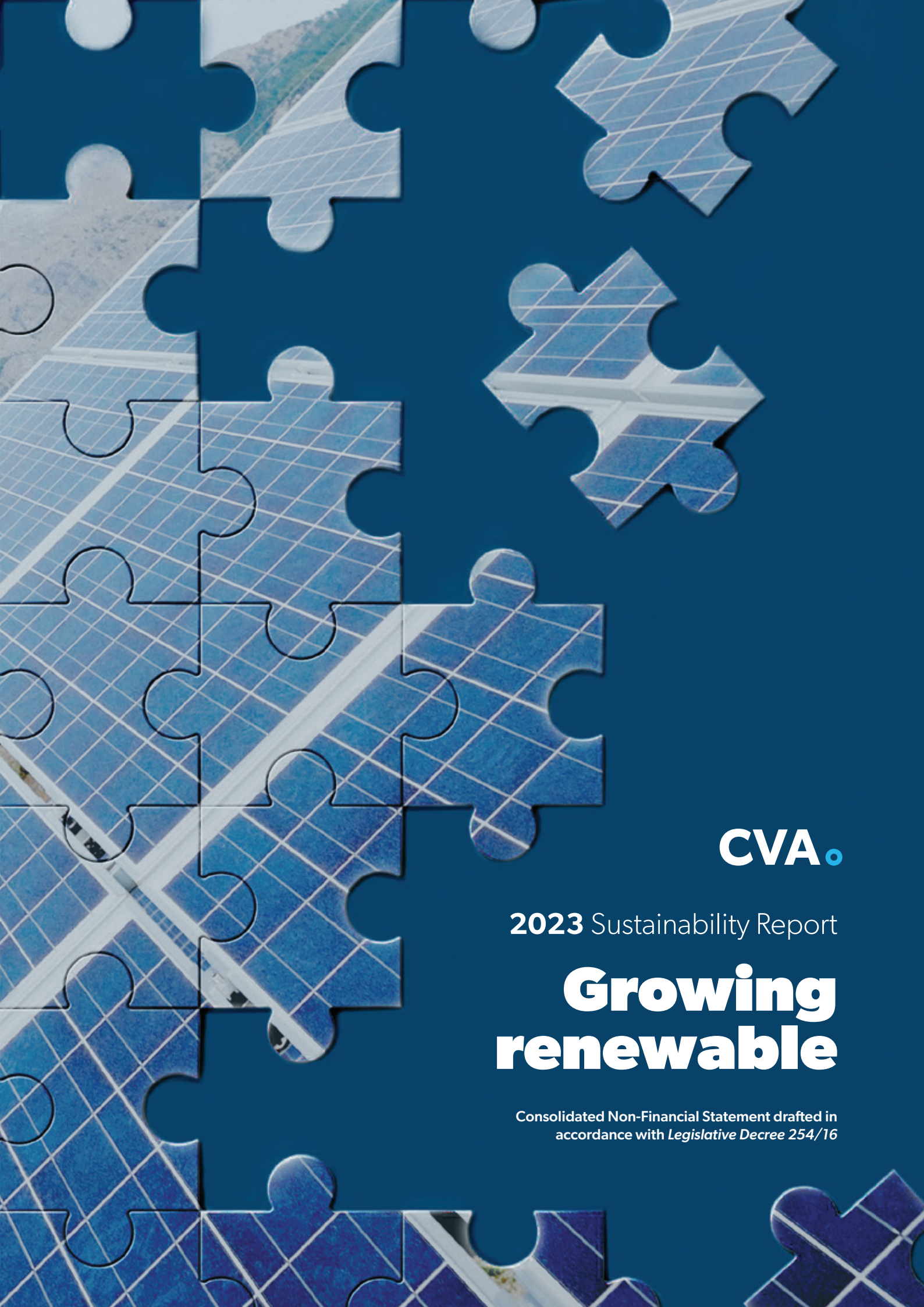


CVA

2023 Sustainability Report

Growing renewable

Consolidated Non-Financial Statement drafted in accordance with *Legislative Decree 254/16*

Growing renewable

CVA

Piansano wind farm (VT)

Alessandria Sud (AL) Photovoltaic plant

Covalou hydroelectric power plant (AO)

Letter to Stakeholders

Marco Cantamessa
Chairman CVA S.p.A.

Giuseppe Argirò
CEO CVA S.p.A.

Enrico De Girolamo
General Manager CVA S.p.A.

Dear readers,
once again, 2023 confirmed the growing importance of energy in everyday life, but also as a driver for a fair, safe and sustainable transition in implementation of the global climate change adaptation and mitigation strategy. **The importance of a rapid transition to renewable energy sources is inescapable, even if not taken for granted, in a complex environment characterised by regulatory challenges, geopolitical tensions and price volatility.**

The ambitious European targets aiming for climate neutrality by 2050 have been transposed to Italy with the *Piano Nazionale Integrato per l'Energia e il Clima* (PNIEC - National Integrated Energy and Climate Plan), which envisages the installation of 131 GW in renewable capacity by 2030. Estimates tell us that although Renewable Energy Sources (RES) have contributed 43.8% of Italy's electricity production, marking an increase of 35.5% compared to 2022, there is still a long way to go to reach European and national targets.

Our growth strategy to 2027 is fully in line with the country's energy transition path: a target of 2GW of installed capacity from renewable sources, thanks to an ambitious EUR 1.6 billion investment plan.

The challenges we are witnessing, including the current uncertainty of the licensing regime and regulations on ground-mounted photovoltaic installations, call for a strategy focused on diversification and security: **the implementation of new industrial capacity and positioning across the entire supply chain is how we are responding to the needs of an ever-changing market in order to create a sustainable and lasting competitive advantage**.

The year 2023 saw the Group grow significantly through a series of acquisitions that will consolidate our position in wind and photovoltaic power and energy efficiency. The acquired and integrated expertise and the development of activities throughout the country will strengthen our role as an enabler of the transition. An industrial approach that allows us to **match our Strategic Plan with environmental sustainability goals, with totally green production that will result in approximately 2 million tonnes of CO_2 avoided per year**.

Our vision, however, is not limited to pursuing a sustainable and secure energy transition, but also embraces social transition, which must be fair and inclusive. As utility companies we serve the basic needs of the population, and we must support the innovations and changes that the energy transition brings. **We do this on a local level**, with commitment that has seen us win the **Corriere della Sera** Sustainability Report Award, by continuing to promote awareness and education initiatives with educational workshops for children and young people, and by reopening our hydroelectric plants to visitors with the aim of telling them about hydropower and CVA. **We do this at system level**, with a strong commitment to associations, in line with our growth and fully aware of the role we must play in supporting the renewables sector at national level. Precisely with this in mind, in 2023 we set up ***Renewable Thinking,*** a platform that aims to provide qualified positive advocacy and strategic guidance on the role and evolution of renewable energy sources for the energy transition in Italy.

Our team continues to grow, and the integration of the new companies will require ongoing commitment to creating an inclusive and collaborative working environment that values diversity and promotes the professional growth of all **employees, who are and will always be the heart of CVA and the driving force behind the Group's growth and development**.

We thank all of you, our valuable stakeholders. We are confident that, with your support and cooperation, we will be able to take full advantage of the opportunities the future holds, and continue to grow towards a sustainable, fair and secure transition.

Marco Cantamessa
Chairman CVA S.p.A.

Giuseppe Argirò
CEO CVA S.p.A.

Enrico De Girolamo
General Manager CVA S.p.A.

Gabiet Dam (AO)

External Relations and Sustainability Function | CVA
Knowledge partner: TEHA

INDEX

€ 38.8 million
purchases commissioned from local suppliers

+ 5%
new hires in CVA

681
total Group employees

€ 157 million
net profit

3,002 GWh
annual net renewable production

1,388,912 tonnes of CO_2
avoided thanks to renewable production

172
local suppliers (31% of the total)

€ 289 million
EBITDA

€ 1.7 billion
of turnover

+ 1,000
visitors to CVA's plants

83,000
customers served

1,148 MW
installed renewable power

1 accident
out of 1,088,564 hours worked

€ 42.5 million
value of investments in the maintenance of CVA's facilities

+ 804 MW
capacity renewable at 2027

200 km
total of checked channels

16
reblading operations

+ 900
students in sustainability education projects

20,000
training hours for health and safety, upskilling and reskilling

Tarifa wind farm (LE)

CVA: Community Company

THE STRATEGIC-BUSINESS PLAN 2023-2027

With the aim of consolidating its position as Italy's leading operator in the renewable energy sector, CVA outlined its **Strategic-Business Plan 2023-2027**, which makes provision for investments of EUR 1.6 billion aimed at strengthening the Group's entire value chain, from production to the distribution and sale of renewable energy, and the expansion of a business line dedicated to energy efficiency. The integration of the acquisitions in 2023 allowed the Group to strengthen its *know-how* and industrial expertise, take advantage of synergies between business lines and optimise operating costs.

*Industrial capacity and positioning on the entire value chain will become an **element of differentiation** to meet the needs of an ever-changing market, creating a sustainable and lasting competitive advantage.*

'The business strategy designed by the Group will allow CVA to consolidate its position as Italy's leading renewable operator with 2 GW of pure green installed capacity at the end of 2027 and to significantly improve the Group's competitiveness in the market, completing the technological diversification strategy that will ensure its significant resilience in the medium to long term, while offering a significant contribution to the energy transition and national energy security.'

Chief Executive Officer
Giuseppe Argirò

The path of **industrial and technological diversification** is geared towards the construction of photovoltaic, wind and agri-voltaic plants, with an expected growth in ***pure green* installed capacity** from the current 1.2 GW to **2 GW** throughout Italy (+804 MW by 2027). In terms of technology, 48% of installed capacity will be in hydropower, 35% in photovoltaics, 5% in agri-voltaics and 12% in onshore wind power. The incremental contribution to the energy transition is estimated at around 2 million tonnes of **avoided CO_2** and a pathway to zero direct emissions by 2030 is also planned.

The Integrated Plan aims to combine **corporate development with environmental and social sustainability**, in order to generate shared value for CVA's stakeholders in the long term and to contribute to the energy transition. Through specific lines of action and qualitative and quantitative objectives that can be measured over time, the Plan **outlines the 3 guidelines for the Group's future growth**, which can be traced back to the material themes and to CVA's commitment as a Community Company: *Positive Impact*, *Future Proof* and *Empowering Communities*.

'The Strategic-Business Plan to 2027 will enable CVA to play a leading role in the energy transition, interpreting the main trends through a strengthening of its industrial competencies.
This will lay the foundations for ensuring a sustainable and lasting competitive advantage for the Group and generate a strong impact in terms of sustainability.'

THE CHAIRMAN
Marco Cantamessa

POSITIVE IMPACT

TARGET	WHERE WE ARE IN 2023	WHERE WE WANT TO GET TO
1. **Zero emissions:** zero direct CO_2 emissions by 2030 and analysis of emissions throughout the value chain	• Identification of abatement actions for heating, company fleet and energy supply of Deval infrastructure • Definition of approach for Scope 3	• Definition of a zero emission **strategy for Scope 1 and 2 emissions that can be certified** according to the Science-Based Target initiative (SBTi) guidelines, in line with the scientific targets for tackling climate change. • **Construction of Scope 3** CO_2 emissions baseline to optimise monitoring and variation over time, and definition of improvement actions
2. **Resilient Ecosystems**	• Identification of projects at local and national/international level • Launch of a national project	• Selection and participation in active **Nature-Based Solutions (NBS)** projects nationwide in urban and suburban settings • Selection and participation in **offsetting and reforestation** projects in the region and nationwide
3 **Feasibility studies** Agrivoltaic	• The partnership with Bonifiche Ferraresi was finalised and started for the development of an agri-voltaic pipeline on the agricultural areas of the BF Group • Agronomic study on BF 'Jolanda di Savoia' land finalised	• Agri-voltaic pilot project to 2025 • 150 MW **agri-voltaic** development on BF farmland by 2030 • Collaboration with research organisations and academia to conduct joint studies/define shared standards
4. **Balance and sustainability of withdrawals:** 100% of waterways monitored	• Definition of the environmental indicator	• **Monitoring the environmental quality objectives of releases** • **Optimisation of water resource use in respect** of environmental protection and Ecological Flow (2021-2024) • **Evaluation of possible production increases** in light of the new release framework (2024-2026)

FUTURE PROOF

TARGET	WHERE WE ARE IN 2023	WHERE WE WANT TO GET TO
5. Secure and resilient assets: more than EUR 40 million invested per year	• **+ EUR 42.5 million invested** in modernisation and maintenance of assets	• Study, definition and implementation of a plan of action and investment for maintaining the integrity and resilience of the production and distribution assets of the Group
6. Asset 4.0: >90% of plants with automation solutions with 4.0 maintenance projects	• **Software installed on** 85% of installed wind and 50% of photovoltaic capacity • **15 Water units with 4.0 monitoring**	• Equipping wind and photovoltaic power plants *with software* **to analyse machine *performance*** and optimise operating approaches • **Technologies 4.0** to improve maintenance strategies for hydropower plants • **Increasingly smarter and digitised grids**
7. 100% slopes and relevant areas monitored with satellite technologies	• **Achievement of the objective: 320 km² of area covered with satellite technology**	• **Continuous** monitoring of 100% of the territories and slopes where CVA is present with its facilities • Implementation of **additional in-depth analyses and actions** on particularly relevant areas (e.g., dams)
8. Prevention of **climate risks**	• **Climate Risk Integration Prototype (TCFD) with Enterprise Risk Management (ERM)** • **Climate Change Risk Assessment (CCRA) process** • **Application of hydrological simulations of existing IPCC scenarios in VdA**	• **Integration of climate risks with Enterprise Risk Management**
9. *Cyber* resilient	• **Achievement of ISO 27001 and 27701 certification**	• **ISO 27001 and 27701 audits and improvement plans**

Lamacarvotta wind farm (TA)

EMPOWERING COMMUNITIES

TARGET	WHERE WE ARE IN 2023	WHERE WE WANT TO GET TO
10. It Takes Listening: processes of dialogue and in-depth analysis of environmental issues with the territory and national SHs	• Dedicated events with Alpine Guides and Aosta Valley Ski Instructors for the inclusive development and dissemination of mountain sports • Presentation of the Shared Value produced by CVA to the stakeholders of the Aosta Valley Region • Territorial promotion event with the financial community and renewable energy operators Palazzo Clerici, Milan	• Initiation of listening and discussion projects **with key stakeholders** , at least 3 every years
11. CVA for schools: activities to directly involve schools in environmental education initiatives	• **918 students reached** with the delivery of the Labenergie project kit to **a total of 14** secondary classes • Launch of the STEM **scholarship** project for girls	• **Increase in the** number of **students involved each year** (from 2023) in environmental education activities Raising **awareness of STEM pathways**, **increasing the participation of girls**, with the provision of 5 scholarships worth EUR 5,000
12. Corporate volunteering	• Company survey on employee volunteering carried out • Designing a corporate volunteering project	• Building a partnership with a national environmental agency for the activation of targeted corporate volunteering initiatives
13. *Upskilling* and *reskilling*: >60% business population reached	• Involvement of about 35% of the corporate population.	• Achieving an average of 17 hours per capita of upskilling and reskilling training

About us

Penstocks of the Aymavilles power plant (AO)

[GRI 2-1]

The CVA Group represents an efficient and consolidated production company for the economy of the Aosta Valley Region, where it plays a leading role in the energy transition through operations aimed at increasing and diversifying the production of clean energy from renewable sources.

Founded in 2001 following the acquisition of Enel's hydroelectric structure in the Aosta Valley Region and the integration of a number of plants already owned, the Group is today one of Italy's leading energy service *providers*, active across the entire energy chain, from production to sales, and from efficiency to distribution**.** The company's *core business* **consists of the production of 100% renewable** electricity, positioning CVA in **4th place among the main hydroelectric power producers in Italy**[1].

The Group's head office is located in Châtillon and the company operates exclusively in Italy.

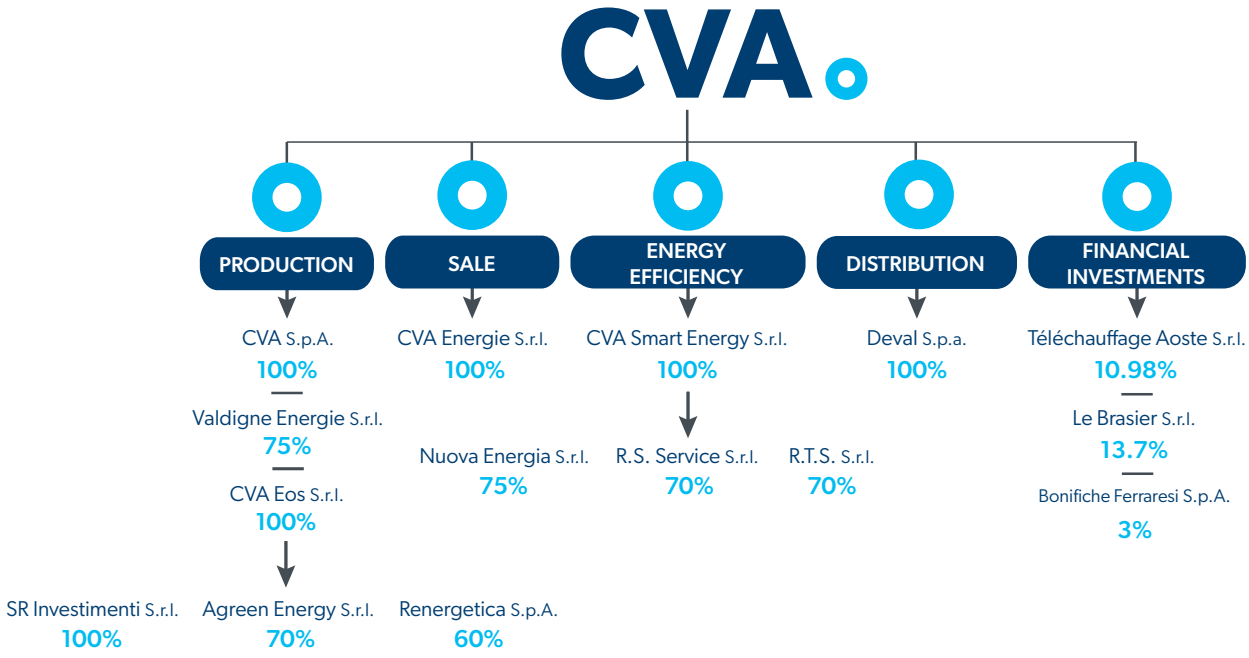
THE CORPORATE STRUCTURE

[GRI 2-2]

The CVA Group is controlled by its parent company, Compagnia Valdostana delle Acque S.p.A. – Compagnie Valdôtaine des Eaux S.p.A. - wholly-owned by the regional finance company Finaosta S.p.A., which in turn is controlled by the Autonomous Region of Aosta Valley. The **corporate structure** of the CVA Group as at 31 December 2023 is shown below.

The Group operates through subsidiaries and associated companies, which are active along the entire value chain of the energy sector. Each company acts according to its own mission and specific objectives, respecting the shared values of **sustainability**, **innovation**, **and safety**.

This document consolidates the information of CVA, CVA Energie, Deval, Valdigne Energie and CVA Eos (limited to the SR investments branch, as far as subsidiaries are concerned), but instead does not include all other subsidiaries acquired in Q3 and Q4 2023.



1 ARERA, ARERA Annual Report (2023).

PRODUCTION

Energy production from hydroelectric sources is held by the parent company **CVA S.p.A.**, which owns 30 hydroelectric plants in Aosta Valley **and Valdigne Energie S.r.l.**. Established in 2005, Valdigne Energie is 75% controlled by CVA and 25% by the municipality of Pré-Saint-Didier, and operates 2 hydroelectric plants along the Dora di La Thuile.

CVA Eos S.r.l. is responsible for all of the Group's wind and photovoltaic plants, also following the recent transfer of certain wind and photovoltaic assets by CVA S.p.A. In 2023, CVA Eos S.r.l. signed purchase agreements to acquire 100% of **SR Investimenti S.r.l.** and 60% of **Renergetica S.p.A.**.

Also in 2023, CVA Eos S.r.l. set up the company **Agreen Energy S.r.l.** and, as part of the agri-voltaic development partnership with Bonifiche Ferraresi, subsequently sold 30% of its shares to BF Agricola S.r.l..

These transactions, together with further project acquisitions at various stages of development, further increased energy production capacity:

- SR Investimenti S.r.l. (100%): the company is responsible for the construction and operation of more than 40 of the Group's PV plants; it is active in the acquisition of already operating plants and their development, as well as in the creation of new PV plants.
- Agreen Energy S.r.l. (70%): the company is active in the design, construction, operation and maintenance of photovoltaic and agri-voltaic plants.
- Renergetica S.p.A. (60%): the company identifies and contracts suitable land for the construction of plants, manages the entire authorisation process and, through specific special purpose vehicles, sells the authorised projects to the most important institutional investors on the market.

