other members of the two top bodies hold non-executive positions. There are no employee representatives among the members of the Supervisory Board and the Management Board. It should also be noted that Supervisory Board member Manfred Mayr also holds office in a public body as mayor of the municipality of Cortina sulla Strada del Vino.

Characteristics of the Supervisory Board and the Management Board

		Gender	Independents (Yes/No)	Expertise
Supervisory Board	Maurizio Peluso	M	YES	Energy, accounting, auditing
	Luitgard Spögler	F	YES	Energy, law, finance
	Wolfram Sparber	M	NO	Energy
	Manfred Mayr	M	YES	Energy, accounting, auditing
	Silvia Paler	F	NO	Energy, law
	Stefano Parolin	M	YES	Energy, accounting, auditing
Management Board	Flora Emma Kröss	F	NO	Energy, management
	Mauro Marchi	M	NO	Energy, finance
	Markus Mattivi	M	YES*	Energy, management
	Daniela Vicidomini	F	YES*	Energy, accounting, auditing
	Alois Amort	M	NO	Energy, management, finance
	Paolo Acuti	M	NO	Energy, management

**Directors who also hold positions in other Group companies*

Alperia's governance structure is completed by the **Internal Audit Function**, which performs independent and objective work according to the Mission (set out in the Global Internal Audit Standards – GIAS) of "*protecting and increasing the value of the organisation, providing objective and risk based assurance, advice and expertise*". In its activities, it assesses the adequacy and effectiveness of the Alperia Group's System of Internal Control and Risk Management (ICRMS) and assists the organisation in the pursuit of its objectives, thus verifying their application within the risk management and corporate governance processes and their effective functioning. According to this objective, Internal Audit, by carrying out the planned Audit and Follow-Up Plan, analyses 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, giving an assessment of the adequacy of the Internal Control System associated with them.

Internal Audit also cooperates with the Supervisory Bodies pursuant to Legislative Decree No. 231/01 (Supervisory Board) of the Alperia Group companies, in line with the independence characteristics envisaged for such bodies. In 2024, the Organisation, Management and Control Model of the Parent Company Alperia Spa was updated and approved by the Management Board on 16 May.

In 2024, the "Procedure for the Management of Inside Information and the Establishment and Maintenance of the Insider Register" and the "Internal Dealing Code of Conduct" (approved in 2016) were revised, documents with provisions in line with current legislation, including Regulation (EU) 596/2014 (Market Abuse Regulation), also in light of the issuance in June 2024 of a new retail green bond[103].

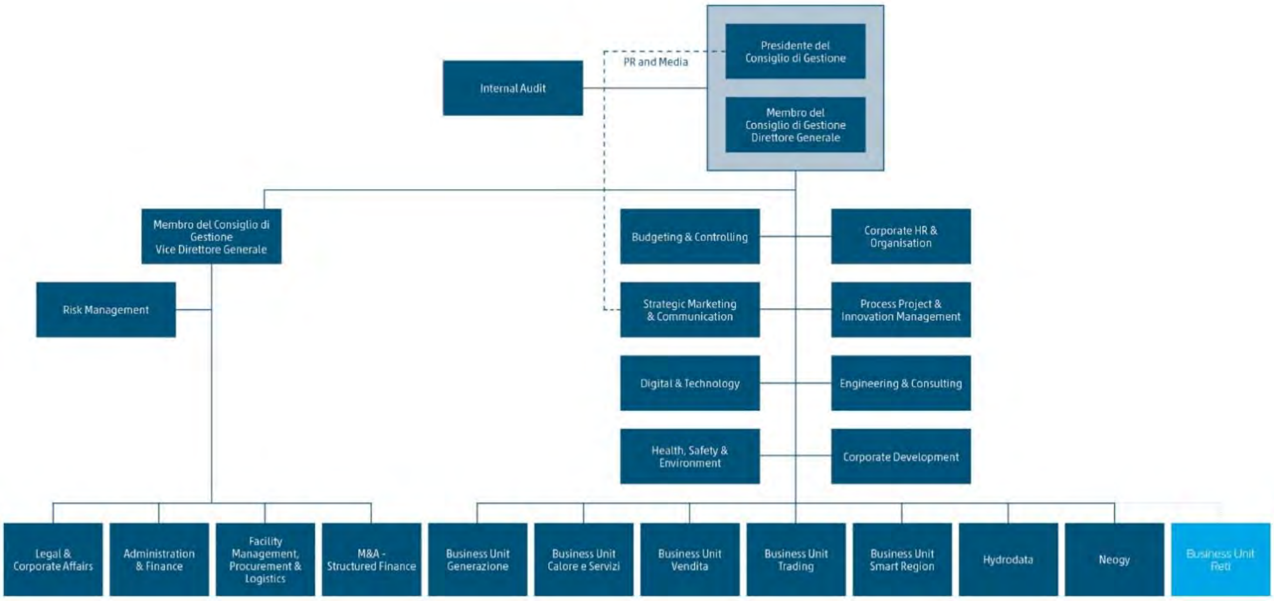
Management

The operational management of the company as of 31 December 2024 was entrusted to the Management, consisting of the General Manager, Alois Amort, and the Deputy General Manager, Paolo Acuti.

The General Manager is the head of the management structure, guiding company business and overseeing all technical, administrative and financial activities. Therefore, just like the Deputy General Manager, the holder of this position has a dual role as a director and a member of the Management Board, contributing to the Board's decision-making process. The Deputy General Manager, Paolo Acuti, has also been appointed as a member of the Executive Committee and the Energy Management Board of Utilitalia, the Italian federation of energy, water and environmental companies. The Supervisory Board is supported by three internal board committees in carrying out its duties.

The organisational structure of Alperia Spa is shown below:

[103] For more details on the public green bond issue, please refer to the section "First public green bond issue" in the 2024 Consolidated Financial Statements.



Alperia has participated in the ESG Identity Corporate Index (ESG.ICI) since 2019. The ESG.ICI, a project of ET.Group, now in its ninth edition, is a quantitative analysis model of the degree to which ESG factors are integrated into corporate strategies. The ESG Identity Corporate Index measured the controls and processes that Alperia adopts to achieve its sustainability goals. The areas assessed were: 1) Codes of self-discipline 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.

During the year, Alperia implemented an **ESG training plan** for the workforce and management, with the goal of increasing the trained population to 90% by 2027. The training course took place in the companies Alperia Green Future Srl, Hydrodata Spa , Alperia Smart Services Srl and Alperia Trading Srl and was dedicated to: ESG definition, regulatory environment, Group objectives and sustainable finance.

20.1.1.3 Good business conduct[104]

(A) Anti-corruption measures

The Group is committed to preventing the commission of any offence under Italian Legislative Decree No. 231/2001 through the adoption and implementation of **Organisation, Management and Control Models** pursuant to Italian Legislative Decree No. 231/2001 (hereinafter referred to as 231 Model(s)) for all the major companies belonging to the Group. The adoption by the Group of ethical principles relevant to the transparency and fairness of the company's activities and useful for the prevention of offences pursuant to Italian Legislative Decree No. 231/2001 is 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 231 Models, containing the set of rights, duties and ethical principles adopted by the Group towards stakeholders (employees, PA, shareholders, third parties). It aims at recommending, promoting or prohibiting certain behaviours, beyond and independently of what is provided for at a regulatory level, by defining the principles of corporate deontology that the Group recognises as its own and on which it calls for the observance of all addressees. The supervisory body is the corporate body in charge of investigating and verifying the reports received, guaranteeing independence from management.

Moreover, with regard to anti-corruption training, it is included in the training provided under the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 (hereinafter 231 Model) and is diversified according to the recipients to whom it is addressed by function and/or area of competence and activity performed. It is compulsory for all recipients and is handled in terms of content by the Compliance area and managed and administered by the Corporate HR & Organisation department, which ensures that training programmes are delivered in a timely manner.

In particular, training activities are organised:

- for newly recruited employees (in addition to the information provided on the subject at the time of recruitment);
- for all addressees on the occasion of significant changes to the 231 Model;
- for all those working in its name and on its behalf in sensitive areas.

Sensitive areas are defined as those activities considered potentially at risk of predicate offences, of which bribery and corruption and incitement between private individuals are included in Article 25 of Legislative Decree No. 231/2001. Given the company's activities, potentially a large part of the recipients of 231

[104] The boards of directors, management and auditors have many years of experience in matters concerning the conduct of the company (corruption, 231 Model, code of ethics and corporate values) and are responsible for their approval and dissemination.

Model could be considered at risk of misconduct. However, the following functions are potentially most at risk:

a) the members of the administrative bodies;

b) the members of the supervisory bodies;

c) the General/Function Directors;

d) the function/area managers.

The model provides that for top management functions, 231 training is treated in the same way as compulsory training and is administered to such persons on their first day of service, i.e., within a week of taking up office/taking charge, and is repeated every two years regardless of any updates/revisions to the model. For employees, on the other hand, in the absence of updates/revisions to the Model, they will have to repeat the 231 training every three years on the e-learning platform.

(B) The 231 Organisation, Management and Control Model

In 2024 the Organisational, Management and Control Model of Alperia Spa was updated on the basis of the new 231 risk analysis. The integrated amendments provided for the updating of the documents constituting the General Section and Special Sections of the Model pursuant to Legislative Decree No. 231/2001 to the organisational and corporate changes that have taken place and to the regulatory changes progressively introduced by the legislator under Legislative Decree no. 231/2001, with reference both to the families of offences and to individual predicate offences and to the Whistleblowing legislation pursuant to Legislative Decree No. 24/2023 (e.g., offences against cultural heritage, laundering of cultural assets and devastation and looting of cultural and landscape assets, disruption of freedom of tender procedures, disruption of the procedure for choosing contractors)[105].

The activity of drafting and updating 231 Models is managed by the Compliance area, under the Legal and Corporate Affairs Department of the Company. Since September 2023, the regulatory and normative compliance activity has been carried out by means of a dedicated software with notifications to the affected employees and monthly publication of a report containing all regulatory and normative news on the MyAlperia portal, accessible to all employees. The monthly reports are also discussed and examined with the Risk Management department of Alperia Spa and the regulatory functions of Alperia Ecoplus Srl, Edyna Srl and Alperia Smart Services Srl before they are published.

[105] The organisation, management and control models are available in the "Ethics and legality" section of the Group's website: Ethics and legality | Alperia.

During the year 2024, no violations of the 231 Organisational Model and company procedures emerged[106].

Furthermore, there were no incidents of bribery and convictions resulting in penalties.

The subject of due diligence is dealt with within the Group by means of a structured network of first-level internal controls, which the manager carries out on the basis of the work performed by his staff. Due diligence is provided for within each audit activity in terms of frequency, traceability and effectiveness.

The communication and training activity, which varies according to the addressees to whom it is addressed by area of competence, is compulsory for all addressees and is taken care of by the Compliance area and managed and administered by the Corporate HR & Organisation department of the Parent Company, which ensures that training programmes are delivered in a timely manner. Communication and training activities are based on principles of completeness, clarity, accessibility and continuity in order to enable the various addressees to be fully aware of the corporate provisions they are required to comply with and the ethical standards that must inspire their conduct.

(C) Code of Ethics

The Code of Ethics is the manifesto the Group uses to state 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 the 231 Model and is addressed, without exception, to the directors and employees of Group companies, and all those who collaborate with the Group in various ways. All the recipients, without prejudice to the respect of religious, cultural and social specificities, are required to conduct themselves in line with the general principles of the Code of Ethics, which integrates the rules of ordinary diligence to which employees are bound, governed by the regulations on labour relations. The Code of Ethics also expressly states that the Alperia Group shall endeavour to ensure respect for the rights set forth in the Universal Declaration of Human Rights[107]. Furthermore, the Code of Ethics also regulates relations with political parties and interest-bearing associations. The Alperia Group maintains relations with representatives of political forces for the sole purpose of deepening its knowledge of issues of interest and promoting its positions in a transparent manner and does not finance political parties, their representatives or candidates and trade union organisations in Italy or abroad, refraining from sponsoring events related to them. The

[106] For details, please refer to the 2024 Report of the 231 Supervisory Board of Alperia Spa

[107] The Code of Ethics is available in the "Ethics and legality" section of the Group's website: Ethics and legality | Alperia.

Group condemns any direct or indirect pressure on politicians. The General Manager, who is responsible for the application of the Code, also verifies compliance with the above-mentioned prohibitions.

Furthermore, the Code of Ethics also regulates relations with interest-bearing associations in order to develop their activities, to establish mutually beneficial forms of cooperation, and to present their positions on issues of common interest. The presentation of specific positions of the Alperia Group within associations, such as Utilitalia and ASSOESCO, must take place with the consent of the top management or the relevant functions. Alperia is actively involved in various industry associations, regulatory bodies and strategic initiatives, contributing to sustainable energy and environmental policies. It should be noted, however, that the Group is not registered in the EU transparency register, as it has no representative offices.

- **Utilitalia***:* member of the Executive Board and the Energy Board, through Paolo Acuti;
- **AGAW (Arbeitsgemeinschaft Alpine Wasserkraft)**: supports hydropower development according to advanced ecological standards, raising public awareness of renewable energy;
- **ITCOLD (Italian National Committee for Large Dams)**: contributes to the safety and efficiency of dams by cooperating with other dam operators;
- **Euroheat & Power***:* participates in initiatives for the development of sustainable district heating in Europe;
- **Assoesco***:* through Alperia Green Future Srl, works with universities and companies to promote energy efficiency and sustainable transition;
- **Elettricità Futura**: member of the strategic committee of the industry association, participates in policy-making for the electricity market;
- **Sustainability Makers**: supports the management of socio-environmental and corporate sustainability issues;
- **Zero Carbon Policy Agenda 2023**: contributes to the creation of guidelines for the decarbonisation of the energy sector;
- **Centre of Competence for Sustainability – UNIBZ**: collaborates with the Free University of Bolzano to promote education in the field of sustainability;

- **B4SI (Business for Societal Impact)**: participates in the working group for the measurement and reporting of corporate social impact; and
- **CESEF - Centre for the Study of Energy Efficiency Economics and Management (University of Bocconi)**: contributes to the revision of the minimum environmental criteria for energy services in Public Administration.

This participation allows the Group to actively contribute to the development of sector policies, supporting energy transition and sustainable innovation.

The Code of Ethics is binding for the conduct of all Alperia personnel and for all those who, for whatever reason 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 pursuit of Alperia's interests justify behaviour that is contrary to the Code of Ethics or existing laws.

The Supervisory Body of Alperia Spa duly coordinates with the supervisory bodies present in the companies of the Alperia Group and the competent company departments, to achieve proper implementation and control of the principles contained in the Code of Ethics. The Code of Ethics is available on the company's intranet and on the Alperia corporate website.

(D) The new corporate values

During the year, the Group defined new corporate values to replace the **ten golden** rules (Golden Rules). The values are posted in each of the Company's offices and are also communicated in the newsletter that is sent out by the Communication area to employees, as well as being present on gadgets such as mouse pads or as PC screensavers, disseminating the principles of our corporate culture widely:

- Sustainability: 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.
- Proximity: external and internal customers are the focal point for us. We are open to listening to the needs of our customers and territory, providing support and concrete and effective responses to the needs that arise. Creating added value for the people and territories in which we operate.

- Respect: we relate to people with trust and mutual respect. Fairness and esteem characterise our interactions, our corporate culture as well as our relationship with our employees, customers, suppliers, partners and the community at large.
- Reliability: we are aware of how important energy is in our society. We act responsibly, according to principles of economic efficiency and resource conservation, providing safe and sustainable energy every day. We are constantly improving our services to be the reliable partner that can always be counted on.
- Transparency: for us, any kind of relationship and behaviour must be based on ethical principles of honesty and fairness. We communicate openly, expressing our thoughts and respecting those of others.
- Dynamism: we work on technology development, innovative business models and smart solutions that always extend a hand to sustainability to drive the energy transition forward. We are solution-oriented and continuously develop our skills.

These values are combined with 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.

(E) Whistleblowing

In implementation of Legislative Decree No. 24 of 10 March 2023 transposing the Directive (EU) 2019/2023, the Alperia Group has adapted its internal communication channels suitable to ensure the receipt, analysis and processing of whistleblowing reports relating to violations of national and EU regulatory provisions of which it has become aware within its work context. Employees, members of corporate bodies or third parties (e.g., consultants, freelancers, trainees, etc.), may send a report, also in confidential or anonymous form, to the chosen internal channel, including:

- the e-Whistle reporting platform[108];
- a voice messaging telephone line through which an appointment with the Chairman of the relevant Supervisory Body can also be requested, if necessary.

The Company guarantees, regardless of the channels used, the confidentiality of the identity of the reporting personnel, the person involved and anyone mentioned in the report, as well as the content of

[108] https://alperiaewhistle.azurewebsites.net/

the report, and to verify the report as soon as possible. Moreover, **PRO 407 Whistleblowing** expressly prohibits, under penalty, retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report and/or failure to provide suitable instruments to avoid such acts pursuant to Legislative Decree No. 24/2023.

Whistleblowing is a tool available to Group employees and all stakeholders identified by the relevant legislation, through which they can report any administrative, accounting, civil or criminal offences, violations of the 231 Model, etc. Introduced by Law No. 179/2017 and extended by Legislative Decree No. 24/2023, whistleblowing is anchored in the general part of the 231 Organisational Model. The Supervisory Body is the subject appointed to receive reports and, should it receive any, it shall inform the competent bodies. The tool is managed in such a way that communications are confidential and handled only by the bodies in charge, in line with the provisions of the guidelines of the National Anticorruption Authority (ANAC) and the Privacy Law (Regulation (EU) 679/16).

Training for Group employees on whistleblowing is included in the 231 Model training. Specifically, in 2024, the Management Board approved the updating of the Organisational, Management and Control Model, pursuant to Legislative Decree No. 231/01 of Alperia Spa (MOG 231), drafted on the basis of a new risk analysis.

The updating of the document takes into account the changed regulatory framework that has introduced new types of offences relevant under Legislative Decree No. 231/2001, as well as the changes in corporate processes and operations as a result of recent internal organisational changes.

The Compliance department, in order to disseminate the new model to all employees, organised a dedicated training meeting in 2024, which is held whenever there is an update of the model.

(F) Conflicts of interest

The Group has defined a procedure to identify, monitor and manage conflicts of interest of its corporate bodies, employees, collaborators, professionals and suppliers of the Group who, in various capacities, exercise decision-making, control or investigative functions within the management of processes with a significant reputational and/or strategic impact. In order to avoid situations of conflict of interest, the Group requires that, at the time of acceptance of an office, assignment of a task or commencement of an employment, cooperation or supply relationship, the recipient signs a specific declaration highlighting any relationships that may give rise to situations of conflict.

In the event that there is a conflict of interest, the person involved must promptly inform the Corporate Affairs area of the Parent Company which, together with the General Management of Alperia Spa or, where appropriate, the Management Board, identifies the operational solutions aimed at safeguarding, in the specific case, the transparency and correctness of conduct in carrying out the activities.

Metrics, commitments and targets

Training on the fight against corruption and bribery

FY 2024	Executives	OADC*	Other own workforce
Training coverage			
Total	19	13	1,272
Total receiving training	15	0	400
Delivery method and duration			
Classroom training (in hours)			
Computer-based training (in hours)	31	0	990.61
Voluntary computer-based training (in hours)			
Frequency			
How often is training required? (No. of times during the reporting period)			
Topics covered			
Definition of corruption	Yes	Yes	Yes
Policy	Yes	Yes	Yes
Procedures on suspicion/detection	Yes	Yes	Yes

% functions-at-risk covered by training programmes[109]	100%

In order to disseminate corporate values and good conduct practices, several commitments have been made over the years, approved by the Management Board and also defined on the basis of interactions with stakeholders. Among its commitments, the Group has started digitising the ESG reporting process and implemented assessment procedures to ensure compliance with sustainability standards. In addition, for 2026, Alperia will consider establishing a self-assessment process for members of the administrative body, including the analysis of sustainability in their competences. Finally, the Group continues to strengthen its approach to sustainable governance through the adoption of transparent remuneration policies and the definition of action plans for data protection and digital security.

With regard to training on the Code of Ethics, the Group is committed to ensuring its dissemination among all employees. For this reason, in addition to the compulsory viewing by all employees, a compulsory video course on the Group's Code of Ethics is planned for 2025.

By 2027, the Group is also committed to obtaining the legality rating, already obtained for Alperia Spa , for pivot companies as well: Alperia Smart Services Srl and Alperia Green Future Srl already have them. In 2024, Alperia Greenpower Srl started the registration process.

Finally, the Group undertakes to evaluate the central structure of the stakeholder reporting process. In 2024, a draft of the process was established on the basis of the existing PRO 404, which envisages the introduction of a single point of reference for non-commercial complaints. Next year will see the implementation of a single access point for complaints from additional types of external stakeholders (citizens of local communities impacted by the Group's activities, workers working for supplier companies).

[109] The Model provides for the training and updating of all recipients, increasing the frequency thereof for functions at risk.

20.1.2 Supplier management

Impacts, risks and opportunities

The issue of supplier management has been identified by the Group as essential in terms of both positive and negative impacts: as a full service energy supplier, the Group buys its products, materials and raw materials from various Italian and foreign suppliers, which leads to direct social and environmental impacts along the entire supply chain. These impacts derive from the commercial relationships undertaken by the Group for the purchase of goods and services necessary for the performance of its activities from suppliers from different geographical areas.

Supply chain management is a strategic element in promoting sustainability throughout the value chain, helping to spread principles and practices that improve both environmental and social impacts. The organisation is committed to integrating ESG factors into its supplier selection and monitoring processes, ensuring that suppliers meet high standards in terms of sustainability and safety. This approach not only promotes the well-being and prosperity of all the actors involved, but also contributes to the creation of a significant economic spin-off at the local level, strengthening the link with the territory and ensuring transparency and fairness in business relations.

However, inadequate supply chain management could generate negative impacts related to a lack of cooperation between the Group and its supply network. This situation could lead to reduced growth opportunities for local businesses and the entire economic ecosystem of the area. Furthermore, the lack of cooperation could prevent the realisation of important synergies, such as economies of scale and learning, limiting operational efficiency and innovation. This could result in higher costs, reduced competitiveness and a slowdown in the energy transition of the region.

Managing impacts, risks and opportunities

Policies and procedures

The Group also promotes a sustainable approach in its supplier management. All Group suppliers must accept the principles of the Group’s Code of Ethics and uphold them, starting with the respect 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 Euro 100,000, include this clause, occupational health and safety and respect for the environment and sustainability.

In fact, the Group's Sustainability Policy clearly states that "*By defining minimum ecological and social requirements in tenders, supplier selection, supplier assessments and audits, Alperia actively contributes to the sustainable design of the entire supply chain. Primary energy sources are identified locally, where possible, and are predominantly renewable.*"[110]

The relevant Italian legislation, the procurement code and the Group's own regulations stipulate that in tenders, all suppliers must be treated equally and the whole process must be carried out with total transparency, assessing various factors that affect, where possible, the quality of the supply as well as the price. So a local product does not always mean better quality/price or lower environmental impact. Due to the nature of some important procurements of works, supplies and services for the Group, it is not always possible to find local suppliers. Wherever possible, the Group favours the use of local suppliers, both for works and for materials and services.

As far as payment practices are concerned, these are defined in the contractual conditions with individual suppliers, which generally provide for a 60-day payment[111]. There were no pending legal proceedings due to late payment.

The Group has an organisational system to keep track of the information requested and received from suppliers. It includes the 231 Model, registration on the White List according to the provisions of the Anti-Mafia Code and other certifications held.

In addition, there are various procedures such as **PRO 405 Supplier qualification & rating**, which defines how to implement a supplier register of the Alperia Group on the basis of objective and transparent criteria, which allows for more efficient procurement procedures and from which suppliers will be chosen, in compliance with the principles of competition, non-discrimination, rotation and transparency. In addition, the procedure **204 Purchasing procedure and contract management"** defines the set of activities relating to the expression and formalisation of a requirement for goods, works or services towards the Procurement area of the Alperia Group and to the taking charge of this requirement for the purpose of initiating the purchasing process. These procedures serve to ensure that suppliers respect the company's principles and values, as well as the provisions of the law, in order to limit, as far as possible, the emergence of any negative impacts arising from relations with suppliers.

[110] Payment practices are not explicitly mentioned in the Sustainability Policy, but are included in the "Sustainable supply chain configuration".
[111] There may be variations according to individual contractual agreements that provide for different terms or other contingencies that postpone payment, e.g. due to disputes related to the quality of services.

Actions

The procurement process

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

- **Register of suppliers**: in which suppliers are classified who, according to their product categories, hold specific social-environmental certifications, such as ISO 14001, ISO 45001, EMAS, or who demonstrate that they have taken equivalent measures. Qualification in the Register lasts for three years. In 2024, the Register was further updated to count **4,142** registered suppliers with **1,797** qualified suppliers and **7,323** 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 checklist on contracting which is attached to the RDA (Purchase Order) and contains both elements for tender management and contract drafting. For all tenders, of all companies, the process goes through the digitised Jaggaer system. Please note that the assessment or inclusion of product-related minimum sustainability requirements is not linked to a procedural obligation. In 2023, for the first time, the Group introduced ESG-related award criteria in tenders to be awarded on the criterion of the economically most advantageous offer: **suppliers with ESG ratings are awarded two points.** With this choice, not only did the Group intend to incentivise the supplier(s) to adopt ESG parameters, but it also intended to draw up statistics, when the number of ESG suppliers will be relevant, on the basis of which to orient choices and actions. In the long-term perspective, it is envisaged for some product categories to include the demand for awarding requirements. The introduction and development of these concepts are also foreseen in the Group's strategic plan. The latter currently requires MECs (Minimum Environmental Criteria) for all its public tenders, which account for almost 80% of its contracts;
- **Vendor rating system**: an instrument that guarantees the quality of suppliers and minimises the risk of loss and dependence. The system provides that the collaboration of suppliers of strategic importance is evaluated internally on the basis of a standard questionnaire, in which the quality of services provided, safety standards and commitment to environmental sustainability are considered. These criteria allow the performance of individual suppliers to be assessed; and

- **Supplier audits:** for each contract entered into with a new supplier, the Group may carry out an audit, with on-site visits and interviews to verify the information received. In 2024, no audits were conducted on suppliers.

Finally, in 2024, the Group started a risk analysis on supplier(s) and category(ies) to then prioritise due diligence actions in the supply chain.

Metrics, commitments and targets

The total volume of purchases made by the Group in 2024 was almost Euro 215 million (Euro 273 million in 2023), of which Euro 80 million (Euro 120 million in 2023) were dedicated to local suppliers. These purchases mostly concerned technical equipment (cables, transformers and turbines) and raw materials (natural gas, wood, oil, lubricants and chemical products for the production and distribution of electricity and for district heating).[112]

New suppliers that have been assessed using environmental and social criteria {ENTITY-SPECIFIC – GRI 308-1; GRI 414-1}

	Unit	2024	2023	2022	2021	2020
Percentage of new suppliers that were selected on the basis of environmental or social criteria	%	100	100	100	100	100
Percentage of active suppliers with an environmental or social certification	%	31	35.09	38		

The Alperia Group has made several **commitments** for the future to manage its impacts, risks and opportunities inherent in the supply chain, which have been defined in agreement with the relevant function, also based on the instances that have emerged from interactions with stakeholders. The degree to which targets are met is monitored annually when the Sustainability Report is drawn up by the relevant function, which also assesses possible opportunities for improvement based on performance. The Group is committed to integrating ESG criteria into its supplier due diligence processes, launching projects to assess environmental, social and governance risks related to procurement. In 2024, a supplier analysis based on risk indicators for country, product, corruption and environmental impacts was launched. This process will be supported by advanced supply chain monitoring tools and business unit interviews

[112] For more details on local purchasing data, please refer to section "S3 – Value added on territory" and the following sections of the Notes to the Financial Statements "9.2 Tangible fixed assets" (SP) and "10.3 Costs of raw materials, consumables and goods".

focusing on ESG aspects. The aim is to create a comprehensive mapping of the most relevant suppliers for the Group, while defining the products and suppliers considered critical from a sustainability perspective. Finally, by 2025, the Group has committed to integrating a due diligence process into the Group's purchasing procedure. In 2024, a working group between Procurement, RM and CSR was established to define a due diligence process and the formalisation and implementation of the process to assess the ESG performance of suppliers is planned for 2025.

On the way to more sustainability in procurement, a commitment was made to introduce minimum and rewarding criteria in individual tendering procedures. To support this initiative, working tables were scheduled with the business units to define specific sustainability criteria for the core product groups. The target set for 2025 is to apply ESG criteria to at least 70% of tendering procedures, thus promoting more responsible practices and incentivising suppliers and contractors to integrate sustainable solutions into their production processes. This strategy reinforces the company's commitment to a conscious purchasing approach that combines quality, innovation and respect for the environment.

With regard to purchases from local suppliers, the Group, due to procurement regulations, cannot set a quantitative target for the percentage of purchases made locally. However, as described in the policy, Alperia is committed, where possible, to purchasing products and services locally in order to create synergies and added value with the local economic fabric.

To further raise supplier awareness of ESG issues, the Group intends to introduce initiatives aimed at enhancing sustainability awareness and commitment for all Group companies.