SALES

Through **CVA Energie S.r.l.**, the Group offers energy sales services. A wholly-owned subsidiary of CVA S.p.A., CVA Energie has been operating as a wholesaler in the Italian electricity market since October 2002, selling electricity to end customers throughout the country in both the retail and business segments in the Free Market, and in the Greater Protection Market through the Enerbaltea brand.

ENERGY EFFICIENCY

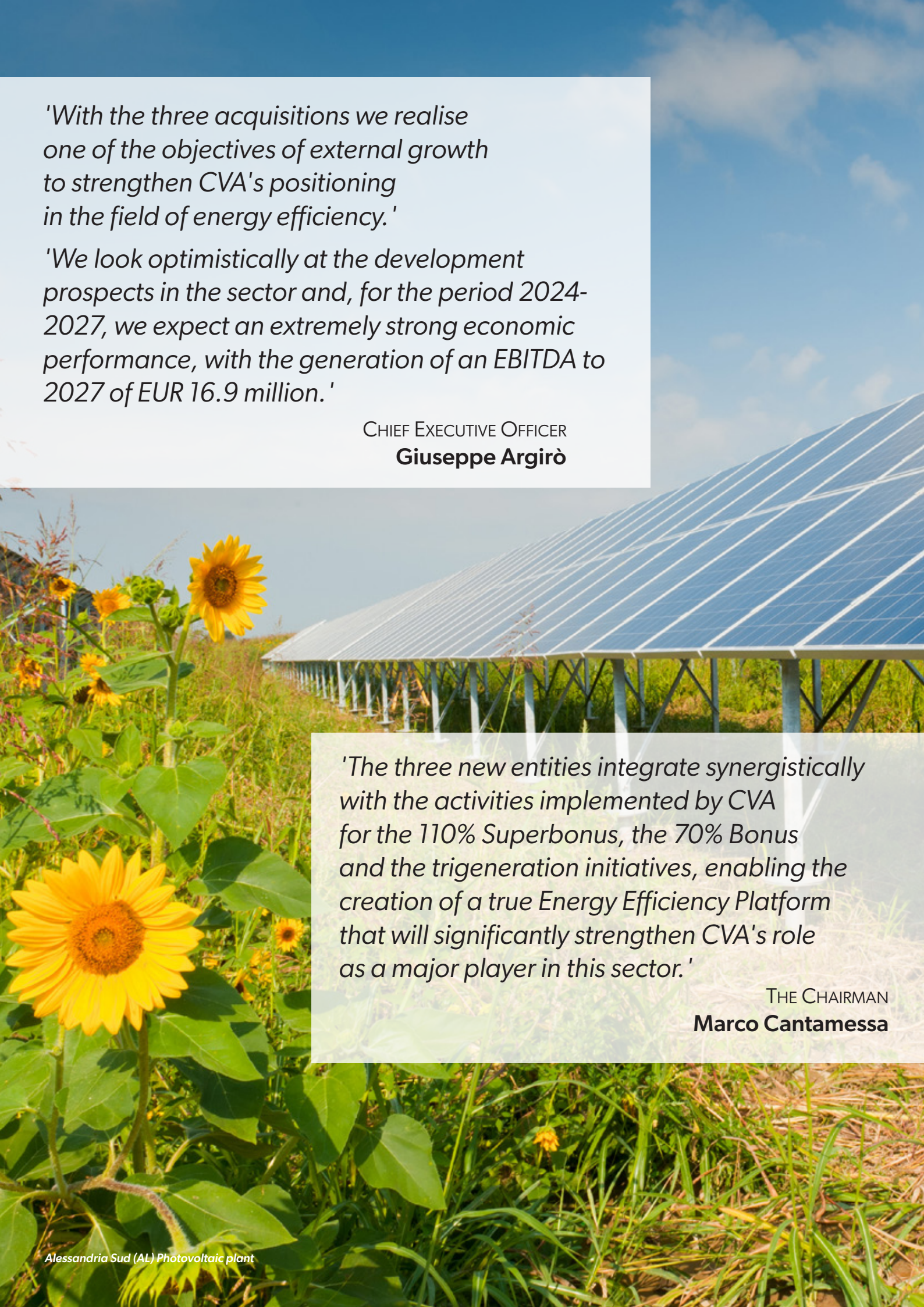
CVA Smart Energy S.r.l. is the Group company that manages energy efficiency activities through 3 new companies:

- Renewable Technical Solutions S.r.l. - RTS S.r.l. (70%): certified Energy Saving Company that promotes industrial energy efficiency activities, with installation and 'O&M' of cogeneration and trigeneration plants and other efficiency systems, dedicated to the industrial sector.
- Sharenergy S.r.l. - Nuova Energia (75%): Energy Saving Company active in the construction, installation, operation and maintenance of plumbing, heating and electrical systems, as well as in the energy upgrading of buildings.

'With the three acquisitions we realise one of the objectives of external growth to strengthen CVA's positioning in the field of energy efficiency.'

'We look optimistically at the development prospects in the sector and, for the period 2024-2027, we expect an extremely strong economic performance, with the generation of an EBITDA to 2027 of EUR 16.9 million.'

CHIEF EXECUTIVE OFFICER
Giuseppe Argirò



'The three new entities integrate synergistically with the activities implemented by CVA for the 110% Superbonus, the 70% Bonus and the trigeneration initiatives, enabling the creation of a true Energy Efficiency Platform that will significantly strengthen CVA's role as a major player in this sector.'

THE CHAIRMAN
Marco Cantamessa

Alessandria Sud (AL) Photovoltaic plant

- RS Service S.r.l. (70%): active in the design, integrated services, construction and maintenance of electrical, mechanical and technological systems for leading customers in the advanced service sector throughout Italy.

The establishment of the energy efficiency business unit is in keeping with the Group's objective to establish a foothold in the energy efficiency market and generate EPC (Engineering, Procurement & Construction) activities for new renewable plants.

Overall, CVA will thus be able to present itself on the market in an integrated manner, as a 100% renewable operator, with consolidated expertise and a widespread presence throughout Italy.

DISTRIBUTION

A wholly-owned subsidiary of CVA, **Deval S.p.A.** is the main electricity distributor in Aosta Valley and offers its service to about 130,000 consumers located in 69 (out of 74) municipalities of the Region.

FINANCIAL INVESTMENTS

The CVA Group also holds a 10.98% stake in **Telcha S.r.l**., a company that manages the district heating project for the city of Aosta, a 13.7% stake in Le **Brasier S.r.l.,** responsible for the district heating plant located in Morgex, and a 3% stake in **Bonifiche Ferraresi S.p.A**., Italy's largest agricultural company by UAA (Utilised Agricultural Area), controlled by the BF S.p.A. Group.

ECONOMIC AND FINANCIAL RESULTS

The Group ended 2023 with turnover of EUR 1.7 billion and an EBITDA of EUR 289 million, a decrease of -1.97% compared to 2022. The financial results of the CVA Group are shown below.

INCOME STATEMENT RESULTS (THOUSANDS OF €)	2023	2022	2021
Turnover	1,657,858	1,728,280	710,645
EBITDA	289,464	295,281	193,412
Operating income	211,613	236,187	132,070
Net profit attributable to the Group	157,834	163,975	133,441

BALANCE SHEET RESULTS (THOUSANDS OF €)	2023	2022	2021
Net invested capital	1,640,301	1,192,870	970,882
Consolidated shareholders' equity of the Group	1,125,171	869,985	814,703
Consolidated shareholders' equity of the Group and minority interests	1,146,751	878,873	824,197
Net financial position	499,746	314,021	146,684

THE VALUE CHAIN

[GRI 2-6]

PRODUCTION

The CVA Group draws on the power of nature as its primary source of energy. With a total of 32 hydropower plants, 8 wind farms and 48 photovoltaic plants, CVA has an **installed capacity of around 1,148 MW** from renewable sources such as **water (934.5 MW), wind (158 MW) and sun (56 MW)**. The entirely renewable and naturally occurring sources of production mean that the procurement phase only applies to services, components and machines.

DISTRIBUTION

The management of the **electricity distribution** phase is entrusted to the subsidiary Deval, which is responsible for the supervision of a vast network of high, medium and low voltage power lines, extending over more than **4,100 km** and equipped with more than **1,700 transformer stations**. Deval operates in the field of electricity distribution and metering under a concession, striving to maintain high quality standards in the services it provides and to ensure the resilience of distribution networks through constant remote monitoring of the entire network.

SALES

CVA, in addition to electricity production and distribution, manages the **direct sale of energy to end consumers through its subsidiary, CVA Energie**. CVA Energie develops **customised offers to meet the specific needs of different customer segments**, which include domestic consumers, condominiums, small professionals and large business customers.

ENERGY EFFICIENCY

In terms of **energy efficiency**, CVA is dedicated not only to the promotion of energy-efficient devices to encourage more efficient energy management by consumers, but also to the support of the local economy through the financing of energy optimisation operations, operations carried out by local operators in the sector. Thanks to its long-established technical, economic and organisational skills, **CVA acts as a facilitator, for an easier activation of energy efficiency initiatives** by sector operators in the area.

THE ALIGNMENT OF CVA WITH THE EUROPEAN TAXONOMY

EU TAXONOMY INFORMATION

In line with the Paris Agreement on climate change and the UN 2030 Agenda, by adopting the Green Deal, Europe has set itself the goal of becoming the first carbon-neutral continent by 2050, entrusting the financial sector with the task of driving the sustainable transition of the economic system.

To this end, in 2018, the European Commission published the Sustainable Finance Action Plan, which outlines a series of measures to be taken to steer capital towards sustainable investments, manage financial risks related to climate change and promote transparency in economic and financial activities.

The European Taxonomy - approved on 15 June 2020 with Regulation 2020/852/EU[2] - is the cornerstone initiative of the Plan and introduces a unique international classification system for the identification of environmentally sustainable economic activities, with the aim of increasing the quality of information available to investors, enabling them to make effective, informed investment choices that support the transition.

The Taxonomy consists of a dictionary of economic activities and establishes the technical criteria for determining whether an economic activity can be considered environmentally sustainable, i.e. that it contributes to the achievement of at least one of the 6 identified **environmental objectives**:

1) Climate Change Mitigation – CCM;
2) Climate Change Adaptation – CCA;
3) Sustainable use and protection of water and marine resources – WTR;
4) Transition to a circular economy – CE;
5) Pollution Prevention and Control – PPC;
6) Protection and restoration of biodiversity and ecosystems – BIO.

In particular, the Delegated Acts identify the economic activities and technical criteria to be verified so that each activity contributes substantially to at least one objective without causing significant harm to the other objectives. To date, the European Commission has adopted **156 economic activities for 9 main sectors**, through:

- the **Climate Delegated Act**[3] (2021/2139 EU), published in 2021, lists the activities that can contribute to the first two climate change mitigation and adaptation targets, applicable from the first year of reporting on the Taxonomy (FY2021) and complemented by Delegated Act 2023/2485 EU of June 2023, which introduced additional eligible activities, specifying their technical criteria for substantial contribution and DNSH;
- the **Complementary Climate** Delegated Act (2022/1214 EU), published in 2022, amends the Climate Delegated Act by introducing activities and related technical criteria for measuring the sustainability or otherwise of energy production from nuclear and natural gas as transition activities;

2 EU Regulation 2020/852 of the European Parliament and of the Council establishing a framework to encourage sustainable investment, European Commission, 2020. Available at the link: https://eur-lex.europa.eu/legal-content/IT/TXT/?uri=celex:32020R0852

3 C (2021) 2800 final, Annex 1 and 2, European Commission, 2021. Available at the link: https://eur-lex.europa.eu/legal-content/IT/ALL/?uri=PI_COM:C(2021)2800

- the **Environmental Delegated Act**[4] (2023/2486 EU), published in 2023, covering the remaining four environmental objectives of the Regulation, which came into force for Non-Financial Statements published after 1 January 2024.

These are supplemented by the **Disclosure Delegated Act**[5] (2021/2178), that specifies the methodology, content and information that companies are required to disclose with respect to the portion of their business, investment or lending activities that are eligible and aligned with the Taxonomy.

For the reporting year 2023, in line with the guidance of the Disclosure Delegated Act, companies that fall within the scope of Legislative Decree 254/2016 for the annual reporting of non-financial information, and therefore subject to EU Regulation 2020/852, are required to publish a disclosure of the percentage share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) attributable to eligible economic activities and aligned to the first two climate objectives and of solely eligibility to the listed activities for the remaining four environmental objectives. **In anticipation of compliance requirements, CVA voluntarily decided in 2023 to assess its alignment with all six objectives of the European Taxonomy, in order to make the most of its contribution to achieving the objectives of the Regulation**.

ELIGIBILITY AND ALIGNMENT OF THE CVA GROUP

In order to meet the disclosure requirements of the Taxonomy, in 2023 CVA retraced the cross-Group process carried out in the previous years of application of the Regulation. The project was managed by the External Relations and Sustainability Function and actively involved the Group's Operations Department and Administration, Finance, Control and Services Department, in addition to the reporting companies.

The first step involved **updating the eligibility analysis**, to identify the activities carried out in 2023 by CVA's Business Units that match the updated perimeter of activities listed in the Regulations for the 6 objectives of the Taxonomy. The eligibility analysis identified **7 eligible activities**, which can be traced back to **3 sectors of** the Regulation ('Energy', 'Construction and Real Estate', and 'Disaster Risk Management'), and which can contribute to the achievement of the objectives of Mitigation (CCM) and Sustainable Use and Protection of Water and Marine Resources (WTR). Subsequently, the team carried out the verification of compliance with the technical alignment screening criteria for the identified eligible activities.

› Substantial contribution

For each eligible activity, compliance with the **technical screening criteria** necessary to establish the substantial contribution to the achievement of the Climate Change Mitigation (CCM) and Sustainable Use and Protection of Water and Marine Resources (WTR) objectives was verified. The criteria set real technical thresholds that establish the limits within which the activity is able to meet the first requirement for alignment with the Taxonomy.

4 C/2023/2486, European Commission, 2023. Available at the link: https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=OJ:L_202302486

5 Disclosure Delegated Act, European Commission, C (2021) 4987 final, 2021, adopted in July 2021 and entered into force on 30 December 2021.

CODE	OBJECTIVE	ACTIVITIES[6]	ALIGNMENT RATIONALE
4.5	CCM	**Electricity generation from hydropower**	All of the Group's 32 hydropower plants meet the criteria for the contribution to climate change mitigation target: the 18 run-of-river plants are directly aligned as they do not have an artificial reservoir, while for all the other 14 basin and tank plants, compliance with the power density threshold of more than 5W/m^2 was verified, taking the artificial basin as the reference area.
4.1	CCM	**Electricity generation using solar photovoltaic technology**	The business produces electricity using photovoltaic solar technology.
4.3	CCM	**Electricity generation from wind energy**	The business produces electricity from wind energy
7.6	CCM	**Installation, maintenance and repair of renewable energy technologies**	The Group was responsible for the installation, maintenance and repair of: solar photovoltaic systems and ancillary technical equipment; solar hot water panels and ancillary technical equipment; heat pumps that contribute to renewable energy targets in the heat and cooling sector in accordance with Directive (EU) 2018/2001 and ancillary technical equipment; electrical or thermal energy storage units and ancillary technical equipment.
4.9	CCM	**Transmission and distribution of electricity**	The energy transmission and distribution system is the interconnected European system.
7.3	CCM	**Installation, maintenance and repair of energy efficiency equipment**	CVA deals with: - addition of insulation to existing building envelope components; - installation and replacement of energy-efficient light sources; - installation, replacement, maintenance and repair of heating, ventilation and air conditioning and water heating systems, including equipment for district heating services, with high-efficiency technologies.
7.4	CCM	**Installation, maintenance and repair of charging stations for electric vehicles in buildings**	The business consists of installing, maintaining or repairing charging stations for electric vehicles.
3.10	CCM	**Hydrogen production**	CVA is planning to build an electrolysis plant (not yet started in 2023). For this plant, the Group undertakes to ensure compliance with Directive 2018/2001/EU, implemented by Legislative Decree No. 199 of 8 November 2021 or, alternatively, validation of design data according to ISO 14067:2018 or ISO 14064-1:201874 standards. In addition, it will be ensured that the use of electricity for powering the process will be less than 100 gCO2/kWh and less than 58 MWh/t H2.
4.10	CCM	**Storage of electricity**	The activity consists of the construction and operation of electrical energy storage, including hydroelectric energy storage by pumping.
9.1	CCA	**Engineering activities and related technical consultancy dedicated to adaptation to climate change**	In 2023, CVA conducted and concluded the analysis of climate change-related risks and opportunities, according to the guidelines of the Task Force on Climate Related Financial Disclosures (TCFD).
3.1	WTR	**Nature-based solutions for prevention and protection against the risks of floods and droughts**	The CVA Group has established an agreement with the Autonomous Region of Aosta Valley, the Regional Agency for Environmental Protection of Aosta Valley (ARPA VdA), and the Montagna Sicura and CIMA foundations in order to develop and maintain advanced hydrological and meteorological models, analyse the impact of climate change on the hydrological cycle, and optimise the use of water resources. Specifically, the Convention: - is a quantifiable and time-bound measure aimed at achieving flood risk reduction objectives. The activity will not take place in third countries; - aims to achieve good water status and ecological potential. The activity does not include the marine environment; - includes restoration or nature conservation actions that demonstrate specific co-benefits for ecosystems by verifying the ecological status of water flows, and does not involve operations in third countries; - provides a monitoring programme to assess the effectiveness of a system of nature-based solutions in improving the status of the affected water body, achieving conservation and restoration objectives and adapting to climate change.

› *Do No Significant Harm* (or DNSH)

For each eligible activity that met the criteria for a substantial contribution to at least one of the six climate objectives, the technical and regulatory requirements were checked to **ensure that the activity in question would not cause significant harm to the other environmental objectives** defined in the Regulation. The analysis included the verification of both **specific criteria**, which impose ad-hoc technical or regulatory verifications for each activity and objective, and **general criteria**, which refer to compliance with European or national regulations or to the performance of checks on environmental matters.

Adapting to climate change: in 2023, CVA concluded the project aimed at analysing climate change-related risks and opportunities, according to the guidelines of the Task Force on Climate Related Financial Disclosures (TCFD). The work is based on the main global climate scenarios developed by international reference bodies to determine physical risks, i.e. risks arising from the effects of climate events, considered 'acute' if related to episodic phenomena or 'chronic' if related to long-term changes, and transitional risks, i.e. risks arising from the transition process towards a low-carbon economic system that may involve changes in the regulatory, legal, technological and normative spheres. In particular, a Climate Change Risk Assessment (CCRA) model was developed and the know-how acquired in Enterprise Risk Management (ERM) was integrated. One of the main aspects emerging from the CCRA analysis concerns the intensification of extreme weather events, with short and medium-term impacts on physical production assets and energy distribution infrastructure. Chronic physical hazards include changes in the hydrological flow regime, the potential negative effects of which are expected over a longer

Maintenance work on the electricity network near Lake Maën (AO)

time horizon. Conversely, an increase in average irradiation correlated with lower cloudiness and higher temperatures will, on the whole, have a positive effect on photovoltaic production. The analysis carried out according to the TCFD guidelines therefore allows the CVA Group to fully meet the requirements of Appendix A on DNSH for the Climate Change Adaptation objective of all eligible activities

Sustainable use and protection of water and marine resources: for existing plants, CVA implements all the mitigation and monitoring measures required by the Water Protection Plan in force in the Autonomous Region of Aosta Valley. All stretches of watercourses underlying the hydroelectric plants comply with the environmental objectives defined by the Water Framework Directive, as evidenced by the monitoring carried out by Aosta Valley ARPA as part of the Po River Hydrographic District Management Plan. For the construction of new hydroelectric plants, an Environmental Impact Assessment is carried out, as required by Regional Law 12/2009, in order to assess the potential impacts of the project, define mitigation and monitoring actions to protect the aquatic environment and not permanently compromise the achievement of good status/potential of water bodies.

Transition to a circular economy: when relevant, the presence of a management plan for waste generated by the activities in compliance with the waste hierarchy, the EU waste management protocol and the requirements for purchased services or products has been verified.

Pollution Prevention and Control: depending on the activity under analysis, compliance with the criteria was verified.

Protection and restoration of biodiversity and ecosystems: CVA plants are not subject to an EIA. In any case, in the case of a new plant, an Environmental Impact Assessment is carried out, as required by Regional Law 12/2009, in order to assess the potential impacts of the project and define mitigation and monitoring actions to protect the environment.

› Minimum social safeguards

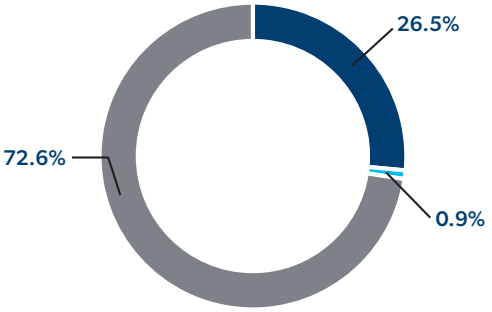
In order to complete the alignment with the Taxonomy of Eligible Activities of the Group, CVA verified **compliance with the minimum social safeguards** set out in the Regulation, understood as the policies that ensure compliance with a number of international principles on the protection of human and labour rights, anti-corruption, *fair competition* and taxation. In this regard, a document has been formalised that, by referring to the principles set out in **corporate policies and codes,** ensures business compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights[6]. Further information on the Group's approach to respecting human rights can be found in the sections 'Materiality Analysis and Stakeholder Dialogue' and 'Group Code of Ethics and Conduct'.

6 Regulation 2020/852, Art. 18: '*minimum safeguards [...] shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights*'

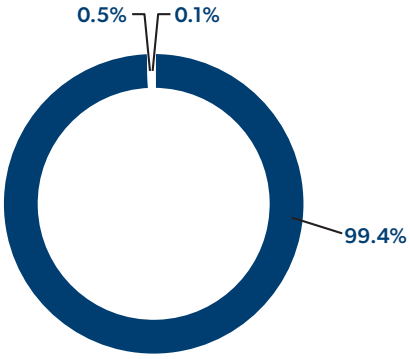
THE ECONOMIC AND FINANCIAL KPIS REQUIRED BY THE TAXONOMY

In line with the indications of in the *Disclosure Delegated Act*, the Group calculated the percentages of **turnover**, **CapEx** and **OpEx**, related to eligible activities and aligned to the six climate and environmental objectives of the Taxonomy.

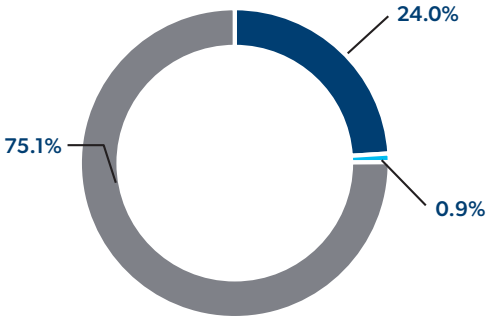
For 2023, 27.4% of the turnover was eligible and 26.5% aligned with the technical criteria. The share of eligible CapEx is 99.5%, aligned at 99.4%, while 24.9% of OpEx are eligible and 24% aligned.



TURNOVER (TOTAL € 1,642 MILLION)



CAPEX (TOTAL € 513 MILLION)



OPEX (TOTAL € 1.246 MILLION)

Eligible and aligned Eligible but not aligned Not eligible

The share of eligible turnover showed a significant increase compared to 2022 (+20%), mainly due to the change in the KPI calculation methodology. In fact, the indications of the Regulation, which impose the **elision of the *intercompany* economic indicators of the Group's production companies**, including the holding company CVA S.p.A. and the wholly-owned subsidiary CVA Energie, which is responsible for energy marketing and contributes about 90% of CVA's consolidated turnover [7],and **the impossibility of** valorising **the turnover obtained from the sale of renewable energy among the eligible activities[8]**, **were penalising** from the point of view of enhancing the eligible and aligned KPIs.

For this reason, **after two years of applying the taxonomy that assessed a large part of the turnover related to renewable energy production activities as ineligible**, and while waiting for the European Commission to consider the sale of groups producing energy from renewable sources as eligible, **CVA decided to change its approach**. The objective is to obtain a better representation of sustainability performance, according to the Taxonomy framework, linked to the activities carried out by a company producing 100% renewable energy. In this sense, **the share of CVA Energie's turnover directly and exclusively related to the energy production activities of the other Group companies, despite the *intercompany*** elimination, has been recognised as eligible and aligned**.**

ACCOUNTING STANDARDS AND DISCLOSURES

Below is the qualitative information required by the Regulation on the construction of the economic-financial KPIs required by the Taxonomy. In particular, it explains **how the percentages of turnover**, **CapEx** and **OpEx** relating to the Group's eligible and aligned activities and defined on the basis of the indications of Annex 1 to Delegated Act 2178/2021 are established.

The figures in the CVA disclosure refer to the Group's performance for the **year 2023**, prepared in accordance with International Financial Reporting Standards (IFRS). In particular, **CVA used a dedicated accounting process to identify the economic and financial items needed for the construction of the KPIs required by the Taxonomy** and the data used are traceable and attributable to the general, industrial and regulatory accounting.

In order to obtain the information necessary to construct the economic KPIs, CVA used the dedicated accounting process, which is based on the reporting provided in compliance with IFRS 8 - Operating Segments. In addition, more detailed analytical accounting tools integrated in the collection information system were used to analyse the available data in depth and, when necessary, drivers were used to complete missing information. The information presented refers to the reporting used for the Group's Consolidated Financial Statements for the fiscal year ending **31 December 2023**, in accordance with IFRSs issued by the IASB and the laws and

7 The Disclosure Delegated Act, in order to ensure the comparability of the KPIs required by the Taxonomy, requires companies to apply the same accounting standards used in their Consolidated Financial Statements. Consequently, for the preparation of taxonomy information, the application of consolidation accounting principles requires the exclusion of intra-group activities and turnover generated by own consumption. In the case of industrial groups, *this provision may lead to obvious distortions, in particular where eliminations of* intercompany turnover between companies do not allow a large part of the turnover to be valued. In fact, intra-group activities comply with organisational and accounting approaches that do not provide an interpretation of the sustainability profile of a company's activities;

8 To date, the activities identified by the Taxonomy for the first two climate objectives include the production, distribution and transmission of electricity produced from renewable sources, while the sale of energy, even if produced exclusively from renewable sources, is not considered eligible

regulations in force in Italy. The reporting boundary of the European Taxonomy information coincides with the boundary of the Consolidated Non-financial Statement 2023. CVA considers it plausible that the process of determining KPIs may change in the future as a result of possible regulatory developments related to the Regulation.

Below is a summary of how the KPIs required by the Taxonomy are calculated for eligibility and alignment with the activities and the criteria listed in the Regulation.

Turnover

- Denominator: total value of net sales that contribute to the definition of 'Revenues' in the CVA Group's Consolidated Financial Statements.
- Numerator: net turnover from products and services associated with eligible economic activities aligned with the Taxonomy.

With regard to the development of the Group's share of revenues from the generation of electricity from renewable sources, the quotas that CVA Energie realised for the enhancement of this energy on the various markets were considered eligible. These are revenues from operations on the various GME and Terna platforms as well as financial hedges entered into to stabilise, in whole or in part, the economic value of the energy flows sold. The transfer to third parties of the Guarantees of Origin accrued on the production of the Group's plants was also valued.

CapEx

- Denominator: total value of capital expenditure contributing to the CVA Group's 'Total Investments'. The calculation included increases in property, plant and equipment, increases in tangible and intangible assets during FY 2023 considered before depreciation, amortisation, impairment and any revaluation, including those resulting from restatements and reductions in value, for the year in question, and excluding changes in Fair Value.
- Numerator: eligible capital expenditure aligned to the Taxonomy.

OpEx

- Denominator: non-capitalised direct costs associated with research and development, building renovation measures, short-term rental, maintenance and repair, and direct costs associated with the day-to-day maintenance of property, plant and equipment, either by the enterprise or by third parties to whom these tasks are outsourced, necessary to ensure the continuous and effective operation of these assets.
- Numerator: eligible operational expenditure aligned to the Taxonomy.

SHARE OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

FINANCIAL YEAR N		2023		CRITERIA FOR SUBSTANTIAL CONTRIBUTION						DNSH CRITERIA ('DO NO SIGNIFICANT HARM')									
ECONOMIC ACTIVITIES	ACTIVITY CODE	ABSOLUTE TURNOVER (THOUSANDS €)	SHARE OF TURNOVER	MITIGATION	ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MITIGATION	ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	SHARE OF TAXONOMY-ALIGNED OR TAXONOMY-ELIGIBLE TURNOVER, YEAR N-1	QUALIFYING ACTIVITY	TRANSITION ACTIVITIES
TEXT		€	%	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	A	T
A. Activities eligible for taxonomy																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	4.1 CCM	31,069.14	1.9%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.5%	-	-
Electricity generation from wind energy	4.3 CCM	3,231.56	0.2%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	2.1%	-	-
Electricity generation from hydropower	4.5 CCM	300,039.41	18.3%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.5%	-	-
Transmission and distribution of electricity	4.9 CCM	17,726.42	1.1%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.1%	*A*	-
Storage of electricity	4.10 CCM	8.92	0.0%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.0%	*A*	-
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	83,814.11	5.1%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.6%	*A*	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**435,889.56**	**26.5%**	26.5%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	5.8%		
Of which enabling		101,549.45	6.2%	6.2%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	2.7%	A	
Of which transitional		-	0.0%	0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	14,790.73	0.9%	ADM	N/A	N/A	N/A	N/A	N/A								0.3%		
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		**14,790.73**	**0.9%**	1%	0%	0%	0%	0%	0%								0.3%		
Turnover of activities eligible for the taxonomy (A.1+A.2)		**450,680.29**	**27.4%**	27%	0%	0%	0%	0%	0%								6.1%		
B. Activities not eligible for taxonomy																			
Turnover from activities not eligible for the taxonomy		1,191,329.25	72.6%																
Total		**1,642,009.54**	100.0%																

SHARE OF TURNOVER/TOTAL TURNOVER		
	ALIGNED TO THE TAXONOMY BY OBJECTIVE	ELIGIBLE FOR TAXONOMY BY OBJECTIVE
CCM	26.5%	27.4%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

SHARE OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

FINANCIAL YEAR N		2023		CRITERIA FOR SUBSTANTIAL CONTRIBUTION						DNSH CRITERIA ('DO NO SIGNIFICANT HARM')									
ECONOMIC ACTIVITIES	ACTIVITY CODE	ABSOLUTE CAPEX (THOUSANDS €)	SHARE OF CAPEX	MITIGATION	ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MITIGATION	ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	SHARE OF TAXONOMY-ALIGNED OR TAXONOMY-ELIGIBLE CAPEX, YEAR N-1	QUALIFYING ACTIVITY	TRANSITION ACTIVITIES
TEXT		€	%	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	A	T
A. Activities eligible for taxonomy																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Hydrogen production	3.10 CCM	0.39	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	-	-	-
Electricity generation using solar photovoltaic technology	4.1 CCM	460,176.30	89.6%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	29.1%	-	-
Electricity generation from wind energy	4.3 CCM	8,872.62	1.7%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	3.7%	-	-
Electricity generation from hydropower	4.5 CCM	20,333.58	4.0%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	37.7%	-	-
Transmission and distribution of electricity	4.9 CCM	20,329.74	4.0%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	23.1%	A	-
Storage of electricity	4.10 CCM	808.80	0.2%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.5%	A	-
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	12.20	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.4%	A	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4 CCM	48.71	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.2%	A	-
Nature-based solutions for flood and drought risk prevention and protection	3.1 WTR	91.37	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	-	-	-
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**510,673.43**	99.4%	0%	0%	0%	0%	0%	99.4%	Y	Y	Y	Y	Y	Y	Y	96.0%		
Of which enabling		21,199.45	4.1%	0%	0%	0%	0%	0%	4.1%	Y	Y	Y	Y	Y	Y	Y	25.2%	A	
Of which transitional		-	0.0%	0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
Installation and operation of electric heat pumps	4.16 CCM	424.01	0.1%	ADM	N/A	N/A	N/A	N/A	N/A								-		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		424.01	0.1%	0%	0%	0%	0%	0%	0.1%								0.1%		
CapEx of activities eligible for the taxonomy (A.1+A.2)		511,097.45	99.5%	0%	0%	0%	0%	0%	99.5%								96.1%		
B. Activities not eligible for taxonomy																			
CapEx of activities not eligible for taxonomy		**2,304.79**	0.4%																
Total		**513,402.24**	100.0%																

CAPEX SHARE/TOTAL CAPEX		
	ALIGNED TO THE TAXONOMY BY OBJECTIVE	ELIGIBLE FOR TAXONOMY BY OBJECTIVE
CCM	99.5%	99.6%
CCA	-	-
WTR	0.0%	0.0%
CE	-	-
PPC	-	-
BIO	-	-

SHARE OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

FINANCIAL YEAR N		2023		CRITERIA FOR SUBSTANTIAL CONTRIBUTION						DNSH CRITERIA ('DO NO SIGNIFICANT HARM')									
ECONOMIC ACTIVITIES	ACTIVITY CODE	ABSOLUTE OPEX (THOUSANDS €)	SHARE OF OPEX	MITIGATION	ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MITIGATION	ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM SAFEGUARDS	SHARE OF TAXONOMY-ALIGNED OR TAXONOMY-ELIGIBLE OPEX, YEAR N-1	QUALIFYING ACTIVITY	TRANSITION ACTIVITIES
TEXT		€	%	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	YES; NO; N/A	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	A	T
A. Activities eligible for taxonomy																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	4.1 CCM	4,512.07	0.4%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.0%	-	-
Electricity generation from wind energy	4.3 CCM	6,539.39	0.5%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.5%	-	-
Electricity generation from hydropower	4.5 CCM	205,126.70	16.5%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.5%	-	-
Transmission and distribution of electricity	4.9 CCM	15,610.15	1.3%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.1%	*A*	-
Storage of electricity	4.10 CCM	1.55	0.0%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	0.0%	*A*	-
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	66,637.75	5.3%	Yes	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	1.8%	*A*	-
Nature-based solutions for flood and drought risk prevention and protection	3.1 WTR	271.58	0.0%	N/A	N/A	Yes	N/A	N/A	N/A	Y	Y	Y	Y	Y	Y	Y	-	-	-
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**298,699.19**	**24.0%**	24%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	4.9%		
Of which enabling		82,249.45	6.6%	7%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	2.9%	A	
Of which transitional		-	0.0%	0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)																			
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	11,759.60	0.9%	ADM	N/A	N/A	N/A	N/A	N/A								0.3%		
OpEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		**11,759.560**	**0.9%**	1%	0%	0%	0%	0%	0%								0.3%		
OpEx of activities eligible for the taxonomy (A.1+A.2)		**310,458.79**	**24.9%**	25%	0%	0%	0%	0%	0%								5.2%		
B. Activities not eligible for taxonomy																			
OpEx of activities not eligible for the taxonomy		**935,937.25**	**75.1%**																
Total		**1,246,396.04**	**100.0%**																

OPEX SHARE /TOTAL OPEX		
	ALIGNED TO THE TAXONOMY BY OBJECTIVE	ELIGIBLE FOR TAXONOMY BY OBJECTIVE
CCM	24%	24.49%
CCA	-	-
WTR	0.0%	0.0%
CE	-	-
PPC	-	-
BIO	-	-

THE MATERIALITY ANALYSIS AND DIALOGUE WITH STAKEHOLDERS

[GRI 2-12] [GRI 2-14] [GRI 2-29] [GRI 3-1] [GRI 3-2] [GRI 3-3]

CVA annually reviews its material topics in accordance with the requirements of Legislative Decree 254/16 with the aim of gaining an up-to-date understanding of the most relevant non-financial issues, in terms of positive and negative impacts. The analysis was carried out according to the **Global Reporting Initiative (GRI) Standards 2021**, which require companies to identify material issues according to the most significant impacts they generate on the economy, environment and people.

The materiality analysis consists of the following steps:

1. ANALYSIS OF THE CONTEXT	Starting from an analysis of CVA's sustainability context and value chain, a list of actual and potential positive and negative impacts generated by the company's activities on the external context was identified.
2. IDENTIFICATION AND ASSESSMENT OF IMPACTS	These impacts were then the subject of a technical assessment, aimed at firstly **measuring their significance**, by the internal CVA functions most involved in sustainability issues, i.e. the Risk Management Function, the Civil Engineering and Electromechanical Engineering Functions, the External Relations and Sustainability Function and the Environment Services Quality Function (QSA). In detail, each negative impact was assessed according to four parameters**: scale, scope, irremediable character and likelihood**. Positive impacts, on the other hand, were measured according to their **scale, scope and likelihood**.
3. IDENTIFICATION OF MATERIAL ISSUES CORRESPONDING TO THE MOST SIGNIFICANT IMPACTS	In line with GRI Standards, the result of this exercise returned a list of 14 impacts deemed most relevant. ***Subsequently, 18*** external stakeholders representing different categories of stakeholders were involved and selected on the basis of their relevance to the activities carried out by CVA and their knowledge of the Aosta Valley territory and CVA's business. The short-list of stakeholders was asked to express their views on the prioritisation of the proposed topics of greatest impact. Through this process, **9 material topics were identified** on the basis of their significance, on which to concentrate the reporting exercise.
4. SHARING RESULTS WITH THE BOARD	The results of the materiality analysis were shared for approval with the Board of Directors, which in turn made final evaluations and selected the final topics, as follows.

For the reporting year 2023, although considering the entry of SR Investimenti into the scope, the materiality analysis returned no changes from the previous year.

	MATERIAL TOPICS FOR THE CVA GROUP AND ITS STAKEHOLDERS[9]
1	Renewable energy production and mitigation of the impacts of the energy crisis
2	Asset integrity and adaptation to climate change
3	Water resource management
4	Soil consumption, protection of biodiversity and landscape
5	Technological and service innovation
6	Trust, reputation and territorial anchoring
7	Well-being and skills development
8	Cybersecurity and data protection
9	Reduction of CO_2 emissions (Scope 1 and 2)
MATERIALITY THRESHOLD*	
10	Sustainability in the supply chain
11	Transparent communication and marketing
12	Diversity, inclusion and equal opportunities
13	Listening and customer satisfaction
14	Circular economy

** Materiality is the threshold beyond which an issue becomes important enough to be reported on.*

Starting from FY24, the Group will fall under the Corporate Sustainability Reporting Directive (CSRD) and update the materiality analysis following the single European standard developed *by the European Financial Regulation Advisory Group (EFRAG)*. The analysis of the organisation's externally generated *impacts (impact materiality)* will be supported by the analysis of the *outside-in* sustainability risks and opportunities, i.e. financial materiality, which makes it possible to map the risks and opportunities that may have an influence on the company's business.

9 It should be noted that the issue related to respect for human rights, although provided for in Legislative Decree 254/2016, was not identified as an issue with an impact, by either stakeholders or the Group. However, this issue is dealt with within the NFS because, as highlighted in the Code of Ethics and Conduct, the Group protects the respect, dignity and integrity of people, ensuring equal opportunities without any discrimination or prevarication.

THE ASSOCIATIONS WHICH CVA IS PART OF

[GRI 2-28]

CVA has an ongoing commitment to the association, demonstrating involvement in promoting development and innovation in the sector. The main associations to which the Group belongs include:

UTILITALIA imprese acqua ambiente energia	Utilitalia is the Federation that brings together **the companies operating in the public services of Water, Environment, Electricity and Gas**, representing them at national and European institutions. It was created through the merger of Federutility (energy and water services) and Federambiente (environmental services).
ELETTRICITÀ FUTURA imprese elettriche italiane	Elettricità Futura is the leading association of the Italian electricity sector. It represents and protects the many companies, large and small, operating in the **electricity sector in Italy**. Today Elettricità Futura counts more than 700 operators with installations all over the country, numbers that make it a reference point for the entire electricity sector and places it among the most important associations in Europe.
Kyoto Club	Kyoto Club is a non-profit organisation, officially established in February 1999, made up of companies, organisations, associations and local administrations, committed to **reducing greenhouse gas emissions** under the Kyoto Protocol and the European 2030 targets.

The signing of Utilitalia's 'Patto Per l'Acqua' (Water Pact)

At a time of crisis aggravated by climate change, the Italian companies in the water sector associated with Utilitalia are teaming up to put their industrial expertise at the service of the country. CVA is among the signatories of the 'Patto Per l'Acqua', an initiative to support national policies of environmental and resource protection, resilience of networks and supply systems.

In parallel with the efforts of the companies, there are four actions of reform to tackle fragmentation in the sector, improve management, encourage business aggregation and promote an integrated approach to water use. These actions include the completion of the transfer of functions to the regions, the strengthening of management capacities, support for business combinations and support for a coordinated approach to water management in collaboration with other sectors and uses of the resource.