21. Consolidated Sustainability Reporting Appendix

21.1 ESG content index

ESRS	Disclosure requirement	Description of the disclosure requirement	Paragraph
ESRS 2	BP-1	General basis for preparation of sustainability statements	17.5 Methodological note
ESRS 2	BP-2	Disclosures in relation to specific circumstances	17.5 Methodological note
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	20.1.1.2. Corporate Governance
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	20.1.1.2. Corporate Governance
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	19.1.1. Working conditions
ESRS 2	GOV-4	Statement on due diligence	21.4 Due diligence
ESRS 2	GOV-5	Risk management and internal controls on sustainability reporting	20.1.1. Governance and good business conduct Sustainability governance
ESRS 2	SBM-1	Strategy, business model and value chain	5.1 Corporate structure and business model of the Alperia Group
ESRS 2	SBM-2	Interests and views of stakeholders	17.3 Stakeholder engagement
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	17.4.1.2 Identification of impacts, risks and opportunities
ESRS 2	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	17.4 Double materiality analysis 17.4.1.2 Identification of impacts, risks and opportunities
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	17.4 Double materiality analysis 17.4.1.2 Identification of impacts,

			risks and opportunities
ESRS 2	MDR-P	Policies adopted to manage material sustainability issues	“Policies and procedures” paragraph of each section
ESRS 2	MDR-A	Actions and resources related to material sustainability issues	“Actions” paragraph of each section
ESRS 2	MDR-M	Metrics related to material sustainability issues	“Metrics, commitments and targets” paragraph of each section
ESRS 2	MDR-T	Tracking the effectiveness of policies and actions through targets	“Metrics, commitments and targets” paragraph of each section
ESRS E1	GOV-3	Integration of sustainability-related performance in incentive schemes	19.1.1. Working conditions
ESRS E1	E1-1	Transition plan for climate change mitigation	18.1 ESRS E1 Climate change actions
ESRS E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	18.1 ESRS E1 Climate change impacts, risks and opportunities
ESRS E1	IRO-1	Description of the processes to identify and assess climate-related material impacts, risks and opportunities	18.1 ESRS E1 Climate change impacts, risks and opportunities
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	18.1 ESRS E1 Climate change policies and procedures
ESRS E1	E1-3	Actions and resources in relation to climate change policies	18.1 ESRS E1 Climate change actions
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	18.1 ESRS E1 Climate change metrics, commitments and targets
ESRS E1	E1-5	Energy consumption and mix	18.1 ESRS E1 Climate change metrics, commitments and targets
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	18.1 ESRS E1 Climate change metrics, commitments and targets
ESRS E1	E1-7	GHG removals and GHG mission mitigation projects funded with carbon credits	18.1 ESRS E1 Climate change metrics, commitments and targets

ESRS E1	E1-8	Internal carbon pricing	18.1 ESRS E1 Climate change metrics, commitments and targets
ESRS E3	E3-1	Policies related to water and marine resources	18.2 ESRS E3 Water and marine resources Policies and procedures
ESRS E3	E3-2	Actions and resources related to water and marine resources	18.2 ESRS E3 Water and marine resources Actions
ESRS E3	E3-3	Targets related to water and marine resources	18.2 ESRS E3 Water and marine resources Metrics, commitments and targets
ESRS E4	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	8.3 ESRS E4 Biodiversity and ecosystems Impacts, risks and opportunities
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ESRS E4	E4-5	Impact metrics related to changes in biodiversity and ecosystems	18.3 ESRS E4 Biodiversity and ecosystems Metrics, commitments and targets
ESRS S1	SBM-2	Interests and views of stakeholders	17.3 Stakeholder engagement
ESRS S1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	19.1 ESRS S1 Own workforce 19.1.1 Working conditions 19.1.2 Diversity and equal opportunities 19.1.3 Occupational health and safety Impacts, risks and opportunities
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ESRS S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Actions
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	19.1 ESRS S1 Own workforce 19.1.1 Working conditions 19.1.2 Diversity and equal opportunities 19.1.3 Occupational health and safety Actions
ESRS S1	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	19.1 ESRS S1 Own workforce 19.1.1 Working conditions 19.1.2 Diversity and equal opportunities 19.1.3 Occupational health and safety Actions

ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	19.1 ESRS S1 Own workforce 19.1.1 Working conditions 19.1.2 Diversity and equal opportunities 19.1.3 Occupational health and safety Metrics, commitments and targets
ESRS S1	S1-6	Characteristics of the undertaking's employees	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Metrics, commitments and targets
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Metrics, commitments and targets
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Metrics, commitments and targets
ESRS S1	S1-9	Diversity metrics	19.1 ESRS S1 Own workforce 19.1.2 Diversity and equal opportunities Metrics commitments and targets
ESRS S1	S1-10	Adequate wages	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Actions
ESRS S1	S1-11	Social protection	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Metrics, commitments and targets
ESRS S1	S1-12	Persons with disabilities	19.1 ESRS S1 Own workforce 19.1.1 Working conditions

			Metrics, commitments and targets
ESRS S1	S1-13	Training and skills development metrics	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Metrics, commitments and targets
ESRS S1	S1-14	Health and safety metrics	19.1 ESRS S1 Own workforce 19.1.3 Occupational health and safety Metrics, commitments and targets
ESRS S1	S1-15	Work-life balance metrics	19.1 ESRS S1 Own workforce 19.1.1 Working conditions Metrics, commitments and targets
ESRS S1	S1-16	Compensation metrics (pay gap and total compensation)	19.1 ESRS S1 Own workforce 19.1.2 Diversity and equal opportunities Metrics, commitments and targets
ESRS S1	S1-17	Incidents, complaints and severe human rights impacts	19.1 ESRS S1 Own workforce 19.1.2 Diversity and equal opportunities Policies and procedures
ESRS S2	SBM-2	Interests and views of stakeholders	17.3 Stakeholder engagement
ESRS S2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	19.2 ESRS S2 Workers in the value chain Impacts, risks and opportunities
ESRS S2	S2-1	Policies related to value chain workers	19.2 ESRS S2 Workers in the value chain Policies and procedures
ESRS S2	S2-2	Processes for engaging with value chain workers about impacts	19.2 ESRS S2 Workers in the value chain Policies and procedures
ESRS S2	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	19.2 ESRS S2 Workers in the value chain

			Actions
ESRS S2	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	19.2 ESRS S2 Workers in the value chain Actions
ESRS S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	19.2 ESRS S2 Workers in the value chain Metrics, commitments and targets
ESRS S3	SBM-2	Interests and views of stakeholders	17.3 Stakeholder engagement
ESRS S3	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	19.3 ESRS S3 Affected communities 19.3.1 Added value for the territory 19.3.2 Security of supply 19.3.3. Asset integrity Impacts, risks and opportunities
ESRS S3	S3-1	Policies related to affected communities	19.3 ESRS S3 Affected communities 19.3.1 Added value for the territory 19.3.2 Security of supply 19.3.3. Asset integrity Policies and procedures
ESRS S3	S3-2	Processes for engaging with affected communities about impacts	19.3 ESRS S3 Affected communities 19.3.1 Added value for the territory 19.3.2 Security of supply 19.3.3. Asset integrity Policies and procedures, Actions
ESRS S3	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	19.3 ESRS S3 Affected communities 19.3.1 Added value for the territory 19.3.2 Security of supply 19.3.3. Asset integrity Policies and procedures
ESRS S3	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	19.3 ESRS S3 Affected communities 19.3.1 Added value for the territory 19.3.2 Security of supply 19.3.3. Asset integrity Actions

ESRS S3	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	19.3 ESRS S3 Affected communities 19.3.1 Added value for the territory 19.3.2 Security of supply 19.3.3. Asset integrity Metrics, commitments and targets
ESRS S4	SBM-2	Interests and views of stakeholders	17.3 Stakeholder engagement
ESRS S4	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	19.4 ESRS S4 Consumers and end users 19.4.1 Sustainable products and services 19.4.2 Customer satisfaction 19.4.3 Cybersecurity and information security Impacts, risks and opportunities
ESRS S4	S4-1	Policies related to consumers and end-users	19.4 ESRS S4 Consumers and end users 19.4.1 Sustainable products and services 19.4.2 Customer satisfaction 19.4.3 Cybersecurity and information security Policies and procedures
ESRS S4	S4-2	Processes for engaging with consumers and end-users about impacts	19.4 ESRS S4 Consumers and end users 19.4.1 Sustainable products and services 19.4.2 Customer satisfaction Actions
ESRS S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	19.4 ESRS S4 Consumers and end users 19.4.1 Sustainable products and services 19.4.2 Customer satisfaction Policies and procedures, Actions
ESRS S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	19.4 ESRS S4 Consumers and end users 19.4.1 Sustainable products and services 19.4.2 Customer satisfaction 19.4.3 Cybersecurity and information security Actions
ESRS S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	19.4 ESRS S4 Consumers and end users 19.4.1 Sustainable products and services 19.4.2 Customer satisfaction 19.4.3 Cybersecurity and information security Metrics, commitments and targets

ESRS G1	GOV-1	The role of the administrative, management and supervisory bodies	20.1.1.2 Corporate Governance
ESRS G1	IRO-1	Description of the processes to identify and assess business conduct-related material impacts, risks and opportunities	20.1.1. Governance and good business conduct Impacts, risks and opportunities
ESRS G1	G1-1	Corporate culture and business conduct policies	20.1.1.3. Good business conduct
ESRS G1	G1-2	Supplier relationship management	20.1.2 Supplier management
ESRS G1	G1-3	Prevention and detection of corruption and bribery	20.1.1.3. Good business conduct
ESRS G1	G1-4	Confirmed incidents of corruption or bribery	20.1.1.3. Good business conduct
ESRS G1	G1-5	Political influence and lobbying activities	20.1.1.3. Good business conduct
ESRS G1	G1-6	Payment practices	20.1.2 Supplier management

Entity-specific	Description	Paragraph
GRI 201-1	Direct economic value generated and distributed	19.3.1. Added value for the territory
GRI 308-1	New suppliers selected using environmental criteria	20.1.2 Supplier management
GRI 414-1	New suppliers selected using social criteria	20.1.2 Supplier management
GRI 418-1	Customer privacy	19.4.3 Cybersecurity and information security
ALP 1	Customer satisfaction – calls answered green number	19.4.2 Customer satisfaction
ALP 2	Customer satisfaction – number of complaints	19.4.2 Customer satisfaction
ALP 4	Sustainable products and services	19.4.1 Sustainable products and services
ALP 6, ALP 7	Water released for minimum flow, incidents of non-compliance with MVF (Minimum Vital Flow) requirements	18.3 ESRS E4 Biodiversity and ecosystems
EU 2, EU 30	Security of supply – production	18.1 ESRS E1 – Climate change 19.3.3. Asset integrity

EU 3	Number of customer accounts	19.4.2 Customer satisfaction
EU 4	Distribution network	19.3.2. Security of supply
EU 10	Security of supply – strategy	19.3.2 Security of supply
EU 28, EU 29	Security of supply – Edyna Srl	19.3.2 Security of supply
District heating	District heating	19.3.2 Security of supply
Smart Region	Smart Region – mobility	19.4.1 Sustainable products and services
Environmental accidents	Environmental accidents	19.3.3. Asset integrity

21.2 Information elements stemming from other EU legislative acts

The following table summarises all information elements arising from other EU legislative acts listed in Appendix B of ESRS Disclosure Requirement 2 ("General Information") of Delegated Regulation (EU) 2023/2772.

ESRS	Disclosure Requirement	Description of the disclosure requirement	SFDR reference[1]	Pillar 3 reference[2]	Benchmark regulation reference[3]	EU Climate Law reference[4]	Status of the disclosure requirement	Paragraph
ESRS 2	GOV-1, 21 (d)	Board's gender diversity	Annex I, Table 1, indicator No. 13		Regulation Delegated Regulation (EU) 2020/1816 of the Commission[5], annex II		Material	Governance and good business conduct
ESRS 2	GOV-1, 21 (e)	The percentage of independent board members			Regulation Delegated Regulation (EU) 2020/1816 of the Commission, annex II		Material	Governance and good business conduct
ESRS 2	GOV-4, 30	Statement on due diligence	Annex I, Table 3, indicator No. 10				Material	Due diligence
ESRS 2	SBM-1, 40 (d.i)	Involvement in activities related to fossil fuel activities	Annex I, Table 1, indicator No. 4	Regulation (EU) No 575/2013, Article 449(a); Commission Implementing Regulation (EU) 2022/2453,[6], table 1 – Qualitative Information on Environmental Risk and Table 2 - Qualitative information on social risk	Regulation Delegated Regulation (EU) 2020/1816, Annex II		Material	Value chain
ESRS 2	SBM-1, 40 (d.ii)	Involvement in activities related to the production of chemicals	Annex I, Table 2, indicator No. 9		Regulation Commission Delegated Regulation (EU) 2020/1816, annex II		Alperia does not conduct activities related to the production of chemicals, tobacco and controversial weapons.	
ESRS 2	SBM-1, 40 (d.iii)	Participation in controversial weapons-related activities	Annex I, Table 1, indicator No. 14		Article 12, paragraph 1 of delegated regulation (EU) 2020/1818[7] and Annex II of the delegated regulation (EU) 2020/1816		Alperia does not conduct activities related to the production of chemicals, tobacco and controversial weapons.	
ESRS 2	SBM-1, 40 (d.iv)	Involvement in activities related to cultivation and production of tobacco					Alperia does not conduct activities related to the production of chemicals, tobacco and controversial weapons.	
ESRS E1	E1-1, 14	Transition plan to reach climate neutrality by 2050				Article 2, paragraph 1 of regulation (EU) 2021/1119	Material	Climate change

ESRS E1	E1-1, 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Regulation (EU) No 575/2013, Article 449(a); Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12, paragraph 1, letters (d) to (g), and paragraph 2, of Delegated Regulation (EU) 2020/1818		Material	Climate change
ESRS E1	E1-4, 34	GHG emission reduction targets	Annex I, Table 2, indicator No. 4	Regulation (EU) No 575/2013, Article 449(a); Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Indicators of potential climate change transition risk: alignment metrics	Article 6 of the delegated regulation (EU) 2020/1818		Material	Climate change
ESRS E1	E1-5, 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Annex I, Table 1, indicator No. 5 and annex I, table 2, indicator No. 5				Material	Climate change
ESRS E1	E1-5, 37	Energy consumption and mix	Annex I, Table 1, indicator No. 5				Material	Climate change
ESRS E1	E1-5, 41-43	Energy intensity associated with activities in high climate impact sectors	Annex I, Table 1, indicator No. 6				Material	Climate change
ESRS E1	E1-6, 44	Gross Scopes 1, 2, 3 and Total GHG emissions	Annex I, Table 1, indicators Nos. 1 and 2	Article 449a of regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		Material	Climate change
ESRS E1	E1-6, 53-55	Gross GHG emissions intensity	Annex I, Table 1, indicator No. 3	Article 449a of regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Indicators of potential climate change transition risk: alignment metrics	Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818		Material	Climate change
ESRS E1	E1-7, 56	GHG removals and carbon credits				Article 2, paragraph 1 of regulation	Material	Climate change

						(EU) 2021/1119		
ESRS E1	E1-9, 66	Exposure of the benchmark portfolio to climate-related physical risks			Annex II of the delegated regulation (EU) 2020/1818 and Annex II of the delegated regulation (EU) 2020/1816		Not reported in application of the phasing-in provisions for certain datapoints (Appendix C)	
ESRS E1	E1-9, 66 (a), 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk		Regulation (EU) No 575/2013, Article 449(a); points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book - Indicators of potential climate change physical risk: exposures subject to physical risk			Not reported in application of the phasing-in provisions for certain datapoints (Appendix C)	
ESRS E1	E1-9, 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes,		Article 449a of regulation (EU) 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book – Indicators of potential climate change transition risk: loans collateralised by immovable property - Energy efficiency of the collateral			Not reported in application of the phasing-in provisions for certain datapoints (Appendix C)	
ESRS E1	E1-9, 69	Degree of exposure of the portfolio to climate-related opportunities,			Annex II of the delegated regulation (EU) 2020/1818		Not reported in application of the phasing-in provisions for certain datapoints (Appendix C)	
ESRS E2	E2-4, 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Annex I, Table 1, indicator No. 8; annex I, table 2, indicator No. 2; annex 1, table 2, indicator No. 1; annex I, table 2, indicator No. 3				Not material	
ESRS E3	E3-1, 9	Water and marine resources	Annex I, Table 2, indicator No. 7				Not reported in application of the phasing-in provisions for certain datapoints (Appendix C)	
ESRS E3	E3-1, 13	Dedicated policy	Annex I, Table 2, indicator No. 8				Material	Water and marine resources
ESRS E3	E3-1, 14	Sustainable oceans and seas	Annex I, Table 2, indicator No. 12				Not material	
ESRS E3	E3-4, 28 (c)	Total water recycled and reused	Annex I, Table 2, indicator No. 6.2				Not material	

ESRS E3	E3-4, 29	Total water consumption in m3 compared to net revenue from own operations	Annex I, Table 2, indicator No. 6.1				Not material	
ESRS 2	SBM-3 – E4, 16 (a.i)		Annex I, Table 1, indicator No. 7				Material	Biodiversity and ecosystems
ESRS 2	SBM-3 – E4, 16 (b)		Annex I, Table 2, indicator No. 10				Material	Biodiversity and ecosystems
ESRS 2	SBM-3 – E4, 16 (c)		Annex I, Table 2, indicator No. 14				Material	Biodiversity and ecosystems
ESRS E4	E4-2, 24 (b)	Sustainable land/agriculture practices or policies	Annex I, Table 2, indicator No. 11				Material	Biodiversity and ecosystems
ESRS E4	E4-2, 24 (c)	Sustainable oceans/seas practices or policies	Annex I, Table 2, indicator No. 12				Material	Biodiversity and ecosystems
ESRS E4	E4-2, 24 (d)	Policies to address deforestation	Annex I, Table 2, indicator No. 15				Material	Biodiversity and ecosystems
ESRS E5	E5-5, 37 (d)	Non-recycled waste	Annex I, Table 2, indicator No. 13				Not material	
ESRS E5	E5-5, 39	Hazardous waste and radioactive waste	Annex I, Table 1, indicator No. 9				Not material	
ESRS 2	SBM3 – S1, 14 (f)	Risk of forced labour	Annex I, Table 3, indicator No. 13				Material	Own workforce
ESRS 2	SBM3 – S1, 14 (g)	Risk of child labour	Annex I, Table 3, indicator No. 12				Material	Own workforce
ESRS S1	S1-1, 20	Human rights policy commitments	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				Material	Own workforce
ESRS S1	S1-1, 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Commission Delegated Regulation (EU) 2020/1816 , Annex II		Material	Own workforce
ESRS S1	S1-1, 22	processes and measures for preventing trafficking in human beings	Annex I, Table 3, indicator No. 11				Material	Own workforce
ESRS S1	S1-1, 23	Workplace accident prevention policy or management system	Annex I, Table 3, indicator No. 1				Material	Own workforce
ESRS S1	S1-3, 32 (c)	Grievance/complaints handling mechanisms	Annex I, Table 3, indicator No. 5				Material	Own workforce
ESRS S1	S1-14, 88 (b), (c)	Number of fatalities and number and rate of work-related accidents	Annex I, Table 3, indicator No. 2		Commission Delegated Regulation (EU) 2020/1816 , Annex II		Material	Own workforce
ESRS S1	S1-14, 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Annex I, Table 3, indicator No. 3				Material	Own workforce
ESRS S1	S1-16, 97 (a)	Unadjusted gender pay gap	Annex I, Table 1,		Commission Delegated		Material	Own workforce

			indicator No. 12		Regulation (EU) 2020/1816 , Annex II			
ESRS S1	S1-16, 97 (b)	Excessive CEO pay ratio	Annex I, Table 3, indicator No. 8				Material	Own workforce
ESRS S1	S1-17, 103 (a)	Incidents of discrimination	Annex I, Table 3, indicator No. 7				Material	Own workforce
ESRS S1	S1-17, 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines,	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Commission Delegated Regulation (EU) 2020/1816 and Delegated Regulation (EU) 2020/1818, Article 12(1)		Material	Own workforce
ESRS 2	SBM-3 – S2, 11 (b)	Significant risk of child labour or forced labour in the value chain	Annex I, Table 3, indicators Nos. 12 and 13				Material	Workers in the value chain
ESRS S2	S2-1, 17	Human rights policy commitments	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				Material	Workers in the value chain
ESRS S2	S2-1, 18	Policies related to value chain workers	Annex I, Table 3, indicators Nos. 11 and 4				Material	Workers in the value chain
ESRS S2	S2-1, 19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Annex I, Table 1, indicator No. 10		Commission Delegated Regulation (EU) 2020/1816 and Delegated Regulation (EU) 2020/1818, Article 12(1)		Material	Workers in the value chain
ESRS S2	S2-1, 19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			Commission Delegated Regulation (EU) 2020/1816 , Annex II		Material	Workers in the value chain
ESRS S2	S2-4, 36	Human rights issues and incidents connected to its upstream and downstream value chain	Annex I, Table 3, indicator No. 14				Material	Workers in the value chain
ESRS S3	S3-1, 16	Human rights policy commitments	Annex I, Table 3, indicator No. 9 and Annex I, Table 1, indicator No. 11				Material	Affected communities
ESRS S3	S3-1, 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Annex I, Table 1, indicator No. 10		Annex II of the delegated regulation (EU) 2020/1816 and Delegated Regulation (EU) 2020/1818, Article 12(1)		Material	Affected communities
ESRS S3	S3-4, 36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Material	Affected communities
ESRS S4	S4-1, 16	Policies related to consumers and end-users	Annex I, Table 3, indicator No. 9 and				Material	Consumers and end-users

			Annex I, Table 1, indicator No. 11					
ESRS S4	S4-1, 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Annex I, Table 1, indicator No. 10		Annex II of the delegated regulation (EU) 2020/1816 and Delegated Regulation (EU), Article 12(1) 2020/1818		Material	Consumers and end-users
ESRS S4	S4-4, 35	Human rights issues and incidents	Annex I, Table 3, indicator No. 14				Material	Consumers and end-users
ESRS G1	G1-1, 10 (b)	United Nations Convention against Corruption	Annex I, Table 3, indicator No. 15				Material	Governance and good business conduct
ESRS G1	G1-1, 10 (d)	Protection of whistle-blowers	Annex I, Table 3, indicator No. 6				Material	Governance and good business conduct
ESRS G1	G1-4, 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Annex I, Table 3, indicator No. 17		Commission Delegated Regulation (EU) 2020/1816		Material	Governance and good business conduct
ESRS G1	G1-4, 24 (b)	Rules for combating corruption and bribery	Annex I, Table 3, indicator No. 16				Material	Governance and good business conduct

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9.12.2019, p. 1).

[2] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27.6.2013, p. 1).

[3] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

[4] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ("European Climate Regulation") (OJ L 243, 9.7.2021, p. 1).

[5] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark index statement of how environmental, social and governance factors are reflected in each benchmark index provided and published (OJ L 406, 3.12.2020, p. 1).

[6] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

[7] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU climate transition reference indices and EU reference indices aligned with the Paris Agreement (OJ L 406, 3.12.2020, p. 17).

21.3 Impacts, risks and opportunities for the Alperia Group

Positive and negative impacts

Reference with ESRS 1 RA 16	Impacts	Description	[current/ potential]	Time horizon	Placement in the value chain	Monitoring and disclosure
Climate Change (E1-Energy)	Positive Impacts	- Increasing the production of energy from renewable sources is a fundamental element in improving the fuel mix of the territory, facilitating the gradual process of energy transition of the context and the consequent achievement of the targets set by the territorial authorities	Current	Short	Own operations: Generation, Heating & services, Distribution Downstream: Customers, territory	“Climate Change” Section
Climate Change (E1-Climate Change Mitigation)	Negative Impacts	- Buying and selling non-renewable energy on markets produced mainly from fossil fuels produces quantities of greenhouse gas emissions that contribute significantly to climate change (Scope 3 - upstream emissions related to fuel and energy consumption).	Current	Short	Own operations: Generation, Distribution, Sales Downstream: Territory, customers	“Climate Change” Section
Climate Change (E1-Climate Change Mitigation)	Negative Impacts	- Increasing Scope 1 and 2 greenhouse gas emissions throughout the Group's value chain due to non-renewable energy production	Current	Long	Own operations: Generation, Distribution, Sales Downstream: Territory, customers	“Climate Change” Section
Climate Change (E1-Climate Change Mitigation)	Negative Impacts	- Use in district heating plants of natural gas, biomass and heat, risking an increase in emissions from the operations of their facilities (waste-to-energy plants and landfills for municipal waste) and from energy carriers supplied in the value chain, leading to negative environmental impacts	Current	Short	Own operations: Generation, Heating & services, Distribution Downstream: Customers, territory	“Climate Change” Section
Climate Change (E1-Energy)	Negative Impacts	- Installation of gas-fuelled cogeneration plants at customer sites, increasing emissions of climate-changing substances into the atmosphere	Current	Short	Own operations: Generation, Heating & services, Distribution	“Climate Change” Section

					Downstream: Customers, territory	
Biodiversity (E4-Land use change, freshwater use change and sea use change)	Positive Impacts	- Carrying out projects and initiatives with local communities aimed at enhancing river ecosystems	Current	Short	Own operations: Generation, Distribution, Heat Downstream: Territory	"Biodiversity and ecosystems" section
Biodiversity (E4-Land use change, freshwater use change and sea use change)	Positive Impacts	- Enhancement of biodiversity in the area through the implementation of projects promoting biodiversity in and around our facilities (e.g. Community investment Val Venosta, where local plant species were sown on Group-owned land, Luson reforestation project)	Current	Short	Own operations: Generation, Distribution, Heat Downstream: Territory	"Biodiversity and ecosystems" section
Biodiversity (E4-Species population size)	Negative Impacts	- Loss of biodiversity (reduction of species and damage to ecosystem services) caused by hydroelectric power generation processes.	Current	Short	Own operations: Generation, Distribution, Heat Downstream: Territory	"Biodiversity and ecosystems" section
Biodiversity (E4-Species population size)	Negative Impacts	- Impacts from the construction of infrastructure (barrier works) dividing habitats, isolating populations and restricting gene flow.	Current	Short	Own operations: Generation, Distribution, Heat Downstream: Territory	"Biodiversity and ecosystems" section
Biodiversity (E4-Species population size)	Negative Impacts	- Impacts on fish fauna due to fluvial operations for sediment management of reservoirs, which if poorly managed can lead to fish mortality and lasting impacts on the river ecosystem.	Current	Short	Own operations: Generation, Distribution, Heat Downstream: Territory	"Biodiversity and ecosystems" section
Biodiversity (E4-Species population size)	Negative Impacts	- Incorrect management of the Minimum Vital Flow (MVF) of hydroelectric plants can jeopardise the survival of sensitive aquatic species and alter the ecological balance of river habitats.	Current	Short	Own operations: Generation, Distribution, Heat Downstream: Territory	"Biodiversity and ecosystems" section

Own workforce (S1-Secure employment)	Positive Impacts	- Conclusion of mainly open-ended contracts resulting in employment stability for company staff	Current	Short	Own operations: the whole Group	"Own workforce" section
Own workforce (S1-Working hours)	Positive Impacts	- Promotion of flexible working hours, which meet the needs of staff. In particular, for categories with special needs such as new mothers etc., facilitating work/life balance and thus reducing staff turnover and training costs	Current	Short	Own operations: the whole Group	"Own workforce" section
Own workforce (S1-Collective bargaining, including rate of workers covered by collective agreements)	Positive Impacts	- Protection of employees' rights and interests by establishing a proactive dialogue with trade unions	Current	Short	Own operations: the whole Group	"Own workforce" section
Own workforce (S1 - Work-life balance)	Positive Impacts	- Increased well-being through the development of appropriate welfare plans and implementation of work-life balance measures	Current	Short	Own operations: the whole Group	"Own workforce" section
Own workforce (S1 - Work-life balance)	Positive Impacts	- Sharing and dissemination of corporate culture and strengthening the sense of belonging.	Current	Short	Own operations: the whole Group	"Own workforce" section
Own workforce (S1-Health and safety)	Positive Impacts	- Safeguarding employees' health through prevention programmes (ergonomics, postural gymnastics, mental health awareness courses) and implementation of an occupational health and safety management system that promotes the psycho-physical well-being of Group employees, reducing absenteeism and accidents, thus reducing costs and increasing employee satisfaction	Current	Short	Own operations Upstream Value Chain: suppliers of works	"Own workforce" section
Own workforce (S1-Training and skills development)	Positive Impacts	- Enhancing the skills of the Group's people and improving career opportunities through continuous training and talent retention. In addition to the dissemination of the safety culture through awareness-raising and staff training activities	Current	Short	Own operations: the whole Group	"Own workforce" section
Own workforce (S1-Employment and inclusion of people with disabilities)	Positive Impacts	- The insertion and integration into the world of work of certain categories of people (the disabled, orphans, etc.) by the Group, in line with its obligations under Law 68/1999, favours equal treatment and opportunities for protected categories.	Current	Short	Own operations: the whole Group Downstream: Territory	"Own workforce" section

Own workforce (S1-Measures against violence and harassment in the workplace)	Positive Impacts	- Contribution to the development of staff knowledge and awareness on issues of diversity, equity and inclusion and prevention of gender-based violence;	Current	Short	Own operations: the whole Group Downstream: Territory	"Own workforce" section
Own workforce (S1-Diversity)	Positive Impacts	- Improved employee satisfaction through the development of appropriate equal opportunities and social inclusion plans.	Current	Short	Own operations: the whole Group Downstream: Territory	"Own workforce" section
Own workforce (S1-Health and safety)	Negative Impacts	- Company activities expose employees to physical, chemical and environmental risks, with potential negative impacts on their health, safety and well-being. Lack of adequate protective measures can cause injuries, reducing quality of life.	Current	Short	Own operations Upstream Value Chain: suppliers of works	"Own workforce" section
Own workforce (S1-Health and safety)	Negative Impacts	- Little or no attention to the psycho-physical well-being of employees can lead to increased stress, job dissatisfaction and demotivation. Intense work pressures, high workloads and a lack of work-life balance can also negatively affect employee morale, increasing the risk of burnout and mental health problems among employees.	Current	Short	Own operations Upstream Value Chain: suppliers of works	"Own workforce" section
Own workforce (S1-Health and safety)	Negative Impacts	- Increased postural complications due to insufficient provision of ergonomic workstations to employees, which could lead to an increase in days of absence or the inability to perform certain tasks	Current	Short	Own operations Upstream Value Chain: suppliers of works	"Own workforce" section
Workers in the value chain (S2-Health and Safety)	Negative Impacts	- Value chain activities expose workers to working conditions with potential negative impacts on their health, safety and well-being. Lack of adequate protective measures can lead to serious accidents, injuries and occupational diseases, reducing the quality of life.	Current	Short	Own operations Upstream Value Chain: suppliers of works	Section "Workers in the value chain"
Workers in the value chain (S2-Health and Safety)	Negative Impacts	- Possible negative impacts on the health and safety of workers in the value chain due to inaccurate selection and/or insufficient supervision of the Group with regard to working practices and respect for human rights, beyond legal obligations	Potential	Medium	Upstream: Suppliers of goods, services and works	Section "Workers in the value chain"