A RESPONSIBLE GOVERNANCE

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GRI 2-13] [GRI 2-14] [GRI 2-15] [GRI 2-16] [GRI 2-19] [GRI 2-23]

All the administrative bodies of the CVA Group companies have approved their own '**Organisation, Management and Control Model**', in accordance with Legislative Decree No. 231/2001. The purpose of this Model is to establish an organised system of procedures and of control activities, aimed at preventing the different types of crime envisaged in said Decree from being committed. The companies have appointed their own Supervisory **Board (SB**) with a three-year mandate.

The Supervisory Bodies, with autonomous powers of initiative and control, **monitor the operation of and compliance with the Model**, reporting on their activities in their periodical Reports, which are in turn brought to the attention of the Administrative Bodies. Similarly, it is the task of the SBs to **monitor regulatory updates and structural changes**, constantly assessing the adequacy and compliance of the company's organisational models.

In addition to a monitoring function, the Supervisory Board is responsible for taking charge of reports made through the ***whistleblowing*** platform, which is crucial in combating crimes and irregularities. In fact, with the entry into force of Legislative Decree 24/2023, the **perimeter of the persons entitled to use the system was broadened**, extending protection not only to company personnel, but also to **those who had a relationship with the company** (e.g. associates, consultants, freelancers, volunteers, trainees participating in a selection process, shareholders, persons with administrative, management, control, supervisory or representative functions). Moreover, the Decree provides that reports can be made through both **internal channels** managed by the Company and **external channels managed by the National Anti-Corruption Authority (ANAC)**, which receives reports in the event of inaction on the part of the Company. In 2023, **as in previous years, there were no reports received through the *whistleblowing* channels activated by the Group**[10].

The members of CVA S.p.A.'s Board of Directors are appointed in accordance with Article 2-bis of Regional Law No. 20/2016[11]. In particular, pursuant to this provision, at least sixty days prior to the expiry of the bodies, FINAOSTA S.p.A. publishes a notice listing all the requirements to participate in the selection.

By way of example, in addition to the causes of ineligibility, inconferability and incompatibility envisaged by current legislation, specific qualifications, experience in management or directorships in corporations, the absence of conflicts of interest and the absence of positions on administrative bodies in other companies in which the Autonomous Region of Aosta Valley has a stake may be required.

The current administrative body of CVA S.p.A. was appointed prior to the conversion into law of Decree-Law No. 50 of 17 May 2022, which occurred with conversion law No. 91 of 15 July 2022, published in the Official Gazette of the Italian Republic on 15 July 2022, which introduced paragraph 1-bis in Article 52 'Measures on public companies', which provides: 'The deadline referred to in Article 2(1)(p) of the Consolidated Text on Public Participation Companies, referred to in Legislative Decree No. 175 of 19 August 2016, is set, for companies in the energy sector, at 31 December 2021.' Subsequently, the emoluments of the members of the administrative bodies are determined by taking into account the provisions of Article 11 of Legislative Decree No. 175 of 19 August 2016. In the specific case, the

10 Reports are collected by the supervisory body, which passes them on to the highest governing body.

11 Regional Law No. 20 of 14 November 2016 *Provisions on the strengthening of the principles of transparency, cost containment and rationalisation of expenditure in the management of companies in which the Region has an interest.*

fees currently received by the directors of CVA are those determined by FINAOSTA on the basis of the aforementioned article. In the appointments granted by CVA in its subsidiaries, Article 11 of Legislative Decree No. 175 of 19 August 2016 was not applied for the determination of remuneration, where provided for, as it is no longer applicable to CVA Group companies. There is currently no policy on quantifying the remuneration of the administrative bodies of CVA Group companies.

BOARD OF DIRECTORS				
NAME	ROLE	INDEPENDENCE	MANDATE	GENDER
Marco Cantamessa	Chairman	Non-Executive	2022-2024	♂
Giuseppe Argirò	Director	Executive	2022-2024	♂
Valeria Casali	Director	Non-Executive	2022-2024	♀
Marzia GRAND BLANC	Director	Non-executive	2022-2024	♀
Fabio Marra	Director	Non-Executive	2022-2024	♂

BOARD OF STATUTORY AUDITORS		
NAME	ROLE	GENDER
Pierpaolo Imperial	Chairman	♂
Marco Carmelo Termine	Standing auditor	♂
Federica Paesani	Standing auditor	♀
Cristina Betta	Alternate auditor	♀

As a wholly publicly owned subsidiary, CVA, through the selection process activated by FINAOSTA S.p.A., is directly accountable to both institutional stakeholders and the citizens of Aosta Valley represented by the regional governing and supervisory bodies[12].

12 'Individuals meeting the requirements set forth in the notice shall submit an application to FINAOSTA S.p.A., accompanied by a declaration in lieu of certification or affidavit made pursuant to Articles 46 and 47 of Presidential Decree No. 445 of 28 December 2000 (Consolidated Act of laws and regulations on administrative documentation), in which they attest to meeting the requirements set forth in the notice, as well as the qualifications obtained and previous personal and work experience relevant to the corporate purpose of the company for which the application is made.
(...) FINAOSTA S.p.A. transmits in advance to the regional councillor in charge of investee companies and entities the list of candidates deemed to meet the requirements set forth in the notice, at least thirty days before the expiry of the bodies.
The Regional Council, having received the list of candidates referred to in paragraph 5, by its own resolution submitted by the competent regional structure, identified pursuant to Article 6, paragraph 4, of Regional Law 11/1997, in liaison with the regional structure in charge of investee companies and entities, designates the members of the administration and control bodies of the indirect investee companies, transmitting the same resolution to FINAOSTA S.p.A. for the purpose of the appointment.' (Regional Law 20/2016)

The Board of Directors reviews and approves the Integrated Strategic Plan, which includes the Group's objectives for sustainable development and validates the materiality analysis. The tasks of the Board of Directors also include the approval of the Non-Financial Statement of the Group, which includes the results of the materiality analysis. All Board members have many years of experience in the renewables sector. They regularly participate in congresses, events and conferences related to sustainable development and write articles and studies on the subject. In addition, their activities include stakeholder engagement and the strategic integration of sustainability into the business.

In 2023, the Group prepared activities for the implementation of an **ESG governance model** at different levels of the organisation, including the assignment of roles and responsibilities for sustainability, implementation and monitoring of the Group's Integrated Plan. This model was made official in 2024.

THE GROUP CODE OF ETHICS AND CONDUCT

The Group has a **Code of Ethics and Conduct**, which defines the ethical commitments and responsibilities the company assumes in the conduct of its business. The document was prepared by the parent company CVA and ratified by all the companies in the Group and lists the ethical principles and behavioural criteria to be followed by company personnel in order to avoid illegal or irresponsible behaviour by those acting on behalf of the companies.

In 2023, CVA **updated the Code of Ethics** to reflect the most recent developments in terms of ***whistleblowing*** and to incorporate the principles of the **International Labour Organisation (ILO) Convention** regarding respect for human rights, now included in the Risk Assessment Document (DVR). In particular, attention was paid to the regulation of human rights, with the introduction of precise references to phenomena such as mobbing, straining, sexual harassment and discrimination more generally. In the document, there is a specific procedure, for internal use, for the management of conflicts of interest where the behavioural principles also relate to this issue[13].

Provision was made for the inclusion of a paragraph on **rules of conduct**, a consequence of the placement of the Bond and compliance with ***market abuse*** regulation. In response to these changes, the company established two **new procedures**, one for ***the management of internal dealing*** and the other for **the management of inside information**.

THE MANAGEMENT OF CYBERSECURITY AND PERSONAL DATA PRIVACY

Cyber security is a major governance issue. CVA and CVA Energie have achieved the **ISO/IEC 27001** (Information Technology - Security Techniques - Information Security Management Systems) and **27701** (Privacy Information Management) certifications, and in 2023 the visit to maintain them was carried out, which concluded

13 Whenever the 'RPCT' (the Corruption Prevention and Transparency Officer) deems it appropriate or whenever a conflict of interest in the performance of the company's activities is communicated or, in any case, detected, he/she shall update a special computerised register, called Register of Conflicts of Interest, in which the following is recorded: a) the stage of the procedure in which the conflict arose; b) the event to which the conflict is related; c) the organisational structures concerned; d) the description of the conflict; e) the measures taken. The Register is managed exclusively by the RPCT, who makes it accessible to the supervisory bodies at their request.

successfully. Moreover, this virtuous approach also has a positive impact on CVA EOS. These awards attest to work based on continuous improvement and aimed at enhancing the quality and security of data and information management processes.

The certifications are the **result of an integrated approach involving almost all company functions**. This involved the development of specific procedures and processes, an in-depth analysis of pre-existing management flows and the implementation of more secure and effective measures and procedures. Two new figures were also introduced, responsible for the information security management system and the privacy management system respectively.

In the area of cybersecurity, 2023 saw the **centralisation of IT governance in CVA**,implementing a new platform for collecting and analysing logs[14] from all devices, 24/24h including servers, firewalls and switches. The platform detects possible non-conformities, also thanks to the new **collaboration with an external team specialised in MDR (Managed Detection and Response)**, which analyses critical issues and, if necessary, involves the company.

The **new WebApp (AMD)** aims to support CVA in actively monitoring IT assets and verifying compliance with corporate security standards. In addition to this, with the integration of **Threat Intelligence**, which involves a careful analysis of the context, CVA is proactively positioning itself in the identification and mitigation of potential cyber security threats.

For years, in line with the requirements of the National Cybersecurity and Data Protection Framework[15], Deval's Cybersecurity Team has been monitoring and working to improve the company's *Operational Technology* (OT) systems and to protect hardware and software systems, which are functional to the regional electricity grid, with a focus on remote control and telecommunications. In support of Deval, CVA's IT Services **Function** is responsible for the proper execution of the Group's IT services.

ENTERPRISE RISK MANAGEMENT

The CVA Group's system of internal risk control is structured into **several lines of management and** is a cross-Group process that brings together the contributions of multiple organisational roles and levels, each within the scope of their competencies.

- The **Governance Bodies (Board of Directors- BoD and Top Management**) are ultimately responsible for risk management in achieving corporate objectives. They perform a management and supervisory function, engage in dialogue with *stakeholders*, ensure that appropriate processes and structures are in place, and assess the adequacy of the enterprise internal risk control system.
- The **first line of management (Functional Managers)** is called upon to manage the risks associated with the processes and operational activities for which they are responsible, by defining and implementing the prescribed safeguards, in accordance with internal procedures.

14 Log files record very important information about the implicit and explicit activities of any computer hardware and software system. This type of record contains all information on the normal operation of a machine or programme, helping to identify anomalies and problems, supporting security.

15 A tool for organising and streamlining information security processes in complex organisational structures.

- The **second line of management** is placed to oversee specific risk areas (e.g. QSA, Compliance) or higher-level areas (*Risk Management*) for which they propose the assessment, measurement and control systems to ensure effective monitoring, comprehensive risk management and compliance with laws, regulations and internal procedures;
- The Supervisory **Board (SB**) carries out supervisory activities on compliance with the provisions of the Organisation and Management Model (OMM).

As part of the internal risk management system, the **Risk Management Function (RMF) oversees the Enterprise Risk Management (ERM),** the purpose of which is to provide a concise and clear snapshot of the CVA Group's risk and opportunity profile, the main (foreseeable) events that may impact it, and the corresponding management strategies. The results of ERM are submitted to the Board of Directors and provided to the General Management as information to support strategic decisions.

Nus-Quart hydroelectric power plant (AO)

By its very nature, ERM is not an all-encompassing review of the '*risk universe*' in which the CVA Group operates, but **focuses on scenarios which have the scope to significantly impact the company's strategic objectives and operations**. The central activity of the process is the updating of the Enterprise Risk Assessment (ERA), which requires the managers and experts *(subject matter experts*) of the various business areas to identify and assess their risks through a Risk Self-Assessment process, adequately supported and coordinated by the RMF, based on the best international frameworks. The results are consolidated centrally into a mapping, in which **risks are prioritised according to *severity*** and the associated strategy and treatment actions are defined; this mapping includes ESG issues. **In 2023, particular attention was paid to climate change.**

Over the past year, additional tools have been made operational, including a customised application, developed in-house and aimed at managing the ERA process, which ensures the reliability and accessibility of information, a summary dashboard for risk supervision and an ERM Policy, currently being analysed by Top Management.

In the 2023 assessment, the **Group's overall riskiness was classed as medium-low**, virtually unchanged from 2022. Compared to the previous year, there was a reduction in both the scenarios with higher risk and the total number of scenarios, due to the implementation of planned treatment actions. The most relevant risk scenarios include the **expiry of hydroelectric concessions in 2029**,the **renewal of the electricity distribution concession in 2030**, and **compliance with ecological flow regulations**. The issue of delays and cost overruns in new photovoltaic plants and wind farms and hydroelectric repowering is reinforced; the strong growth in project volume is part of a poorly governable *permitting* environment and a *construction* market short of suppliers of goods and services. The issue of reliability of supply and supply chain is impacting the whole industry, especially among strategic suppliers. New scenarios include the risk of *attraction &*retention of key personnel to preserve industrial objectives and the opportunity for secondary market development of *ready-to-build* projects.

The results of the assessment also show that **the relevant material topics are included in the enterprise risk management process, as highlighted below**.

The sustainability risk assessment

Legislative Decree No. 254/2016 requires companies to report on **relevant risks associated with material topics**, i.e. those that have a significant impact on the company. These topics include the business model adopted by the company, the main management risks that the company faces or that could be caused by its activities, and the measures taken to manage these risks.

The issues already identified as material in 2022 were related to the risks identified in the ***Enterprise Risk Management (ERM***) model. The table below shows **how these priority themes are related to the identified risks**.

THEMES OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPICS FOR CVA	RISK FACTORS (GENERATED/INCURRED) AND OPPORTUNITIES	MANAGEMENT METHODS (MAIN)[16]
Environmental issues	**Renewable energy production and mitigation of the impacts of the energy crisis**	• Uncertainty of the regulatory framework and delays in authorising renewable energy generation (RES) • EPC market short of suppliers of goods and services, difficulties in respecting the time and economic planning of new RES installations • Increased reputational value of CVA Group's green label	• Selection of suppliers of strategic goods and services • Review and monitoring of Business Plan targets • Integration between strategic goals and sustainability • ERM (Enterprise Risk Management) process integrated with sustainability
Aspects pertaining to personnel management	**Well-being and skills development**	• Difficulties in attracting and retaining specialised and qualified professionals • Negative media exposure as a result of serious events • Legal aspects and penalties for non-compliance with legislation in force • Reduced staff motivation (engagement) and development • Partially effective internal communication and coordination	• Reward mechanisms and medium- to long-term incentive plans • Code of Ethics • Corporate welfare programmes • HR policies and procedures (HR recruitment procedures; staff training programme and tools for self-training; coaching programme, etc.) • Respect for the Universal Declaration of Human Rights, the 'CCNL' (National Collective Labour Agreement) and the Code of Ethics • Integrated Quality Safety Environment Policy • Integrated management system of ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (health and safety) certifications subject to management review and continuous improvement • Environmental significance assessment • Insurance cover
Social issues	**Trust and reputation and territorial roots**	• Decreased quality and continuity of electricity distribution service. • Events of non-compliance, corruption or capable of causing damage to the territory and/or third parties. • IT incidents resulting in the compromise of information security • Increased business opportunities in energy sales and energy efficiency through awareness-raising and education activities in the field of environmental sustainability • Appreciating and maintaining open dialogue with the governing bodies of Aosta Valley through active participation in numerous projects and activities	• Compliance with ARERA regulations and service quality levels • Review and monitoring of Business Plan targets regarding asset modernisation and maintenance • ERM (Enterprise Risk Management) Framework • Established practice of crisis communication • Involvement and discussion with the community and local stakeholders based on a participatory approach • Procedures for managing relationships and sponsorships • Plant visits and PR and outreach programmes in the local area • Code of Ethics • Business organisation and management model
Environmental issues	**Reduction of CO_2 emissions (Scope 1 and 2)**	• Partial achievement of the targets set out in the Business Plan • Increased reputational value of CVA Group's green label • Change in the cost of access to capital through sustainable finance	• Review and monitoring of Business Plan targets • Integration between strategic goals and sustainability • ERM (*Enterprise Risk Management*) Framework integrated with sustainability • Integrated Quality Safety Environment Policy and certifications • Use of electricity produced from renewable sources (guarantees of origin)

16 With the exception of the areas related to the environment and, in part, to aspects related to personnel management (for which the Integrated QHSE Policy has been adopted) and to the fight against active and passive corruption (for which there are numerous elements in the Code of Ethics), the Group has not found it necessary, to date, to apply additional formalised policies related to the other areas from Decree 254/2016, also in light of the smooth functioning of the policies implemented as is standard practice and the high degree of control at central level.

THEMES OF LEGISLATIVE DECREE 254/2016	MATERIAL TOPICS FOR CVA	RISK FACTORS (GENERATED/INCURRED) AND OPPORTUNITIES	MANAGEMENT METHODS (MAIN)[16]
Environmental issues	**Asset integrity and climate change adaptation**	• Direct and indirect damage to assets and interruption of services due to extreme natural events • Damage to third parties (people and/or property) • Reduction in the efficiency and lifetime of production assets and the distribution network as a result of chronic variations in temperature, flow regime, irradiation, etc. • Optimisation of water resource use • Long-term unfavourable changes in water availability	• Review and monitoring of Business Plan targets • ERM (Enterprise Risk Management) Framework integrated with sustainability • Flood risk management procedures in coordination with local authorities and the civil defence authority • Extension of insurance coverage • Compliance with ARERA resolutions, particularly with reference to the levels of continuity and quality of the electricity distribution service. • Climate Change Risk Assessment according to TCFD guidelines • Participation in round-table work and research groups to monitor the effects of climate change on a regional scale • Use of advanced meteorological and hydrological models
Environmental issues	**Water resource management**	• Accidental non-compliance with environmental regulations • Reduction of energy production from hydroelectric power plants • Partial achievement of the targets set in the Business Plan (hydropower upgrades) • Greater competition for water resource use	• Review and monitoring of Business Plan targets • ERM (Enterprise Risk Management) Framework integrated with sustainability • Active participation in round-table working groups with the competent authorities and dialogue with stakeholders
Social issues	**Technological and service innovation**	• Malfunctions or interruption in the operation of facilities, networks and services • Partial achievement of the targets set out in the Business Plan • Implementation of innovative business models (e.g. trigeneration, battery storage on non-programmable renewable plants, energy communities)	• Planning and monitoring of Business Plan targets, with special reference to innovation • Organisational structures dedicated to Open Innovation • Identifying business opportunities related to innovative technologies • Continuous improvement of IT/OT systems
Social issues	**Cybersecurity and data protection**	• IT incidents resulting in compromised information security and negative media exposure • Decreased quality and continuity of electricity distribution service. • Partial interruption of business operations	• Possession of the ISO 27701 certification on privacy and ISO 27001 certification for information security • Strengthening physical security, access control and video surveillance systems • Business continuity solution for IT and TLC services • ERM (Enterprise Risk Management) Framework • Established practice of crisis communication
Environmental issues	**Soil consumption, protection of biodiversity and landscape**	• Landscape damage as a result of plant failures • Reduction of energy production from hydroelectric power plants • Accidental non-compliance with environmental regulations • Reputational advantages following the burying of parts of the electricity grid	• Planning and monitoring of Business Plan targets • ERM (Enterprise Risk Management) Framework integrated with sustainability • Studies for the mitigation of environmental impacts for site activities • Active participation in round-table working groups with the competent relevant authorities regarding the water resource • Environmental significance assessment
Social issues	-	• The considerations and assessment of the business environment during the risk assessment process lead to the exclusion of residual risk and the need for a specific thematic risk assessment.	• Respect for the Universal Declaration of Human Rights, the 'CCNL' (National Collective Labour Agreement) and the Code of Ethics

The issue is dealt with in the NFS because, as highlighted in the Code of Ethics and Conduct, the Group protects the respect, dignity and integrity of people, ensuring equal opportunities without any discrimination or prevarication. It should be noted that the topic related to respect for human rights, although provided for in Legislative Decree 254/2016, was not included among the material topics, considering the territorial, regulatory and business environment in which the Group operates. Reference is also made to the Code of Ethics and Conduct and the presence of an Integrated Management System in relation to the areas of quality, environment and health and safety.

MANAGING RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

The project on the analysis of climate-related risks and opportunities according to the guidelines of the ***Task Force on Climate-Related Financial Disclosures (TCFD)*** **reached the in-depth phase in 2023**. The project considers the main international climate scenarios developed by reference organisations to determine **physical and transition risks**. The former are consequential to climate events, which can be distinguished into acute if related to episodic phenomena or chronic if related to long-term changes; the latter are risks arising from the transition process towards a low-carbon economy that may involve changes in the regulatory, legal, technological and normative spheres.

Based on the scenarios developed by the *Intergovernmental Panel on Climate Change* - IPCC, for the identification of **physical risks**, CVA selected:

- ***Aggressive mitigation* – RCP 2.6**, based on a significant reduction in emissions (gradual reduction from 2020 and zero emissions by 2100);
- ***Strong mitigation* – RCP 4.5**, which considers the implementation of actions to effectively combat climate change and significantly reduce greenhouse gas emissions into the atmosphere;
- ***Business as usual* – RCP 8.5,** with no emission reductions, commonly associated with the term '*Business-as-usual*', or 'No mitigation' where emission growth continues at current rates.

For the analysis of **transition risks**, which are typically linked to economic, political and social factors, the scenarios used by the **International Energy Agency (IEA)** for its publications and analyses concerning energy, technology and market trends were taken into account [17]. Specifically, the following scenarios were used:

- **Net Zero by 2050 scenario**, associated in the physical risk analysis with CPR 2.6, which shows a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050, with advanced economies achieving net zero emissions before others;
- **Announced Pledges Scenario** , associated with CPR 4.5, which assumes that all climate commitments made by governments around the world, including nationally determined contributions and long-term net zero

17 *IEA, IEA Technology Perspective, 2023.*

targets, as well as energy security objectives, will be met fully and on time;

- **Stated Policies Scenario** , associated with CPR 8.5 reflecting current policy settings based on a sector-by-sector and country-by-country assessment of specific policies in place, as well as those announced by governments worldwide.

In addition, the short (B), medium (M) and long-term (L) impact time horizon corresponding to 2030, 2040 and 2050, respectively, is identified for each risk and opportunity.

The most significant activities in 2023 include the development of a **Climate Change Risk Assessment (CCRA) model** and the integration of the acquired know-how into ERM. One of the major aspects emerging from the CCRA analysis is the **intensification of extreme weather events**, with impacts on physical production assets and energy distribution infrastructure, which are already unfolding in the short to medium term. Chronic physical hazards include changes in the hydrological flow regime, the potential negative effects of which are expected over a longer time horizon. Conversely, higher average irradiation correlated with lower cloudiness and higher temperatures will have an overall positive effect on photovoltaic production.

First and foremost, the impact of transition scenarios is characterised by increased uncertainty due to the complexity and uncertainty of climate policy predictions. In general, in the transition scenarios, the effects for the CVA Group are expected to be positive since, given the business model focused on the production, distribution and sale of energy from renewable sources and energy efficiency, the implementation of climate policies may act as a catalyst for the Group's growth, especially in the medium to long term.

Goillet Dam (AO)

The following tables show the summary results of the CCRA. To make the table easier to read, if the impact on an asset falls within the invariability threshold, the asset symbol is not shown, although it has been analysed.

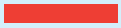
Table 1 • Key of Assets, Impacts and Time-frames

SYMBOL	ASSET	THRESHOLD	RISKS	OPPORTUNITIES	TIME HORIZON	FY
	Hydroelectric (Basin, Flowing)	Low			B	2030
	Photovoltaic					
	Wind	Medium			M	2040
	Transmission/Distribution					
	Trading	High			L	2050
	Energy efficiency					

Table 2 • Risks and opportunities caused by climate change

RISK[18]	RISK AREA	POTENTIAL FINANCIAL IMPACTS	POTENTIAL IMPACT ON THE GROUP	IMPACTED ASSETS	TIME HORIZON	RISK/OPPORTUNITY MANAGEMENT STRATEGY
PHYSICAL acute - *APR1*	Intensification of acute physical weather events (e.g. floods, landslides, cloudbursts, windstorms, etc.)	• Increased extraordinary maintenance costs • Increased operating costs • Increased insurance costs • Reduction in revenue • Negative reputational impacts			B M	• Contingency and management plans for extreme weather events (hydropower, distribution network) • Plant development and modernisation plans that include climate change adaptation measures • Maintenance strategy supported by continuous risk management activities • Technological and geographical diversification • Monitoring and updating of insurance coverage with evaluation of insurance contracts with coverage extended to damages resulting from natural phenomena.
PHYSICAL chronic - *CPR1*	Variation in wind regime with potential effect on wind energy production	- Change in revenue	Negligible	Negligible	L	• Using advanced forecasting systems • Technological and geographical diversification • Plant development and modernisation plans that include climate change adaptation measures
PHYSICAL chronic - *CPR2*	Variation in the average level of solar radiation, temperature and precipitation with a potential change in solar production	• Increased revenues • Increased operating costs			M L	• Using advanced forecasting systems • Technological and geographical diversification • Plant development and modernisation plans that include climate change adaptation measures • Intensification of investments in photovoltaics in order to seize the opportunity arising from increased solar irradiation.

18 *APR: Acute Physical Risk CPR: Chronic Physical Risk TR: Transition Risk.*

RISK[18]	RISK AREA	POTENTIAL FINANCIAL IMPACTS	POTENTIAL IMPACT ON THE GROUP	IMPACTED ASSETS	TIME HORIZON	RISK/OPPORTUNITY MANAGEMENT STRATEGY
PHYSICAL chronic - *CPR3*	Variation in average rainfall, snowfall and, temperatures with potential change in hydroelectric production	• Revenue reduction • Negative reputational impacts • Increased operating costs			M L	• Asset modernisation and upgrading plan, including the construction of new reservoirs • Plant scheduling and reservoir management based on increasingly more advanced forecasting systems aimed at improving rainfall and run-off forecasts • Development of maintenance plans that take into account variations in the hydrological flow regime • Technological diversification
PHYSICAL chronic - *CPR4*	Increase in average temperature level with potential change in electricity demand.	• Increased operating and maintenance costs (distribution) - Increased revenue (energy efficiency)			B M L	• Infrastructure development and modernisation plans that include climate change adaptation measures • Strategic plan updated in line with the energy efficiency market • Using advanced forecasting systems
TRANSITION Regulatory and policy-related - *TR1*	Incentives for energy transition with increased possibilities for investment in renewable energy production.	• Increased revenues			M L	• Business plan and strategic plan in line with changing demand and energy prices
TRANSITION Regulatory and policy-related - TR2	Greater competition in the use of water resources and consequent increase in the share of water to be released by hydropower plants.	• Revenue reduction • Negative reputational impacts			M L	• Continuous monitoring of the national regulatory process • Collaborative dialogue with institutions, industry bodies and stakeholders • Business development plan updated and in line with the energy transition • Technological and geographical diversification • Plan for modernisation and upgrading of hydroelectric assets, including climate change adaptation measures
TRANSITION Market - TR3	Increasing market demand for energy efficiency solutions.	• Increased revenues			M L	• Adaptation of the strategic plan for the development of energy efficiency services
TRANSITION Market - TR5	Opportunities for the Group to support, with sustainable finance instruments, its strategy outlined in the Business Plan integrated with sustainability	• Increased revenues • Positive reputational impacts • Increased access to credit and reduced cost of capital			M L	• Collaborative dialogue with institutions and industry bodies • Monitoring and updating the Strategic Plan integrated with sustainability.

RISK[18]	RISK AREA	POTENTIAL FINANCIAL IMPACTS	POTENTIAL IMPACT ON THE GROUP	IMPACTED ASSETS	TIME HORIZON	RISK/OPPORTUNITY MANAGEMENT STRATEGY
TRANSITION Reputational - TR6	Improvement of the Group's reputation resulting from the green investment strategy	• Positive reputational impacts - Increased revenue (energy efficiency)			M L	• Strategic plan integrated with sustainability goals and in line with the European green deal • Strategic plan updated in line with the energy efficiency market
TRANSITION Market - TR7	Opportunity associated with increased demand for electricity due to electrification of consumption, the spread of electric cars and increased demand for cooling.	• Higher revenues • Positive reputational impacts			M L	• Monitoring and updating the Strategic Plan integrated with sustainability. • Monitoring and updating the Commercial Plan.

In conclusion, to cope with the risks and opportunities arising from climate change, **the CVA Group operates in a way that contributes to the protection of the environment**, pursuing a sustainable strategy that incorporates the following activities:

- Maintaining and further developing risk awareness and risk culture at all levels of the organisation, with a focus on climate change and energy transition;
- Recalibration of electricity production sources, aimed at geographical and technological diversification in order to minimise the negative impacts caused by climate change;
- Continuous monitoring of the degree of efficiency of its plants in view of a possible change in natural phenomena, in order to promptly implement efficiency measures and make the plants more resilient to climate change risks;
- Continuous monitoring of regulatory developments and dialogue with institutions and industry bodies;
- Implementation of communication and stakeholder engagement initiatives in order to understand their needs and develop a shared plan of action to satisfy their interests.

In addition, in order to manage risks related to climate change, the CVA Group, **which mainly produces energy in the hydropower sector, intends to achieve an energy mix consisting of 50% hydroelectric power and the remainder divided between wind and photovoltaic power.**

PRIZES AND AWARDS

The Group received the '**Felix Industry Award**', an important recognition of the company's financial reliability and competitiveness in the market. In particular, CVA was among the 6 companies in the Aosta Valley to receive the High Honour of the Felix Industry Price for Financial Statements. The initiative, promoted by the Industria Felix cultural association with the contribution of Cerved Rating Agency, a leading Italian rating operator, is reserved for first-rate local entrepreneurial entities characterised by excellent management performance and a high degree of economic-financial security.

In addition, CVA EOS and RS SERVICE received this award for distinguishing themselves, among companies in North-West Italy, as the best companies in terms of management performance and financial reliability. The companies excelled in the energy and utilities and construction and building sectors respectively.

Il Sole 24 Ore, in cooperation with Statista, the independent German research institute, honoured CVA for distinguishing itself on the Italian scene as a pioneer owing to its commitment to its employees, the environment and society, awarding it the **'Leader in Sustainability'** prize.

Every two years, the Italian Antitrust Authority (AGCM) assigns Italian companies with the **Legality Rating**, an award that assesses corporate compliance with the principles of legality, transparency and social responsibility. For the 2021-2023 three-year period, CVA and CVA Energie received the **highest possible score**.

During 2023, the CVA Group's commitment to Corporate Social Responsibility received an important award: the **silver medal from EcoVadis**, the company that developed the first collaborative platform for sustainability assessment. By obtaining the silver medal, CVA falls within the top 15% of companies that conducted the assessment by winning a score in the 90th percentile of companies assessed by EcoVadis during the same period. The award not only testifies to effective management of environmental, social and ethical impact issues, but is part of a broader corporate process of continuous improvement. This has made the Group more recognisable to a growing stakeholder base.

The challenges we face

Piansano wind farm (VT)

ENERGY CRISIS: ONE YEAR LATER

The overall impact of the energy crisis, whose effects fully materialised in 2022, has brought the challenges of the energy trilemma: sustainability, accessibility and security to global attention. The Russian-Ukrainian conflict has shone the spotlight in Europe on the issue of national energy security and the disadvantages of dependence on a few large energy suppliers. In this context, it became clear that increased development and use of renewable energy sources is strategic in order to be able to differentiate supplies and achieve greater energy autonomy[19].

The consequences of the conflict did not abate in the first half of 2023, which saw a further increase in average electricity and gas prices for households in the EU. At the same time, some crisis-hit countries partly withdrew their support measures, leading to a further increase in end-consumer energy prices[20]. The sudden and dramatic escalation of the war in Israel further compromised the international geopolitical picture, generating uncertainty about the possible spread of the conflict in the Middle East and temporary increases in the price of gas, to which the price of electricity is closely linked. The persistence of an unstable global scenario, recently still aggravated by the unrest in the Red Sea, makes it impossible to re-establish the forecast references of the markets prior to the onset of the energy crisis.

According to the International Energy Agency (IEA), the legacy of the global energy crisis will determine the end of the fossil fuel era. The resulting transition push towards clean energy will see 50% more renewable capacity globally by 2023 - the fastest growth rate in two decades. The increase reached record levels in Europe, the United States and particularly in China, where the solar photovoltaic energy generated matched the global 2022 figure and wind energy additions grew by 66% year-on-year[21].

19 DNV, Energy Transition Outlook 2023
20 European Commission, Electricity and gas prices stabilise in 2023, 2023
21 IEA, Renewables 2023

45%
The renewable production target

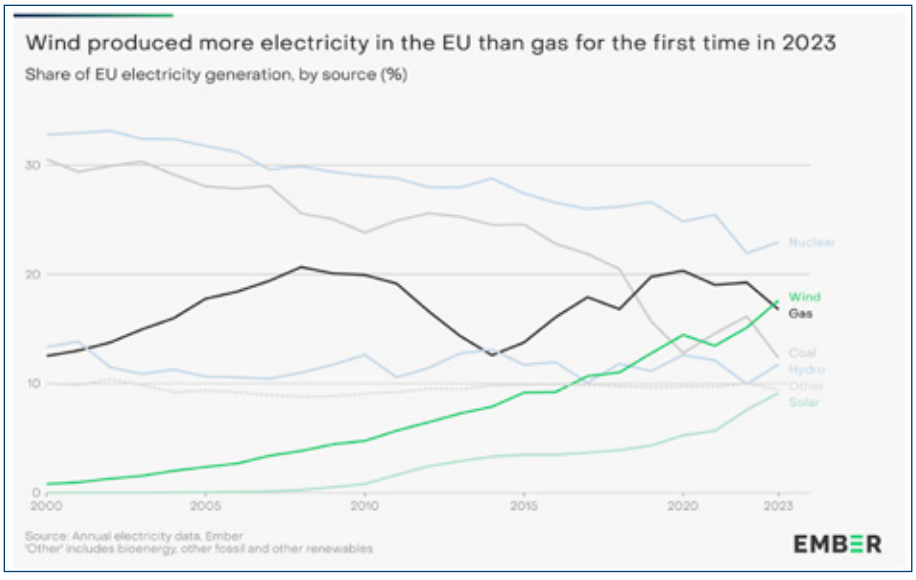
IN 2023, THE EUROPEAN UNION WILL INJECT FURTHER MOMENTUM TO RENEWABLE ENERGY PRODUCTION

The energy crisis required a quick and effective response from the European Union: through REPower EU, the European Commission (EC) has proposed a plan for the diversification of energy sources that includes the expansion of photovoltaic capacity, with the goal of reaching 600 GW by 2030 and producing 10 million tonnes of renewable hydrogen to replace natural gas. The EC also proposes an increase of the renewable target from 40% to 45% with the aim of increasing total renewable energy capacity to 1,236 GW by 2030, in contrast to the 1,067 GW envisaged in the Fit for 55 package. With the implementation of RePowerEU, the EU was able to avoid energy supply disruptions, ease the pressure on energy markets and enhance the supply of clean renewable energy.

The EMBER 2024 report highlights significant progress in the diversification strategy: 44% of renewable energy in the European energy mix in 2023 with outstanding performance by wind, PV and hydro. Fossil fuels, on the other hand, saw a drop of 19%, also due to falling demand. **Wind alone surpassed gas for the first time in the EU,** reaching 18% of electricity production (475 TWh compared to 452 TWh for gas). 2023 was also the first year in which **electricity from wind power surpassed that from coal** (333 TWh). Total installed wind power capacity in the EU also grew by 8% in 2023, reaching 219 GW[22].

The increase in the electrification of consumption will need renewable development to maintain a steady course to achieve the expected decarbonisation targets.

For the first time in 2023, wind generated more electricity than gas
Share of electricity generation by source (%) (EMBER, 2024)



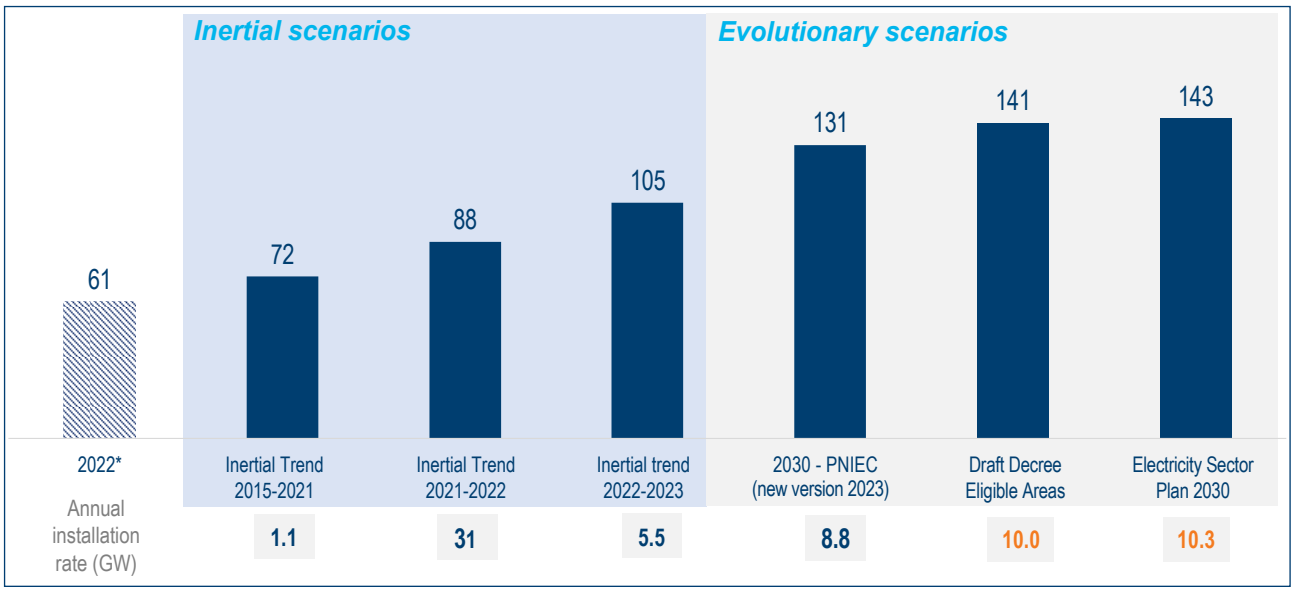
22 EMBER, Wind and Solar overtake fossil fuel generation in the EU, 2024

IN ITALY, ACHIEVING EUROPEAN ENERGY TARGETS IS AN AMBITIOUS CHALLENGE

In 2023 in Italy, the production of energy from renewable sources recorded major developments. In the first nine months of the year, Italian renewables contributed 43.8% of the total net electricity production (112,700 green GWh out of 257,023 GWh), a gradual increase compared to 2022 (35.5%). In particular, there was an increase in photovoltaic capacity to 5.24 GW (+111% compared to 2022). In contrast, wind power recorded a slight decrease of 7% with 487 MW compared to 526 MW in the previous year[23].

However, Italy's rate of RES (Renewable Energy Sources) installation is not sufficient to reach the European 2030 targets. In order to reach the goals of the Piano Nazionale Integrato per l'Energia e il Clima (PNIEC - National Integrated Energy and Climate Plan), the total RES capacity in 2030 should reach 131-143 GW respectively

Achieving the installation targets for renewables by 2030 will require investments of between EUR 74 and 90 billion. The expected economic benefits are significant: between EUR 121 and 148 billion would come from electricity generation alone, with the creation of 540,000 new jobs in the electricity sector and its industry. On an environmental level, emissions are expected to be reduced by up to 270 million tonnes of CO_2 by 2030[24].



Historical and inertial trend of installed renewable energy capacity in Italy and comparison with policy targets (GW) (TEHA 2023)

23 Terna, Monthly Electricity System Report, December 2023

24 Utilitalia, CVA Renewable Energy Forum. Investments of between EUR 74 and 90 billion in new plants to reach the renewable targets in 2030, 2023

CLIMATE CHANGE

THE INTERNATIONAL COMMUNITY IS CALLED UPON TO TRANSLATE THE AMBITIOUS COMMITMENTS MADE TO TACKLING CLIMATE CHANGE INTO CONCRETE ACTIONS

In 2023, the 198 states gathered at the Conference of the Parties (COP28) for the first time measured their progress in pursuing the climate goals set out in the 2015 Paris Agreement. This analysis sought to highlight the concrete steps taken over the past eight years to turn the commitment to contain global temperature increase to within 2°C of pre-industrial levels into reality.

The review (or 'Global Stocktake') found that many countries are still some way off achieving the climate goals of the Paris Agreement. The gap to a level of emissions in line with the Paris commitments is estimated at around 20 Gt CO_{2eq}. To limit global warming to 1.5°C, global greenhouse gas emissions will need to peak by 2025, be reduced by 43% by 2030 and by 60% by 2035 compared to 2019 levels[25]. Indeed, many experts believe that peaking emissions is necessary to allow all economies time to develop and implement low-carbon technological solutions and complete the transition to renewable energy sources.

-60%
The objective of reducing emissions to 2035

COP28 was also an opportunity to reaffirm the crucial role of energy transition in the context of fighting climate change. The Conference closed this year with an invitation to Parties to move away from fossil fuels, through the new concept of transition ('transition away') rather than phase-out ('phase-out') or reduction ('phase-down'). In line with this goal, an agreement was reached to double global energy efficiency (from the current 2% to 4%) and triple renewable energy by 2030 through 11 TW of new installed capacity.