Affected communities (S3-Water and Sanitation)	Positive Impacts	Support for local farms that depend on water flows from the Group's plants, thanks to the agreements put in place and the monitoring of networks and pipelines to ensure shared use of the resource;	Current	Short	Downstream: Territory	Section "Affected communities"
Affected communities (S3-Water and Sanitation)	Positive Impacts	- Raising community awareness of efficient water use and reducing waste. Also through the promotion of water-saving products (e.g. Smartland) or cooperation with local institutions (municipality of Tyrol) for the identification of inefficiencies and/or leaks.	Current	Short	Downstream: Territory	Section "Affected communities"
Affected communities (S3-Land-related impacts)	Positive Impacts	- Ensuring a constant supply of electricity, gas and heat to local stakeholders through proper and efficient management of supply and generation services, even in mountainous and remote areas. (security of supply)	Current	Short	Distribution Downstream: Territory Customers	Section "Affected communities"
Affected communities (S3-Land-related impacts)	Positive Impacts	By actively listening to the territory, the Group promotes development initiatives capable of positively influencing the environmental sustainability issues of local communities and encourages the development of business ecosystems capable of intercepting the socio-economic needs of the territory, as is taking place in the case of Val d'Ultimo.	Current	Short	Distribution Downstream: Territory Customers	Section "Affected communities"
Affected Communities (S3-Security Impacts)	Positive Impacts	- Improvement of emergency management through collaboration with external agencies (e.g. civil protection agency), resulting in mitigation of impacts on the local population in the event of emergencies (asset integrity)	Current	Short	Hydroelectric production Electricity distribution Downstream: Territory	Section "Affected communities"
Affected communities (S3-Water and Sanitation)	Negative Impacts	- Failure to release adequate quantities of water to communities in Trentino-Alto Adige and Veneto for local economic activities (agricultural and/or industrial) due to Alperia's hydroelectric production needs could cause a negative impact on water accessibility for local communities. This impact could be further aggravated by the effect of climate change, which could increase drought situations.	Potential	Long	Downstream: Territory	Section "Affected communities"

Affected communities (S3- Land-related impacts)	Negative Impacts	- Disruption of essential services, such as hospitals, and consequent inconvenience to local stakeholders due to inadequate monitoring and supervision of electricity, gas and heat generation plants. Causing the disruption of primary services, which can subsequently lead to economic (businesses), mobility (no electricity supply for electric vehicles), health (no heat in winter) and daily life. (security of supply)	Potential	Short	Distribution Downstream: Territory, Customers	Section "Affected communities"
Affected communities (S3- Land-related impacts)	Negative Impacts	- Lack of attention to the problems and needs of the territories in which the Group operates and failure to develop initiatives (such as, for example, the Alto Adige bonus) that respond to the needs and demands of local communities, leading to the impoverishment of the local socio-economic fabric	Potential	Long	Downstream: Territory	Section "Affected communities"
Consumers and end-users (S4- Access to quality information)	Positive Impacts	- Improving the sensitivity and awareness of customers/users and the market on ESG issues, through the promotion of our products and services, such as conducting awareness-raising initiatives. This facilitates the energy transition.	Current	Short	Own Operations: Sales, Smart Region BUs Downstream: customers	Section "Consumers and end-users"
Consumers and end-users (S4- Access to products and services)	Positive Impacts	- Increased customer satisfaction through the provision of quality products and services, including listening and customer care channels (e.g. reduction of customer service interruptions)	Current	Short	Own operations: Sales Downstream: Customers	Section "Consumers and end-users"
Consumers and end-users (S4- Access to products and services)	Positive Impacts	The company adopts effective communication channels, strengthening the trust and satisfaction of its customers, establishing longer lasting customer relationships and ensuring transparency and timeliness of information. This improves the user experience, reduces the number of complaints and fosters greater loyalty.	Current	Short	Own operations: Sales Downstream: Customers	Section "Consumers and end-users"
Consumers and end-users (S4- Access to products and services)	Positive Impacts	- Positive impacts on customer welfare related to the availability of products and services with high environmental performance (e.g. district heating, e-mobility, hydrogen, energy efficiency services and smart living);	Current	Short	Own Operations: Sales, Smart Region BUs Downstream: customers	Section "Consumers and end-users"

Consumers and end-users (S4-Access to products and services)	Positive Impacts	- Improving local infrastructure for sustainable mobility by enhancing the deployment of fast-charging stations, thereby reducing the impact of transport-related emissions, facilitating customer adoption of sustainable transport modes powered by renewable energy	Current	Short	Own Operations: Sales, Smart Region BUs Downstream: customers	Section “Consumers and end-users”
Consumers and end-users (S4-Access to products and services)	Positive Impacts	- Reducing the energy consumed by customers by offering energy efficiency solutions for homes and businesses, resulting in cost savings and a reduction in their direct emissions	Current	Short	Own Operations: Sales, Smart Region BUs Downstream: customers	Section “Consumers and end-users”
Section "Consumers and end-users "Consumers and end-users (S4-Access to products and services)	Negative Impacts	- Any lack of attention by the Group to sustainability issues could result in a limited improvement in the environmental performance of the products and services offered. This could result in the non-achievement of the targets set by the South Tyrol Climate Plan, contributing to a greater negative impact on the environment and territory.	Potential	Short	Own Operations: Sales, Smart Region BUs Downstream: customers	Section “Consumers and end-users”
Business Conduct (G1-Business Culture)	Positive Impacts	The promotion and dissemination of positive behaviour, in line with the Group Code of Ethics, consolidates an integrated corporate culture with greater employee involvement	Current	Short	Own operations: the whole Group Downstream: Territory	Section “Business conduct”
Business conduct (G1-Management of relationships with suppliers including payment practices)	Positive Impacts	Pursuing business practices aligned with the Group's culture and ethical principles, while raising awareness and training suppliers on the values of integrity and honesty in accordance with the Group's Code of Ethics.	Current	Short	Own operations: the whole Group Downstream: Territory	Section “Business conduct”
Business conduct (G1-Management of relationships with suppliers including payment practices)	Negative Impacts	- Loss of value for the target territory due to the lack of cooperation between Alperia and its supply network. This situation could lead to reduced growth opportunities for local businesses and the entire economic ecosystem of the area. Furthermore, the lack of cooperation could prevent the realisation of important synergies, such as economies of scale and learning, limiting operational efficiency and innovation. This could result in higher costs, reduced competitiveness and a slowdown in the energy transition of the region.	Potential	Medium	Upstream: Suppliers of goods, services and works	Section “Business conduct”

Risks and opportunities

Reference to ESRS 1 RA 16	Risks and Opportunities	Description	Time horizon	Placement in the value chain	Current/ anticipated	Recurring financial effects	Monitoring and disclosure
Climate Change (E1-Climate Change Mitigation)	Risks	Risks generated by acute and chronic climatic events that may generate inefficiencies in the group's future production and energy capacities and punctual damage to distribution networks resulting in loss of revenue and cost increases for the group.	LONG	Own operations Downstream	Anticipated	Anticipated financial effects: the long-term trend of more extreme weather events could further accentuate the instability of revenues from hydropower production.	“Climate Change” Section
Water and marine resources (E3-Water withdrawal)	Risks	Risk of insufficient availability of water resources at the local and inter-regional level, which would lead to requests to release water from its reservoirs with negative repercussions on the Group's energy production and revenues.	SHORT	Own operations Downstream	Anticipated	In 2024, there was no effect at the EC level (decrease in revenue), which is a theoretical indicator: quantification consistent with taxonomic KPI revenues	Section “Water”
Affected communities (S3-Land-related impacts)	Risks	Risk of non-development of new projects, such as the development of new energy production plants and the distribution network, due to lack of acceptance by local	MEDIUM	Own operations	Anticipated	No theoretical indicator, as the risk is that it does not show up in the budget	Section “Affected communities”

		communities, which may lead to loss of business opportunities and/or reduce profit margins.					
Affected Communities (S3- Safety-related impacts)	Risk	Risk of malfunctioning of Alperia plants and infrastructures with possible impacts on community safety (e.g. floods, fires), with consequent reputational and economic damage for the Alperia Group	OPERATIONAL FINANCIAL	Long	Anticipated		"Asset integrity" section
Consumers and end-users (S4 - Privacy)	Risks	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 for example phishing and malware conveyed through the multiple channels of the cyberspace in which we are present and to which we are exposed.	SHORT	Own operations	Both		Section "Consumers and end-users"

Climate Change (E1-Climate Change Mitigation)	Opportunities	The increasing focus on the fight against climate change and provincial and national climate targets creates an important opportunity for Alperia. By implementing its Net Zero climate strategy, the company can respond to this need by reducing emissions in the production and sale of non-renewable energy. Furthermore, by promoting services for energy efficiency, consumption reduction and renewable energy production at household and industrial level, Alperia can strengthen its role as a partner for the energy transition.	LONG	Own operations Downstream: customers	Anticipated	Impact on taxonomy revenues	"Climate Change" Section
Climate Change (E1-Energy)	Opportunities	An increased demand for renewable energy could lead to a greater diversification of the Group's production facilities beyond hydropower, resulting in increased revenues	MEDIUM	Own operations	Anticipated	Revenues from taxonomic KPIs from economic activities (power generation) other than hydropower	"Climate Change" Section

		from sustainable products and services.					
Consumers and end-users (S4- Access to products and services)	Opportunities	The development of new low-carbon products and services as a result of increased customer and/or regulatory awareness of energy efficiency and renewable technologies represents an important opportunity for growth and strategic development for Alperia with positive effects on the local context	MEDIUM	Downstream: customers	Anticipated	Theoretical indicators: With regard to car-sharing, the "AlpsGO Project" was launched in FY 2025, but will not make significant numbers at the consolidated level	Section "Consumers and end-users"

21.4 Due diligence

CORE ELEMENTS OF DUE DILIGENCE		SECTIONS OF THE CONSOLIDATED SUSTAINABILITY REPORT
a	**Embedding due diligence in governance, strategy and business model**	Please refer to the "5.3 Integrated Strategy" section of the Report on Operations and section 20.1.1. "Governance and good business conduct"
b	**Engaging with affected stakeholders in all key steps of the due diligence**	Please refer to section 17.3 "Stakeholder engagement"
c	**Identifying and assessing adverse impacts**	Please refer to section 17.4 "Double materiality analysis"
d	**Taking actions to address those adverse impacts**	Please refer to the section "5.3 Integrated Strategy" of the Report on Operations, in particular the section "Sustainability Plan 2022-2027"
e	**Tracking the effectiveness of these efforts and communicating**	Please refer to section 20.1.1. "Governance and good business conduct" and the "5.3 Integrated Strategy" section of the Report on Operations, in particular the "Sustainability Plan 2022-2027" section

22. Independent auditor's certificate

pwc

Independent auditor's report on the limited review of the consolidated sustainability report

pursuant to art. 14-bis of Legislative Decree 27 January 2010, no. 39

To the shareholders of Alperia SpA

Conclusions

Pursuant to articles 8 and 18, paragraph 1 of Legislative Decree 6 September 2024, no. 125 (hereinafter also the "Decree"), we have been engaged to carry out the limited assurance engagement of the consolidated sustainability reporting of the Alperia group (hereinafter also the "Group") for the financial year ended 31 December 2024 prepared pursuant to art. 4 of the Decree, presented in the specific section of the consolidated management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability reporting of the Alperia group for the fiscal year ending 31 December 2024, was not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also referred to as "ESRS");
- the information contained in paragraph "[18.4] – EU Taxonomy" of consolidated sustainability reporting" was not prepared, in all material respects, in accordance with Article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also referred to as "Taxonomy Regulation").

Basis for conclusions

We have carried out the limited assurance engagement in accordance with the Attestation Principle of Sustainability Reporting - SSAE (Italy). The procedures carried out in this type of engagement differ in nature and timing from those required for an engagement aimed at obtaining a reasonable level of assurance and are also less extensive.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if an engagement aimed at obtaining a reasonable level of assurance had been carried out. Our responsibilities under this Principle are further described in the section *"Responsibilities of the audit firm for the conclusion on consolidated sustainability reporting"* of this report.

We are independent in accordance with the standards and principles regarding ethics and independence applicable to the assurance engagement of the consolidated sustainability reporting within the Italian framework.

PricewaterhouseCoopers SpA

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Our audit firm applies the International Standard on Quality Management (ISQM Italia 1), under which it is required to design, implement, and operate a quality management system that includes policies or procedures on compliance with ethical principles, professional standards, and applicable legal and regulatory requirements.

We believe we have obtained sufficient and appropriate evidence on which to base our conclusions.

Other aspects - Comparative information

The comparative information presented in the consolidated sustainability report for the financial year ended 31 December 2023, was not subject to any assurance procedures.

Responsibilities of the members of the management board and the supervisory board of Alperia SpA for the consolidated sustainability reporting

The members of the management board are responsible for the development and implementation of procedures to identify the information included in the consolidated sustainability reporting in compliance with the requirements of the ESRS (hereinafter referred to as the "materiality assessment process") and for describing such procedures in paragraph "[17.4] – Double materiality analysis" of the consolidated sustainability reporting.

The members of the management board are also responsible for preparing the consolidated sustainability reporting, which contains the information identified through the materiality assessment process, in compliance with the requirements of art. 4 of the Decree, including:

- compliance with the ESRS;
- compliance with Article 8 of the Taxonomy Regulation of the information contained in paragraph "[18.4] – EU Taxonomy".

Such responsibility involves configuring, implementing, and maintaining, as required by law, that part of internal control deemed necessary by the administrators to enable the drafting of a consolidated sustainability report in accordance with Article 4 of the Decree, which does not contain significant errors due to fraud or unintentional acts or events. This responsibility also involves selecting and applying appropriate methods to process the information as well as developing assumptions and estimates regarding specific sustainability information that are reasonable under the circumstances.

The supervisory board is responsible for overseeing, within the terms provided by law, compliance with the provisions established in the Decree.

Intrinsic limitations in the drafting of consolidated sustainability reporting

For the purpose of reporting forward-looking information in accordance with ESRS, the members of the management board are required to prepare such information on the basis of assumptions, described in the consolidated sustainability reporting, regarding future events and possible future actions by the Group. Due to the uncertainty connected with any future event, both in terms of occurrence and the extent and timing of occurrence, variances between actual results and forwardlooking information may be significant.

The disclosure about Scope 3 emissions is subject to greater inherent limitations compared to Scope 1 and 2 emissions, due to the poor availability and relative accuracy of the information used to define both quantitative and qualitative information on Scope 3 emissions related to the value chain.

Responsibility of the auditing firm for the conclusion on the consolidated sustainability reporting

Our objectives are to plan and carry out procedures in order to achieve a limited level of assurance that the consolidated sustainability reporting does not contain significant errors, due to fraud or unintentional actions or events, and to issue a report containing our conclusions. Errors may arise from fraud or unintentional actions or events and are considered significant if it can reasonably be expected that they, individually or collectively, are capable of influencing the decisions of users based on the consolidated sustainability reporting.

In the context of the engagement aimed at achieving a limited level of assurance in accordance with the Sustainability Reporting Attestation Principle - SSAE (Italy), we exercised professional judgment and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where significant errors are likely to occur, whether due to fraud or unintentional actions or events;
- defining and conducting procedures to verify disclosures where significant errors are likely to occur. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error due to unintentional actions or events, because fraud can involve collusion, falsification, intentional omissions, misleading representations, or overriding internal controls;
- the management, supervision, and performance of the limited examination of the consolidated sustainability reporting and taking full responsibility for the conclusions on the consolidated sustainability reporting.

Summary of work performed

An engagement aimed at achieving a limited level of assurance involves performing procedures to obtain evidence as a basis for formulating our conclusions.

The procedures performed were based on our professional judgment and included interviews, mainly with Alperia SpA personnel responsible for preparing the information presented in the consolidated sustainability reporting, as well as document analysis, recalculations, and other procedures aimed at acquiring useful evidence.

We performed the following main procedures:

- understanding of the business model, the Group's strategies and the context in which it operates with regard to sustainability issues;
- understanding the processes underlying the generation, detection, and management of qualitative and quantitative information included in the consolidated sustainability reporting;
- understanding the process undertaken by the Group for identifying and assessing relevant impacts, risks, and opportunities, based on the principle of double materiality, in relation to sustainability issues and, based on the information acquired therein, conducting considerations regarding any

emerging contradictory elements that may indicate the existence of sustainability issues not considered by the company in the materiality assessment process;
- identification of the information in which a significant error is likely to occur;
- definition and execution of procedures, based on our professional judgment, to address identified significant error risks;
- understanding of the process established by the Group to identify eligible economic activities and determine their aligned nature in accordance with the provisions of the Taxonomy Regulation, and verification of the related information included in the consolidated sustainability reporting;
- comparison of the information reported in the consolidated sustainability reporting with the information contained in the consolidated financial statements as per the applicable financial reporting framework or with the accounting data used for the preparation of the financial statements or with the management accounting data;
- verification of the structure and presentation of the information included in the consolidated sustainability reporting in compliance with the ESRS; ● obtaining the representation letter.

Padua, 24 April 2025

PricewaterhouseCoopers SpA

Signed by

Alexander Mayr
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

23. Consolidated financial statements of the Alperia Group as of December 31, 2024

CONSOLIDATED FINANCIAL STATEMENTS OF THE ALPERIA GROUP AT 31 DECEMBER 2024

Consolidated statement of financial position

(in thousands of Euros)	**Notes**	**At 31 December 2024**	**At 31 December 2023**
ASSETS			
Non-current assets			
Concessions	9.1	364,479	402,866
Goodwill	9.1	109,273	105,327
Other intangible assets	9.1	16,041	13,011
Tangible assets	9.2	1,272,545	1,171,428
Investments	9.3	81,457	35,868
Deferred tax assets	9.4	70,783	74,234
Other non-current receivables and financial assets	9.5	213,739	46,518
Total non-current assets		**2,128,317**	**1,849,253**
Current assets			
Trade receivables	9.6	621,905	910,233
Inventories	9.7	37,777	71,065
Cash and cash equivalents	9.8	353,056	52,809
Other current receivables and financial assets	9.9	228,211	184,488
Total current assets		**1,240,948**	**1,218,596**
Assets classified as held for sale	9.10	**1,603**	**17,221**
TOTAL ASSETS		**3,370,868**	**3,085,069**
Share capital	9.11	750,000	750,000
Other reserves	9.11	200,499	199,543
Retained profits (accumulated losses)	9.11	173,866	125,621
Group result for the year	9.11	250,469	84,223
Total equity attributable to owners of the parent		**1,374,834**	**1,159,387**
Non-controlling interests	9.11	26,335	26,528
Total consolidated equity		**1,401,169**	**1,185,915**
LIABILITIES			
Non-current liabilities			
Provisions for risks and charges	9.12	50,327	49,331
Employee benefits	9.13	11,340	11,570
Deferred tax liabilities	9.4	101,414	111,343
Non-current borrowings from banks and other lenders	9.14	1,100,507	921,414
Other non-current payables	9.15	71,531	69,870
Total non-current liabilities		**1,335,118**	**1,163,528**
Current liabilities			
Trade payables	9.16	335,802	454,249
Current borrowings from banks and other lenders	9.14	152,654	194,315
Current tax liabilities	9.17	46,356	0
Other current payables	9.15	99,398	83,701
Total current liabilities		**634,209**	**732,265**
Liabilities included in disposal groups classified as held for sale	9.10	**371**	**3,362**
TOTAL EQUITY AND LIABILITIES		**3,370,868**	**3,085,069**

Consolidated income statement

(in thousands of Euros)	**Notes**	**2024**	**2023**
Revenues	10.1	2,327,188	2,650,032
Other revenues and income	10.2	38,946	74,960
Total revenues and other income		**2,366,134**	**2,724,992**
Costs for raw materials, consumables and goods	10.3	(1,003,927)	(1,226,682)
Cost of services	10.4	(727,477)	(1,007,541)
Personnel costs	10.5	(84,675)	(80,547)
Amortisation/depreciation, provisions and write-downs	10.6	(119,411)	(124,079)
(of which value adjustments of trade receivables)		*(6,233)*	*(4,171)*
Profit / (loss) arising from the fair value measurement of investments in associates and joint ventures	10.7	0	0
Other operating costs	10.8	(32,475)	(14,252)
Net income/(expenses) from commodity derivatives	10.9	1,606	(8,397)
Total costs		**(1,966,358)**	**(2,461,498)**
Operating income		**399,776**	**263,493**
Gains (losses) on valuation of investments	10.10	(2,369)	(1,744)
Financial income	10.11	34,135	14,232
Financial charges	10.11	(71,708)	(65,973)
(of which value adjustments of financial receivables)		*0*	*0*
Net financial income		**(39,942)**	**(53,485)**
Profit before taxes		**359,834**	**210,008**
Taxes	10.12	(90,718)	(61,915)
Net profit/(loss) (A) from continuing operations		**269,116**	**148,093**
Discontinued operation	10.13	***(18,375)***	***(63,031)***
Net profit/(loss) (B) from Discontinued Operations		**(18,375)**	**(63,031)**
Consolidated result for the year		**250,741**	**85,062**
owners of the parent		***250,469***	***84,223***
non-controlling interests		*272*	*838*

Consolidated comprehensive income statement

(in thousands of Euros)	**2024**	**2023**
Consolidated result for the year (A)	**250,741**	**85,062**
Income Statement items that may subsequently be reclassified to the income statement (net of taxes)		
Gains / (losses) on cash flow hedges	(1,286)	200,460
Total Income Statement items that may subsequently be reclassified to the income statement (B)	**(1,286)**	**200,460**
Income Statement items that cannot subsequently be reclassified to the income statement (net of taxes)		
Actuarial gains / losses on employee defined benefit plans	271	(384)
Total Income Statement items that cannot subsequently be reclassified to the income statement (C)	**271**	**(384)**
Total other gains (losses) not recognised in profit or loss net of tax effect (B)+(C)	**(1,015)**	**200,075**
Total comprehensive income (A)+(B)+(C)	**249,726**	**285,137**
Overall result:		
of which attributable to owners of the parent	*249,449*	*284,332*
of which attributable to non-controlling interests	*277*	*805*

Statement of changes in consolidated equity at 31 December 2023

(in thousands of Euros)	Notes	Share capital	Statutory reserve	Reserve pursuant to Article 5.4.2 Framework Agreement	First-time adoption reserve	Cash flow hedge reserve	IAS 19 reserve	Other consolidated reserves	Retained profits (accumulated losses)	Year's result	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Consolidated equity
At 31 December 2022		**750,000**	**79,326**	**32,151**	**(9,972)**	**(228,874)**	**(2,847)**	**127,945**	**98,511**	**60,819**	**907,059**	**26,181**	**933,240**
Dividend allocation of 2022 profit		0	1,708	0	0	0	0	0	27,110	(60,819)	(32,000)	(458)	(32,458)
Equity after resolution to allocate the net result for the year		**750,000**	**81,034**	**32,151**	**(9,972)**	**(228,874)**	**(2,847)**	**127,945**	**125,621**	**0**	**875,059**	**25,723**	**900,782**
Changes in the scope of consolidation	2.3	0	0	0	0	0	0	0	0	0	0	0	0
Other changes		0	0	0	0	0	0	(4)	0	0	(4)	0	(4)
Consolidated profit (loss) and profit (loss) attributable to owners of the parent		0	0	0	0	0	0	0	0	84,223	84,223	838	85,062
Gains (losses) not recognised in profit or loss net of tax effect	9.13	0	0	0	0	200,460	(351)	0	0	0	200,109	(33)	200,075
Group and consolidated comprehensive income		**0**	**0**	**0**	**0**	**200,460**	**(351)**	**0**	**0**	**84,223**	**284,332**	**805**	**285,137**
At 31 December 2023		**750,000**	**81,034**	**32,151**	**(9,972)**	**(28,414)**	**(3,198)**	**127,941**	**125,621**	**84,223**	**1,159,387**	**26,528**	**1,185,915**

The dividend per share approved in FY 2023 amounted to Euro 0.04267.

Statement of changes in consolidated equity at 31 December 2024

(in thousands of Euros)	Notes	Share capital	Statutory reserve	Reserve pursuant to Article 5.4.2 Framework Agreement	First-time adoption reserve	Cash flow hedge reserve	IAS 19 reserve	Other consolidated reserves	Retained profits (accumulated losses)	Year's result	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Consolidated equity
At 31 December 2023		**750,000**	**81,034**	**32,151**	**(9,972)**	**(28,414)**	**(3,198)**	**127,941**	**125,621**	**84,223**	**1,159,387**	**26,528**	**1,185,915**
Dividend allocation of 2023 profit		0	1,978	0	0	0	0	0	48,245	(84,223)	(34,000)	(398)	(34,398)
Equity after resolution to allocate the net result for the year		**750,000**	**83,011**	**32,151**	**(9,972)**	**(28,414)**	**(3,198)**	**127,941**	**173,866**	**0**	**1,125,387**	**26,130**	**1,151,517**
Changes in the scope of consolidation	**2.3**	0	0	0	0	0	0	0	0	0	0	(72)	(72)
Other changes		0	0	0	0	0	0	(2)	0	0	(2)		(2)
Consolidated profit (loss) and profit (loss) attributable to owners of the parent		0	0	0	0	0	0	0	0	250,469	250,469	272	250,741
Gains (losses) not recognised in profit or loss net of tax effect	**9.13**	0	0	0	0	(1,286)	266	0	0	0	(1,020)	5	(1,015)
Group and consolidated comprehensive income		**0**	**0**	**0**	**0**	**(1,286)**	**266**	**0**	**0**	**250,469**	**249,449**	**277**	**249,726**
At 31 December 2024		**750,000**	**83,011**	**32,151**	**(9,972)**	**(29,700)**	**(2,932)**	**127,939**	**173,866**	**250,469**	**1,374,834**	**26,335**	**1,401,169**

The dividend per share approved in FY 2024 amounted to Euro 0.04533.

EARNINGS PER SHARE

Earnings per share are calculated by dividing the Group result for the period by the number of ordinary shares in circulation at 31 December 2024.

Group net profit (in thousands of Euros): 250,469

Number of ordinary shares (in thousands): 750,000

Basic and diluted earnings per share: 0.3340

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euros)	**Notes**	**2024**	**2023**
Cash flow from operating activities			
Profit before tax including the net result of discontinued operations		**341,459**	**146,977**
Continuing operation		359,834	210,008
Discontinued operation		(18,375)	(63,031)
Adjustments to earnings before taxes to obtain the cash flow from operating activities:			
Amortisation and depreciation	10.6	104,114	109,453
Net provisions and net write-downs/writebacks of tangible and intangible assets	10.6	21,870	25,357
Net (Capital gains) Capital losses from disposals of tangible and financial assets	10.2, 10.8	1,573	1,407
Write-down of trade receivables	10.6	6,233	4,171
Gains (losses) on valuation of investments through profit and loss	10.10	2,369	1,744
Exchange rate effect	10.11	6	4
Net financial charges /(income)	10.11	37,567	51,738
Cash flow from operating activities before changes in net working capital		**515,190**	**340,850**
Changes in working capital			
Inventories	9.7	33,289	112,525
Trade and other receivables	9.4, 9.5, 9.6, 9.9, 9.10	94,066	(38,223)
Trade and other payables	9.15, 9.16, 9.17	(79,664)	100,004
Cash flow from changes in net working capital		**47,691**	**174,307**
Use of provisions for risks and charges	9.12	(20,177)	(27,342)
Use of provisions for employee benefits	9.13	(952)	(1,907)
Direct taxes paid		(39,163)	(90,545)
Net financial charges paid		(26,934)	(35,710)
Cash flow generated by operating activities (A)		**475,655**	**359,653**
of which discontinued operations	9.10	*(16,400)*	*(59,940)*
Cash flow from investing activities			
Tangible, intangible and financial assets (includes increase in positive initial margin and variation margin for futures trading)	9.1, 9.2	(229,287)	(179,357)
Net investments in companies (or business units) net of cash and cash equivalents acquired		0	0
Cash flow from disinvestment activities			
Tangible, intangible and financial assets (includes decrease in positive initial margin and variation margin for futures trading)	9.1, 9.2, 9.3, 9.5	16,252	90,191
Cash flow generated by investing activities (B)		**(213,035)**	**(89,166)**
of which discontinued operations		*0*	*14,609*
Cash flow from financing activities			
Change in net financial payables (includes changes in negative initial margin and variation margin for futures trading)	9.14	72,025	(436,316)
Payment of dividends		(34,398)	(32,458)
Cash flow generated by financing activities (C)		**37,627**	**(468,774)**
of which discontinued operations		0	0
Net cash flow for the year (A + B + C)		**300,247**	**(198,288)**
of which discontinued operations		(16,400)	(45,331)
Cash and cash equivalents at the beginning of the year		52,809	251,097
Cash and cash equivalents at the end of the year		353,056	52,809

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Unlike in 2023, the net cash flow for the year was positive in 2024. The main reasons are summarised below.

Cash flow generated by operating activities

The cash flow in mention is positive - as in 2023 - but clearly improving, due to the positive trend in Group profitability and the presence of some contingent factors, such as the lower amount of direct taxes paid.

Cash flow generated by investing activities

The cash flow under review shows a significant increase in cash absorption in 2024, essentially due to the following two causes:

- higher investments in financial fixed assets, related to the acquisition of the interest in Alperion Srl (for further information on this, please refer to subsection "2.2.3 Scope of consolidation and changes" of these Notes); and
- lower cash flow generated from the collection of financial assets, mainly related to the absence of the high collection of positive variation margins on futures that occurred in 2023.

Cash flow generated by financing activities

The cash flow in question shows a generation of cash in 2024 (the reasons behind the increase in the Group's financial liabilities considered as a whole are summarised in section "9.14 Borrowings from banks and other lenders (current and non-current)" of these Notes), against the significant cash absorption recorded in the previous year.