Achieving these ambitious targets will not be possible without adequate investment in renewable energy. According to the International Energy Agency (IEA), the USD 600 billion global investment reached in 2022 will have to more than double to over USD 1.2 trillion per year by 2030, to triple capacity and zero net emissions by 2050. This represents a considerable challenge at a time when financing for solar and wind power is declining due to rising interest rates[26].

IN ITALY, THE CHANGING CLIMATE THREATENS ENERGY PRODUCTION FROM HYDROPOWER

The need to address the impacts of climate change on water resources in Italy has become evident over the past 2 years. The previous year was defined as the least rainy and warmest in the last sixty years in the country, while 2023 saw an alternation between the persistent drought of 2022 and intense rainfall, with a genuine tropicalisation of the Italian climate. Recent estimates by the Bank of Italy indicate that a 1.5°C rise in temperatures will lead to a 9.5% reduction in Italian GDP by the end of the century[27].

25 UNFCC, Technical dialogue of the first global stocktake, 2023
26 Reuters, COP28 plan to triple renewables is doable, but not easy, companies say, 2023
27 Bank of Italy, Temperature Dynamics and Economic Activity in Italy: A Long-Term Analysis, 2023

In Italy, the consequences of a changing climate have had a direct impact on hydropower production. This was particularly evident with the extreme water events of 2022 when hydropower production dropped compared to the 2012-2021 average, registering only 30.3 TWh compared to the 48.4 TWh average[28]. Despite this, production recovered significantly in 2023, reaching 34% of the overall total of renewables (+36.1% compared to 2022) and contributing 15% of total electricity production.

Hydropower is therefore a key resource for achieving RES generation targets by 2030. Without a full contribution from hydropower, even with the maximum expansion of solar and wind power, Italy will not be able to reach the target of 65% renewables out of domestic electricity demand, as indicated in the draft of the new *Piano Nazionale Integrato per l'Energia e il Clima* (PNIEC - National Integrated Energy and Climate Plan).

+1.7° C
The increase of average temperature recorded in VDA

AOSTA VALLEY ANTICIPATES EUROPEAN NET-ZERO REQUIREMENTS WITH A STRATEGY THAT LOOKS AHEAD TO 2040

As a mountainous territory, Aosta Valley is particularly susceptible to the effects of climate change. Between 1974 and 1995, there was a temperature increase of about 1.7°C, a more marked change than in other non-Alpine areas. Glaciers in the region also show immediate and direct responses to the dynamics of climate change, with changes in their mass and morphological characteristics.

Aware of the impacts of climate change on its territory, Aosta Valley has reacted by implementing several measures. The Autonomous Region of Aosta Valley's Climate Change Adaptation Strategy for the 2021-2023 period was implemented with the goal of promoting actions targeted at land adaptation and mitigation to climate change. The Roadmap for a Carbon Free and **Fossil Fuel Free** Aosta Valley in 2040 is instead part of a process started in 2018 and sets out the guidelines for the Regional Strategy for Decarbonisation. The paper aims to identify the actions needed to achieve the decarbonisation target ahead of the European deadline of 2050, assessing the associated costs and predicting the social impacts. The Roadmap is the focal point for current regional planning, such as **the Regional Environmental Energy Plan ('PEAR') 2030**.

Approved in October 2023 and submitted to the Regional Council, the PEAR identifies **four priorities for action** aimed at reducing fossil fuel consumption:

- Increased production from renewable energy sources;
- Initiatives on networks and infrastructure, an enabling condition for the energy transition;
- Awareness-raising and training initiatives;
- Strengthening research and innovation in terms of technology and infrastructure, but also in terms of culture, methodology and process.

A 2030 AGENDA FOR THE AOSTA VALLEY

January 2023 saw the approval of the Agenda 2030 regional sustainable development strategy integrated with the Strategic Framework, which sets out on a local scale the guidelines identified at European and national level, identifying five thematic priority objectives: **a smarter, greener, more connected, more social Aosta Valley, closer to citizens**. It is a matter of bringing plans that aim to use regional and European resources on the same level within the framework defined by the Agenda 2030 goals. Among other objectives, the Plan also envisages the implementation of actions to safeguard and protect water in the region.

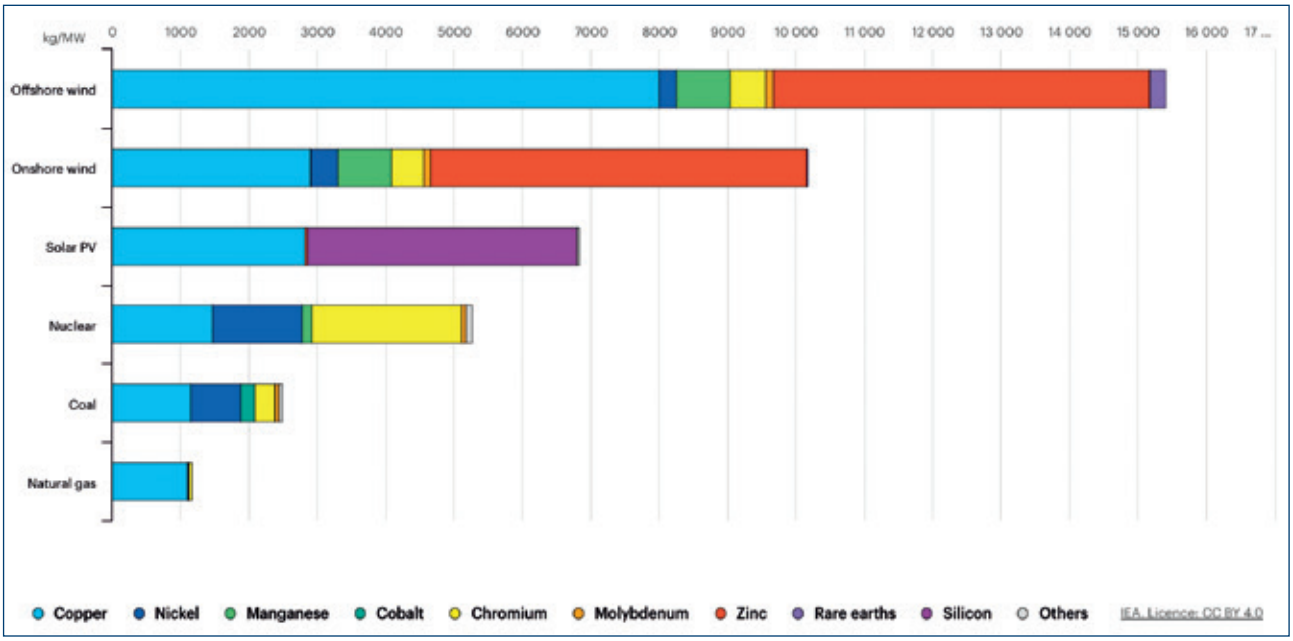
28 A2A and TEHA, Water: actions and investments for energy, people and territories, 2023

CRITICAL SUBJECTS

Critical raw materials (CRMs) are crucial to enable European industry to achieve the continent's political goals. Since the production of critical raw materials such as silicon, lithium and cobalt is concentrated in only a few regions of the world, Europe is heavily dependent on imports from third countries, thus increasing the risks related to supply and price fluctuations. The European Green Deal, i.e. the European strategy to achieve climate neutrality by 2050, and other policy instruments such as REPowerEU, have set targets for achieving the green transition that depend on the availability of critical raw materials[29].

In this context, renewable technologies play a prominent role, as they generally require more minerals to be built than their fossil-fuel based counterparts. A typical electric car requires 6 times more minerals than a conventional car and an onshore wind farm requires 9 times more mineral resources than a gas plant. Since 2010, the average amount of minerals required for a new unit of power generation capacity has increased by 50%, with the share of renewables in new investments increasing[30].

The European Union is dependent on the critical materials needed for renewable technologies and in particular from China, which supplies 100% of the continent's heavy rare-earth elements. With the Critical Raw Materials Directive, the EU has set targets to strengthen diversification and national capacities along the raw materials supply chain: by 2030, extraction, refining and recycling will have to meet at least 10%, 40% and 15% of Europe's critical raw materials needs respectively[31]. The EC also stipulated that a maximum of 65% of the critical raw materials consumed may be imported from a single country.



Minerals used in clean energy technologies compared to other energy generation sources (IEA, 2021)

29 European Union, Study on critical raw materials for the EU 2023, 2023
30 IEA, The Role of Critical Minerals in Clean Energy Transitions, 2022
31 European Commission, Critical Raw Materials, 2023

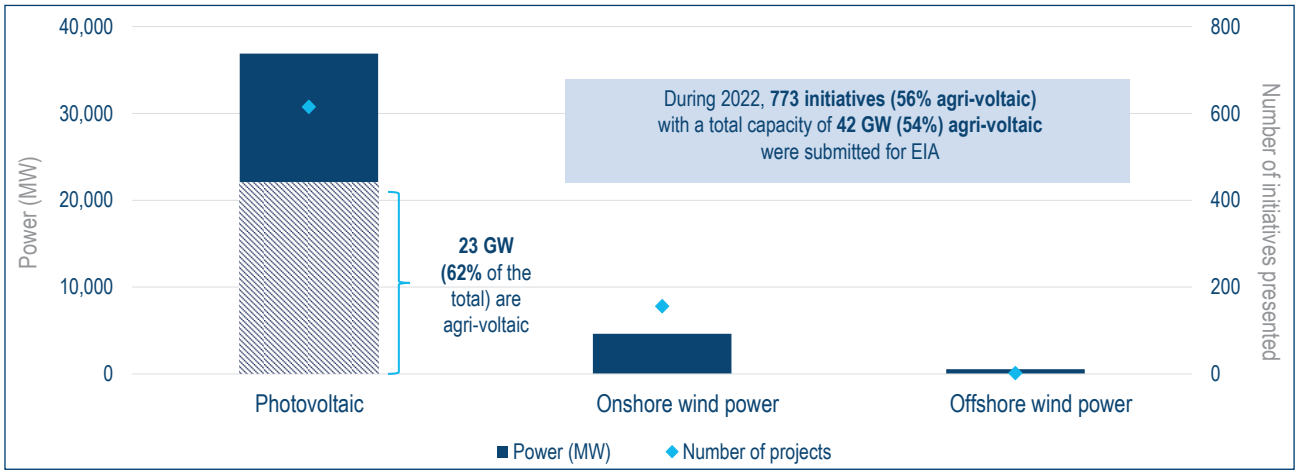
OBSTACLES TO THE DEVELOPMENT OF RENEWABLES

THE TIMING OF PERMITTING AND EU INTERVENTION

The energy sector plays a major role in achieving the EU sustainability goals, but faces a number of bureaucratic obstacles. While the Fit for 55 package envisages a 45% increase in the share of renewable energy, companies face lengthy and complex procedures to obtain the necessary authorisations to build renewable energy plants. This is in addition to growing opposition from local communities.

In response to this challenge, the Council adopted an emergency regulation to speed up permitting[32]**.** The regulation provides for urgent and targeted measures for specific technologies and projects with high potential for rapid deployment and low environmental impact. Temporary rules set maximum time limits for the granting of authorisations and introduce a presumption of overriding public interest for renewable energy projects. Faced with a still fragile energy situation on the continent, in December 2023 the regulation was extended until mid-2025 to ensure the stabilisation of energy markets, alleviate the effects of the crisis and protect EU citizens from excessive energy prices[33].

In Italy, the Single Authorisation (AU) procedure for plants, which includes the Environmental Impact Assessment (EIA), has an average duration of about 7.5 years,[34] **the longest in Europe**. Today, there are more than 40 GW of renewable projects in the country awaiting initial evaluation. In addition, 33 GW, or about 10% of the total number of requests submitted to Terna, are blocked in the final stages of the grid connection request process and could be authorised within two to three years[35].



RES projects undergoing Environmental Impact Assessment (EIA) by technology (TEHA 2023)

32 Regulation 2022/2577

33 European Council, Energy prices and security of supply: Council agrees to extend emergency measures, 2023

34 International Energy Agency, Italy 2023 - Energy Policy Review, 2023

35 TEHA-CVA, Renewable Thinking 2023, Accelerating the Deployment of Renewables as a Strategic Development Lever for the Country, 2023

THE ITALIAN HYDROELECTRIC CONCESSIONS SCENARIO

Hydropower is today the leading RES for electricity generation in Italy and plays a major role in energy security, as it draws its sources locally and territorially, reducing dependence on foreign markets. Italy ranks 3rd in Europe for installed hydroelectric power (22.4 GW) with a higher concentration in the North (73.4%), particularly in Lombardy, Piedmont and Trentino-Alto Adige (58.1%)[36].

22.4 GW
Installed hydroelectric power in Italy

However, the current Italian regulatory framework entails critical issues that are hindering the full development of the sector. The first is related to the high level of fragmentation and regional unevenness of the internal procedures for awarding and renewing concessions. The situation is described by industry operators as extremely critical. Regions are under pressure to quickly launch tenders for expired concessions, while outgoing concessionaires have to defend the value of their assets without clear valuation criteria. At the same time, other operators are forced to participate in all tenders for fear of losing their business. This scenario is likely to lead to a proliferation of appeals and litigation, with the risk that significant investments, estimated at tens of billions of euros, will be lost or remain blocked for long periods of time.

36 TEHA, A2A, Edison, ENEL, Hydroelectric concessions in Italy: uncertainties and opportunities for the country's recovery, 2022

Hydroelectric power plant in Châtillon (AO)

Divertions for hydroelectric use encompass several jurisdictions, some of which fall exclusively under state jurisdiction while others fall simultaneously under the state and the regions. The conflict between the State and the Regions with reference to 'national energy production, transport and distribution' has, in practice, over time limited the action of the State, which is called upon to lay down the rules of principle of the matter, and led to a corresponding increase in the powers of the Regions, resulting in a fragmentation of internal procedures.

Lombardy has approved a resolution to re-tender three expired concessions, but appeals by the outgoing operators have already commenced. The region will have to proceed with several calls for tenders since there are about 70 large diversion concessions in the Lombardy region, and roughly 20 of these have expired. Other tenders were also launched in Piedmont and Abruzzo. All this takes place in a context in which the Italian government has confirmed its commitment to sustainability, as outlined in the National Recovery and Resilience Plan ('PNRR'), maintaining the obligation to launch tenders for hydroelectric concessions despite the revisions made to other objectives.

The government also rejected proposals that could have changed the procedures, confirming its categorical approach to tendering. **Italy has one of the lowest maximum duration of hydroelectric concessions, only 20-40 years, which can be extended by the regions by a further 10 years** (vs. 75 years of France, Portugal and Spain) **and is one of the few European countries to use tender mechanisms** for the allocation and renewal of hydroelectric concessions.

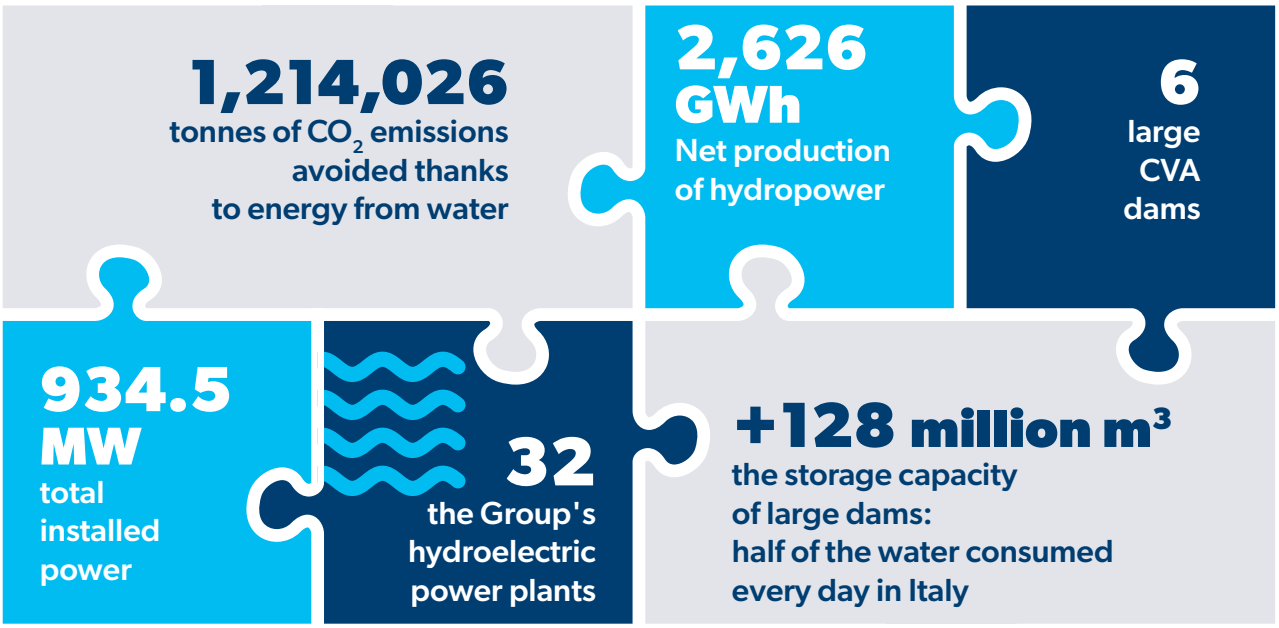
To date, Italy is the only country in Europe to have opened up its market so widely, generating a situation of regulatory inconsistency and a lack of real competition within the European Union. This situation creates a high level of uncertainty for concessionaires.

Today, 70% of the plants in operation in Italy are over 40 years old and 86% of the concessions for large hydroelectric diversions have already expired or will expire by 2029. It is therefore a priority to address the critical issues of the current Italian regulatory landscape and to unlock investment[37]**.**

37 TEHA, A2A, Edison, ENEL, Hydroelectric concessions in Italy: uncertainties and opportunities for the country's recovery, 2022

We are the energy of the future

Aymavilles (AO) hydroelectric power plant



WATER

THE CVA HYDROELECTRIC PARK

CVA contributes to national hydroelectric generation through the direct management of one of the most important Italian hydroelectric portfolios, consisting of 6 large dams, 61 intakes (of which 33 classified as regional dams), more than 210 km of channels, about 50 km of penstocks and **32 power plants with 74 hydroelectric units**. The plant park, with a total capacity of 934.5 MW, produced **2,626 GWh net of clean energy in 2023 (+23 GWh compared to 2022)**. Thanks to its hydroelectric production, **Aosta Valley ranks first in relation to burden sharing objectives**[38] and exports 63% of the hydroelectric energy produced to the national grid[39].

Among the total of 32 power stations, which are present throughout the side valleys and the central area of Aosta Valley, CVA counts:

- 18 run-of-river power stations;
- 9 basin power plants;
- 5 reservoir power stations.

38 GSE, Statistical Monitoring Report of National and Regional Targets - Burden Sharing, July 2022.
39 Aosta Valley Regional Environmental Energy Plan to 2030 (PEAR), Non-Technical Summary, 2023.

Flowing water power stations

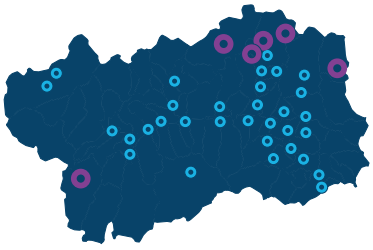
Run-of-river hydroelectric power stations **exploit the natural flow of watercourses**. These are plants located near a river or stream, whose water is partly or completely channelled to a reservoir through **diversion channels.** From here, the turbines receive water, via a difference in altitude called a drop, which is transformed into electricity.

Basin power stations

Unlike run-of-river power stations, in reservoir power stations the water does not come from a river, but from **an artificial reservoir created by damming**. These power stations can be located almost on the same level as the basin or, if the terrain permits, take advantage of a drop of several tens of metres. In both cases, the water passes through penstocks that take it to the hydraulic turbine that produces renewable electricity.

Reservoir power stations

Reservoir power stations exploit water collected in a **large reservoirs to form artificial lakes, which are created by building dams.** The water therefore accumulates and then flows down through penstocks to turbines that generate mechanical energy, which is then converted into electrical energy.



6 dams

32 hydroelectric power plants

CVA's hydropower plants provide efficiency, flexibility and security:

- **Efficiency**: a hydraulic turbine has an **efficiency of over 90%**, often more than 95%. This means that almost all the potential energy contained in water becomes electrical energy, unlike in thermoelectric power plants, which achieve 60% efficiency, with the remaining 40% wasted in unused heat;
- **Flexibility**: hydroelectric power stations allow the production of electricity to be varied rapidly according to the amount of water flowing to the turbine: this enables timely intervention if the balance of the grid needs to be restored;
- **Safety**: by storing excess water in the event of particularly heavy rainfall, basin power plants help to reduce hydro-geological risk and protect the environment and surrounding communities.