NOTES

1. General information

The Parent Company Alperia Spa (the "**Company**" or "**Alperia**") or "**Parent Company"** is a company incorporated under Italian law and domiciled and organised in Italy, with registered office in Bolzano, Via Dodiciville no. 8.

At 31 December 2024, the Company's share capital was broken down as follows:

Description	Number of shares	Nominal value	% of share capital
Autonomous Province of Bolzano	347,852,466	347,852	46.38%
Municipality of Bolzano	157,500,000	157,500	21.00%
Municipality of Merano	157,500,000	157,500	21.00%
Selfin Srl	87,147,534	87,148	11.62%
Total	**750,000,000**	**750,000**	**100.00%**

Alperia and its subsidiaries (the "**Alperia Group**" or the "**Group**") were engaged in six different operating segments in 2024, summarised below:

- Production (hydropower and photovoltaics);
- Sale (electricity, natural gas, heat and various services);
- Trading (electricity, natural gas and related certificates/securities of various kinds);
- Networks (electricity and natural gas distribution, limited to the latter as operator of networks owned by third parties);
- Heat and Services (cogeneration, district heating and biomass plants); and
- Smart Regions (Smart Land areas, photovoltaics and energy efficiency).

2. Summary of the accounting principles adopted

The accounting policies and principles applied in the preparation and drafting of the Group's Consolidated Financial Statements (the "Consolidated Financial Statements") are presented below. These accounting standards have been applied consistently in the periods presented in this document.

2.1 Basis of preparation

Regulation (EC) No 1606/2002 of 19 July 2002 introduced the obligation for companies with equity and/or debt securities listed in one of the regulated markets of the European Community to apply the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union ("EU IFRS" or "International Accounting Standards") in the preparation of their financial statements as of the 2005 financial year. Following the first issue - which took place in 2016 - of bonds admitted to listing at Euronext Dublin (formerly Irish Stock Exchange), Alperia Spa assumed the status of a Public Interest Entity ("PIE") and is therefore required to prepare its annual and consolidated financial statements in accordance with the EU IFRS.

These Consolidated Financial Statements have been prepared in accordance with the international accounting standards and on a going concern basis.

The EU IFRS are all the "International Financial Reporting Standards", all the "International Accounting Standards" (IAS), all the interpretations of the "International Reporting Interpretations Committee" (IFRIC), previously referred to as "Standing Interpretations Committee" (SIC) which, on the date of approval of the Consolidated Financial Statements, have been approved by the European Union in accordance with the procedure laid down in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

These Consolidated Financial Statements have been drawn up on the basis of the best knowledge of international accounting standards and in the light of the best academic writings on this matter; any future guidelines and updated interpretations will be reflected in subsequent years, in the manner as set out in the relevant accounting standards.

These Consolidated Financial Statements were approved by the Company's Management Board on 31 March 2025 and will be submitted to the Supervisory Board of Alperia Spa for approval on 28 April 2025.

2.2 Statements

With regard to the form and content of the consolidated financial statements, the Group has made the following choices:

i) the statement of financial position separately shows current and non-current assets and, likewise, represents current and non-current liabilities;

ii) the consolidated income statement shows a classification of costs and revenues by nature;

iii) the consolidated statement of comprehensive income includes, in addition to the result for the period, the changes in equity related to income or cost items, which, by explicit provision of the International Accounting Standards, are recognised in equity; this statement is called Other Comprehensive Income or OCI;

iv) the consolidated cash flow statement is presented according to the indirect method;

v) the statement of changes in consolidated equity and in equity attributable to owners of the parent.

The formats used, as specified above, are those that best represent the Group's financial position and operating performance.

These Consolidated Financial Statements have been drawn up in Euro, which is the functional currency of the Group. The amounts shown in the financial statements and in the detail tables included in the Notes are in thousands of Euro, unless otherwise stated.

The Consolidated Financial Statements are audited by the auditing firm PricewaterhouseCoopers Spa, which is the independent auditor of the Company and of the Group.

2.2.1 Method for presenting financial information

These Consolidated Financial Statements do not allow for a full comparison of the statement of financial position and income statement balances as at 31 December 2024 with those of the previous year due to changes to the Group's scope of consolidation, illustrated in sub-section "2.2.3 Scope of consolidation and changes" and in section 4.2 "Changes in estimates" of these Notes.

To improve the comparability of the information contained in these Consolidated Financial Statements, certain balances relating to the statement of financial position at 31 December 2023 have been reclassified; these changes are summarised in the paragraph below.

2.2.2 Reclassifications

The information required by paragraph 41 of IAS 1 in respect of reclassifications made during the year in respect of the balance sheet is set out below.

The fair value of commodity derivative financial instruments maturing beyond 12 months was reclassified under "Other non-current receivables and financial assets" and under "Non-current borrowings from banks and other lenders".
The effects of the restatement on the statement of financial position balances at 31 December 2023 are shown in table form below:

(in thousands of Euros)	2023	2023 restated	Difference
Other non-current receivables and financial assets	32,357	46,518	14,161
Other current receivables and financial assets	198,649	184,488	(14,161)
Non-current borrowings from banks and other lenders	916,465	921,414	4,949
Current borrowings from banks and other lenders	199,264	194,315	(4,949)

2.2.3 Scope of consolidation and changes

The Consolidated Financial Statements include the statement of financial position and income statement of the Parent Company Alperia Spa for the year 2024 and its subsidiaries. These financial statements have been appropriately adjusted, where necessary, to align them to the Parent Company's accounting principles.

The corporate structure of the Alperia Group as at 31 December 2024 is shown in **Annex A** to this document.

As also illustrated in the Report on Operations, the following transactions involving the scope of consolidation took place in 2024:

- merger by incorporation of Solar Total Italia Srl into Alperia Green Future Srl, which took effect on 1 January 2024;
- sale, on 23 January 2024, of the investment held by Hydrodata Spa in Alpen 2.0 Srl, which, in turn, held an interest in Balma Srl - also consequently removed from the scope of consolidation;
- sale, by deed signed on 20 February 2024, of the interest held by Alperia Spa in Medgas Italia Srl;
- sale, by deed dated 30 April 2024, of the company Biopower Ottana Srl (formerly Biopower Sardegna Srl) by Alperia Spa;
- subscription, on 28 May 2024, of a capital increase in the company Care4U Srl through the waiver of quota-holder loan receivables, which brought Alperia Green Future Srl, which was previously a 24.7% quota-holder, to hold 81.18% of the company shares. For the sake of simplification, for the purpose of preparing these Consolidated Financial Statements, the entire carrying value of

the equity investment in question - previously valued using the equity method - existing at the end of 2023, amounting to Euro 169 thousand, was adjusted, consolidating it on a line-by-line basis as of 30 June 2024;

- purchase, on 6 August 2024, from Eicom Srl of a business unit comprising 23,000 customers (60% of which are located in the Piedmont region), 17 employees and over a hundred business partners, aimed at strengthening the Alperia Group's strategic positioning in the Italian energy market and, in particular, in Northern Italy. As a result of the related Purchase Price Allocation, Goodwill of Euro 3,366 thousand, Intangible assets of Euro 3,372 thousand, and liabilities - mainly related to the Provision for post-employment benefits - of Euro 436 thousand were recognised in these Consolidated Financial Statements; and
- purchase, finalised on 12 November 2024, of 50% of an equal joint venture - which took the name Alperion Srl - engaged, also through the three investee companies Enermac Srl, Bioenergia Srl and Generai Srl, in the development and management of a portfolio of wind farms located in Puglia. Part of the consideration paid by the Group for the acquisition of the share capital of Alperion Srl is deferred (Euro 13,388 thousand). It should be noted that the Group also holds a put option on the entire interest in the transaction. The Purchase Price Allocation related to the transaction will be completed during the financial year 2025.

The complete list of companies included in the scope of consolidation as at 31 December 2024 with information on the consolidation method used to prepare the Consolidated Financial Statements is set out in **Annex B** to this document.

Annex C instead has information on significant joint ventures and associates measured with the equity method, which are required by paragraphs B12 and following of IFRS 12 (the data are inferred from the financial statements of investees at 31 December 2024).

3. Principles of consolidation and measurement criteria

The criteria used by the Group to define the scope of consolidation and the related consolidation principles are illustrated below.

3.1 Subsidiaries

Subsidiaries are those companies over which the Group has control. The Group controls a company when it is exposed to the variability of that company's profits and can influence such profits through its power over the company. Usually, control is presumed when the Company holds, directly or indirectly, more than half of the voting rights, taking also into account the potentially exercisable or convertible voting rights.

All subsidiaries are consolidated using the line-by-line method as of the date on which control was transferred to the Group. They are excluded from consolidation as of the date on which such control ceases.

Business combinations are accounted for using the acquisition method. According to this method:

i) The consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquired company. Transaction charges are recognised in the income statement when they are incurred;

ii) At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at fair value at the acquisition date; as an exception, deferred tax assets and liabilities, assets and liabilities for employee benefits, liabilities or equity instruments related to share-based payments of the acquiree or share-based payments of the group issued in lieu of contracts of the acquired company, and assets (or groups of assets and liabilities) held for sale are instead valued according to their reference standard;

iii) Goodwill is determined as the excess of the sum of the consideration transferred to the business combination, the value of equity attributable to non-controlling interests and the fair value of any investment previously held in the acquired company over the fair value of the net assets acquired and liabilities assumed at the acquisition date. If the value of the net assets acquired and the liabilities assumed at the acquisition date exceeds the sum of the consideration transferred, the value of the equity attributable to non-controlling interests and the fair value of any previously equity interests held in the acquired entity, that surplus is immediately recognised in the income statement as income from the completed transaction;

iv) Any conditional consideration provided under the terms of the business combination is measured at fair value on the acquisition date and included in the value of the consideration transferred to the business combination in order to determine goodwill;

In business combinations achieved in stages, the previously held equity interest in the acquiree is revalued at fair value at the date of acquisition of control and the resulting profit or loss is recognised in the income statement; and

If the initial values of a business combination are provisional as at the reporting date of the period in which the business combination has occurred, the Group shall report the provisional amounts of the items for which the final accounting cannot be determined. These provisional amounts are adjusted during the measurement period to take account of new information obtained on facts and circumstances that existed at the acquisition date which, if known, would have had an impact on the value of the assets and liabilities recognised at that date.

3.2 Joint arrangements

Joint arrangements are accounted for in accordance with IFRS 11. In accordance with the provisions of IFRS 11, a joint arrangement can be classified as a joint operation or joint venture on the basis of a substantial analysis of the rights and obligations of the parties. Joint ventures are joint arrangements in which the joint venture partners hold, inter alia, rights to the net assets of the arrangement. Joint operations are joint arrangements whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint ventures are accounted for using the equity method, whereas equity investments in a joint operation involve the recognition of assets / liabilities and costs / revenues related to the arrangement on the basis of contractual rights/obligations regardless of the interest held.

3.3 Measurement criteria

3.3.1 Concessions, Goodwill and Other Intangible Assets

Concessions and other intangible assets consist of non-monetary, identifiable and non-physical elements that are controllable and capable of generating future economic benefits, as well as goodwill when acquired for valuable consideration.

Concessions and other intangible assets are recognised at purchase and/or production cost, including directly attributable expenses incurred to prepare the asset for use, net of accumulated amortisation and any impairment losses.

In the Consolidated Financial Statements, concessions were mainly recognised in relation to business combinations in the fair value measurement of transferred assets, in accordance with the requirements of International Accounting Standard IAS 38. The value is amortised according to the useful life of the asset. At year-end, or more frequently, the value of the asset is tested for impairment on a prudential basis.

This test is performed by comparing the carrying amount of the asset or group of assets making up the cash-generating unit (CGU) with the recoverable amount of the asset, which is the higher of the fair value (net of any selling costs) and the value of the discounted net cash flows that are expected to be generated by the asset or group of assets making up the CGU (value of use), which have been identified in each individual power plant under concession.

For the impairment test, the cash flows for the term of the concession have been used, as extrapolated from the Group Business Plan, and the expected residual value of the works and assets constructed during the concession period, which the Group expects to obtain at the end of the concession.

The discount rate used to discount the cash flows (WACC), which reflects the market valuation of the cost of money and the specific business risks net of taxes, is 7.9% for the hydroelectric sector, which is the Group’s main market.

The goodwill on business combinations is initially recognised at cost at the acquisition date. Goodwill is not amortised but is tested for impairment annually or more frequently if specific events or changed circumstances suggest the asset may have suffered an impairment. After initial recognition, goodwill is recognised at cost net of any accumulated impairment losses.
Highlights of goodwill impairment tests are reported in section "9.1 Concessions, goodwill and other intangible assets" of these Notes.

With particular reference to “Software as a service” and applications managed through solutions that envisage the use of “Infrastructure as a service”, the Group takes steps to:

- capitalise the costs of licences together with the internal and external costs incurred for their configuration and customisation, if they meet the requirements of IAS 38; and
- charges, on an accrual basis, the periodic costs associated with the “Software as a service” and “Infrastructure as a service” services to the income statement, using the prepaid expenses method.

Amortisation of the intangible assets begins when the asset is available for use, and is systematically allocated in relation to the residual possibility of use, i.e. on the basis of the asset estimated useful life.

The useful life of concessions and other intangible assets has been estimated by the Group as follows:

Type of asset	**Years**
Concessions	Term of the concession
Industrial patents and software	5
Contract costs (commissions to agents and contract acquisition fees)	3 - 4

3.3.2 Tangible assets

Tangible assets are measured at purchase or production cost, net of accumulated depreciation and any impairment losses. The cost includes the expenses directly incurred to make the asset ready for use, as well as any dismantling and removal charges that will be incurred as a result of contractual obligations that require the asset to be returned in its original conditions.

Financial charges directly attributable to the acquisition, construction or production of an asset to be capitalised pursuant to IAS 23, are capitalised on the asset as part of its cost.

The costs incurred for ordinary and/or cyclical maintenance and repairs are directly charged to the income statement when incurred. The capitalisation of costs associated with the expansion, modernisation or improvement of structural elements owned by the entity or of third parties is carried out to the extent they meet the requirements for being separately classified as an asset or part of an asset.

Improvements on third party assets include the costs incurred for fitting and upgrading property held other than based on ownership.

Depreciation is charged on a straight-line basis using rates that enable the asset to be depreciated according to its useful life.
The useful life of each category of tangible assets has been estimated by the Group as follows:

Type of asset	Years
Commercial and industrial equipment	6.7 - 20
Office furniture	8.3 - 16.7
Buildings used in operations	25 - 66.7
Electronic machines	5 - 10
Distribution network	35
Gas meters	15 - 20
District heating building	25 - 28.6
District heating system	4 - 20
District heating substations	12.5 - 14.3
Heat transmission network	30
Measurement and control devices	15 - 20
Hydroelectric production plants	40

3.3.3 Tangible assets used for large and medium-sized hydroelectric diversion concessions

During 2023, Provincial Law no. 20 of 16 August 2023 was published – promulgated by the President of the Autonomous Province of Bolzano – containing "Regulations on the assignment of concessions for large-scale water diversions for hydroelectric purposes".

In particular, Article 47 of the aforementioned Provincial Law - as amended by Provincial Council Resolution No. 259/2024 - introduced a specific regulation dedicated to the enhancement of assets used for large-scale concessions upon their expiry.

Under the new law, for the purposes of determining the compensation for investments made during the concession by the outgoing concession-holder for so-called "Wet Works" and the price of the so-called "Dry Works" transferred respectively to the granting body and to the incoming concession-holder, reference should be made to the "Value not yet depreciated, determined on the basis of the data available from the accounting documents or by means of a sworn appraisal".

The Group, also on the basis of in-depth studies carried out together with its legal advisors, reached the conclusion that, at present, the value in use at the end of the concession may constitute – even considering the inevitable uncertainty linked to the complexity of the matter – a reasonable parameter for determining the indemnities/consideration that will actually be paid in relation to investments and assets falling within the scope of the new regulatory provisions and, therefore, also of the related presumed residual value and the remaining useful life (to be understood as the period in which the assets are expected to be useful, in economic terms, to the Group), as defined by IAS 16.

The Group – having completed in 2023 the process of estimating the value in use at the end of the concession of the assets (both investments in Wet and Dry Works) used for its large-scale diversion concessions due to expire, pending the reassignment procedures to be completed within the deadlines set by paragraph 6 of Article 13 of the Statute of Autonomy of the Trentino-Alto Adige Region – consequently proceeded to compare the results of the aforementioned assessments with the corresponding residual net book values recognised in the financial statements. A generalised situation emerged from this activity, showing the above-mentioned concessions with financial statement values significantly lower than the presumed residual values, quantified in the manner described above.

Under the framework described in this regard, the Group decided – in compliance with IAS 16 – to suspend, with effect from 1 January 2023, the depreciation process of assets (both investments in Wet and Dry Works) used for the large-scale diversion concessions due to expire pending the reassignment procedures to be completed within the deadlines set by paragraph 6 of Article 13 of the Statute of Autonomy of the Trentino-Alto Adige Region.

From 2023, new investments, both for the so-called "Wet Works" pending concessions, and for the so-called "Dry Works" – used for large and medium-sized concessions are depreciated for the difference between the relative historical cost and the estimated residual value at the end of the concession, where the same is reasonably quantifiable, with the aim of reaching, at the end of the concession, a net book value equal to that of the presumed realisation.

So-called original "Wet Works" that have not been the subject of investments – not being the subject of compensation at the end of the concession – are, where specifically identifiable, fully depreciated using the financial method, i.e. for the period of time within which it is considered to benefit from the related economic benefits, that coincides with the duration of the concession for large-scale water diversion for hydroelectric purposes.

In the future, the Group will continue to monitor changes in the regulatory framework, as well as any additional useful information that can be inferred from the results of the procedures for the reassignment of hydroelectric concessions at national level and will consider possible new and different approaches that may be taken in this regard that come to light, making it appropriate to revise the estimate of depreciation.

3.3.4 Leased assets (IFRS 16)

The rules introduced by IFRS 16 were applied on a forward-looking basis during First Time Adoption, starting from 1 January 2019, adopting some simplifications allowed by the standard, whereby contracts with a duration of less than twelve months and some low-value contracts were excluded from measurement.

The Standard defines "Leases" as contracts under which, for a fee, the lessee has the right to control the use of a specific asset for a specified period of time. The application of the standard to contracts identified as such results in the recognition of an asset, representing the right of use. This asset is depreciated over the shorter of the asset's economic/technical life and the remaining life of the contracts. The corresponding liability, recognised under financial liabilities, is equal to the present value of the minimum future obligatory payments to be made by the lessor and decreases as these payments are made. It should also be noted that, at the time of initial recognition of the contracts, the right of use and the liability are measured by discounting future lease payments, throughout the duration of the contracts, taking into account the possibility of renewal or early termination, only in cases where the exercise of these options is reasonably certain. For discounting purposes, the explicit rate specified in the contract is generally used, where available. In its absence, the rate on the most recent bond debt is used.

3.3.5 Impairment of non-financial assets

At each reporting date, non-financial assets are analysed to assess whether there is any indication of impairment. When events occur that indicate a likely impairment of non-financial assets, the recoverability of those assets is verified by comparing the carrying amount with the recoverable amount which is the higher of fair value, net of selling costs, and the value in use. The value in use is determined by discounting the expected cash flows arising from use of the asset and, if significant and reasonably determinable, as of its disposal until the end of its useful life, net of disposal costs. Expected cash flows are determined on the basis of reasonable and demonstrable assumptions representative of the best estimate of future economic conditions that will occur during the residual useful life of the asset, giving greater importance to external indications. The expected future cash flows used to determine the value in use are based on the most recent Business Plan approved by Management and containing revenue, operating cost and capital expenditure projections. For assets that do not generate highly independent cash flows, the recoverable amount is determined in relation to the cash-generating unit of which they are part (that is, the smallest identifiable set of assets that generates autonomous revenue streams arising from continued use). Discounting is carried out at a rate that reflects current market valuations of the time value of money and the specific business risks that are not reflected in cash flow estimates. More specifically, the discount rate used is the Weighted Average Cost of Capital (WACC). The value in use is determined net of the tax effect as this method produces substantially equivalent amounts to those obtainable by discounting the cash flows before tax at a pre-tax discount rate obtained, iteratively, from the result of the after-tax evaluation. The evaluation is carried out for each asset or cash generating unit. When the reasons for the write-downs no longer apply, the asset value is reversed and the adjustment is recognised in the income statement as value reversal. The value is reinstated at the lower of the recoverable amount and the carrying amount before the write-downs previously made, less the depreciation charges that would have been recognised if the write-down had not been made.

3.3.6 Trade receivables and other current and non-current receivables

Trade receivables and other current and non-current receivables are non-derivative financial instruments, mainly related to receivables from customers, not listed in an active market, from which fixed or determinable payments are expected. Trade receivables and other receivables are recognised as current assets, except for those with a contractual maturity of more than twelve months from the reporting date, which are recognised as non-current assets.
These financial assets are recognised as assets when the Company becomes a party to the related contracts and are derecognised when the right to receive cash flows is transferred together with all the risks and rewards associated with the transferred asset.
Trade receivables and other current and non-current receivables are initially recognised at their fair value and subsequently at amortised cost, using the effective interest rate, reduced for impairment.
Impairment losses on receivables are determined as explained in the next section "Financial assets" of these Notes. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the expected future cash flows.
Receivables are stated in the financial statements net of the bad debts provision.

Current and non-current trade and other receivables are derecognised when the right to receive cash flows is extinguished and substantially all the risks and rewards of ownership of the asset are transferred ("derecognition") or if the item is deemed to be definitively irrecoverable after all necessary recovery procedures have been completed.

3.3.7 Financial assets

Financial assets are initially recognised at fair value; they are subsequently classified under the following three categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value recognised in other comprehensive income; and
- financial assets measured at fair value through profit or loss.

The classification within the three categories is based on the Group's business model and in relation to the characteristics of the cash flows generated by the assets themselves. In particular, a financial asset is measured:

- at amortised cost, if the Group's business model holds the asset to collect the relative cash flows and not to realise profit even from the sale and the characteristics of the asset's cash flows only correspond to the payment of principal and interest;
- at fair value with a balancing entry in the other components of the comprehensive income statement if it is held with the aim of both collecting contractual cash flows and being disposed of; and
- at fair value, with changes in value recognised in profit or loss, if the financial asset is held for trading and does not come under the previous two categories.

In the case of changes at a business model level, the Group reclassifies the financial assets under different categories, applying the effects of the reclassifications on a forward-looking basis.

The recoverability of financial assets not measured at fair value with effects in profit or loss is measured taking account of expected losses, where "Loss" means the present value of all future cash failures, suitably integrated to take account of future expectations. *"Forward looking information"*). The estimate, initially made on the expected losses in the following twelve months, in consideration of any progressive deterioration of the receivable, must be adjusted to cover the expected losses over its entire life.

Financial assets are derecognised from the balance sheet when the right to receive the related cash flows is extinguished and all risks and rewards of ownership are substantially transferred ("derecognition") or if the item is deemed to be definitively irrecoverable after all necessary recovery procedures have been completed.

3.3.8 Tax receivables for tax benefits received from customers

Fee for services rendered by Group entities operating in the subsidised building and energy efficiency sector may consist, in part or in full, of the allocation to such entities – through the sale or discounts in invoices – of tax receivables for future tax deductions, by customers, who are the original beneficiaries.

From 2021 onwards, revenues corresponding to payments settled in this way (and consequently the corresponding tax receivables) are recognised directly at their inferred market value, which is lower than the nominal value of the tax benefits. In the case of items that the Group does not expect to dispose of within twelve months after the reporting date, the amortised cost method is also applied.

In the event that the contracts referring to disposal transactions contain clauses that, in light of the provisions of International Financial Reporting Standard IFRS 9, do not meet the criteria for derecognition of the underlying items in the Consolidated Financial Statements, they are retained in the balance sheet assets, offset against a financial liability equal to the disposal price and measured - both - using the amortised cost method.

The adjustment to the value that may be inferred from the market of the carrying amount of items arising prior to 2023 was instead recognised under financial items of the consolidated income statement.

3.3.9 Inventories

Inventories of raw materials, semi-finished goods and finished products are measured at the lower of weighted average cost and market value at the date of the closing of the accounts. The weighted average cost is determined for the reference period for each inventory code. The weighted average cost includes the direct costs of materials and labour and the indirect costs (variable and fixed). Inventories are constantly monitored and, if necessary, obsolete inventories are written-down with contra-entry to the Income Statement.

If the conditions set out in paragraph 35 of IFRS 15 are met, contract work in progress is measured using the cost to cost method (input method). If it is probable that the estimated total costs of an individual contract exceed the estimated total revenues, the contract is measured at cost (so as to eliminate any profit margin recognised in prior periods) and the probable loss on completion of the contract is recognised as a decrease in contract work in progress. If that loss exceeds the value of the work in progress, the contractor shall recognise a provision for risks and charges equal to the excess. A probable loss is recognised in the period in which it is expected based on an objective and reasonable assessment of existing circumstances. The loss is recognised regardless of the contract's progress. The loss on one contract is not offset by expected positive margins on other contracts. For the purpose of loss recognition, orders are therefore considered individually.

Inventories of contract work in progress that will be settled by allocating to the Group tax receivables for future tax deductions from customers (see, in this respect, sub-section on "3.3.8 Tax receivables for tax benefits received from customers", in these Notes) are adjusted through a provision aimed at aligning their carrying amount to the realisable value, inferable from the market, of the corresponding tax receivables.

3.3.10 Financial derivatives

All derivative financial instruments (including any embedded derivatives subject to separation) are measured at fair value.
Derivative financial instruments may be recognised according to procedures established for hedge accounting only when:

- the hedging relationship is documented and the hedge has been designated since its inception;
- the hedge is expected to be highly effective;
- the effectiveness can be reliably measured; and
- the hedge is highly effective during the various accounting periods for which it is designated.

When derivative instruments meet the requirements to be accounted for under hedge accounting, the following accounting treatment applies:

i) Fair value hedge – if a derivative financial instrument is designated to hedge the exposure to changes in the fair value of a recognised asset or liability, the change in the fair value of the hedging derivative is recognised in the income statement, consistently with the fair value measurement of the hedged assets and liabilities; and
ii) Cash flow hedge – if a derivative financial instrument is designated to hedge the exposure to the cash flow variability of an asset or liability or a highly probable transaction that could have an effect on the income statement, the effective portion of the gain or loss on the financial instrument is recognised in equity; the cumulative gain or loss is reversed from equity and recognised in profit or loss in the same period and in the same financial statement item in which the hedged transaction is recognised; the gain or loss associated with a hedge, or that part of the hedge that has become ineffective, is recognised in profit or loss when the ineffectiveness is detected.

If the conditions for hedge accounting are not met, changes in the fair value of derivative financial instruments relating to interest and/or exchange rates are recognised in the income statement under "Financial income" and "Financial charges"; the same items also include effects related to relative closing.
As regards the accounting treatment of financial derivatives on commodities, please refer to the following section of these Notes for further details.

3.3.11 Financial derivatives on commodities

The Group analyses each forward transaction for the purchase and sale of electricity or natural gas, in order to identify those transactions, which come under IFRS 9 and may be considered as financial derivatives, or which instead are excluded.

The financial derivatives in question are recognised at fair value.

The changes in fair value are recognised, based on the characteristics of the derivative and its designation:

- in the consolidated income statements, if relative to instruments not designated as hedging in the accounts. In particular, all changes are classified under "Net income/(expenses) from commodity derivatives"; and
- directly to a positive or negative reserve of equity, if, following specific effectiveness tests, the instrument covers the risk of changes in expected cash flows of an asset, a liability or a planned transaction that is highly likely which exposes the company to the risk of changes in future cash flows and is designated as hedging. This reserve is recognised in the consolidated income statement to the extent and in the times corresponding to the occurrence of the hedging transaction in the same item, affected by the transaction in question.

The effects related to the closure during the year of contracts not qualified for hedge accounting are recognised in the consolidated income statement under "Net income/(expenses) from commodity derivatives".

3.3.12 Determination of the fair value of financial instruments

The fair value of financial instruments listed in an active market is based on market prices at the reporting date. The fair value of financial instruments not quoted in an active market is determined using valuation techniques that are based on methods and assumptions related to market conditions at the reporting date.

3.3.13 Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts, demand deposits and other short-term and highly liquid financial investments that are readily convertible into cash, or that can be converted into cash within 90 days of the original acquisition date and are exposed to a non-significant risk of a change in value.

3.3.14 Financial liabilities, trade payables and other payables

Financial liabilities (excluding derivative financial instruments), trade payables and other payables are initially recognised at fair value, net of direct ancillary costs and subsequently measured at amortised cost, applying the effective interest rate criterion. If there is a significant change in the expected cash flows, the liability value is recalculated to reflect this change on the basis of the present value of the expected new cash flows and the initial rate of return.
Financial liabilities are recognised as current liabilities unless the Group has an unconditional right to defer their payment for at least 12 months after the reference date.
Financial liabilities are derecognised when they are discharged and when the Group has transferred all the risks and charges related to the instrument.

3.3.15 Provisions for risks and charges

Provisions for risks and charges are recognised with respect to losses or charges of a definite nature, which are certain or probable, whose amount and/or date of occurrence cannot however be determined. Provisions are recognised only when there is a current (legal or implied) obligation for a future outlay as a result of past events and it is likely that such outlay is required to fulfil the obligation. This amount represents the best estimate of the cost for discharging the obligation. The rate used in determining the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.
When the financial effect of time is significant and the payment dates of the obligations are reliably estimated, the provisions are measured at the present value of the expected outlay using a rate that reflects market conditions, the change in the cost of money over time and the specific risk associated with the obligation. The increase in the value of the provision determined by changes in the cost of money over time is accounted for as a financial expense.

Those risks for which the occurrence of a liability is only possible are indicated in the relevant information section on contingent liabilities and no provision is made for them.

3.3.16 Personnel provisions – Employee benefits

Personnel provisions include the following defined benefit plans:

- employee severance indemnities accrued prior to 31 December 2007, as governed by Article 2120 of the Italian Civil Code;
- additional four or five monthly payments, under the applicable National Collective Labour Agreement, for employees or former employees at the time they leave the company; and
- company loyalty award, to be paid to employees who have been in service for more than 20 years.

With reference to defined benefit plans, the net liabilities of the Group are determined separately for each plan, estimating the present value of future benefits that employees have accrued in the current and previous financial years and deducting the fair value of any assets of the plan. The present value of the obligations is based on actuarial techniques that attribute the benefit deriving from the plan to the periods in which the payment obligation arises (Credit Unit Projection Method) and is based on actuarial assumptions that are objective and mutually compatible. Plan assets are recognised and measured at fair value.

If the calculation results in a potential asset, the amount to be recognised is limited to the present value of any economic benefit available in the form of future redemptions or reductions of future contributions to the plan (asset limit).

The cost components of defined benefits are recognised as follows:

- service costs are recognised in the income statement under “personnel costs” while
- net financial charges on the defined benefit asset or liability are recognised in the income statement as “financial income / (charges)” and are determined by multiplying the net liability / (asset) value by the rate used to discount the obligations, taking into account the payments of contributions and the benefits received during the period; and
- the remeasurement components of net liabilities, which include actual gain and losses, the return on assets (excluding interest income recognised in profit or loss) and any change in the limit of the assets, are immediately recognised as Other total profits (losses). These components must not be reclassified to the income statement in a subsequent period.

3.3.17 Public grants

Public grants are recognised at their fair value when there is reasonable assurance that all the conditions necessary for their obtainment will be met and that they will be received.

Grants received for specific expenses are recognised as liabilities and credited to the income statement using a systematic criterion in the years in which they can be matched to the related expenses.

Grants received for capital expenditures are recognised as a decrease in the tangible assets to which they relate and are then recognised in the income statement as a reduction to the amortisation/depreciation charge.

3.3.18 Conversion of items expressed in foreign currencies

Transactions denominated in foreign currencies are converted into euros using the exchange rate on the date of the transaction. At the closing date of the financial year, monetary assets and liabilities are converted at the exchange rate at the end of the period. The resulting exchange rate differences are recognised in the income statement.

3.3.19 Assets classified as held for sale and Liabilities included in disposal groups classified as held for sale

Non-current assets and current and non-current assets of disposal groups are classified as held for sale if the related carrying amount will be recovered principally through a sale. This condition is considered to be met when the sale is highly probable and the disposal group or asset is available for immediate sale under its current conditions. Non-current assets held for sale, current and non-current assets of disposal groups and the directly associated liabilities are recognised in the statement of financial position separately from other assets and liabilities.

Non-current assets held for sale are not depreciated and are measured at the lower of their carrying amount and the related fair value, net of selling costs.

Any difference between the carrying amount and the fair value less selling costs is recognised in the income statement as a write-down; any subsequent write-backs are recognised up to the amount of the previously recognised write-downs, including those recognised prior to the designation of the asset as held for sale.

Non-current assets and current and non-current assets of disposal groups classified as held for sale constitute a Discontinued operation if, alternatively:

- they constitute a significant autonomous business division or a significant geographical area of activity; or

- they are part of a divestment program of a significant autonomous business division or a significant geographical area of activity; or
- they are a subsidiary exclusively acquired for the purpose of being sold.

The results of Discontinued operations, as well as any gains/losses on disposal, are shown separately in the income statement in a separate item, net of the related tax effects; the income statement values of Discontinued operations are also shown for comparative years.
If there is a plan to sell a subsidiary which results in loss of control, all assets and liabilities of that subsidiary are classified as held for sale.
In the absence of specific guidance in IFRS 5 and IFRS 10 regarding the need to eliminate or otherwise intragroup transactions with companies subject to discontinuing and, in the first case, with regard to the method of carrying out such eliminations, the Alperia Group consistently adopts the following accounting policy:

- regular intra-group eliminations of assets and liabilities and profit and loss; and
- reconciliation of the residual balances following the eliminations referred to in the previous point to the balance sheet items "Assets held for sale and Discontinued operations", "Liabilities held for sale and Discontinued operations" and "Net profit/(loss) from discontinuing operations".

3.3.20 Recognition of revenues

Revenues from the sales of goods are recognised in the income statement at the time the risks and benefits of the transferred product are transferred to the customer, which normally coincides with the delivery or shipment of the goods to the customer; revenues from services are recognised in the accounting period in which the services are rendered. Revenues from the sale of commodities are adjusted by the effects of contracts designated as hedging in the accounts.

Revenues are recognised at fair value of the consideration received. The Group recognises revenues when their amount can be reliably estimated and their future economic benefits are likely to be recognised.

Depending on the type of transaction, revenue is recognised on the basis of the following specific criteria:

i. revenues from the sale and distribution of electricity, thermal energy, gas, heat and steam are recognised upon transfer of ownership, which essentially occurs at the time of delivery or service, although not invoiced, and are determined by completing with appropriate estimates those obtained based on metered use;

ii. revenues from the sale of certificates are recognised at the time of sale;

iii. revenues from services are recognised when provided or according to contractual clauses;

iv. dividends of companies not included in the scope of consolidation are recognised when the Group has the right to collect them, which normally occurs in the year in which the shareholders' meeting of the investee company that approves the distribution of profits or reserves is held; and

v. revenues for connection fees – starting from 2018, the year of the first-time adoption of IFRS 15 – are deferred based on the useful life of the reference assets.

3.3.21 Recognition of costs

Costs are recognised at the time of purchase of the good or service. Costs from the purchase of commodities are adjusted by the effects of contracts designated as hedging in the accounts.

3.3.22 Financial income and expenses

Financial income and expenses are recognised on an accrual basis. Value adjustments referred to derivative financial instruments, which are not designated as hedging in the accounts are recognised as described in sub-sections "3.3.10 Derivative financial instruments" and "3.3.11 Derivative financial instruments on commodities".

3.3.23 Taxes

Current taxes are calculated on the basis of taxable income for the year, by applying the tax rates applicable at the reporting date.

Deferred tax assets and liabilities are calculated on the basis of all the differences that arise between the tax value of an asset or liability and the related carrying amount. Deferred tax assets, including those relating to losses carried forward, for the portion not offset by deferred tax liabilities, are recognised to the extent that it is probable that future taxable income will be available through which they can be recovered. Deferred tax assets and liabilities are determined using the tax rates that are expected to apply in the years in which the differences will be recovered or paid, on the basis of the tax rates in force or substantially in force at the reporting date.

Current and deferred taxes are recognised in the income statement, except for those relating to items directly debited or credited to equity, in which case the related tax effect is also directly recognised in equity. Taxes are offset when they are levied by the same tax authority and there is a legal right to offset.

3.3.24 Segment information

Segment information was prepared in accordance with the provisions of IFRS 8 "Operating Segments", which require information to be presented in accordance with the methods adopted by Management when making operating decisions. Therefore, the identification of the operating segments and the information presented are defined on the basis of the internal reporting used by Management to allocate resources to the different segments and to analyse their performance.

IFRS 8 defines an operating segment as a component of an entity that: i) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); ii) whose operating results are audited regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; iii) for which discrete financial information is available.
Management has identified the following operating segments encompassing all the services and products supplied to customers in 2024:

- Production (hydropower and photovoltaics);
- Sale (electricity, natural gas, heat and various services);
- Trading (electricity, natural gas and related certificates/securities of various kinds);
- Networks (electricity and natural gas distribution, limited to the latter as operator of networks owned by third parties);
- Heat and Services (cogeneration, district heating and biomass plants); and
- Smart Regions (Smart Land areas, photovoltaics and energy efficiency).

4. Estimates, judgements and changes in estimates

4.1 Estimates and judgements

The preparation of financial statements requires Management to apply accounting principles and methodologies that, under certain circumstances, are grounded on assessments, estimates and judgements based on historical experience and on assumptions that are from time to time considered reasonable and realistic depending on the relevant circumstances. The application of such estimates and judgements affects the amounts reported in the financial statements and the information provided. The final results of financial statement items for which the above estimates and judgements have been used may differ from those reported in the financial statements that reflect the effects of the estimated event, due to the uncertainty characterising assumptions and the conditions on which estimates and judgements are based.

The matters that, in relation to the Group, require the greatest degree of subjectivity from Management in preparing the estimates, and for which a change in the underlying assumptions could have a significant impact on the Group's financial results are briefly listed below:

- revenues from electricity and natural gas sales contracts*:* These are recognised when the commodities are supplied and include, in addition to income for the year invoiced on the basis of energy consumption quantified through periodic readings, an estimate of electricity and natural gas supplied during the year but not yet invoiced;
- impairment test of non-financial assets: the carrying amount of intangible and tangible assets, and especially of the concessions acquired through business combinations, is subject to periodic assessment and whenever the circumstances or events require more frequent verification. Goodwill is instead tested for impairment at the end of each reporting period. If it is considered that the carrying amount of a non-current asset group has been impaired, the group is depreciated to its recoverable amount, estimated by reference to its use (intended as the ability to generate income, e.g. from equity investments) or its future sale, in relation to the provisions of the most recent business plans. The estimates of such recoverable amounts are believed to be reasonable, but any variation in the estimate factors underlying the calculation of the recoverable values could result in different valuations. The main assumptions used to estimate the recoverable amount are illustrated in section "3.3 Measurement criteria" of these Notes;
- residual value of assets underlying hydropower concessions: the estimated residual value of the assets in question (for the purposes of determining related depreciation and for preparing impairment tests) presents an inevitable uncertainty due to the elements of uncertainty regarding the regulatory framework, which is constantly evolving, and the technical and financial

assumptions used for the purposes of this quantification. For further information in this regard, please refer to sub-section "3.3.2 Tangible assets used for large and medium-sized hydroelectric diversion concessions" of these Notes;

- bad debts provision: the bad debt provisions reflects the best estimate of Management regarding the losses of the portfolio of customer receivables. This estimate, in line with IFRS 9, is based on the Alperia Group's expected losses, determined on the basis of past experience of similar receivables, current and historic past-due receivables, careful monitoring of credit quality and projections of economic and market conditions;
- deferred tax assets: deferred tax assets are accounted for on the basis of the expected taxable income in future periods necessary for their recovery. The assessment of the expected taxable income for the purposes of deferred tax asset recognition depends on elements that may vary over time and that may have significant effects on the recoverability of deferred tax assets;
- provisions for risks and charges: in relation to legal risks, provisions are recognised that represent the risk associated with an adverse outcome. The value of the provisions recognised in the financial statements in relation to these risks represents the best estimate to date made by Management. This estimate is based on assumptions that depend on factors that may change over time and could therefore have a significant effect on the current estimates made by Management in the preparation of the Alperia Group's financial statements;
- fair value of financial instruments: the fair value measurement of non-listed financial assets, such as derivative financial instruments, is based on commonly used financial valuation techniques that require basic assumptions and estimates. These assumptions may not occur according to the expected timing and manner. As a result, the estimates made by the Alperia Group may differ from the final figures; and
- IFRS 16: the application of the International Accounting Standard in question implies a significant recourse to estimates and assumptions with regard, in particular, to the contractual matters falling within its scope, as well as to the forward-looking considerations on these matters (for example, with reference to the valuation of possible renewal options, or the estimation of discount rates).

Instead, the areas requiring significant Management judgement are listed below:

- identification of operating segments: these are defined in accordance with the requirements of International Accounting Standard IFRS 8, as summarised in section "3.3 Measurement Criteria" of these Notes;

- identification of cash generating units (CGUs): for the purpose of impairment testing, where the recoverable amount of an individual asset cannot be calculated, Management identifies the smallest group of assets that generates largely independent cash inflows. The process of identifying the aforesaid CGUs involves Management's judgement as to the specific nature of the activities and business to which they refer, the way in which they are managed and monitored, and the independence of the related cash flows with respect to those generated by other activities/asset groups. The CGUs and their perimeter are periodically reviewed and updated to reflect the effects of any business combinations and reorganisations. The CGUs identified by Management are listed in section "3.3 Measurement Criteria" of these Notes;

- derecognition of tax relief receivables assigned with a buy-back commitment: During 2024, the Alperia Group entered into significant transactions for the sale of receivables for tax relief, formally committing to their repurchase in the three-year period 2025 - 2027. Following an in-depth analysis of the underlying contractual arrangements from the perspective of International Financial Reporting Standard IFRS 9, Management concluded that the disposals under consideration do not meet the criteria for derecognition of the underlying items in the Consolidated Financial Statements;

- accounting according to the so-called "Hedge accounting" of derivative financial instruments designated to hedge planned and highly probable transactions: the Alperia Group uses - by applying the provisions contained in this sense in the International Accounting Standard IFRS 9 summarised in section "3.3 Measurement criteria" of these Notes - this accounting method for certain derivative financial instruments. In this sense, Management evaluates and documents by means of the so-called "Hedging card" the existence of the necessary requirements in respect of the hedged transactions, making use - among other things - of professional judgement;

- assessment of whether the conditions of control, joint control (possibly reduced in the case of joint ventures and joint operations) and significant influence are met: the result of this valuation - to be carried out in accordance with the requirements of International Accounting Standards IFRS 10, IFRS 11 and IAS 28 (which are summarised in the section "3. Principles of consolidation and measurement criteria" of these Notes) - has a direct impact on the consolidation method of the companies included in the consolidation. The aforesaid assessment implies the formulation by Management of judgments based on the interpretation of contractual and non-contractual elements relating - by way of example - to potential voting rights, other rights and obligations, as well as other facts or circumstances useful in this regard; and

- determination of assets classified as held for sale and liabilities included in disposal groups classified as held for sale: the assessment on the application of the indications provided by the International Accounting Standard IFRS 5 - with particular reference to the characterisation as "Highly probable" of the disposal - requires the expression of judgement by Management. For further information on the rules used - including specific accounting policies adopted by the Group - please refer to section "3.3 Measurement criteria" of these Notes.

4.2 Changes in estimates

With reference to the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, it should be noted that, in 2024, the Group proceeded to extend by two years (and, therefore, until 31 December 2027) the useful life of the deficit that emerged upon the merger by incorporation of Hydros Srl and SEL Srl, allocated to the higher value of certain concessions. The positive effect, net of taxes, of the aforementioned change in estimate on the 2024 income statement amounted to Euro 2,604 thousand.

5. Amendments to international Accounting Standards

5.1 Amendments to International Accounting Standards in force since 2024

The following is a summary of the amendments to International Accounting Standards that came into effect on 1 January 2024:

- amendments to IAS 1 - Presentation of Financial Statements (classification of liabilities as current or non-current), which clarified how to classify payables and other liabilities as current or non-current and, in particular, how to classify liabilities with an uncertain settlement date and those that can be settled by conversion into equity;
- amendments to IFRS 16 - Leases (Liabilities in a Sale & Leaseback), which clarified how liabilities arising from this type of transaction should be measured;
- amendments to IAS 1 - Presentation of Financial Statements (Non-current Liabilities with Covenants), which clarified that covenants to be met after the balance sheet date do not affect

the classification of payables as current or non-current, but required specific disclosures on the subject in the Notes to the Financial Statements; and

- amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures (supplier financing arrangements), which introduced new requirements aimed at improving the transparency and usefulness of the information provided by companies on supplier financing arrangements, with the aim of improving the representation of their effects on a company's liabilities, its cash flows and its exposure to liquidity risk.

The amendments to the International Accounting Standards that came into force in 2024 had no effect on the Consolidated Financial Statements.

5.2 Amendments to International Accounting Standards with application after 2024

The standards and amendments issued by the IASB that will have mandatory application in 2025 or later years are listed below:

- amendments to IAS 21 - Foreign Exchange Effects (Non-Convertibility), which provide a consistent approach for determining whether one currency is convertible into another and, when it is not, for determining the exchange rate to be used and the information to be disclosed in the notes. The changes will be effective as of 1 January 2025;
- IFRS 18 - Financial Statement Presentation and Disclosures, which introduces new concepts regarding the structure of the income statement, mandatory disclosures in financial reports for certain management-defined performance measures, and new standards for presenting information in the financial statements and notes. The new standard will become effective on 1 January 2027;
- IFRS 19 - Subsidiaries without Public Accountability, which simplifies financial reporting for subsidiaries with certain characteristics, allowing them to apply International Accounting Standards with reduced disclosure requirements. The standard will be effective on 1 January 2027 and early implementation is permitted;
- changes to the classification and measurement of financial instruments, which affected IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: supplementary information, with the aim of making its content more comprehensible and consistent with the companies' operational reality. The amendments clarify the date of recognition and derecognition of certain financial assets and liabilities, with specific regulation for certain financial liabilities settled through

electronic money transfer systems, add further guidance on assessing whether a financial asset meets the criterion of principal and interest payments only (i.e., the "principal and interest only" criterion), and provide for the use of the "interest-only" criterion. "SPPI test"), require new disclosures with respect to certain financial instruments with contractual terms that may alter cash flows (e.g., where these depend on the achievement of ESG objectives), and update the disclosures to be made with respect to equity instruments measured at fair value through Other Comprehensive Income (so-called "FVOCI"). The standard will be effective on 1 January 2026 and early implementation is permitted;

- annual Improvements to IFRS Accounting Standards (Volume 11), which contains a number of amendments to five International Accounting Standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7). The amendments will be effective on 1 January 2026 and early implementation is permitted; and
- amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments concerning nature-dependent electricity contracts, with the aim of providing supplementary information to support companies in reporting the financial effects of nature-dependent electricity contracts, which are often structured as Power Purchase Agreements. The amendments will be effective on 1 January 2026 and early implementation is permitted.

The Group is in the process of assessing the impact of the above changes on the Consolidated Financial Statements.

6. Disclosure of financial risks

Within the scope of business risks, the following main financial risks are identified, monitored and, as far as specified below, actively managed by the Group:

- market risk (defined as interest rate risk and risk of change in commodity prices);
- credit and counterparty risk (both in relation to normal business relationships with customers and financing activities);
- exchange rate risk (essentially with reference to the bullet bond denominated in Norwegian kroner and stipulated by the Parent Company); and
- liquidity risk (with reference to the availability of financial resources and access to the credit market and the market of financial instruments in general).

The Group's objective is to maintain a balanced management of its financial exposure over time, to ensure its liabilities are in balance with respect to the composition of its assets and the group has the necessary operational flexibility through the use of liquidity generated from current operating activities and the use of borrowings from banks.

The management of the related financial risks is centrally guided and monitored. Specifically, the function in charge of assessing and approving expected financial requirements, monitors the progress and, if necessary, takes appropriate corrective actions.

The following section provides qualitative and quantitative information on how these risks affect the Group.

6.1 Market risk

6.1.1 Interest rate risk

The Group uses external financial resources in the form of debt and uses the liquidity on bank deposits or other financial instruments. Changes in market interest rate levels affect the cost and yield of various forms of financing and lending, thus affecting the level of the Group's financial expenses and income and creating uncertainty as to the economic conditions when negotiating new debt instruments. The Group, which is exposed to interest rate fluctuations as regards the measurement of financial expenses related to its debt, regularly assesses its exposure to the risk of interest rate fluctuations and manages it by resorting to the least onerous forms of financing, as well as implementing - when deemed appropriate - pre-hedging operations (e.g. through Forward Interest Rate Swaps), or hedging operations (e.g. through Interest Rate Swaps), or including callability clauses of various kinds ("Tail-end", "Make whole", etc.) in the indenture of its financial liabilities. In the first case, the purpose of the transaction is to limit the potential impact of unfavourable changes in interest rates in the period before the loans are taken out, while in the second, it is to reduce them with reference to the duration of the borrowing relationships.

At 31 December 2024, the Group's financial debt consisted, inter alia, of four tranches of Notes issued under the EMTN programme, listed on Euronext Dublin. The first tranche of bonds, admitted to listing on 23 December 2016 for a nominal value of Euro 150 million and expiring on 23 December 2026, has a fixed interest rate of 2.50%. The second tranche of the bonds, admitted to listing on 18 October 2017 for a nominal value of NOK 935 million and expiring on 18 October 2027, has a fixed interest rate of 2.204% as a result of hedging by a derivative. The third tranche of the bonds, admitted to listing on 5 July 2023 for a nominal value of Euro 500 million and expiring on 5 July 2028, has a fixed interest rate of 5.701%; the aforementioned bond was partially repurchased by the Group in December 2024. Finally, the fourth tranche of the bonds, issued for listing (also on the MOT of Borsa Italiana) on 5 June 2024 for a nominal value of Euro 250 million and maturing on 5 June 2029, has a fixed interest rate of 4.75%.

In addition, the Group has various floating rate loans in place, predominantly linked to the Euribor rate plus a spread, which depends on the type of credit line used. The spreads applied are comparable to the best market standards.

A list of the Group's loans, broken down by type, is provided in section "9.14 Borrowings from banks and other lenders (current and non-current)" of these Notes.

The Group exposure to interest rate risk was measured through a sensitivity analysis that considered current and non-current financial liabilities and bank deposits. Assuming that almost all of the Group's financial debt is at a fixed rate, the assumptions were used to assess the impact on the Group's income statement and equity for the year ended 31 December 2024 of a hypothetical change in market rates that would respectively reflect an appreciation and a depreciation of 50 bps. The calculation method applied the hypothesis of a change in the precise balances of gross bank debt and the interest rate paid during the year to remunerate these liabilities at a variable rate. The analysis is based on the assumption of a general and instantaneous change in the level of the reference interest rates.

The results of this hypothetical, instantaneous and favourable (unfavourable) change in the level of short-term interest rates applicable to the Group's floating rate financial liabilities are shown in the table below:

(in thousands of Euros)	**For the consolidated financial statements for the year ended 31 December 2024**			
	Impact on profit net of tax effect		**Impact on equity net of tax effect**	
	- 50 bps	**+ 50 bps**	**- 50 bps**	**+ 50 bps**
Current and non-current bank loans	2	(2)	2	(2)
Total	**2**	**(2)**	**2**	**(2)**

6.1.2 Commodity risk

The commodity price risk associated with the price volatility of energy commodities (electricity, gas, fuel oil, etc.) and environmental certificates consists in the potential adverse effects that a change in the market price of one or more commodities may have on the Group's cash flows and expected profits.

The assessment of this risk involves managing and monitoring market and commodity risk, developing and evaluating structured energy products, proposing financial hedging strategies for energy risk, and supporting the Management in defining appropriate management policies for this risk.

In addition, during the year the Alperia Group, through its subsidiary Alperia Trading Srl, entered into forward contracts for the purchase and sale of energy and natural gas both for trading purposes and to hedge the risk of fluctuations in energy and natural gas prices. Pursuant to International Accounting Standard IFRS 9, the subject of these hedges are highly probable future transactions envisaged in the company's business plan.

The Alperia Group recorded under other current and non-current receivables and financial assets, the total positive fair value of derivative contracts receivable, and under payables to banks and other current and non-current lenders, the total negative fair value of derivative contracts stipulated for trading or settlement (futures and commodity swap contracts) equal to Euro 35,549 thousand and Euro 58,907 thousand, with an overall negative effect of Euro 23,358 thousand.

The characteristics and maturity breakdown of the relative fair values of the above-mentioned contracts are shown below in tabular form.

Contracts receivable accounted for on the basis of the so-called "Hedge accounting" ("Cash flow hedge")

Contracts electricity	**Fair value (thousands of Euro)**			
	2025	**2026**	**2027**	**TOTAL**
Futures	22,982	11,169	33	34,184
Commodity swaps	762	43	0	805
Total	**23,744**	**11,212**	**33**	**34,989**

Contracts receivable not accounted for on the basis of the so-called "Hedge accounting"

Contracts electricity	Fair value (thousands of Euro)			
	2025	2026	2027	TOTAL
Futures	15	44	0	59
Purchase Power Agreement	111	19	3	132
Total	**126**	**63**	**3**	**191**

Contracts natural gas	Fair value (thousands of Euro)			
	2025	2026	2027	TOTAL
Futures	369	0	0	369
Total	**369**	**0**	**0**	**369**

Contracts payable accounted for on the basis of the so-called. "Hedge accounting" ("Cash flow hedge")

Contracts electricity	Fair value (thousands of Euro)			
	2025	2026	2027	TOTAL
Futures	(1,510)	(11,621)	(12)	(13,142)
Commodity swaps	(34,360)	(11,253)	0	(45,614)
Total	**(35,870)**	**(22,874)**	**(12)**	**(58,756)**

Contracts payable not accounted for on the basis of the so-called "Hedge accounting"

Contracts electricity	Fair value (thousands of Euro)			
	2025	2026	2027	TOTAL
Futures	(18)	(44)	0	(62)
Purchase Power Agreement	(47)	(16)	(14)	(78)
Total	**(66)**	**(60)**	**(14)**	**(140)**

Contracts natural gas	Fair value (thousands of Euro)			
	2025	2026	2027	TOTAL
Futures	(11)	0	0	(11)
Total	**(11)**	**0**	**0**	**(11)**

It should be noted that, with reference to the Group's main hedging portfolio - the *asset* portfolio, set up to hedge the Group's generated electricity - a hypothetical decrease of €5/MWh in the price curve as of 31 December 2024 would have led to an improvement in the negative cash flow hedge reserve recognised in the Consolidated Financial Statements as of 31 December 2024 of Euro 8,519 thousand.

Forward contracts stipulated to meet requirements to purchase or sell energy/natural gas which would be executed, on expiry, through the delivery or receipt of commodities, pursuant to IFRS 9, were not considered as derivative contracts, but instead as contract commitments to hedge price fluctuation risk ("*Own use exemption*"). The relative net fair value at 31 December 2024 was negative (Euro 18,103 thousand) as regards contracts for the purchase and sale of electricity, and positive (Euro 1,454 thousand), as regards contracts for the purchase and sale of natural gas.

6.2 Credit and counterparty risk

Credit and counterparty risk represents the Group's exposure to potential losses arising from the non-fulfilment of the obligations assumed by counterparties.

The Group manages this type of risk through appropriate procedures and ad hoc mitigation actions aimed at assessing in advance the counterparty's creditworthiness and at constantly verifying compliance with the exposure limit as well as through the request for adequate guarantees.

Trade receivables are recognised net of the provision for bad debt that is calculated on the basis of the counterparty's default risk, determined on the basis of the information available on customer solvency and on historical data.

The overall exposure to credit risk at 31 December 2024 is the sum of the financial assets recognised in the financial statements, which are summarised below:

(in thousands of Euros)	**At 31 December 2024**
Trade receivables	635,872
Other receivables and other assets (current and non-current)	443,984
Bad debt provisions trade and financial receivables	(16,001)
Total	**1,063,854**

6.3 Exchange rate risk

Exchange rate risk is defined as the possibility that fluctuations in market exchange rates may produce significant changes, both positive and negative, in the value of the Group's assets.

The Group is mainly exposed to exchange rate risk only with reference to the bullet bond denominated in Norwegian kroner (NOK) issued on 18 October 2017 by the Parent Company Alperia Spa.

In order to completely neutralise the exchange rate risk relating to the aforementioned liability, on 11 October 2017 Alperia Spa stipulated a "Cross Currency Swap" derivative financial instrument, with effective date 18 October 2017. This instrument transforms – at the same due dates as the payments related to the bond issue – the coupon flows of the liability, due at a rate of 3.116% and the final flow related to the payment of the principal amount to be paid in Norwegian kroner for a total of NOK 935,000 thousand, respectively in coupon flows in Euro to be paid at 2.204% and in a final flow related to the payment of the principal amount of Euro 99,733 thousand. Owing to these characteristics, this derivative financial instrument, following the adequate preparation of the hedge documentation, was considered a cash flow hedge.

6.4 Liquidity risk

Liquidity risk may consist in the inability to find, at financially viable conditions, the financial resources necessary for the Group's operations. The two main factors influencing the liquidity of the Group are:

- the financial resources generated or absorbed by operating and investing activities; and
- the maturities of financial debt.

Prudent management of liquidity risk arising from normal operations implies maintaining an adequate level of liquidity, short-term securities and the availability of funds that can be obtained through an adequate amount of credit lines. The Group's liquidity requirements are monitored by a central function to ensure efficient funding and adequate investment of/return on liquidity. The Group's objective is to establish a financial structure that, consistent with business objectives, ensures an adequate level of liquidity, minimising its opportunity cost and maintaining a balance in terms of maturities and type of financing.

At July 2016, the Group has established a centralised treasury system with almost all subsidiaries.

The following table analyses the financial liabilities (including trade payables and other payables), the repayment of which is expected within or after the financial year:

(in thousands of Euros)	**Type**	
	Current	**Non-current**
Borrowings from banks and other lenders	152,654	1,100,507
Trade payables	335,802	0
Other payables and other liabilities	145,754	71,531
Total	**634,209**	**1,172,038**

The maturity profile of borrowings from banks and other lenders is summarised below in tabular form.

(in thousands of Euros)	**Date taken out**	**Maturity date**	**At 31 December 2024**	**Within 3 months**	**Between 3 months and 1 year**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 onwards**
Banca Valsabbina Scpa/EBS Finance Srl	Second half-year 2024	01/01/2025 - 31/12/2027	209,774	3,730	66,506	66,505	73,033	0	0	0	0
European Investment Bank	21/10/2014	21/10/2026	6,251	0	3,109	3,142	0	0	0	0	0
European Investment Bank	21/10/2014	21/10/2025	6,355	0	6,355	0	0	0	0	0	0
European Investment Bank	31/08/2021	28/08/2037	49,000	0	148	4,071	4,071	4,071	4,071	4,071	28,497
Intesa San Paolo	15/11/2017	18/10/2027	180	15	45	60	60	0	0	0	0
BPER Banca	15/12/2024	15/09/2032	750	24	72	97	97	97	97	97	169
BPER Banca	15/12/2024	15/09/2032	250	7	21	29	30	32	33	34	64
Other minor financing	Various	Various	1,109	1,109	0	0	0	0	0	0	0
TOTAL			**273,669**	**4,885**	**76,256**	**73,904**	**77,291**	**4,200**	**4,201**	**4,202**	**28,730**
Transaction costs on loans (amortised cost)			(99)								
Borrowings from banks and other lenders (short and long term)			**273,570**								

(in thousands of Euros)	**Date taken out**	**Maturity date**	**At 31 December 2024**	**Within 3 months**	**Between 3 months and 1 year**	**2026**	**2027**	**2028**	**2029**
Tranche 1	23/12/2016	23/12/2026	150,082	0	82	150,000	0	0	0
Tranche 2	18/10/2017	!8/10/2027	100,415	0	495	0	99,920	0	0
Tranche 3	05/07/2023	05/07/2028	361,313	0	9,880	0	0	351,433	0
Tranche 4	05/06/2024	05/06/2029	250,846	0	846	0	0	0	250,000
Tranche 5	30/06/2020	31/12/2025	150	0	150	0	0	0	0
TOTAL			**862,806**	**0**	**11,453**	**150,000**	**99,920**	**351,433**	**250,000**
Transaction costs on loans (amortised cost)			(5,409)						
Foreign exchange effect			(20,649)						
Borrowings from banks and other lenders (short and long term)			**836,748**						

Finally, it should be noted that the Group has a committed credit line in the amount of Euro 50,000 thousand and an uncommitted credit line in the amount of Euro 100 thousand.