In addition to making a valuable contribution to hydroelectric power generation, the plants have a cultural value as integral parts of the Aosta Valley landscape and territory.

128 million m³
The water assets held by CVA

CVA DAMS

In total, CVA manages 6 large dams - Beauregard, Cignana, Gabiet, Goillet, Perrères, and Place Moulin - whose **storage capacity exceeds 128,600,000 m³**, equivalent to about half of the average daily water use of the entire country. The CVA dams preserve a long water heritage and their maintenance is part of the **strategy of sustainable management of environmental resources**[40].

A dam is an artificial damming of a watercourse, which serves to regulate its natural flow, forming a basin or reservoir serving a hydroelectric power plant. A dam is equipped with inlet works, tunnels or channels, overflow works and outlet works. It can be a few tens of metres up to hundreds: for structures higher than 15 m or with a reservoir volume (maximum storage capacity) of more than one million m³, we speak of large dams.

Place Moulin Dam (AO)

40 Established by Legislative Decree 152/2006, which repealed Legislative Decree 152/99 on the protection of waters against pollution, for the transposition of Directive 91/271/EEC concerning urban waste water treatment and Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources.

WATER RESOURCE MANAGEMENT

[GRI 303-1] [GRI 303-2] [GRI 303-3] [GRI 303-4]

Climate change and rising temperatures are causing extreme rainfall, flooding, increasingly devastating storms and periods of extreme drought. These changed contextual conditions require an even greater focus on the management of water resources.

The CVA Group keeps track of the amount of water withdrawn annually, which is calculated by means of hydroelectric production meters installed at the power plants. The collected data is then converted into a water withdrawal value using specific **conversion coefficients**[41] for each plant. These take into account factors such as the height of the drop, the water flow (flow rate), the gravity coefficient and the efficiency of the installed turbines. In 2023, CVA withdrew a volume of **10.8 billion m^3** – compared to 8 billion m^3 in 2022 – from surface water. Since the water drawn, once turbined, is then **totally returned to the watercourse, water** consumption in hydroelectric energy production is zero.

In order to preserve the chemical and physical characteristics of water bodies[42], **hydroelectric diversions must guarantee the release of a certain quantity of water** that is defined through the parameters of Ecological Flow ('EF'), a new concept that is replacing the Minimum Viable Flow following the publication in 2015 by the European Commission of special guidelines (Guidance document No. 31 - Ecological Flows in the implementation of the Water Framework Directive).

Ecological Flow ('EF') defines the amount of water required to maintain the health of aquatic and terrestrial ecosystems associated with a watercourse. This includes preserving biodiversity, maintaining natural habitats, supporting ecological processes and protecting aquatic ecosystems from irreversible damage. Ecological flow is essential to ensure that river ecosystems remain functional.

CVA has always been attentive to compliance with these parameters, and in 2023, all audits showed that releases were handled correctly. Furthermore, **in 2023 CVA implemented the installation of a series of displays to show the amount of Ecological Flow released in real time**. Screens are present at the Fenille intake of the Chavonne plant and at the Buthier intake of the Quart plant.

In 2024, the initiative will continue with the missing intake works.

41 In practice, the coefficients represent the amount of KWh that is generated by 1 m^3 of water in a given system.

42 The quality objectives are identified pursuant to Articles 76, 77, 78 and 79 of Legislative Decree No. 152 of 3 April 2006, transposing Article 4 of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000.

The Continuum Model

In order to reconstruct sufficiently long hydrological series at the intake works, useful for optimising the quantities of Ecological Flow to be released, CVA participated in the implementation and refinement of the Continuum hydrological model developed by the CIMA Foundation. The model makes it possible to reconstruct time series of natural run-off in watercourses over a 13-year period - from 2008 to 2021 - based on regional meteorological observations (e.g. precipitation, air temperature, relative air humidity, wind speed, snowpack height and incident solar radiation). The analysis involved 30 river sections corresponding to as many intake works.

Still on the subject of proper management of the resource, it is important to consider that the reduced water availability in watercourses can entail critical issues in the distribution of the water resource between different users, such as Land Improvement Consortia that use the resource for irrigation. For several years, CVA has been working for years with other water operators to optimise the use of water resources and their equitable distribution. To this end, CVA participates in **two technical round-table working groups organised by the regional water authority**, concerning two of the river basins where water scarcity has already caused supply problems for irrigation consortia in recent years.

JOINT RESPONSES FOR THE STUDY OF HYDRO-METEOROLOGICAL HAZARDS

Study on climate change and impacts on hydroelectric production in Aosta Valley

In conjunction with International Mountain Day, celebrated every year on 11 December, in 2023 the Forte di Bard (Fort Bard) Association, the Autonomous Region of Aosta Valley and the Fondazione Montagna Sicura organised and promoted the event 'La Montagna di Ghiaccio' (The Ice Mountain), focusing on the theme of restoring mountain ecosystems at Forte di Bard. During the conference, **CVA presented the Report '*Climate Change and Hydroelectric Production in Aosta Valley*'**.

The document aims to provide insights concerning the relationship between the impact of climate change on the hydrological regime and hydroelectric production in Aosta Valley introduced in the previous Report published in 2021 'Impacts of climate change on the hydrological regime in Aosta Valley.' Looking ahead to 2030-2050, the study examines temperature and precipitation scenarios, annual water availability scenarios regarding two types of regional basins with reservoirs, scenarios of monthly flow variation on lateral streams and the Dora Baltea, and impacts on hydropower production.

In summary, the results of the study show that an increase in temperature (+1.1°/+2°C), a change in the seasonal distribution of precipitation (decrease in summer and increase in autumn, winter and spring) and a consequent decrease in snowfall is expected in the coming decades (2030-2050). These changes will lead to an increase in the frequency and intensity of extreme weather events. For hydroelectricity, no major changes are expected in the total annual amount of water available for reservoirs, but there will be a redistribution of the flow rates of streams and the Dora Baltea. Plants without upstream reservoirs may suffer greater production losses due to reduced summer flow. A situation of substantial stability is therefore expected for hydropower production, as the effects of greenhouse gas emission reductions will only be felt from the middle of the century onwards.

SottoZero 2023: the result of a multi-year collaboration

Compared to 1999, **32 glaciers have been lost in Aosta Valley to date**, with a reduction in the total area of no less than 34 km^2, **equivalent to 22% of the regional glacial surface**. Glacier fronts retreated by an average of 18 metres and the loss of ice mass in 2020 was four times greater than the already negative average of the last 22 years[43].

-32
glaciers
in VDA
compared to '99

43 Aosta Valley Glaciers Steering Committee, SottoZero 2023: Evolution of the Cryosphere in the Aosta Valley (2023). For more information, please visit https://www.sottozerovda.it/

These are the results of a study and monitoring carried out on the **evolutionary framework of the cryosphere**[44], comparing data from the last hydrological year with long-term average values. For more than 15 years, CVA has been collaborating with the **Cabina di Regia dei Ghiacciai Valdostani (CRGV- Aosta Valley Glaciers Steering Committee)**, a coordination cell between the bodies that deal with glaciers in Aosta Valley, with the aim of fostering synergies in study activities and disseminating the scientific knowledge acquired. One of the planned aspects of this collaboration is the publication of ***'SottoZero'***, a continuously updated report comparing the data of the last hydrological year with long-term average values.

This research made it possible to identify a set of indicators related to the consequences of climate change on glaciers. For example, in 2023 the mass loss (ice) was -2,123 ml of water equivalent compared to the average of -1,089 in 2001-2022. As far as precipitation is concerned, 861 million m^3 of snow water resources were recorded in 2023, 21% less than the average of the last 20 years.

A renewed alliance to monitor water risks

Located along watercourses, CVA plants are exposed to the risks of hydro-geological instability and potential flooding, a danger that affects plant operators and the populations living near them. It is therefore in the Group's interest to **monitor these risks** and find the links between rising temperatures and the availability of Alpine water basins. This can be achieved through the development and improvement of **tools and algorithms that allow for the refinement of modelling**.

Renewed in 2022, for many years CVA has been participating in the **Convention for Flood Forecasting, Water Resource Assessment and Analysis of the Impact of Climate Change on the Hydrological Cycle**, signed together with the Autonomous Region of Aosta Valley, the Regional Agency for Environmental Protection of Aosta Valley (ARPA), CIMA Foundation and Montagna Sicura Foundation. Among the activities directly involving CVA are the **evolutionary maintenance and development of the modelling chain for estimating the *Snow Water Equivalent (SWE)*** - the amount of water that would be obtained if all the snow in a given area were to be melted instantaneously - on a regional basis, in order to manage the water resource and predict flooding.

Further activities include the **evolutionary maintenance of the system for probabilistic flood forecasting,the multi-purpose implementation of the Continuum model on a regional scale, the analysis of the impact of climate change on the hydrological cycle, and the analysis of water resource availability and drought indices.**

44 The part of the earth's surface where water is in a solid state

PLANT MANAGEMENT FOR THE RESPECT OF BIODIVERSITY AND THE ENVIRONMENT

Covalou hydroelectric power plant (AO)

Protecting biodiversity

[GRI 304-1] [GRI 304-2] [GRI 304-4]

CVA's hydroelectric works are located in a context characterised **by the presence of local flora and fauna**, which are heavily dependent on river and lake ecosystems. In the operation of its plants, the Group acts in compliance with European environmental legislation for the protection and restoration of European rivers and lakes. This also applies to sites located in protected areas, such as parks, Special Protection Areas (SPAs) and Sites of Community Importance (SCIs).

There **are 12 CVA operational sites located within protected areas**. At these sites, biodiversity is continuously considered and monitored in the day-to-day management of the facilities and in the definition of the Ecological Flow and beyond in the projects involving the construction of new facilities and modernisation of existing ones.

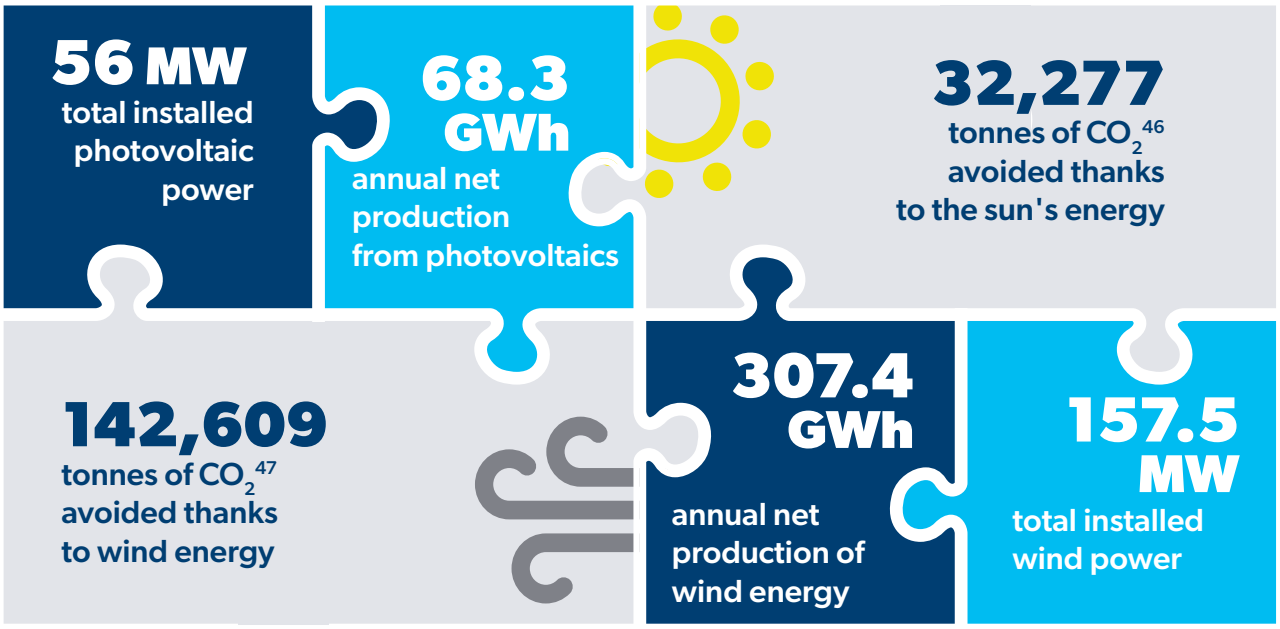
In partnership with the Polytechnic University of Turin, CVA is engaged in a **study aimed at defining the levels of impact on river habitat** based on the hydroelectric plant upgrading options and the optimisation of the water resource. The study will **assess the minimum habitat thresholds that can be tolerated by fish fauna**, considering all possible durations and frequencies. In 2023, the PhD co-funded under the PNRR agreement between CVA and the Polytechnic University of Turin continued, to explore these aspects in depth.

Waste management

[GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

In 2023, the CVA Group produced a **total of 547.784 tonnes of waste.** Of this waste, 92% is non-hazardous (e.g. waste from intake scouring operations) and 8% hazardous (e.g. oils for hydraulic systems and maintenance). 41.5% of waste was recycled at external sites.

Constant **monitoring** of sites enables better waste management. The actions taken include the **management of waste materials**, derived from excavation operations, which are used, in a circular perspective, in the formation of road embankments and foundations, in the execution of embankments and dykes, and in the reprofiling of the morphometry of the affected riverbed area. In addition, some of the **oils used in maintenance** are returned to third parties to be regenerated and put back into the production cycle. Finally, CVA is committed to collecting waste data from the different production sites through a centralised control made possible by the Atlantide programme, a management software program for controlling the environmental waste cycle.



SUN AND WIND

THE CONTINUOUS DIVERSIFICATION OF RENEWABLE ENERGY SOURCES

Diversification of energy sources is essential to increase energy security and independence. Renewable energy sources make it possible to reduce dependence on external suppliers and energy imports and are an indispensable element of the decarbonisation strategy.

The Group's roadmap aims to **double the installed capacity through the development of photovoltaic plants and wind farms**. This direction is strategic for the energy transition and, as such, for the positioning of the Group, already one of the leading national renewable producers. If the presence of the CVA Group's hydroelectric plants in Aosta Valley is a fundamental pillar of its identity, characterising the region's energy production, **the expansion in photovoltaic and wind power production marks ambitious growth on a national scale**, opening up new challenges and opportunities, such as exploring new areas, new communities and enriching the company's *know-how*.

45 Consistent with current methodological guidelines (GHG protocol), the calculation of avoided CO2 was carried out with reference to the gross PV energy production figure of 16.6 GWh.

46 Consistent with current methodological guidelines (GHG protocol), the calculation of avoided CO2 was carried out with reference to the gross wind power production figure of 312 GWh.

A photovoltaic system produces energy from a renewable and inexhaustible source: the sun. A photovoltaic (PV) panel contains photovoltaic cells that absorb sunlight and convert solar energy into electricity. These cells, consisting of a semiconductor such as silicon that transmits energy, are connected to create a module.

When the semiconductor in photovoltaic panels absorbs sunlight, the current is either collected in cables and used immediately or fed into the grid or stored in a system battery.

The Group has chosen to strengthen its presence in the solar PV energy production sector, confirming its objective of investing 100% in green energy. Photovoltaics today remains one of the most attractive energy resources, offering broad scope for development while guaranteeing efficiency, sustainability and safety.

CVA GROWS IN PHOTOVOLTAICS

CVA Eos is the Group company into which all photovoltaic plants and wind farms are merged. Thanks to the new subsidiaries SR Investimenti and Renergetica (whose corporate closing was finalised at the beginning of 2024), together with the alliance with Bonifiche Ferraresi, it will be possible to considerably increase photovoltaic production capacity, expand the Group's geographical scope from local to national, double the CO_2 avoided to 2 million tonnes, and generate energy to serve the transition.

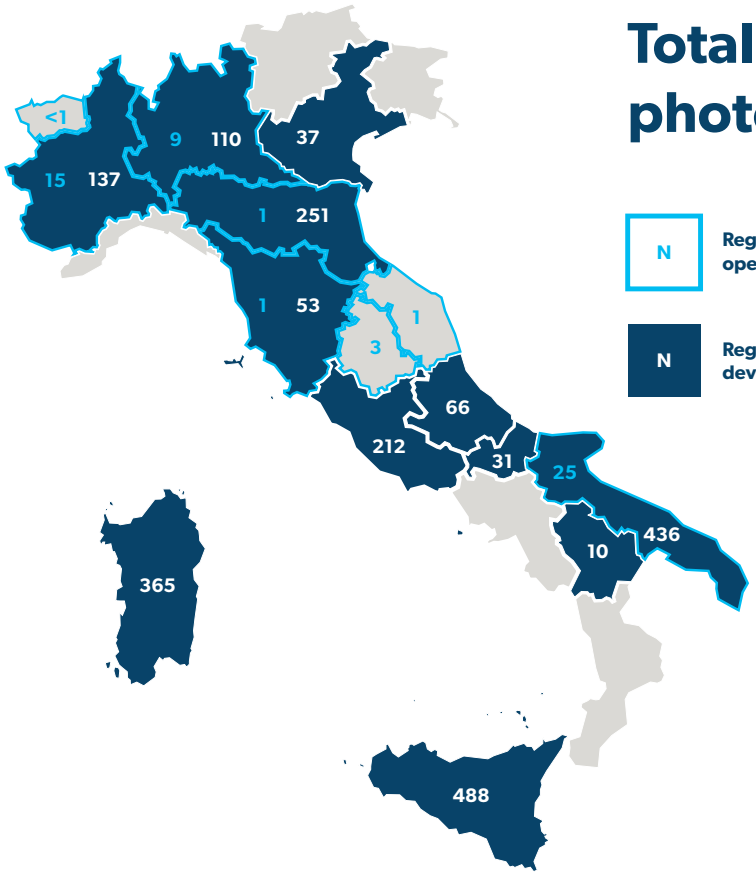
In addition to the 12 MW of installed capacity of the historical plants in Piedmont and Aosta Valley, in 2023 a cumulative 44 MW of PV plants located from the north to the south of the peninsula in 7 regions and 12 provinces were added to the solar portfolio of Sistemi Rinnovabili Investimenti (SR). Overall, PV generation in the past year amounted to 68,324,000 kWh, corresponding to the average electricity consumption of approximately 26,000 households with an average of three people, the equivalent of the population of a small town like Cremona.

The prospects for the development of new PV power, set out in the business plan and included in the apparatus of the subsidiaries, are particularly ambitious: Sistemi Rinnovabili envisages 200 MW of plants already authorised; 804 MW of projects under development with authorisation procedures, plus a development pipeline of a further 1,200 MW. Construction sites for the plants that will contribute almost 80% of the installed capacity will start in the first and last quarter of 2024, mainly in Sicily and Lazio.

The Tour di Quart (AO) photovoltaic plant and loading tank of the hydroelectric power plant in Nus (AO)

804 MW
projects under development

The alliance with Bonifiche Ferraresi, on the other hand, is aimed at **developing an agri-voltaic pipeline of 150 MW on the BF Group's agricultural areas**, aimed at consolidating the Group's Strategic Plan objectives and achieving a balanced mix of production exclusively from renewable sources. Through its own know-how and that recently acquired through the integration of SR Investimenti, CVA will invest its resources in the development and construction of the plants.



Total photovoltaic capacity

N Region with operating power (MW)

N Region with developing power (MW)

Development of installed and pipeline wind and photovoltaic power following acquisitions.

598 MW
The planned increase of the roadmap

Wind energy is the energy derived from the force of the wind, i.e. the movement of air over the earth's surface. Its kinetic force is converted into mechanical energy which, in turn, can be converted into electrical energy.

A wind farm consists of a set of wind turbines interconnected with power lines. In turn, a wind turbine consists of a system of blades, usually three, built with aerodynamic shapes that together constitute the rotor. The rotational kinetic energy of the blades is transmitted to a generator through a complex system of mechanical parts represented by a slow shaft, a speed increaser and a fast shaft. The electrical energy produced by the generator is generally raised in voltage through a LV/MV (low/medium voltage) transformer and fed into the electrical infrastructure and distribution network.

CVA'S WIND FARMS

Wind energy completes CVA's apparatus in the production of energy generated solely through the elements of nature. With wind turbines in various regions of Italy, CVA EOS produces an average of around 300 million kWh of energy each year. In 2023, production totalled a net 307,438 MWh of electricity from wind power, meeting the average energy needs of about 115,000 households.

With a **total installed wind power capacity of 158 MW**, the Group's wind farms are located in Aosta Valley, Lazio, Apulia, Tuscany and Campania. The installed capacity of the wind fleet varies from the smallest plant located in Saint-Denis in Aosta Valley, with 3 wind turbines for a total of 2.55 MW, to the imposing plant in Piansano and Arlena di Castro, which has 21 wind turbines for a total of 42 MW. The size of each wind turbine in each of CVA's wind farms is commensurate with the potential of the area in which it is installed: from 52 metres for the diameter of the blades of the Saint-Denis plant in the Aosta Valley to 117 metres for the rotors of the Monteverde wind farm in the province of Avellino.