7. Fair value measurement

With regard to financial instruments measured at fair value, the following table provides information on the method chosen for determining the fair value. The applicable methods can be broken down in the following levels, which depend on the source of available information, as described below:

- level 1: fair value calculated on the basis of quoted prices (unadjusted) on active markets for identical financial instruments;
- level 2: fair value calculated using valuation techniques that make use of variables observable on active markets; and
- level 3: fair value calculated using valuation techniques that make use of unobservable market variables.

The table below shows the assets and liabilities measured at fair value at 31 December 2024:

(in thousands of Euros)	At 31 December 2024		
	Level 1	**Level 2**	**Level 3**
Cross Currency Swap	0	(21,908)	0
Tail - end call on bonds	0	0	1,478
Make whole call on bonds	0	0	240
Put option	0	0	3,900
Energy/natural gas financial instruments – net fair value	(23,358)	0	0
Non-Qualified Equity Interests	0	0	46

With reference to the above table:

- the first row refers to the only derivative financial instrument entered into as part of a hedging transaction designed to hedge the exchange rate risk arising from fluctuations in the NOK quotation parameter (cash flow hedging) in relation to a bond issued by Alperia Spa and listed on Euronext Dublin. Both the hedging item and the hedged item have a bullet profile.
- the second and third rows include the best estimate of the fair value, respectively, of a tail-end call option and a make-whole call embedded in the third tranche of the bond issued in 2023, which were unbundled pursuant to IFRS 9 as they do not have the characteristics to be considered derivative financial instruments closely related to the primary debt instrument; and
- the fourth row relates to financial derivative assets on commodities with the fair values indicated in the previous sub-section "6.1.2 Commodity risk".

Trade receivables and payables have been valued at carrying amount as it approximates the current value.

The following table provides a breakdown of financial assets and liabilities by category at 31 December 2024:

(in thousands of Euros)	Financial assets/liabilities measured at fair value through profit or loss	Financial assets/ liabilities measured at fair value recognised in equity	Assets/Liabilities valued at amortised cost	Total
Current assets				
Cash and cash equivalents	0	0	353,056	**353,056**
Trade receivables	0	0	621,905	**621,905**
Other current receivables and financial assets	495	23,744	203,972	**228,211**
Non-current assets				
Other non-current receivables and financial assets	5,683	11,245	196,811	**213,739**
Current liabilities				
Trade payables	0	0	335,802	**335,802**
Current borrowings from banks and other lenders	77	35,870	116,707	**152,654**
Current tax liabilities	0	0	46,356	**46,356**
Other current payables	0	0	99,398	**99,398**
Non-current liabilities				
Non-current borrowings from banks and other lenders	74	44,794	1,055,639	**1,100,507**
Other non-current payables	0	0	71,531	**71,531**

It should be noted that the items "Other non-current receivables and financial assets", "Current borrowings from banks and other lenders" and "Non-current borrowings from banks and other lenders" shown in the table include the fair value of derivative financial instruments entered into by the Group.
In addition, the accounting model applicable to the Cross Currency Swap derivative financial instrument entered into by the Group to hedge the risk of exchange rate fluctuations and classified in the above table in the sub-item "Financial assets/liabilities measured at fair value recognised in equity" provides, since it is part of an effective "Cash flow hedging" relationship:

- the recording in profit or loss of the portion of the change in its fair value that corresponds to the – opposite sign – change highlighted following the conversion of the hedged bond at year-end exchange rates (also recorded in profit or loss);
- recognition in the cash flow hedging reserve of the remaining portion of the change in fair value.

8. Operating segment reporting

The identification of the operating segments and the related information contained in this paragraph was based on elements used by the Management to make its operating decisions. Specifically, the internal reporting periodically reviewed and used by the Group's chief decision-makers refers to the following operating segments:

- Production (hydropower and photovoltaics);
- Sale (electricity, natural gas, heat and various services);
- Trading (electricity, natural gas and related certificates/securities of various kinds);
- Networks (electricity and natural gas distribution, limited to the latter as operator of networks owned by third parties);
- Heat and Services (cogeneration, district heating and biomass plants); and
- Smart Regions (Smart Land areas, photovoltaics and energy efficiency).

The operating segments performance is measured by analysing revenues and EBITDA, which is defined as profit for the period before amortisation/depreciation, provisions for risks, impairment of assets, financial income and charges and taxes. Specifically, the Management believes that EBITDA provides a good indication of performance as it is not affected by tax legislation and amortisation/depreciation policies. EBITDA is reported according to the "view by responsibility" of the various Business Units.

The income and cost information by operating segment continuing operations is provided below:

(in millions of euros)	**Energy production**	**Networks**	**Sales**	**Trading**	**Heat and Services**	**Smart Regions**	**Eliminations**	**Total**
Total revenues and other income	187.1	143.6	1,482.6	1,604.4	35.4	63.4	(1,150.3)	2,366.1
EBITDA by operating segment	42.2	59.5	30.7	382.9	10.8	(23.3)		502.8
% of revenues	23%	41%	2%	24%	30%	(37%)		21%

The EBITDA figure has been normalised to include the effects of the reclassification of the balances of Biopower Ottana Srl (formerly Biopower Sardegna Srl) into discontinued operations.

9. Notes to the Statement of Financial Position

9.1 Concessions, goodwill and other intangible assets

Changes in "Concessions and software licences", "Assets under construction and advances" and "Other intangible assets" for 2024 and 2023 are shown below:

(in thousands of Euros)	**Concessions and software licences**	**Goodwill**	**Assets under construction and advances**	**Other intangible assets**	**Right of Use IFRS 16**	**Total**
Balance at 31 December 2022	**455,208**	**106,576**	**392**	**5,154**	**42**	**567,372**
Increases/Decreases historical cost	6,888	0	3,136	7,767	46	**17,838**
Reclassification into Discontinued operation	0	(1,249)	0	0	0	**(1,249)**
Amortisation	(58,094)	0	0	(3,518)	(8)	**(61,620)**
Write-downs	(1,137)	(45)	0	0	0	**(1,182)**
Reversal of provisions for write-downs	0	45	0	0	0	**45**
Balance at 31 December 2023	**402,866**	**105,327**	**3,528**	**9,403**	**80**	**521,204**
of which:						
Historical cost	*786,437*	*190,743*	*3,528*	*21,196*	*114*	*1,002,018*
Accumulated amortisation	*(382,434)*	*0*	*0*	*(11,792)*	*(34)*	*(394,260)*
Provisions for write-downs	*(1,137)*	*(85,417)*	*0*	*0*	*0*	*(86,554)*

(in thousands of Euros)	**Concessions and software licences**	**Goodwill**	**Fixed under construction and advances**	**Other intangible assets**	**Right of Use IFRS 16**	**Total**
Balance at 31 December 2023	**402,866**	**105,327**	**3,528**	**9,403**	**80**	**521,204**
Increases/Decreases historical cost	10,959	0	(1,864)	7,814	0	**16,909**
Change in the scope of consolidation	0	3,947	96	950	0	**4,993**
Amortisation	(49,345)	0	0	(3,952)	(14)	**(53,312)**
Write-downs	0	(45)	0	0	0	**(45)**
Reversal of provisions for write-downs	0	45	0	0	0	**45**
Balance at 31 December 2024	**364,479**	**109,273**	**1,760**	**14,215**	**66**	**489,793**
of which:						
Historical cost	*765,137*	*194,690*	*1,760*	*27,557*	*114*	*989,259*
Accumulated amortisation	*(399,521)*	*0*	*0*	*(13,342)*	*(49)*	*(412,912)*
Provisions for write-downs	*(1,137)*	*(85,417)*	*0*	*0*	*0*	*(86,554)*

As can be seen from the table above, the main changes in the year refer to:

- investments in IT applications (sub-items "Software concessions and licenses" and "Assets under construction and advances") – partly started during previous years;
- new goodwill arising respectively from the acquisition of the Eicom Srl business unit and the line-by-line consolidation of Care4U Srl, both of which are illustrated in the sub-section "2.2.3 Scope of consolidation and changes" of these Notes; and
- the capitalisation of commissions and fees recognised for obtaining or acquiring long-term commodity supply agreements.

The following table shows the details of the main goodwills existing as at 31 December 2024 with an indication of the major assumptions made when preparing the relevant annual impairment tests.

Goodwill (reference company)	At 31 December 2024 *(in thousands of Euros)*	Rate of growth	WACC	Explicit period cash flows	Terminal Value (*)
"Ramo Espec Spa" (now Alperia Vipower Spa)	63,913	0%	7.9%	2025 - 2031	46,178
Fintel Gas e Luce Srl	19,096				
"Ress Group" (now Fintel Gas e Luce Srl)	2,423	2%	8.2%	2025 - 2027	45,010
"Ramo Eicom Srl" (now Fintel Gas e Luce Srl)	3,366				
TOTAL	**88,798**				

(*) With reference to the "Espec Spa Branch" (Alperia Vipower Spa), the best estimate of the end-of-concession indemnity is indicated, assuming the loss of the concession.

It should be noted that, with regard to the goodwill under examination, a sensitivity analysis was performed by increasing the WACCs indicated in the table by one percentage point and ascertaining that - in this hypothesis - the result of the impairment tests would not show any need for value adjustments as of 31 December 2024.

9.2 Tangible assets

The changes in the items "Tangible assets" for 2024 and 2023 are reported below:

(in thousands of Euros)	Land and building	Plants and machinery	Industrial and commercial equipment	Other assets	Tangible assets under construction and advances	Right of Use IFRS 16	Total
Balance at 31 December 2022	**159,064**	**669,503**	**1,952**	**8,424**	**190,713**	**37,606**	**1,067,262**
Increases historical cost	9,078	203,799	449	2,628	(59,190)	2,908	**159,672**
Decreases historical cost	(1,134)	(24,043)	(85)	(882)	(571)	(2,622)	**(29,338)**
Decreases – accumulated depreciation	103	22,064	68	656	0	2,412	**25,304**
Use of write-down provision	0	1,401	0	0	0	0	**1,401**
Reclassification into Discontinued operation	(754)	(2,961)	(8)	0	0	0	**(3,723)**

Amortisation	(4,390)	(37,431)	(407)	(2,370)	0	(3,235)	**(47,832)**
Write-downs	0	(1,482)	0	0	0	0	**(1,482)**
Reversal of provisions for write-downs	0	163	0	0	0	0	**163**
Balance at 31 December 2023	**161,967**	**831,014**	**1,970**	**8,456**	**130,952**	**37,069**	**1,171,428**
of which:							
Historical cost	*269,799*	*2,057,623*	*9,239*	*39,436*	*130,952*	*51,190*	*2,558,240*
Accumulated depreciation	*(107,829)*	*(1,215,658)*	*(7,270)*	*(30,980)*	*0*	*(14,122)*	*(1,375,858)*
Provisions for write-downs	*(3)*	*(10,950)*	*0*	*0*	*0*	*0*	*(10,953)*

(in thousands of Euros)	**Land and building**	**Plants and machinery**	**Industrial and commercial equipment**	**Other assets**	**Tangible assets under construction and advances**	**Right of Use IFRS 16**	**Total**
Balance at 31 December 2023	**161,967**	**831,014**	**1,970**	**8,456**	**130,952**	**37,069**	**1,171,428**
Increases historical cost	4,869	78,828	460	2,049	69,498	2,285	**157,989**
Decreases historical cost	(658)	(15,210)	(70)	(509)	(1,802)	(2,282)	**(20,531)**
Decreases – accumulated depreciation	8	12,661	62	517	0	1,953	**15,202**
Use of write-down provision	0	1,146	0	0	0	0	**1,146**
Change in the scope of consolidation	0	0	0	18	0	0	**18**
Reclassification into Discontinued operation	(1,603)	0	0	0	0	0	**(1,603)**
Amortisation	(4,447)	(40,610)	(403)	(2,342)	0	(3,000)	**(50,802)**
Write-downs	0	(467)	0	0	0	0	**(467)**
Reversal of provisions for write-downs	0	163	0	0	0	0	**163**
Balance at 31 December 2024	**160,137**	**867,525**	**2,019**	**8,190**	**198,648**	**36,026**	**1,272,545**
of which:							
Historical cost	*271,624*	*2,121,240*	*9,630*	*40,999*	*198,648*	*51,194*	*2,693,336*
Accumulated depreciation	*(111,484)*	*(1,243,608)*	*(7,611)*	*(32,810)*	*0*	*(15,168)*	*(1,410,680)*
Provisions for write-downs	*(3)*	*(10,108)*	*0*	*0*	*0*	*0*	*(10,111)*

With reference to the table above, we point out that:

- increases in tangible assets in 2024 mainly refer to refurbishments of the San Pancrazio, Lana, Pracomune and Cardano hydroelectric plants operated by Alperia Greenpower Srl and the Glorenza hydroelectric plant operated by Alperia Vipower Spa, as well as increases in the low- and medium-voltage networks of Edyna Srl and the district heating network of Alperia Ecoplus Srl. To these are added investments in machinery and plants to be installed at various customers in the context of Energy Performance Contracts, carried out by Alperia Green Future Srl, and the start of construction work on a hydrogen refuelling station in the Brunico area with the related purchase of the underlying land, as illustrated in greater detail in the Report on Operations. Lastly, increases were recorded in connection with the renovation of the company headquarters in Via

Dodiciville in Bolzano, the new company headquarters under construction in Merano, and the purchase of land in Merano;

- the decreases essentially relate to the disposal of the replaced assets in the context of the renovation work and increases referred to in the previous point;
- the reclassification to discontinued operations concerns a building located in Mirano owned by Alperia Green Future Srl, which the relative Board of Directors resolved to sell;
- write-downs are partly as a result of the adjustment to the value of assets that are expected to be replaced by Alperia Greenpower Srl (Euro 308 thousand) and Alperia Ecoplus Srl (Euro 42 thousand) and, for the remainder, are essentially attributable to an asset underlying an Energy Performance Contract of Alperia Green Future Srl, the carrying value of which is not considered fully recoverable, due to the customer's situation (Euro 117 thousand); and
- the sub-item "Reversal of provisions for write-downs" refers to the utilisation of provisions set aside in the past for the replacement of Group assets, in connection with the occurrence of this event in 2024.

The sub-item "Right of Use", which arose in the first half of 2019 as a result of IFRS 16 First Time Adoption, mainly relates to concessions for the large-scale diversion of hydroelectric power assigned to various companies of the Alperia Group following a tender, after their expiry. According to IFRS 16, the concessions in question qualify as contracts containing a leasing component referring to the so-called "Wet Works", consisting of the collection and regulation works, penstocks and drainage channels which, on the occasion of their original expiry, passed to the grantor body pursuant to Article 25(1) of Royal Decree 1775/1933.

9.3 Investments

The breakdown of the item "Investments" is provided below:

(in thousands of Euros)	**At 31 December 2024**	**At 31 December 2023**
Investments in associates or joint ventures	81,411	35,808
Investments in other companies	46	60
Total	**81,457**	**35,868**

The changes in investments in associates or joint ventures recognised using the equity method are reported below:

(in thousands of Euros)	% of share capital at 31 December 2024	Registered office	At 31 December 2023	Change in the scope of consolidation	Recapitalisations	Valuation effect equity method (income statement)	At 31 December 2024
Alpen 2.0 Srl	42.86	Turin - Italy	184	(184)	0	0	0
Alperion Srl	50.00	Bolzano – Italy	0	45,773	0	298	46,071
AlpsGo Srl	24.90	Bolzano – Italy	50	0	226	0	276
Azienda Elettrica Campo Tures Scarl	49.00	Campo Tures (Bolzano) - Italy	257	0	0	0	257
Balma Srl	21.43	Turin - Italy	6	(6)	0	0	0
Care4U Srl	81.18	Bolzano – Italy	169	0	0	(169)	0
Centrale Elettrica Moso Scarl	25.00	Moos in Passeier (Bolzano) - Italy	391	0	0	(43)	348
Enerpass Scarl	34.00	San Martino in Passiria (Bolzano) – Italy	5,294	0	0	(339)	4,955
IIT Hydrogen Srl	48.41	Bolzano – Italy	341	0	631	(744)	228
Neogy Srl	50.00	Bolzano – Italy	(255)	0	750	(356)	139
Teleriscaldamento di Silandro Srl	49.00	Bolzano – Italy	5,983	0	0	350	6,333
SF Energy Srl	50.00	Rovereto (Trento) - Italy	23,388	0	0	(584)	22,804
Total			**35,808**	**45,583**	**1,607**	**(1,587)**	**81,411**

As shown in the table above, the changes in investments in associates or joint ventures recognised using the equity method during 2024 were attributable to:

- the purchase of a 50% interest in Alperion Srl, a transaction commented - together with the line-by-line consolidation of the stake held in Care4U Srl preceded by the complete write-down of the carrying value of the investment previously valued using the equity method - in subsection "2.2.3 Scope of consolidation and changes" of these Notes;
- the sale of the interests held in Alpen 2.0 Srl and Balma Srl;
- the subscription of a paid capital increase in IIT Hydrogen Srl, as well as a waiver of a quota-holder loan made - on an equal proportion with the other quota-holder - in the joint venture Neogy Srl and the recapitalisation of AlpsGO Srl; and
- the effects of using the equity method to measure individual investees.

The following table, instead, shows the situation of investments in other companies:

(in thousands of Euros)	**% of share capital at 31 December 2024**	**Registered office**	**At 31 December 2023**	**Increases**	**Decreases**	**At 31 December 2024**
Art Srl	5.00	Parma - Italy	27	0	0	27
BIO.TE.MA Srl in liquidation	11.00	Rome – Italy	0	0	0	0
Banca Popolare Alto Adige	n.a.	Bolzano – Italy	19	0	0	19
Conai	n.a.	Bolzano – Italy	0	0	0	0
JPE 2010 Scrl	2.90	Turin - Italy	14	0	(14)	0
Medgas Italia Srl	-	Rome – Italy	0	0	0	0
Total			**60**	**0**	**(14)**	**46**

In 2024, only the sale of the interest held by Alperia Spa in Medgas Italia Srl was recognised.

9.4 Deferred tax assets and liabilities

The following table provides a breakdown of the items on which deferred tax assets and liabilities were calculated at 31 December 2024 and 2023:

(in thousands of Euros)	**At 31 December 2024**	**At 31 December 2023**
Amortisation	18,954	18,672
Provision for bad debts	3,107	4,136
Performance bonus	1,364	1,337
Provision for pension obligations	590	631
Write-down of fixed assets	3,084	3,461
Write-down of inventories	54	1,335
Deferred income from connection fees	18,986	19,807
Provisions for contracts for a consideration	37	137
Provisions for risks and charges	11,834	11,290
Other	1,023	1,042
Deferred tax assets with balancing entry in the income statement	***59,034***	***61,848***
Hedging derivatives	11,287	11,919
Impairment of receivables - FTA IFRS 9	249	249

Amortised cost - FTA IAS/IFRS	43	43
Staff provisions - FTA IAS/IFRS	171	175
Deferred tax assets with balancing entry in equity	***11,750***	***12,386***
Total deferred tax assets	**70,783**	**74,234**
Concessions	88,680	99,336
Amortisation	10,344	9,202
Other	1,847	1,404
Deferred tax liabilities with balancing entry in the income statement	***100,871***	***109,942***
Hedging derivatives	439	811
TFR – FTA IAS/IFRS	103	590
Deferred tax liabilities with balancing entry in equity	***542***	***1,401***
Total deferred tax liabilities	**101,414**	**111,343**

As shown in the table, in 2024, no significant changes are to be reported with reference to the items under consideration, whose almost generalised contraction is largely attributable to the decreasing change in the IRAP rate used for the relative allocation, which the Provincial Law of the Autonomous Province of Bolzano No. 11/2024 reduced from 3.9% to 2.68%.

9.5 Other non-current receivables and financial assets

The breakdown of the item "Other non-current receivables and financial assets" at 31 December 2024 and 31 December 2023 is provided below:

(in thousands of Euros)	At 31 December 2024	At 31 December 2023
Initial margin futures	1,372	5,676
Receivables from local authorities	591	825
Receivables from associates	27,302	15,489
Financial receivables from other companies	182	182
Provision for other bad debts (financial)	(182)	(182)
Tax receivables related to tax benefits	165,566	8,652
Financial derivatives	16,928	14,790
Other receivables	2,972	2,078
Other bad debt provision	(992)	(992)
Total	**213,739**	**46,518**

With reference to the above table:

- the sub-item "Initial margin future" is attributable to the so-called "Initial deposit" set up at the European Commodity Clearing for the fulfilment of margin requirements in relation to the commodity futures activity of the company Alperia Trading Srl, the variation of which is attributable to multiple variables (market volatility, spread, etc.) and is connected to the dynamics affecting the volume of financial derivative futures stipulated by the company;
- the sub-item "Receivables from associates" included, as of 31 December 2023, mainly a loan outstanding with the *joint venture* SF Energy Srl, granted together with the other joint quota-holder, which was added to in 2024 by further loans granted to the *joint venture* Alperion Srl and its subsidiaries;
- tax receivables related to tax benefits are composed of the portion that the Group believes it will collect (by assignment to third parties) or that may be used to offset tax payables beyond twelve months, of tax benefit receivables that Group companies operating in the subsidised building and energy efficiency sector have received from their customers as payment for services rendered. The notable increase shown by the items under review is related to the reclassification among them of receivables that were sold in 2024, although these disposals do not meet the criteria for derecognition established by International Financial Reporting Standard IFRS 9, due to the presence of contractual clauses for repurchase during the three-year period 2025 - 2027 by the Group; and
- the sub-item "Other receivables" is mainly composed of deposits and advances.

9.6 Trade receivables

The breakdown of the item "Trade receivables" at 31 December 2024 and 31 December 2023 is provided below:

(in thousands of Euros)	**At 31 December 2024**	**At 31 December 2023**
Trade receivables	630,844	915,599
Amounts due from associates	5,028	5,138
Bad debts provision	(13,967)	(10,505)
Total	**621,905**	**910,233**

Trade receivables, net of the bad debt provision, mainly include receivables from customers and accruals for invoices and credit notes to be issued. The significant decrease shown by the item in 2024 is mostly attributable to the disposal or reclassification under tax-related items, as seen in sections "9.5 Other non-current receivables and other financial assets" and "9.9 Other current receivables and other financial assets" of these Notes, of receivables arising from the realisation of energy efficiency/concessional building works carried out by the Group entities Alperia Green Future Srl and Efficienterete.

The criteria for adjusting receivables to their estimated realisable value take into account different valuations according to the state of the dispute, as well as the requirements of the International Accounting Standard IFRS 9, starting from 2018.

The provision for trade receivables showed the following movements in 2024:

(in thousands of Euros)	Bad debts provision
At 31 December 2023	10,505
Provisions	6,233
Releases	(16)
Applications	(2,755)
At 31 December 2024	**13,967**

The provision for bad debts was determined on the basis of an analytical valuation of items showing signs of impairment, plus a further value adjustment calculated on a lump-sum basis using historical loss rates since the Alperia Group was established, for receivables not subject to previous analytical valuation.

9.7 Inventories

The breakdown of the item "Inventories" at 31 December 2024 and 31 December 2023 is provided below:

(in thousands of Euros)	At 31 December 2024	At 31 December 2023
Raw, ancillary and consumable materials	7,704	9,680
Contract work in progress	24,978	61,642
Finished products and goods	5,507	5,193
Provisions for inventory write-down	(412)	(5,450)
Total	**37,777**	**71,065**

Inventories of raw, ancillary and consumable materials, amounting to Euro 7,704 thousand, include stocks of consumables and minor equipment. The relative decrease is mainly attributable to the trend in the operations of the Group company Edyna Srl.

Contract work in progress, amounting to Euro 24,978,000, essentially includes orders for the design, planning and management of works, as well as activities related to the realisation of subsidised building and energy efficiency measures. The downward fluctuation recorded in 2024 is mainly attributable to the reduction in the operations of Alperia Green Future Srl, which is in turn connected to the termination of most of the state incentives that had supported its subsidised building and energy efficiency business in the past.

Finished products and goods include mainly inventories of Energy Efficiency Certificates and Guarantees of Origin held by the Alperia Group companies Edyna Srl and Alperia Trading Srl, as well as stocks of natural gas held by Alperia Trading Srl.

9.8 Cash and cash equivalents

The breakdown of the item "Cash and cash equivalents" at 31 December 2024 and 31 December 2023 is provided below:

(in thousands of Euros)	**At 31 December 2024**	**At 31 December 2023**
Bank and postal deposits	353,029	52,722
Cash on hand	27	87
Total	**353,056**	**52,809**

For further information regarding the reasons for the change compared to the previous year, please refer to the cash flow statement and the description of financial debt of the Group in section "9.14 Borrowings from banks and other lenders (current and non-current)" of these Notes.

9.9 Other current receivables and financial assets

The breakdown of the item "Other current receivables and financial assets" at 31 December 2024 and 31 December 2023 is provided below:

(in thousands of Euros)	**At 31 December 2024**	**At 31 December 2023**
Value added tax credits, requested as refunds	420	3,198
Miscellaneous tax receivables	12,920	30,681
Tax receivables related to tax benefits	96,222	40,123
Receivables from GSE for incentives and environmental certificates	6,199	4,716
Allowance for doubtful accounts regarding GSE for environmental incentives and certificates	(861)	(861)
Energy and Environmental Services Fund	37,752	23,721
Prepaid hydroelectric water derivation fees	6,417	7,150
Advances and deposits to suppliers	12,338	15,751
Other accrued income and prepaid expenses	10,728	12,247
Financial derivatives on commodities	24,239	9,135
Current receivables from credit institutions	0	18,286
Financial receivables from associates	9,598	5,000
Financial receivables from other companies	374	5,877
Securities	525	525
Other miscellaneous receivables	11,339	8,939
Total	**228,211**	**184,488**

With reference to the table above, we point out that:

- the increase in miscellaneous tax receivables is mainly attributable to the fact that IRES, IRAP positions and amounts related to excise duties on electricity, which were receivables at 31 December 2023, became payables at the end of 2024;
- tax receivables related to tax benefits are composed of the portion that the Group believes it will collect (by assignment to third parties) or that may be used to offset tax payables within twelve months, of tax benefit receivables that Group companies operating in the subsidised building and energy efficiency sector have received from their customers as payment for services rendered. The notable increase shown by the items under review is related to the reclassification among them of receivables that were sold in 2024, although these disposals do not meet the criteria for derecognition established by International Financial Reporting Standard IFRS 9, due to the presence of contractual clauses for repurchase during the three-year period 2025 - 2027 by the Group;
- the increase shown by the sub-item "Energy and Environmental Services Fund" is related to the greater amount of items tied to positive equalisation of the company Edyna Srl, in turn connected to the entry into force of the new mechanism of remuneration of electricity distribution activities introduced by the Integrated Text of Regulation by Objectives of Expenditure and Service (so-called "Testo Integrato della Regolazione per Obbiettivi di Spesa e di Servizio - TIROSS”) ARERA;

- prepayments for hydroelectric fees refer mainly to the portion for 2025 of fees paid in 2024 for various hydroelectric power plants operated by Alperia Greenpower Srl and Alperia Vipower Spa;
- the sub-item "Other accrued income and prepaid expenses" refers nearly entirely to the recognition of expenses for fees and licences related to the implementation of applications as part of the digitalisation project started by the Group in 2018. The relative decrease is related to the company's operations;
- the sub-item "Financial derivative assets on commodities" refers to the total fair value of forward purchase and sale contracts on energy and natural gas illustrated in subsection "6.1.2 Commodity risk" of these Notes to the Financial Statements with maturity within 12 months and a positive sign. The increase in these balances in 2024 is strictly related to the trend of transactions on the European Energy Exchange, in terms of the volumes of commodities comprising the notional amounts of the financial derivatives stipulated on this exchange and the dynamics of related prices;
- current receivables from credit institutions at the end of 2023 consisted of items – collected in January 2024 – arising from the transfer to third-party counterparties of receivables for tax benefits;
- the sub-item "Financial receivables from associates" mainly refers to an outstanding exposure with the company Neogy Srl; and
- other receivables, amounting to Euro 11,339 thousand at 31 December 2024, mainly include items related to the application of IFRS 16 to contract income, other security deposits, as well as receivables from employees and social security institutions.

9.10 Assets classified as held for sale and liabilities included in disposal groups classified as held for sale

As a result of the sale of the investment in Biopower Ottana Srl (formerly Biopower Sardegna Srl), mentioned in subsection "2.2.3 Scope of consolidation and changes" of these Notes, the items under consideration are not recognised as of 31 December 2024, except for the carrying value of a property owned by Alperia Green Future Srl (Euro 1,603 thousand), reclassified to "Assets classified as held for sale" following the decision taken by Management to sell it and the recognition of the related deferred tax liability (Euro 371 thousand) in "Liabilities included in disposal groups classified as held for sale". It is specified that the net carrying amount of these items is considered to be at least equal to the best estimate of the fair value of the property under consideration, net of selling costs.

9.11 Consolidated equity

The changes in net consolidated equity are presented in these Consolidated Financial Statements. The items constituting it as at 31 December 2024 are commented on below.

Share capital

As of 31 December 2024, the share capital of the Parent Company Alperia Spa amounted to Euro 750,000 thousand - unchanged from 31 December 2023 - and consisted of 750,000 thousand ordinary shares with a nominal value of Euro 1 each.

Legal reserve

The legal reserve of the Parent Company Alperia Spa, amounting to Euro 83,011 thousand as of 31 December 2024 (they were Euro 81,034 thousand as of 31 December 2023), represents the portion of profits that, pursuant to Article 2430 of the Italian Civil Code, cannot be distributed as dividends.

Reserve pursuant to Article 5.4.2 Framework Agreement

This reserve, amounting - as at 31 December 2024 as at 31 December 2023 - to Euro 32,151 thousand is assimilated to the share premium reserve and was created in application of the provisions contained in the Framework Agreement signed in February 2015 by the current shareholders of Alperia Spa together with the two companies - Azienda Energetica Spa and SEL Spa - from whose aggregation Alperia Spa was created.

First Time Adoption reserve

This reserve, which showed a negative balance of Euro 9,972 thousand at 31 December 2024 (unchanged from the previous year), arose on the first-time application of International Accounting Standards.

Cash flow hedge reserve

This reserve, which had a negative balance of Euro 29,700 thousand at 31 December 2024, compared to a negative balance of Euro 28,414 thousand at the end of the previous year, includes the net charges recognised directly in shareholders' equity as a result of valuations on hedging derivative financial instruments (so-called "Cash flow hedging").

IAS 19 reserve

This reserve, which showed a negative balance of Euro 2,932 thousand at 31 December 2024 (compared to a negative balance of Euro 3,198 thousand at 31 December 2023), includes the recognition of actuarial gains and losses recorded as a balancing entry to employee benefit liabilities, net of the related tax effect.

Other consolidated reserves

These reserves, with a total balance of Euro 127,939 thousand at 31 December 2024 (Euro 127,941 thousand at the end of 2023), are mainly attributable to items arising in the context of the merger transaction that gave rise to Alperia Spa mentioned above.

Retained profits (accumulated losses)

This reserve, which had a balance of Euro 173,866 thousand as of 31 December 2024 (it was Euro 125,621 thousand as of 31 December 2023), includes profits from previous years that were neither distributed nor allocated to other reserves.

Consolidated result for the year

The 2024 consolidated result for the year was positive and amounted to Euro 250,741 thousand (it was Euro 85,062 thousand in 2023), of which Euro 250,469 thousand was attributable to the Group.

Non-controlling interests

The following table shows the breakdown of Non-controlling interests into its various components:

(in thousands of Euros)	**Non-controlling interests' profit (loss) for the period**	**Non-controlling interests**
Non-controlling interest in Alperia Vipower Srl	281	24,060
Non-controlling interest in Hydrodata Spa	512	2,360
Non-controlling interest in Care4U Srl	(134)	(206)
Non-controlling interest in Efficienterete	(387)	121
Total non-controlling interests	**272**	**26,335**

Pursuant to International Accounting Standard IAS 1, it is specified that:

- the objectives of capital management - consisting of the items mentioned above - essentially include safeguarding business continuity, creating value for stakeholders and supporting the development of the Group. In this regard, the Group monitors the presence of an adequate level of capitalisation by referring mainly to the ratio between the financial debt and the consolidated equity, which was 0.6 and 0.8 at 31 December 2024 and 31 December 2023, respectively; and
- the Group is not subject to capital parameters imposed by third parties concerning the size of its shareholders' equity.

Finally, the following table shows the reconciliation between the Shareholders' equity and the result for the period of Alperia Spa and the equity and the result for the period of the Group at 31 December 2024.

(in thousands of Euros)	**Profit (loss) for the period**	**Shareholders' equity**
Result for the period and shareholders' equity Parent Company	**39,982**	**904,971**
Elimination of the carrying amount of consolidated investments		
Contribution value of investments in aggregate	285,962	1,431,960

Effects of elimination of equity investments and any allocation of higher value	13,829	(906,155)
Effects on other equity investments		
Valuation of equity investments using the equity method	(716)	2,959
Elimination of the effects of transactions between consolidated companies		
Elimination of dividends	(92,934)	0
Elimination of gains from the sale of property realised in previous years	149	(6,162)
Elimination of capital gains from the sale of an intragroup business unit	15	(30)
IAS/IFRS alignment effects		
Measurement of contributions on connections pursuant to IFRS 15	1,898	(48,583)
Adoption of IFRS 16	(45)	(482)
Adoption of IAS 20	10	571
Reversal of statutory goodwill amortisation in accordance with IAS 38	3,050	26,764
Measurement of severance indemnities and employee benefits in accordance with IAS 19	(171)	158
Allocation of ancillary business combination costs to the Income statement pursuant to IFRS 3	(351)	(351)
Put & call options on investments pursuant to IFRS 10	576	(3,104)
Impacts arising from the change in the scope of consolidation		
Sale of Biopower Ottana Srl (formerly Biopower Sardegna Srl)	(5,809)	0
Other effects		
Various minor effects	5,296	(1,346)
Result for the period and consolidated equity	**250,741**	**1,401,170**
Result for the period and equity attributable to non-controlling interests	***272***	***26,335***
Result for the period and equity attributable to owners of the parent	***250,469***	***1,374,834***

9.12 Provisions for risks and charges

The item “Provisions for risks and charges” amounted to Euro 50,327 thousand at 31 December 2024; its breakdown is presented below:

(in thousands of Euros)	At 31 December 2024	At 31 December 2023
Provision for environmental expenses	12,447	12,222
Performance bonus provision	5,775	5,659
Other provisions for risks and charges	32,104	31,450
Total	**50,327**	**49,331**

The “Provision for environmental expenses”, amounting to Euro 12,447 thousand, was set up mainly due to the commitments undertaken in the concession regulations signed between Alperia Greenpower Srl and Alperia Vipower Spa, on the one hand, and the Autonomous Province of Bolzano and riverside/lakeside Municipalities, on the other, in terms of environmental improvement measures. These agreements provide that the works in question are partially carried out by the Companies, which retain the costs incurred for this purpose from the fee for environmental improvement measures paid annually to the coastal Municipalities.

The “Provision for performance bonuses”, equal to Euro 5,775 thousand, was set aside to cover the estimate for employee bonuses for 2024.

"Other provisions for risks and charges", amounting to Euro 32,104 thousand, mainly include:

- Euro 11,568 thousand, mainly referring to potential charges (including legal expenses) related to disputes in progress with various counterparties;
- Euro 6,010 thousand, related to the dispute with Edison Spa, which is discussed in section 9. of the Report on Operations;
- Euro 4,538 thousand, corresponding to the best estimate, made on the basis of the indications contained in the Resolution of the Provincial Council of the Autonomous Province of Bolzano No. 691/2024, of the charge referred to the year 2024, as regards the additional variable component of the annual water derivation fees introduced by the Autonomous Province of Bolzano with the amendment of Article 13, paragraph 1, of the LP 20/2023;
- Euro 3,500 thousand, referred to charges expected in relation to the negative trend of some of the Group's businesses;
- Euro 2,409,000, concerning prior items related to the retroactive recalculation of hydroelectric fees, following the signing of supplementary regulations;
- Euro 2,071,000 for onerous contracts related to the decision to anticipate the replacement of certain computer applications;
- Euro 1,861,000, concerning the best estimate of charges for warranty work expected to be carried out in the future, related to energy efficiency activities carried out by 31 December 2024; and
- Euro 1,522,000, relative to a request made by GSE SpA for so-called "Extra profits for renewables pursuant to Article 15-bis of Law Decree 4/2022".

The changes in this item during 2024 are summarised in the table below:

(in thousands of Euros)	**Provisions for risks and charges**
At 31 December 2023	49,331
Provisions	22,017
Reclassifications	(81)
Releases	(763)
Applications	(20,177)
At 31 December 2024	**50,327**

With reference to the above table:

- the provisions made in 2024 mainly refer to the employee bonus accrued in the period, to provisions for environmental expenses made by the companies Alperia Greenpower Srl and Alperia Vipower Spa, as well as the previously mentioned provisions connected with the additional variable component of annual water derivation fees and the dispute with Edison Spa; and
- utilisations mainly relate to the provision for performance bonuses, the provision for environmental liabilities and the provision for litigation.

9.13 Employee benefits

The item "Employee Benefits" at 31 December 2024 includes Euro 8,549 thousand of the provision for Employee Severance Indemnities and Euro 2,791 of the provision for personnel expenses that covers the actuarial valuation of liabilities associated with defined benefit plans within the Group relating to: (i) the loyalty bonus, due to employees who remain in service for a certain number of years, and (ii) additional monthly payments, due to employees hired before 24 July 2001.

The changes in the provision for Employee Severance Indemnities at 31 December 2024 are presented below:

(in thousands of Euros)	**Post-employment benefits**
At 31 December 2023	8,822
Provisions	669
Change in the scope of consolidation	245
Applications	(880)
Actuarial (profits)/losses	(307)
At 31 December 2024	**8,549**

The table below contains the detailed economic and demographic assumptions used for the actuarial valuations of the employee severance indemnities:

Annual technical discount rate	3.38%
Annual inflation rate	2.0%
Mortality tables	State General Accounting Department RG48 Mortality Table
Annual rate of overall salary increase	3.0%
Annual rate of increase in employee severance indemnity	3.0%

The table below contains a sensitivity analysis of the liability at 31 December 2024, in which the above assumptions are taken as a base scenario, increasing and decreasing the inflation rate and discount rate by 0.5% respectively. The results obtained are summarised in the following tables:

(in thousands of Euros)	**At 31 December 2024**	
	Inflation rate	
	0.5%	**-0.5%**
Provision for post-employment benefits	8,632	8,467

(in thousands of Euros)	**At 31 December 2024**	
	Discount rate	
	0.5%	**-0.5%**
Provision for post-employment benefits	8,230	8,891

The changes in the provision personnel expenses at 31 December 2024 are presented below:

(in thousands of Euros)	**At 31 December 2023**	**Provisions**	**Applications**	**Discount effect**	**At 31 December 2024**
Loyalty bonus	1,096	127	(116)	(5)	1,102
Additional monthly payments	1,351	74	(200)	(45)	1,179
Provision for indemnities	300	210	0	0	510
Total	**2,748**	**411**	**(317)**	**(50)**	**2,791**

9.14 Borrowings from banks and other lenders (current and non-current)

The table below shows the current and non-current financial liabilities at 31 December 2024 and 31 December 2024:

(in thousands of Euros)	**At 31 December 2024**			**At 31 December 2023**		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Borrowings from banks and other lenders	81,287	192,282	273,570	40,186	131,554	171,740
Bonds	11,310	825,437	836,748	140,566	729,386	869,952
Financial derivative contracts	35,947	44,868	80,815	4,670	21,376	26,047

Liabilities due to the adoption of IFRS 16	3,054	36,310	39,364	2,779	37,528	40,307
Other financial liabilities	21,055	1,609	22,664	6,114	1,570	7,684
Total	**152,654**	**1,100,507**	**1,253,160**	**194,315**	**921,414**	**1,115,729**

Borrowings

The breakdown of borrowings from banks at 31 December 2024 with reference to both the non-current and the current portion is presented below:

(in thousands of Euros)	Date taken out	Maturity date	Rate	Spread	Amount disbursed	At 31 December 2024
Banca Valsabbina Scpa/EBS Finance Srl	2024	01/01/2025 - 31/12/2027	Various rates	-	209,774	209,774
European Investment Bank	21/10/2014	21/10/2026	1.80%	-	25,000	6,251
European Investment Bank	21/10/2014	21/10/2025	2.00%	-	50,000	6,355
European Investment Bank	31/08/2021	28/08/2037	0.90%	-	48,850	49,000
Intesa San Paolo	15/11/2017	18/10/2027	1.97%	-	600	180
BPER Banca	15/12/2024	15/09/2032	0.00%	-	750	750
BPER Banca	15/12/2024	15/09/2032	Euribor 3m	1.20%	250	250
Other minor financing	Various	Various	Various rates	-	1,109	1,109
TOTAL						**273,669**
Transaction costs on loans (amortised cost)						(99)
Borrowings from banks and other lenders (short and long term)						**273,570**

With reference to the above table:

- the Group repaid in 2024 the last line ("Revolving Credit Facility C") of the "Facility Agreement" signed in November 2022 with a pool of national credit institutions;
- the outstanding items with counterparties Banca Valsabbina Scpa and EBS Finance Srl refer to amounts related to transactions for the assignment of receivables for tax benefits, which do not meet the criteria for the relative derecognition set forth by the International Accounting Standard IFRS 9, by virtue of the presence of contractual clauses for repurchase over the three-year period 2025 - 2027 by the Group. It should be noted that, as a balancing entry to the aforementioned financial liabilities, the Consolidated Financial Statements therefore include a corresponding amount of receivables for tax benefits, which will be offset by the Group against tax debit items

during the aforementioned period. The offsets in mention will be carried out over the three-year period according to timelines substantially aligned with those agreed for repurchases; and

- some of the remaining loans include a commitment to maintain an investment grade rating of Alperia Spa. It should be noted that, on 7 May 2024, the rating agency Fitch confirmed Alperia Spa's long-term rating at the BBB level, changing the outlook from "negative" to "stable" and thus confirming its investment grade status.

Bonds

At 31 December 2024, the Parent Company issued bonds for a total amount of about Euro 851 million. At the same maturity date, the company of the Hydrodata Spa Group also had a debenture loan in place for Euro 150 thousand. The bond issues in question are summarised below in table form:

(in thousands of Euros)	**Date taken out**	**Maturity date**	**Rate**	**Amount**
Tranche 1 (Alperia Spa)	23/12/2016	23/12/2026	2.500%	150,000
Tranche 2 (Alperia Spa)	18/10/2017	18/10/2027	2.204%	99,920
Tranche 3 (Alperia Spa)	05/07/2023	05/07/2028	5.701%	351,433
Tranche 4 (Alperia Spa)	05/06/2024	05/06/2029	4.750%	250,000
Tranche 5 (Hydrodata Spa)	30/06/2020	31/12/2025	variable	150
Subtotal				**851,503**
Accruing coupons				11,303
Cumulative effect amortised cost				(5,409)
Cumulative foreign exchange effect **(*)**				(20,649)
Balance sheet total				**836,748**

(*) The bond issue carried out in October 2017 by Alperia Spa as part of the current EMTN programme took place in Norwegian kroner (NOK). As described in section "6.3 Exchange rate risk" of these Notes, the risk of fluctuations in the issue exchange rate of the tranche in question and therefore the impact on the income statement of the Company deriving from the translation of the liability due to fluctuations in the Norwegian krone have been neutralised by subscription of a Cross Currency Swap derivative financial instrument.

As better described in the Report on Operations, on 5 June 2024, the Group issued a five-year "Green" bond, mostly intended for the retail market, for a total nominal value of Euro 250,000 thousand.

It should also be noted that, on 5 December 2024, the Group made a partial repurchase, for a nominal value of Euro 148,567 thousand, of the bond issued in 2023.

Financial derivative contracts

Financial derivative contracts with a negative fair value can be broken down as follows:

- financial instruments on commodities (Euro 58,907 thousand); and
- Cross Currency Swap to hedge the bond in NOK issued by the Parent Company Alperia Spa (Euro 21,908 thousand).

For more information on this, see subsections "6.1.1 Interest Rate Risk" and "6.1.2 Commodity Risk" of these Notes.

Liabilities due to the adoption of IFRS 16

This sub-item arose in the first half of 2019 as a result of IFRS 16 First Time Adoption and relates to the outstanding liability for *lease contracts* arising from the obligation to pay the respective lease payments, offset by the leased asset recognised in fixed assets (defined as the *Right of Use*).

Other financial liabilities

This sub-item is attributable, as far as the current portion is concerned, to daily margins (so-called "Variation margin") concerning futures trading with the European Energy Exchange, as well as, with regard to the non-current portion, the accounting treatment of put and call options on a minority interest.

Financial debt

The breakdown of consolidated net financial debt of the Alperia Group as at 31 December 2024 is provided below, drawn up in compliance with the guidelines to that effect published by the European Securities and Markets Authority (ESMA) in 2021, together with the relative comparison with the situation as at 31 December 2023.

(in thousands of Euros)		**At 31 December 2024**	**At 31 December 2023**
A	Cash and cash equivalents	353,056	52,809
B	Cash equivalents	0	0
C	Other current financial assets	10,608	30,114
D	**Liquidity (A + B + C)**	**363,664**	**82,924**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(21,102)	(131,008)
F	Current portion of non-current financial debt	(95,652)	(58,660)
G	**Current financial debt (E + F)**	**(116,754)**	**(189,668)**

H	**Net current financial debt (G - D)**	**246,910**	**(106,744)**
I	Non-current financial debt (excluding current portion and debt instruments)	(230,232)	(170,652)
J	Debt instruments	(825,437)	(729,386)
K	Trade payables and other non-current payables	0	0
L	Non-current financial debt (I + J + K)	(1,055,669)	(900,038)
M	**Total financial debt (H + L)**	**(808,759)**	**(1,006,782)**

The overall improvement in financial debt in 2024 is essentially attributable to the following:

- an increase in cash and cash equivalents, for the dynamics of which please refer to the cash flow statement;
- a decrease in other current financial assets, essentially attributable to the absence of items - present at 31 December 2023 and collected in January 2024 - related to the sale of tax relief receivables to third parties;
- a decrease in current financial debt, attributable to the repayment of a bond maturing in June 2024;
- an increase in the current portion of non-current payables, related to the recognition of the current counterpart of tax receivables transferred without the possibility of discontinuing them in accordance with IFRS 9, only partially offset by the effects of the extinguishment of the current portion of the "Revolving Credit Facility C" credit line mentioned above;
- an increase in non-current financial payables, as a result of the recognition of the non-current balancing entry of tax receivables sold without the possibility of discontinuing them pursuant to IFRS 9, only partially offset by the effects of the extinguishment of the non-current portion of the "Revolving Credit Facility C" credit line mentioned above and the repayment of the instalments due in 2024 of the loans outstanding with the European Investment Bank; and
- increase in debt instruments, related to the above-mentioned retail bond issue, partly offset by the early redemption of an additional bond.

Finally, it should be noted that financial debt does not include the Group's non-current financial receivables (as at 31 December 2024 and 31 December 2023, equal to Euro 24,068 thousand and Euro 16,331 thousand respectively).

It should also be noted that financial debt instead includes debit financial items of Euro 209,774 thousand, recorded as a balancing entry to receivables for tax benefits subject to assignment without meeting the criteria for the relative derecognition pursuant to IFRS 9.

9.15 Other payables (current and non-current)

The breakdown of the item “Other payables – current and non-current” at 31 December 2024 and 31 December 2023 is provided below:

(in thousands of Euros)	At 31 December 2024			At 31 December 2023		
	Non-current	Current	Total	Non-current	Current	Total
Payables to Energy and Environmental Services Fund	0	27,149	27,149	0	21,939	21,939
Tax payables	0	19,057	19,057	0	6,585	6,585
Payables to employees	0	3,485	3,485	0	3,611	3,611
Payables to pension and social security institutions	0	4,184	4,184	0	3,765	3,765
Accrued liabilities and deferred income	71,531	3,653	75,184	67,524	3,696	71,220
Other	0	41,870	41,870	2,346	44,104	46,450
Total	**71,531**	**99,398**	**170,929**	**69,870**	**83,701**	**153,571**

With reference to the table above, the following are noted:

- the increase in tax payables is attributable to the fact that the positions linked to excise duties on electricity, which were receivables as at 31 December 2023, became payables at the end of 2024;
- the sub-item “Accrued liabilities and deferred income” refers nearly entirely to the current and non-current portion of deferred income on connection fees recognised in the income statement pursuant to IFRS 15, based on the useful life of the reference assets, as described in greater detail in section “3.3 Measurement criteria” of these Notes. The increase is due to the higher number of connections made, compared to 2023; and
- the sub-item "Other" is mainly comprised of payables related to the payment of state fees under the concession agreements signed by Alperia Greenpower Srl and Alperia Vipower Spa. In addition to these items, at 31 December 2023, there was a liability connected with the dispute with Edison Spa (discussed in Section 9. of the Report on Operations), paid in 2024; while, as of 31 December 2024, there is an additional debt related to the deferment of part of the acquisition price of the Alperion Srl joint venture (for further information in this regard, please refer to subsection "2.2.3 Scope of Consolidation and Changes" of these Notes).

9.16 Trade payables

The item “Trade payables” includes payables for the supply of goods and services amounting – at 31 December 2024 – to Euro 335,802 thousand (Euro 454,249 thousand at 31 December 2023). The decrease shown by the same is essentially attributable to the significant contraction of the business related to energy efficiency that affected the company Alperia Green Future Srl.

9.17 Current tax liabilities

This item, which was not measured at 31 December 2023, assumed a balance of Euro 46,356 thousand at the end of 2024 due to the Group's positive economic performance in that year, which resulted in an IRES and IRAP liability pertaining to the year that was significantly higher than the advances paid during that year.

10. Notes to the Income Statement

10.1 Revenues

With regard to the breakdown of total revenues and income by business segment, see section "8 Operating Segment Reporting" of these Notes.

The total value of revenues, which amounted to Euro 2,327,188 thousand in 2024, represented a decrease (-12%) on the figure of Euro 2,650,032 thousand recognised in the previous year.

The reason for this decrease is essentially due to the combined effect of the following contributing factors:

- a slight increase (+4%) in revenues from the marketing of electricity, related to the fact that the increase in sales volumes in 2024 - both to end customers and, more markedly, to wholesale customers - more than offset the effects of the significant drop in the price of the commodity in question (albeit mitigated by the effects of the hedging relationships put in place by the Group), as well as the presence of commercial initiatives adopted in 2024 and absent in the previous year;
- a significant increase (+82%) in revenues from electricity distribution, attributable to the entry into force of the new remuneration mechanism for this regulated activity introduced by the Integrated Text of Regulation by Objectives of Expenditure and Service (so-called "Testo Integrato della Regolazione per Obbiettivi di Spesa e di Servizio" - TIROSS”) ARERA;

- a decrease (-12%) in income related to the marketing and distribution of natural gas, attributable to the decrease in both the overall volumes sold by the Group and the dynamics of the commodity prices;
- a significant drop (-87%) in the turnover of the Group's entities active in the subsidised building and energy efficiency sectors, attributable to the termination of the so-called "Superbonus" tax relief in its original configuration; and
- a decrease (-11%) in revenues from the sale of environmental certificates, which was largely due to the significant decrease in the price of Guarantees of Origin.

For further information on the quantities of commodities sold by the Group and their prices, please refer to chapters 12. and 3. of the Report on Operations, respectively.

10.2 Other revenues and income

The breakdown of the item "Other revenues and income" for the years 2024 and 2023 is provided below:

(in thousands of Euros)	**2024**	**2023**
Sale of materials	522	988
Price adjustments following previous Purchase Price Allocations	1,729	0
Leases	235	336
Revenue from incentive tariffs and operating grants	25,493	19,905
Income from the so-called "Superbonus" (10%)	2,685	40,553
Recovery of expenses	1,072	1,299
Revenues from environmental certificates	2,684	2,515
Capital gains from disposals of tangible assets	1,187	990
Compensation for damages	702	735
Release of provisions for risks and charges	763	2,397
Release of provisions for bad debts	16	1,738
Release of provisions for inventory write-downs	85	0
Other	1,773	3,505
Total	**38,946**	**74,960**

Reading the table above, it can be seen that the decreasing trend shown by the balance of this item in 2024, although influenced by some contingent factors (presence of price adjustments absent, on the other hand, in 2023 and lower release of funds compared to 2023), is essentially attributable to the following causes:

- a marked increase shown by the balance of the sub-item "Revenue from incentive tariffs and operating grants", mainly attributable to the presence in 2024 of GRIN incentives, which were absent, instead, in the previous year due to the significant increase in the parameter relative to the energy transfer price determined by ARERA for the relative calculation; and
- a contraction of income related to the 10% surcharge on top of the cost related to the activities incentivised by the so-called "Superbonus", left for the benefit of the Group's companies active in the energy efficiency and subsidised building sectors by the relevant customers, in connection with the termination of the concession in question.

It should be noted that sub-item “Other” mainly refers to various fees and revenues; the relative decrease in 2024 is mainly due to the absence of certain items of an extraordinary nature recognised in 2023.
For further information on the releases of provisions for risks and charges and the provision for bad debts, please refer to sections "9.12 Provision for risks and charges" and "9.6 Trade receivables" respectively of these Notes.

10.3 Costs for raw materials, consumables and goods

The breakdown of the item “Costs for raw materials, consumables and goods” for the years 2024 and 2023 is provided below:

(in thousands of Euros)	**2024**	**2023**
Electricity	804,233	916,074
Fuels and lubricants	2,144	3,849
Natural gas	138,150	203,156
Electricity imbalances	14,770	44,547
Gas imbalances	21,287	24,602
Energy savings certificates or similar (including the change in relative inventories)	17,555	17,720
Consumables	35,112	53,019
Costs for raw materials, consumables and goods capitalised under fixed assets	(29,411)	(36,579)
Change in inventories and contract work in progress	87	295
Total	**1,003,927**	**1,226,682**

In relation to the above table, please note the following:

- the contraction shown by the costs associated with the purchase of electricity and natural gas (including the related imbalances) is closely linked to the decreasing trend shown on average by the related prices, not entirely offset by the increase in the quantities of electricity sold;
- the decrease in the balance of the sub-item "Consumables" is mainly attributable to reductions in procurement by Edyna Srl and Alperia Green Future Srl; and

- the lower capitalisation of costs refers in significant part to Alperia Greenpower Srl (in relation to which they are entirely offset by higher capitalisation of costs for services) and Edyna Srl.

10.4 Cost of services

The breakdown of the item "Cost of services" for the years 2024 and 2023 is provided below:

(in thousands of Euros)	**2024**	**2023**
Electricity transport	363,743	291,458
Fees and additional fees	81,877	97,439
Natural gas transport	37,549	48,046
Dispatching service charges	76,621	72,022
Professional, legal and tax services	126,188	397,434
Commercial services	9,995	8,171
Natural gas distribution	30,027	2,086
Insurance	7,666	7,368
Leases	3,224	2,670
Rentals	1,995	2,610
Charges and commissions for banking services	3,114	5,629
Recruiting, training and other personnel expenses	4,547	4,263
Remuneration of corporate bodies	1,650	1,589
Post, telephone and internet expenses	1,214	1,449
Cost of services capitalised under fixed assets	(98,985)	(90,669)
Change in contract work in progress	33,733	94,799
Advertising and marketing expenses	8,681	7,556
IT and management services	25,807	37,960
Ordinary and periodic maintenance	3,677	3,267
Other	5,154	12,393
Total	**727,477**	**1,007,541**

With reference to the table above, we point out that:

- the increase in pass-through items (transport) is essentially attributable to the cessation of the effects of regulations that eliminated general system charges until the first quarter of 2023;
- the sub-item "Fees and surcharges", amounting to Euro 81,877 thousand, mainly refers to State fees, surcharges relating to mountain catchment areas, surcharges due to coastal Municipalities and other charges connected with the production of hydroelectric energy. The decrease shown by the same in 2024 is to a large extent attributable to the redetermination of the relative annual unitary fee that took place with Decree no. 6435/2024 of the President of the Autonomous Province of Bolzano (starting from the second half of 2024, the Province also availed itself of the right to effectively withdraw, in part, the energy);
- the significant increase in natural gas distribution costs is largely related to the absence of the large credit notes received during 2023;
- the net decrease in the sub-item "Professional, legal and tax services" and the lower negative change in contract work in progress are attributable to the substantial elimination of operations of the Alperia Group entities active in the energy efficiency and subsidised building sector following the discontinuation of the so-called "Superbonus" tax relief in its original configuration;
- the decrease in the balance shown by the sub-item "Charges and commissions for banking services" is essentially connected to the fact that, in 2023, the effects connected to the consolidation transaction of the Company's indebtedness implemented at the end of 2022 were recognised in the Consolidated Financial Statements; and
- the significant decrease shown by the sub-item "Other", which showed a balance of Euro 5,154 thousand as of 31 December 2024, is partly related to the recognition, in 2024, of contingent assets, against the contingent liabilities recognised instead in 2023.

10.5 Personnel costs

The breakdown of the item "Personnel costs" for the years 2024 and 2023 is provided below:

(in thousands of Euros)	**2024**	**2023**
Salaries and wages	65,812	64,614
Social security contributions	21,040	20,392
Provision for employee severance indemnities and pensions	4,638	4,012
Other costs	2,753	2,420
Capitalised costs of tangible fixed assets	(9,568)	(10,891)
Total	**84,675**	**80,547**

The 5% increase shown by this item in 2024 is essentially attributable to the combined effect of the increase in the average number of Group employees (the dynamics that affected the Group's workforce in 2024 are illustrated in subsection "19.1.1 Working Conditions" of the Report on Operations), adjustments related to the National Collective Labour Agreement for the electricity industry, which took place in July 2024 and October 2024, as well as lower capitalisations made during the year.

10.6 Amortisation/depreciation, provisions and write-downs

The breakdown of the item "Amortisation/depreciation, provisions and write-downs" for the years 2024 and 2023 is provided below:

(in thousands of Euros)	**2024**	**2023**
Amortisation of intangible assets	53,312	61,620
Reversal of provisions for write-downs of intangible assets	(45)	(45)
Depreciation of tangible assets	50,802	47,832
Reversal of provisions for write-downs of tangible assets	(163)	(1,019)
Impairment of tangible and intangible assets	512	3,520
Provision to reserve for risks for financial charges	8,481	7,431
Write-down of trade receivables	6,233	4,171
Write-down of other receivables	279	568
Total	**119,411**	**124,079**

With reference to the table above, we point out that:

- the decrease shown in 2024 by the sub-item "Amortisation of intangible assets" is related to the fact that in 2023, following the decision to anticipate their replacement, the amortisation of certain IT applications was accelerated;
- the sub-item "Reversal of provisions for write-downs of tangible assets" represents the gradual releases of provisions set aside in previous years for the replacement of assets following the adoption of planned measures;
- section "9.2 Tangible assets" of these Notes provides a breakdown of the most significant component - that referring to fixed assets - of the balance of the sub-item "Write-down of non-current assets" as at 31 December 2024; and
- the breakdown of the sub-item "Allocations to provisions for risks and charges" is explained in section "9.12 Provisions for risks and charges" of these Notes.

10.7 Profit / (loss) arising from the fair value measurement of investments in associates and joint ventures

At 31 December 2024, no amounts were to be reported in this regard.

10.8 Other operating costs

The breakdown of the item "Other operating costs" for the years 2024 and 2023 is provided below:

(in thousands of Euros)	2024	2023
Contingent liabilities	29	245
Losses on receivables	17,541	0
Taxes on real estate property	2,779	2,780
Donations	837	483
Other tax charges	375	439
Capital losses on the sale/disposal of assets	2,760	2,396
Registration tax	921	972
Authority contributions	974	1,145
Membership costs	468	468
Fees for occupation of public land	542	538
Other licenses and fees	514	518
Reimbursements of environmental activities, compensation/penalties and other	3,778	2,770
Other	958	1,498
Total	**32,475**	**14,252**

As can be inferred from the table above, the increase shown by the overall balance of this item in 2024 is essentially attributable to the combined effect of two dynamics of a contingent nature, both attributable to the company Alperia Green Future Srl, namely:

- the write-off of receivables related to tax benefits, mainly due to situations in which the relevant transfer to the Company's fiscal account could not be finalised within the deadlines strictly established by the regulations; see, in this regard, what is stated in the Report on Operations; and
- the presence of significant compensation awarded to customers for the reduction of the incentive from the so-called "Superbonus 110%" to the so-called "Superbonus 70%" due to the failure to complete the related activities by 31 December 2023.

10.9 Net income/(expenses) from commodity derivatives

This item includes the economic effects both in valuation and implementation terms of commodity derivatives not recognised according to the hedge accounting model. In particular, the item refers to transactions entered into for speculative purposes, or with the aim of an operating hedge, but without the designation of a hedge accounting relationship ("Cash flow hedge").

The composition of the item and the related comparison with 2023 are shown in the table below:

(in thousands of Euros)	**2024**	**2023**
Valuation effects	1,228	587
Implementation effects	378	(8,984)
Total	**1,606**	**(8,397)**

The change during the year is related to normal business operations.

10.10 Gains (losses) on valuation of investments

This item, showing a negative balance of Euro 2,369 thousand at 31 December 2024 compared to a negative balance of Euro 1,744 thousand at 31 December 2023, includes the net result of the valuation of investments - detailed in the tables included in section "9.3 Investments" of these Notes - and, in particular:

- negative adjustments totalling Euro 3,017 thousand, which includes the economic counterpart to the provision for charges set up in anticipation of the recapitalisation of the subsidiary IIT Hydrogen Srl for Euro 768 thousand; and
- positive adjustments for a total of Euro 648 thousand.

10.11 Financial income and charges

The breakdown of the item "Financial income" and "Financial charges" for the years 2024 and 2023 is provided below:

(in thousands of Euros)	**2024**	**2023**
Gains on disposal of equity investments	50	0
Interest income on government bonds	32	32
Interest income from associates	560	267
Interest income on trade receivables	81	159
Interest income on current accounts and bank deposits	9,279	4,382
Interest income on tax relief receivables	9,241	1,235
Unrealised income on financial derivative instruments	1,089	317
Foreign exchange gains	3,911	5,751
Other financial income	9,892	2,090
Total financial income	**34,135**	**14,232**
Interest expense on loans	(9,683)	(26,766)
Interest on debenture loans	(56,213)	(23,666)
Interest expense due to the adoption of IFRS 16	(981)	(977)
Charges on foreign exchange differences	(3,917)	(5,755)
Other financial charges	(914)	(8,809)
Total financial charges	**(71,708)**	**(65,973)**

With reference to the above table:

- gains on the sale of equity investments are attributable to the disposals of the equity investments Alpen 2.0 Srl, Balma Srl and Medgas Italia Srl, mentioned in section "9.3 Equity investments" of these Notes;
- the increase shown by the balance of the sub-item "Interest income on current accounts and bank deposits" is essentially related to the increase in the average balance of the Group's cash and cash equivalents;
- the increase recognised with reference to the sub-item "Interest income on receivables for tax benefits" is mainly due to the recognition of interest accrued in relation to receivables for tax benefits in connection with items related to the sale of receivables for tax benefits, which do not meet the criteria for the relative derecognition set forth by International Financial Reporting Standard IFRS 9, which is illustrated in section "9.14 Borrowings from banks and other lenders (current and non-current)" of these Notes. The interest expenses recognised on bank loans and borrowings in 2024 are also significantly related to the same operations; the sharp decrease in this component compared to 2023 is related to the complete repayment of the large bank loans taken out by the Group during the second half of 2022;

- the balance of the sub-item "Other financial income" is largely attributable to transactions involving the assignment of tax relief receivables that meet the criteria for derecognition under International Financial Reporting Standard IFRS 9.
- with regard to the sub-items "Foreign exchange gains" and "Charges on foreign exchange differences", it should be noted that they essentially refer, respectively, to the positive exchange rate difference arising from the conversion of the tranche of bonds issued by the Parent Company Alperia Spa into NOK, the exchange rate at the end of the year and the opposite trend of the effective portion of the change in the fair value of the relative Cross Currency Swap hedging derivative financial instrument recognised in 2024;
- the increase in interest expense on bonds is related to the significant bond issues made by the Group in July 2023 and June 2024, as well as the negative differential between the book value and the price paid at the partial bond repurchase mentioned in section "9.14 Borrowings from banks and other lenders (current and non-current)" of these Notes; and
- the decrease shown by the balance of the sub-item "Other financial expenses" - consisting essentially of interest expense recognised in 2024 as a result of IFRS 16 First Time Adoption carried out in 2019 and in relation to the actuarial valuation of employee benefits - is, lastly, attributable to the absence of extraordinary items recognised in 2023 in relation to losses realised on the sale of receivables for tax benefits in 2023 and interest to be recognised to Edison Spa by virtue of an arbitration award.

10.12 Taxes

The cost for taxes recognised at 31 December 2024 amounted to Euro 90,718 thousand (Euro 61,915 thousand in 2023) and included:

- IRES current tax expenses of Euro 106,434 thousand, compared to Euro 47,453 thousand as of 31 December 2023;
- IRAP current tax expenses of Euro 15,489 thousand, compared to Euro 9,377 thousand as of 31 December 2023;
- net income for additional taxes related to previous years in the amount of Euro 4,992 thousand, compared to Euro 1,165 thousand as of 31 December 2023; and
- net income for IRES (including tax consolidation) and IRAP deferred tax assets and liabilities of Euro 26,213 thousand, compared to Euro 11,771 thousand as of 31 December 2023.

The total tax rate in place as of 31 December 2024 was 27% (it was 31% at the end of 2023, adjusted by a tax adjustment of Euro 18,021 thousand related to the so-called "2023 Solidarity Contribution" under Law 197/2022).

With effect from 1 January 2024, the Alperia Group, whose Parent Company is Alperia Spa, falls within the scope of the Second Pillar income taxes provided for by Directive 2022/2523, adopted in Italy by Legislative Decree 209/2023, aimed at ensuring a global minimum level of taxation for multinational and national groups of companies.

In accordance with what is agreed upon internationally on the basis of OECD guidelines and, more specifically, the provisions of the aforementioned EU Directive 2022/2523, the aforementioned Legislative Decree provides that any supplementary second-pillar taxation is to be levied through:

- the national minimum tax ("QMDTT"), payable in relation to companies of a multinational or national group located in Italy and subject to low taxation there;
- the supplementary minimum tax ("IIR"), payable by Italian-located parents of multinational groups in relation to low-taxed enterprises that are part of the group;
- the supplementary minimum tax ("UTPR"), payable by one or more companies of a multinational group located in Italy in relation to foreign companies belonging to the group subject to low taxation when the equivalent supplementary minimum tax in other countries has not been applied, in whole or in part (effective from 1 January 2025).

Specifically, Alperia Spa for the purposes of the QDMTT (Article 18(7) of Decree 209/2023), is jointly and severally liable with the other Group companies (other than investment entities and jointly controlled entities) located in Italy for the payment of any additional taxation that may arise.
In the financial year 2024, there are no further charging rules as the Group consists only of Italian entities.
As provided for in paragraph 4.A of IAS 12, as an exception to the provisions of this standard, Alperia Spa does not recognise or disclose information on deferred tax assets and liabilities related to second-pillar income taxes.
The Alperia Group's exposure to second-pillar income taxes as of 31 December 2024 is assumed to be zero based on the financial data as of the same date.
It should be noted that the aforesaid estimate was made in accordance with the provisions of the Legislative Decree and the OECD (so-called GloBE Rules) with regard to the so-called "Transitional simplified schemes".
Specifically, as provided for by the implementing decree issued by the MEF pursuant to Article 39, paragraph 3 of the aforementioned Legislative Decree (and in line with the OECD document on

Transitional Safe Harbour), the "Transitional Simplified Regimes" ("Transitional CbCR Safe Harbour Tests") were applied for all subgroups identified, in accordance with Article 4, paragraph 4 of the Decree of 1 July 2024, by carrying out the three tests provided for (i.e. "De Minimis", "Simplified ETR Test", "Routine Profit Test"), thus considering the economic quantities (e.g. profit or loss before taxes; current and deferred taxes; revenues), referring to the other constituent entities, the jointly controlled stand-alone entities and the jointly controlled subsidiaries for the jointly controlled subgroups, located in Italy belonging to the Alperia Group.

In light of the fact that each identified subgroup of the Alperia Group alternatively passed one of the aforementioned tests, in accordance with the Second Pillar regulations, the top-up tax due in the relevant period is assumed to be zero and, consequently, it was not necessary to perform the detailed calculations for the determination of the top-up tax ("TuT") ("Full compliance").

10.13 Net profit/(loss) from discontinued operations

This item amounted to Euro 18,375 thousand in 2024 (Euro 63,031 thousand as of 31 December 2023), attributable to the presence of discontinued operations related to the sale of the investment in Biopower Ottana Srl (formerly Biopower Sardegna Srl), mentioned in subsection "2.2.3 Scope of Consolidation and Changes" of these Notes. These, shown net of the elimination of intra-group items, are detailed below.

(in thousands of Euros)	**Biopower Ottana Srl (formerly Biopower Sardegna Srl)**
Revenues and other income	3,551
Operating costs	(19,951)
Amortisation/depreciation, provisions and write-downs	(1,047)
Operating income	**(17,447)**
EBITDA	**(16,400)**
Net financial income	(11)
Profit before taxes	**(17,458)**
Taxes	(917)
Profit and loss account result	**18,375**

10.14 Impacts on the income statement from the adoption of IFRS 16

The impact on the consolidated income statement for 2024 resulting from the adoption of IFRS 16 is summarised in table form below.

(in thousands of Euros)	**2024**
Reversal of fees	3,978
Impact on EBITDA	**3,978**
Recognition of depreciation	(3,102)
Impact on operating income	**876**
Financial charges	(1,066)
Impact on profit before taxes	**(190)**
Taxes	51
Impact on the net result of continuing operations	**(138)**
Impact on the net result of discontinued operations	0
Impact on the result for the period	**(138)**

11. Commitments and guarantees

This item includes the comfort letters issued by the Parent Company to third parties in the interest of subsidiaries and associates for a total amount of Euro 12,990 thousand. The item also includes bank and insurance guarantees issued to third parties in the interest of Group companies for Euro 162,660 thousand.

For commitments related to forward purchase/sale transactions of commodities that qualify as "Own use exemption", please refer to subsection "6.1.2 Commodity risk" of these Notes.

12. Related party transactions

Related parties are those that share the same controlling entity with the Group, the companies that directly or indirectly control it, are controlled, or are jointly controlled by the Parent Company and those in which the Parent Company holds a stake enabling it to exercise a significant influence. In accordance with the provisions of IAS 24, "Disclosure on Related Party Transactions", paragraph 25, the Company is exempted from the information requirements set out in paragraph 18 (according to which the Company must specify the nature of the relationship with the related party, in addition to providing information on such transactions, on outstanding balances, including commitments, which is necessary for financial statements users to understand the potential effects of those transactions on the financial statements) in case it carries out transactions with another entity that is a related party because the same local public entity has a considerable influence over the entity that prepares the annual accounts and the other entity.

In the 2024 financial year, the main transaction with related parties concerned dividends to shareholders of the Parent Company for Euro 34,000 thousand.

13. Remuneration of Board of Directors and Control bodies

Details of the remuneration of the Boards of Directors and Control Bodies of the fully consolidated Group companies for 2024 (gross amounts) are shown below:

(in thousands of Euros)	**2024**
Administrative bodies	414
Control bodies	454
Total	**868**

14. Remuneration of Key Managers

The overall remuneration paid to Key Managers for the duties performed in 2024 amounted to approximately Euro 467 thousand (taxable amount); the amount referred to 2023 was equal to Euro 489 thousand.

No short-term or long-term benefits accruing over time are currently envisaged for the above Key Managers, with the exception of some executives who have signed a non-competition agreement for an amount of approximately Euro 141 thousand. There are no stock-based payments (stock options).

15. Remuneration of the independent auditors

The table below shows the fees received by the independent auditor PricewaterhouseCoopers Spa for auditing and accounting control services provided for both the separate and Consolidated Financial Statements at 31 December 2024, as well as for other services.

Company providing the service	Entity receiving the service	Type of services	Remuneration 2024 (in thousands of Euro)
PwC Spa	Alperia Spa	Audit of the financial statements	19
PwC Spa	Alperia Spa	Audit of the integrated consolidated financial statements	122
PwC Spa	Subsidiaries and associates	Audit of the financial statements and of the Group Reporting Packages	323
PwC Spa	Alperia Spa	Limited audit of the consolidated interim report	19
PwC Spa	Subsidiaries and associates	Limited audit of 2023 interim group reporting packages	39
Total audit services provided in 2024 for the Alperia Group by the Independent Auditors			**522**
PwC Spa	Alperia Spa	Audit of separate financial statements (Unbundling of accounts)	7
PwC Spa	Subsidiaries and associates	Audit of separate financial statements (Unbundling of accounts)	27
PwC Spa	Alperia Spa	Audit under ISA 800 so-called "Final Balance Sheet" as at 29 April 2024 Biopower Ottana Srl (formerly Biopower Sardegna Srl)	8
PwC Spa	Subsidiaries	Audit of receivables and payables statements pursuant to Article 11 of Legislative Decree 118/11	6
PwC Spa	Alperia Spa	Limited audit: annual reports relating to green bond retail issues	38
PwC Spa	Alperia Trading Srl	Agreed upon procedures pursuant to paragraph 65.30 of ARERA Resolution 111/06	7
PwC Spa	Alperia Smart Services Srl	Audit of the applied for general system charges statement	5
Total other audit services provided in 2024 for the Alperia Group by the Independent Auditors			**98**
Total other non-audit services provided in 2024 to Alperia Group companies by entities belonging to the PwC network			**0**

16. Subsequent events

See the Report on Operations for disclosure on “Subsequent events” and the progress of pending disputes.

17. Information pursuant to Article 1, paragraph 125, of Law 124/2017

In 2024, the Group received the following public grants, shown in the table.

Paying subject	Beneficiary company	Type of incentive or project	Amount received in Euro in 2024
Fundacion Circe	Alperia Spa	EU "FLEXIGRID"	15,248
Fundacion Circe	Edyna Srl	EU "E-FORT"	4,016
Autonomous Province of Bolzano	Alperia Ecoplus Srl	Grant for installations	988,434
Autonomous Province of Bolzano	Alperia Ecoplus Srl	Grant for installations	66,564
Autonomous Province of Bolzano	Alperia Ecoplus Srl	Grant for installations	476,678
Autonomous Province of Bolzano	Alperia Ecoplus Srl	Grant for installations	21,971
Autonomous Province of Bolzano	Edyna Srl	Grant for installations	94,029
Autonomous Province of Bolzano	Edyna Srl	Grant for installations	79,674
TERNA	Alperia Vipower Spa	Grant for installations	50,000
			1,777,350
FONDIMPRESA	Alperia Spa	Personal training	19,399
FONDIMPRESA	Edyna Srl	Personal training	19,456
			38,855
GSE	Alperia Ecoplus Srl	Photovoltaics	1,395
GSE	Alperia Ecoplus Srl	Photovoltaics	24,220
GSE	Alperia Ecoplus Srl	Photovoltaics	357,517
GSE	Alperia Ecoplus Srl	Photovoltaics	5,735
GSE	Alperia Greenpower Srl	Photovoltaics	28,687
GSE	Alperia Greenpower Srl	Photovoltaics	18,272
GSE	Alperia Greenpower Srl	Photovoltaics	25,771
GSE	Alperia Greenpower Srl	Photovoltaics	12,033
GSE	Alperia Greenpower Srl	Photovoltaics	8,769
GSE	Alperia Greenpower Srl	Photovoltaics	24,650
			507,048
GSE	Alperia Greenpower Srl	GRIN	1,685,352
GSE	Alperia Greenpower Srl	GRIN	2,199,827
GSE	Alperia Greenpower Srl	GRIN	1,365,521
GSE	Alperia Greenpower Srl	GRIN	753,113
			6,003,812
GSE	Alperia Greenpower Srl	FER003974	468,610
GSE	Alperia Greenpower Srl	FER005410	413,201
GSE	Alperia Greenpower Srl	FER002351	307,834
GSE	Alperia Greenpower Srl	FER200638	135,961
GSE	Alperia Greenpower Srl	FER002008	224,323
GSE	Alperia Greenpower Srl	FER102759	370,188
GSE	Alperia Greenpower Srl	FER	138,533
			2,058,651

GSE	Alperia Greenpower Srl	RID000243	90,075
GSE	Alperia Greenpower Srl	RID002256	5,927
GSE	Alperia Greenpower Srl	RID002258	2,304
GSE	Alperia Greenpower Srl	RID003279	5,449
GSE	Alperia Greenpower Srl	RID003665	3,394
GSE	Alperia Greenpower Srl	RID003667	1,662
			108,811
GSE	Alperia Green Future Srl	Energy Efficiency Certificates	6,055,805
GSE	Edyna Srl	Energy Efficiency Certificates	1,996,900
			8,052,705
GSE	Alperia Ecoplus Srl	EUA	836
			836
TEW	Alperia Greenpower Srl	GRIN_000588	423,360
			423,360
Financial administration	Alperia Ecoplus Srl	Tax receivable invest. 2020	10,573
Financial administration	Alperia Ecoplus Srl	Tax receivable invest. 2022	1,410
Financial administration	Alperia Greenpower Srl	Tax receivable invest. 2020	28,882
Financial administration	Alperia Greenpower Srl	Tax receivable invest. 2022	5,491
Financial administration	Alperia Green Future Srl	Tax receivable invest. 2022	80,000
Financial administration	Alperia Spa	Tax receivable invest. 2020	65,511
Financial administration	Alperia Spa	Tax receivable invest. 2021	35,085
Financial administration	Alperia Smart Services Srl	Tax receivable invest. 2020	21,215
Financial administration	Alperia Trading Srl	Tax receivable invest. 2023	14,000
Financial administration	Edyna Srl	Tax receivable invest. 2020	53,864
			316,032
Financial administration	Alperia Green Future Srl	Investment 4.0 credit	231,389
Financial administration	Fintel Gas e Luce Srl	Tax receivable photov.	33,716
			265,105

For any other information, reference can be made to the National Register of State Aid.

Bolzano, 31 March 2025

The Chair of the Management Board

Flora Emma Kröss

Annex A to the Consolidated Financial Statements - Scope of Consolidation 2024

Annex B to the Consolidated Financial Statements - Further information on the scope of consolidation

Company name	% of ownership	Country	Registered office	Currency	At 31 December 2024 (in thousands of Euros)		Method of consolidation	Reporting date
					Profit (loss) for the year	Shareholders' equity		
Parent Company								
Alperia Spa			Via Dodiciville 8, 39100 Bolzano		39,982	904,970	Line-by-line	31/12/2024
Subsidiaries								
Alperia Ecoplus Srl	100%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	790	56,656	Line-by-line	31/12/2024
Alperia Greenpower Srl	100%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	6,620	434,488	Line-by-line	31/12/2024
Alperia Green Future Srl	100%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	(32,499)	10,202	Line-by-line	31/12/2024
Alperia Innoveering Srl	1%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	233	718	Line-by-line	31/12/2024
Alperia Smart Services Srl	100%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	5,612	64,596	Line-by-line	31/12/2024
Alperia Trading Srl	100%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	282,163	374,160	Line-by-line	31/12/2024
Alperia Vipower Spa	76.1%	Italy	Via della Rena 8, 39020 Castelbello-Ciardes (Bolzano)	Euro	1,174	100,670	Line-by-line	31/12/2024
Care4U Srl	81.18%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	(1,193)	(1,093)	Line-by-line	31/12/2024
Edyna Srl	100%	Italy	Lungo Isarco Sinistro 45/A, 39100 Bolzano	Euro	19,667	381,239	Line-by-line	31/12/2024
EfficienteRete	51%	Italy	Corso V. Emanuele II 36, Soave (Verona)	Euro	(154)	1,340	Line-by-line	31/12/2023
Fintel Gas e Luce Srl	90%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	3,327	5,900	Line-by-line	31/12/2024

Hydrodata Spa	50.51%	Italy	Via Pomba, 23, 10123 Turin	Euro	1,334	4,199	Line-by-line	31/12/2024
Associates / joint ventures								
Alperion Srl **(*)**	50%	Italy	Piazza del Grano 3, 39100 Bolzano	Euro	1,231	76,648	Equity method	31/12/2024
AlpsGO Srl	24.90%	Italy	Via Beda Weber 1, 39100 Bolzano	Euro	N/A	200	Equity method	27/06/2023 (date of constitution)
Azienda elettrica Campo Tures Scarl	49%	Italy	Via Von Ottental 2/C, 39032 Campo Tures (Bolzano)	Euro	0	525	Equity method	31/12/2024
Bioenergia Srl **(*)**	50%	Italy	Via Fucini 4, 20133 Milan	Euro	(63)	66	Equity method	31/12/2024
Centrale Elettrica Moso Scarl	25%	Italy	Aue 129/A, 39013 Moso in Passiria (Bolzano)	Euro	0	100	Equity method	31/12/2024
Enermac Srl **(*)**	50%	Italy	Via Fucini 4, 20133 Milan	Euro	1,166	7,310	Equity method	31/12/2024
Enerpass Scarl **(*)**	34%	Italy	Via Pianlargo 2/B, 39010 San Martino in Passiria (Bolzano)	Euro	0	1,000	Equity method	31/12/2024
Generai Srl **(*)**	50%	Italy	Via Fucini 4, 20133 Milan	Euro	(140)	30	Equity method	31/12/2024
IIT Hydrogen Srl	48.41%	Italy	Via Enrico Mattei 1, 39100 Bolzano	Euro	(1,537)	470	Equity method	31/12/2024
Neogy Srl **(*)**	50%	Italy	Via Dodiciville 8, 39100 Bolzano	Euro	(712)	279	Equity method	31/12/2024
SF Energy Srl **(*)**	50%	Italy	Via Manzoni 24, 38068, Rovereto (Trento)	Euro	440	19,825	Equity method	31/12/2024
Teleriscaldamento Silandro Srl	49%	Italy	Via Nazionale 3, 39028 Silandro (Bolzano)	Euro	714	12,920	Equity method	31/12/2024
Other companies								
Art Srl	5%	Italy	Strada Pietro Del Prato 15/A, 43121 Parma	Euro	86	935	Fair value through profit or loss	31/12/2023

Bio.Te.Ma Srl in liquidation	11.43%	Italy	Via Malpighi 4, 09126 Cagliari	Euro	(2)	215	Fair value through profit or loss	31/03/2019
JPE 2010 Scarl in liquidation	2.9%	Italy	Corso Re Umberto 56, 10128 Turin	Euro	(46)	219	Fair value through profit or loss	31/12/2023

(*) *Joint venture on the basis of the articles of association and/or specific shareholders' agreements*

Annex C to the Consolidated Financial Statements – Information on significant joint ventures and associates measured with the equity method

(in thousands of Euros)	**SF Energy Srl (*)**	**Neogy Srl**	**Alperion Srl**	**Enermac Srl**	**Bioenergia Srl**	**Generai Srl**
Non-current assets	35,223	12,113	82,233	46,624	9,976	6,428
Current assets	15,051	12,171	1,472	9,929	1,648	1,202
Of which cash and cash equivalents	*7,474*	*1,537*	*1,119*	*7,517*	*432*	*642*
Shareholders' equity	(19,825)	(279)	(76,648)	(7,310)	(66)	(30)
Non-current liabilities	(18,000)	(1,088)	(5,828)	(41,885)	(8,142)	(7,034)
Of which financial liabilities	*(18,000)*	*0*	*(5,828)*	*(40,535)*	*(8,142)*	*(7,034)*
Provisions for risks and charges	(5,670)	(76)	(19)	(195)	(19)	0
Current liabilities	(6,778)	(22,842)	(1,210)	(7,162)	(3,398)	(566)
Of which financial liabilities	*(226)*	*(18,371)*	*0*	*(3,220)*	*0*	*0*
Revenues	18,893	6,125	3,060	8,379	91	0
EBIT	766	(1,750)	1,913	3,417	62	(102)
Interest income	291	0	421	869	13	9
Interest expense	(449)	(648)	(620)	(2,796)	(158)	(83)
Income tax and tax income	(167)	1,686	(483)	(616)	20	37

(*) The Group has made a contractual commitment to purchase a quota, equal to 50% of the electricity produced overall by the joint venture, based on a predetermined amount.

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Alperia SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Alperia Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated income statement, statement of consolidated comprehensive income, the statement of changes in shareholders' Group equity, the statement of consolidated cash flows for the year then ended, and the illustrative notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38 of 28 February 2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Alperia SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters	Auditing procedures performed in response to key audit matters
Recoverability of the values of intangible assets	
Note 9.1 to the consolidated financial statements "Concessions, goodwill and other intangible assets" As of 31 December 2024 about 15% of total consolidated assets is comprised of intangible assets, equal to Euro 490 million, originating mainly from the allocation to the 'Concessions' of the excess prices paid on acquisition of power generation entities over the respective net equity values. In a market characterised by a significant volatility of electricity prices, in accordance with IAS 36 – Impairment of Assets, the Company carried out an impairment test, using the discounted cash flow method, to measure the recoverable amounts of concessions. The cash flows have been estimated based on the production estimation expected until the end of each hydroelectric concession. In consideration of the magnitude of the values allocated to concessions and the complexity of the process of estimation of the recoverable amounts based on the future cash flows that these will generate, we identified the measurement of concessions as a key audit matter with reference to the existence of possible impairment losses and consequently their appropriate recognition in the consolidated financial statements.	The auditing procedures performed involved verifying the procedures adopted by management to identify possible impairment losses of intangible assets (concessions) in accordance with IAS 36 – Impairment of Assets. In detail, we obtained the impairment test of concessions carried out by management which we verified also with the support of valuation experts belonging to the PwC network. Our tests concerned the key assumptions used in the application of the impairment test, which is based on estimating the cash flows each concession is expected to generate in future. Specifically, we verified the reasonableness of (i) the power price curve used, (ii) the estimated production capacity, and (iii) the discount rate applied to the estimated future cash flows. Moreover, we verified management's ability to prepare estimates by comparing actual performance data with past business plans, the consistency of projections used with the current business plans, as well as the mathematical accuracy of the calculation of the estimated future cash flows based on the above-mentioned assumptions. We discussed with management the conclusions reached by them based in their valuation procedure. In that context we verified that the carrying amounts of concessions in the consolidated financial statements were consistent with the outcome of the impairment test verified as stated above.

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	Finally, we verified the completeness and accuracy of disclosures provided in the notes to the consolidated financial statements.

Revenue recognition

Paragraph 2.6 "Measurement criteria - Recognition of revenues"

At 31 December 2024, revenues of the Alperia Group amounted to Euro 2.327.188 thousand, mainly due to the sale and transport of electricity, heat and services. These revenues are recognised in the financial statements when risks and rewards are transferred to customers upon sale of the good or when the service is rendered and, in any case, only if all criteria under IFRS 15 ("Revenue from contracts with customers") are met.

As part of our audit procedures on the consolidated financial statements, the correct recognition of revenues was considered as a key area since it represents the most significant P&L item and an incorrect recognition of them would cause a considerable alteration of the consolidated result for the year.

The audit approach preliminarily consisted in understanding and assessing the internal control system and the procedures designed by the Alperia Group companies for the recognition of revenues from sale.

The audit approach then provided to perform compliance testing on key controls, which might have been put in place by the Group companies, in order to verify the operating efficacy of such controls in the context of the revenue recognition process, with particular reference to the existence of such revenues and their recognition in the correct accrual period.

Taking into account the understanding, assessment and validation of the internal controls mentioned above, validity tests were planned and performed on the revenues of each Group company included in the scope of consolidation. In particular, in relation to a sample of transactions deemed representative in the context of each individual consolidated entity, procedures were carried out on the existence and accuracy of revenues recognised in the financial statements, by examining the information included in the available documentation as supporting evidence.

In addition, we verified the reconciliation of the intercompany balances and their being correctly written off in the consolidated financial statements.

pwc

Key Audit Matters	*Auditing procedures performed in response to key audit matters*
	Finally, we verified the completeness and accuracy of disclosures provided in the notes to the consolidated financial statements.

Responsibilities of the members of the management board and the supervisory board for the consolidated financial statements

The members of the management board are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38 of 28 February 2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The members of the management board are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the members of the management board use the going concern basis of accounting unless they either intend to liquidate Alperia SpA or to cease operations, or have no realistic alternative but to do so.

The supervisory board is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the management board;
- we concluded on the appropriateness of the member of the management board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 23 March 2016 and 12 May 2017, the shareholders of ALPERIA SPA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the supervisory board, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The members of the management board of Alperia SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39 of 27 January 2010 and with article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998

The members of the management board of Alperia SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Alperia SpA group as of 31 December 2024, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998 are consistent with the consolidated financial statements of Alperia SpA group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39 of 27 January 2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010.

Padua, 24 April 2025

PricewaterhouseCoopers SpA

Signed by

Alexander Mayr
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.