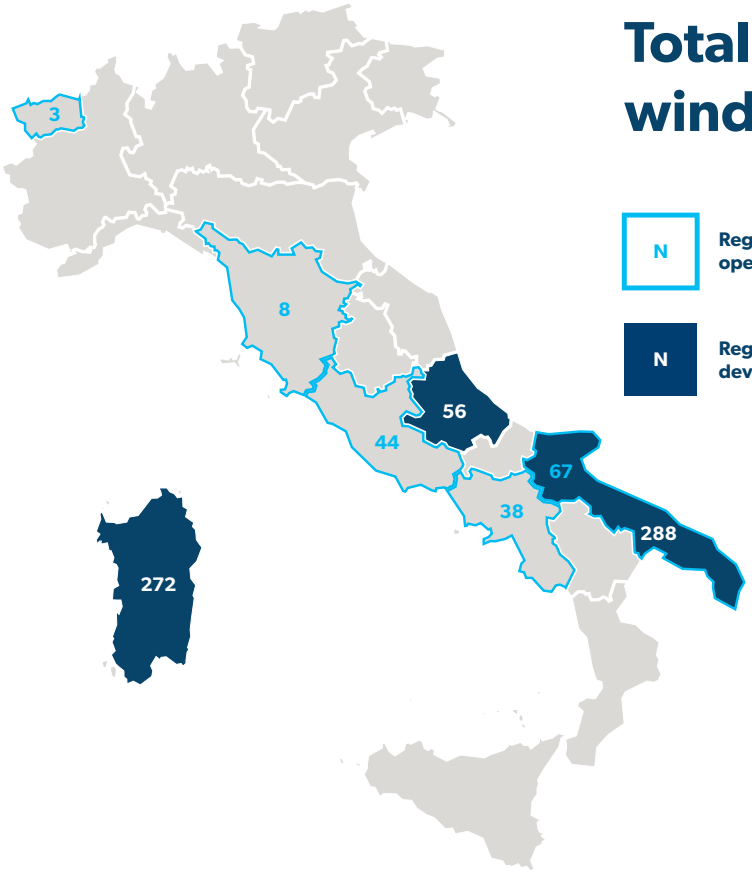
The industrial development roadmap in the Strategic Plan envisages increasing the current production capacity by building an additional 598 MW.

Plants currently in operation

- Saint-Denis plant, Saint-Denis - Aosta Valley
  (3 wind turbines for a total of 2.55 MW);
- Piansano plant, Piansano and Arlena di Castro - Lazio
  (21 wind turbines for a total of 42 MW);
- Monteverde plant, Avellino - Campania
  (11 wind turbines for a total of 37.95 MW);
- Ponte Albanito plant, Foggia - Apulia
  (8 wind turbines for a total of 22.8 MW);
- Pontedera plant, Pisa - Tuscany
  (4 wind turbines for a total of 8 MW);
- Lamacarvotta plant, Laterza - Apulia
  (5 wind turbines for a total of 10 MW);
- Lamia di Clemente plant, Taranto - Apulia
  (6 wind turbines for a total of 12.24 MW);
- Tarifa plant, Lecce - Apulia
  (11 wind turbines for a total of 22 MW).

The further wind power capacity development envisaged in the business plan aims at a substantial expansion of the fleet in southern Italy with more than 500 MW incremental capacity.

Total wind power capacity

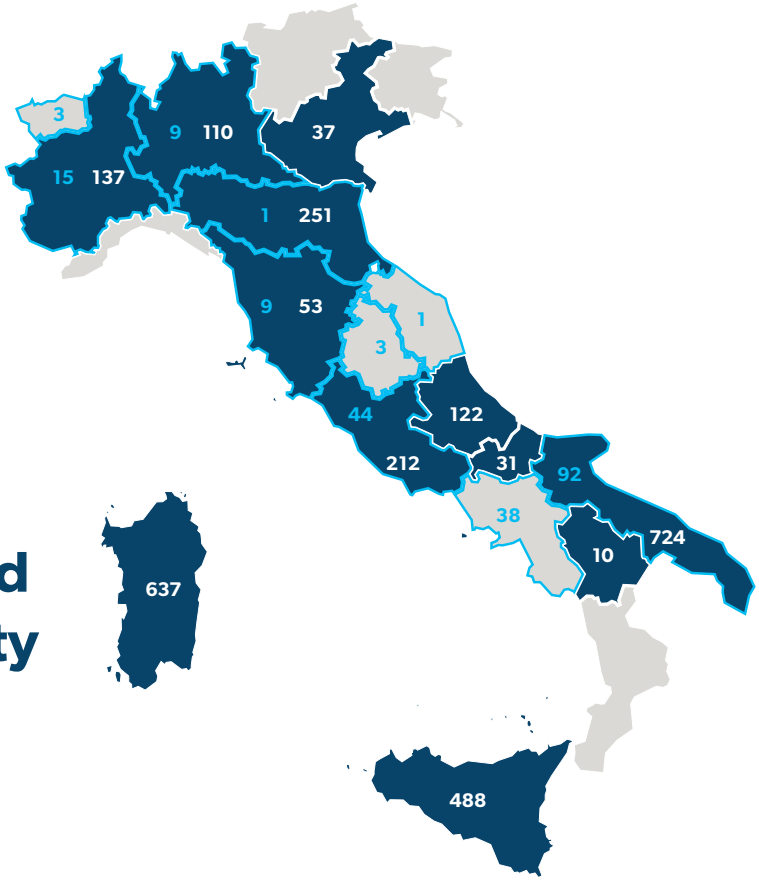


N Region with operating power (MW)

N Region with developing power (MW)

The differentiation of production sources envisages a path that will take the Group's presence throughout Italy on a virtuous journey for its contribution to the decarbonisation of the country and for the growth and solidity of the Group.

Total operating and developing wind and photovoltaic capacity



N Region with operating power (MW)

N Region with developing power (MW)

POWER PURCHASE AGREEMENT (PPA): A GREEN SUPPLY TO SUPPORT THE TRANSITION

The PPA is a **renewable electricity supply agreement**. This is a medium- and long-term energy purchase contract, which regulates the supply of energy between a producer who owns the plant and a purchasing party. It is an extremely useful mechanism for facilitating the energy transition: companies can reach their sustainability goals faster and save on electricity, avoiding price fluctuations, while plant builders, thanks to PPAs, will already know how long it will take to get a return on their investment and what their future revenues will be.

In addition to the **PPAs** signed with Cogne Acciai Speciali and UniCredit, in 2023 CVA entered into a **strategic partnership with Mediobanca Innovation Services S.C.p.A.**, committing to supply a total of 4.38 GWh/year, equivalent to a capacity of 0.5 MW. The duration of the contract is seven years, stretching from 1 January 2024 to 31 December 2030.

EFFICIENCY FIRST

-11.7%
The EU target of reducing consumption

Energy efficiency measures help to save energy, contribute to reducing CO_2 emissions and enable a significant reduction in building operating costs. In October 2023, the European Union raised its already ambitious energy efficiency targets, i.e. the **reduction of primary and final energy consumption to 11.7% by**2030, compared to the 2020 energy consumption forecast[47].

CVA Smart Energy is the Group's subsidiary whose mission, in line with the objectives of energy transition, **is to propose a line of services designed to improve the economic and environmental sustainability of residential homes and accommodation facilities**. In 2023, the acquisition of three companies (RS, RTS and Nuova Energia) enabled the CVA Group to strengthen its position in the sector and propose to the market an integrated offer along the entire energy value chain, by means of a flexible service platform.

In 2023, the General Contractor's activities also continued for the management of initiatives connected to the tax benefits provided by the Superbonus, introduced by the Government in May 2020 and subject to numerous legislative changes over the years. CVA as General Contractor recorded a total of approximately **138 contracted customers**[48] **corresponding to the number of projects started** in the same period. Of the 138 projects, roughly **95 were completed by the end of the year**. Most of the **works were carried out on apartment blocks**, i.e. buildings consisting of at least two residential units. Although single-family buildings account for a less significant percentage of the initiatives, energy efficiency remains a key objective for these structures as well.

In its commitment to sustainability and energy efficiency, **CVA not only offers energy efficiency measures for third parties, but also engages in the renovation of its own property assets**.

47 EU Directive 2023/1791.

48 This value is a conservative value as it only refers to contracts that have commenced, and does not take into account customers who have signed a private contract, a document that pre-dates the contract, and subsequently have not commenced works.

Aware of the importance of reducing its environmental impact and promoting sustainable energy practices, CVA has launched a series of initiatives to improve the efficiency of its facilities and reduce energy consumption in its premises, notably by seeking alternatives to replace the fuels needed to power its air conditioning systems.

In 2023, methane gas **heat pumps** were installed in three buildings housing administrative offices and connected to district heating networks, and **asbestos and radon remediation** work was carried out on two sites.

As part of an overall efficiency improvement, renovation and upgrading work was carried out on the roofs of two buildings. CVA also **optimised the lighting by replacing the lighting fixtures with LEDs** and **implemented an automatic switch-off system at the main office**, and contributed to the replacement of windows and doors in one of the buildings, leased by CVA.

GROUP CARBON FOOTPRINT

[GRI 302-1] [GRI 305-1] [GRI 305-2]

CONSUMPTION AND EMISSIONS

CVA monitors its consumption and seeks to make it more efficient, with the aim of reducing climate-changing emissions and overall environmental impacts directly under its control. Energy consumption is measured and analysed annually, including:

- the electricity used in the Group's offices;
- the electrical energy required for the operation of auxiliary services[49] to the operation of plants;
- the electricity used to recharge electric and plug-in hybrid vehicles;
- the contribution of energy used for district heating of some offices in Aosta;
- fuel consumption for heating offices and industrial buildings, for generator sets and for the company fleet.

87% of the Group's energy consumption in 2023 came from renewable sources (43,673 MWh).

49 Energy for ancillary services includes both the portion withdrawn from the grid (fully certified from renewable sources) and the portion resulting from the difference between gross energy produced by generating units and energy fed into the grid.

TOTAL ENERGY CONSUMPTION	2023		2022		2021	
UNIT OF MEASUREMENT	MWH	GJ	MWH	GJ	MWH	GJ
From non-renewable sources[50]	6,339	22,822	4,803	17,294	4,857	17,484
From renewable sources	43,673	157,224	36,968	133,086	41,316	148,739
Total consumption	**50,012**	**180,046**	**41,772**	**150,379**	**46,173**	**166,223**

The CO_2 emissions associated with its consumption can be divided into two categories: **direct emissions (Scope 1)**, due to direct fuel consumption by the company (heating fuels, automotive fuels) and any refrigerant gas leakage; **indirect emissions (Scope 2)**, arising from the consumption of electricity purchased by the company (electricity and, to a lesser extent, district heating) net of the part produced from renewable energy sources.

In 2023, considering Scope 1 and 2, **the Group emitted** 2,203 **tonnes of CO_2 equivalent** according to the Market-Based method[51], a value that rises to 4,953 tonnes using the Location-Based method[52]. Through the production of energy from renewable sources, it was able to avoid the emission of 1,388,912 **tonnes of CO_2** using the Market-Based method (a figure that drops to 957,032 tonnes using the Location-Based method).[1]

UNIT OF MEASUREMENT: TONS of CO_{2EQ}	2023		2022		2021	
	SCOPE 1 + SCOPE 2 (MARKET-BASED)	*SCOPE 1 + SCOPE 2 (LOCATION-BASED)*	*SCOPE 1 + SCOPE 2 (MARKET-BASED)*	*SCOPE 1 + SCOPE 2 (LOCATION-BASED)*	*SCOPE 1 + SCOPE 2 (MARKET-BASED)*	*SCOPE 1 + SCOPE 2 (LOCATION-BASED)*
CO_2 avoided	1,388,912	957,032	1,094,612	755,203	1,306,169	897,231
CO_2 generated	2,203	4,953	1,387	4,619	1,594	4,506

Due to the nature of CVA's business, which relies on the sourcing of resources found in nature (water, sun and wind) for the production of 100% renewable energy, Scope 3 emissions analysis was not material in 2023. Therefore, the company decided to focus exclusively on the mapping of Scope 1 and 2 emissions, postponing the full Scope 3 mapping process to future editions.

The Group considers it essential to **maintain the quality of its processes, environmental protection, worker health and safety and effective management of its assets, particularly its hydroelectric power plants, wind and photovoltaic fields**. In this regard, since 2006 CVA has initiated the certification processes of its management systems according to the ISO 9001, ISO 14001 and ISO 45001 (formerly BS OHSAS 18001) standards, which have been harmonised within two Integrated Management Systems (IMS). The former was developed by CVA and also applied by Valdigne and CVA Energie and, from 2022, by CVA EOS, while the latter applies to the organisational scope of Deval.

50 Energy withdrawn by Deval from the national grid and district heating were included in the calculation of energy from non-renewable sources.

51 The Market-based method is based on the CO_2 emissions emitted by the energy suppliers from whom the organisation buys - by contract - electricity, or on market-related factors

52 The Location-based method is based on average emission factors for regional, sub-national or national power generation

OPEN INNOVATION

In the global context of transition towards a more sustainable and resilient economy, **innovation plays a crucial role, especially in the field of renewable electricity generation**. The search for sustainable energy solutions offers a concrete response to the environmental challenges and growing energy needs of modern society. Innovation not only promotes the development and adoption of more efficient and cleaner technologies, but also stimulates the creation of new business models, the diversification of energy sources and the integration of smart systems for energy management and distribution.

The function responsible for innovation is overseen by an **Open Innovation Committee** that operates through regular meetings. The Committee's tasks include preparing the Open Innovation Strategy document and submitting it to the Board of Directors together with the budget containing the amount of investments, identifying support structures in the execution of the initiative and monitoring the progress of the work. Formed in 2023, the Committee consists of eight members.

CVA's Open Innovation Strategy is developed along a number of **key verticals and specific targets for 2023-2027**:

- **Verticals related to the objectives of the Strategic Plan for the Group's Business Units**. These include solutions for simplifying the value chain for new RES installations, smart solutions for grid management and digitisation, solutions for digitising and monitoring infrastructures, and big data analysis;
- **Verticals established by the Strategic and Business Plan for Open Innovation** covering Energy Communities, green hydrogen and storage systems, with pilot feasibility studies and innovative developments;
- **The targets of Open Innovation projects** focus on technologies, product factories, disrupters[53], acqui-hiring[54], learning and the overall ecosystem.

This strategy includes an ongoing commitment to innovation and progress, through collaboration with external partners, the development of cutting-edge solutions and the creation of an ecosystem geared towards managing future challenges. Through these initiatives, CVA aims to maintain a leadership role in the sector, anticipating challenges and exploiting emerging opportunities in the energy and technological innovation landscape.

HYDROGEN VALLEY

In order to kick-start an energy transition with decarbonisation as one of its priority objectives, the EU has applied to become the first climate-neutral continent in 2050. In this scenario, alongside renewable energy sources, a leading role will be played by hydrogen. With the exponential growth in the installation of Renewable Energy Sources (RES) planned for 2030 and 2050, it is expected that hydrogen obtained through electrolysis processes[55] powered by renewable energy sources, may become a reference vector in the future energy system.

53 The term 'disruptor' refers to a company, product or service that introduces significant or revolutionary innovations in an established industry, causing radical changes in the way business is conducted in that industry

54 Acqui-hiring, short for 'acquisition' and 'hiring', is a business practice of acquiring another company primarily to hire its employees and acquire their skills and talents, rather than to acquire its products or services.

55 Hydrogen production by water electrolysis uses electricity from renewable sources to separate water molecules into hydrogen and oxygen.

Hydrogen can promote the penetration of non-programmable renewables such as wind and photovoltaics into the energy system, acting as a grid balancer. This means that the excess electricity produced at peak times by green sources can be used to produce hydrogen and can, therefore, be stored in the form of hydrogen, becoming an energy reserve in times of shortage or increased demand. The hydrogen thus stored can be used to generate electricity cleanly and efficiently.

CVA is actively pursuing projects related to hydrogen production. Following the award of a PNRR tender for the reconversion of brownfield sites, the Group published tenders in 2023 to **select suppliers** for the implementation of a project exclusively dedicated to hydrogen production. Specifically, CVA selected an EPC (Engineering, Procurement and Construction) to be responsible for the design and installation of a hydrogen production plant in the former Tecdis industrial complex in Châtillon. The contract was signed in March 2024, and design will be completed in the summer to allow the plant to be built and commissioned by June 2026. The project involves the placement of a 1MW electrolysis plant to produce green hydrogen that will be powered by photovoltaic and wind energy and will be implemented by an electrochemical storage facility.

TRIGENERATION

Trigeneration is an advanced cogeneration system that **simultaneously produces electrical, thermal and cooling energy from a single primary energy source**. In practice, a trigeneration plant uses an internal combustion engine or gas turbine to generate mechanical energy and waste heat. The mechanical energy is then converted into electrical energy, while the waste heat is used for both heating and cooling via an absorber. Trigeneration is considered a highly efficient and sustainable energy solution, as it optimises the use of energy resources and minimises waste.

CVA Smart Energy, the platform comprising the energy saving companies RTS, RS Service and Nuova Energia, carries out initiatives to improve energy efficiency, assuming the risk of the initiative and sharing the portion of energy savings generated through the initiative with the customer. In this context, the company successfully completed the installation of a trigeneration plant in Bergamo, which has been in operation for about a year.

231
Charging devices

SUSTAINABLE MOBILITY

During 2023, **CVA continued its collaboration with the operator Be Charge** to promote electric mobility in the Aosta Valley region. The project represents a significant step in the promotion of electric charging infrastructure in public areas, encouraging the adoption of electric vehicles by the community. A total of 231 charging devices were installed: 20 FAST columns, 102 QUICK columns, and 109 wallboxes in parking areas, thus facilitating access to electric charging services for residents and tourists.

A SECOND LIFE FOR BATTERIES: THE BESS-2L PROJECT

During 2023, the project continued, which aims to test the possibility of reusing *second life* batteries for stationary energy storage and to connect a 1 MWh electrochemical storage system to a CVA flowing hydroelectric power plant. The project '***Application of Second Life Batteries for Energy Storage of Renewable Energy Plants - BESS-2L***' financed under the 2014/20 Investment for Growth and Employment Programme of the European Regional Development Fund (ERDF) has seen the start of the construction of the foundations and 2 containers that will house the new batteries, in cooperation with the partner company Loccioni. This implementation phase is scheduled to allow the installation and testing of the entire system, which will consist of 500 kWh of new batteries and 500 kWh of *second life* batteries, during spring 2024. The goal is to complete all activities by June and hand over the system to trading for use.

ENERGY COMMUNITIES

The *prosumer* is one of the emerging figures in the new energy transition scenario. The term is a cross between the two words of English origin 'consumer' and 'producer' - i.e. consumer and producer - and indicates a type of user who participates in electricity production, producing and consuming at the same time. These new forms of self-consumption can have economic, environmental and social benefits, putting citizens at the centre of the energy transition.

At European level, in 2016, the Commission enshrined the right of all citizens to self-generate, store and self-consume energy from renewable sources, actively participating in the energy market[56]. With the RED II Directive 2018/2001, the EU has put this right down in black and white: Articles 21 and 22 not only formally recognise the existence of forms of energy sharing on the ground based on collaboration between *prosumers* and consumers, but also explicitly ask member states to adopt measures to promote and incentivise them.

Even before the EU Directive was transposed, **Italy made provision for renewable energy community (REC) and collective self-consumption (AUC) projects in the Decreto Milleproroghe (Thousand Extensions) 2020**[57]. This Decree inaugurated an experimental phase, granting Italian consumers, for the first time, the possibility of joining the new widespread self-consumption configurations and providing for the development of shared energy. The legislation evolved with the transposition of RED II. Through Legislative Decree 199/2021 and subsequent measures in 2022,

Electric cars to support the electricity grid

Electric cars have the potential to become an important resource, especially once decarbonisation targets are met. The PNIEC has set a target of 4 million electric cars in circulation in Italy by 2030. Considering the average battery capacity of electric cars of around 50 kWh, cumulatively this would mean a total capacity of 500 GWh. During the periods when cars are parked and recharged, they could contribute to meeting part of the electricity demand.

56 Proposal for a Directive of the European Parliament 2016/0382 (COD).
57 Decree-Law 162/19, converted into Law No. 8 of 28 February 2020

the government and ARERA have made the regulation on self-consumption more organic, removing some technical barriers included in the experimental phase, such as the low power limit for installed systems (going from 200 kW to 1 MW) or the restricted scope of aggregation.

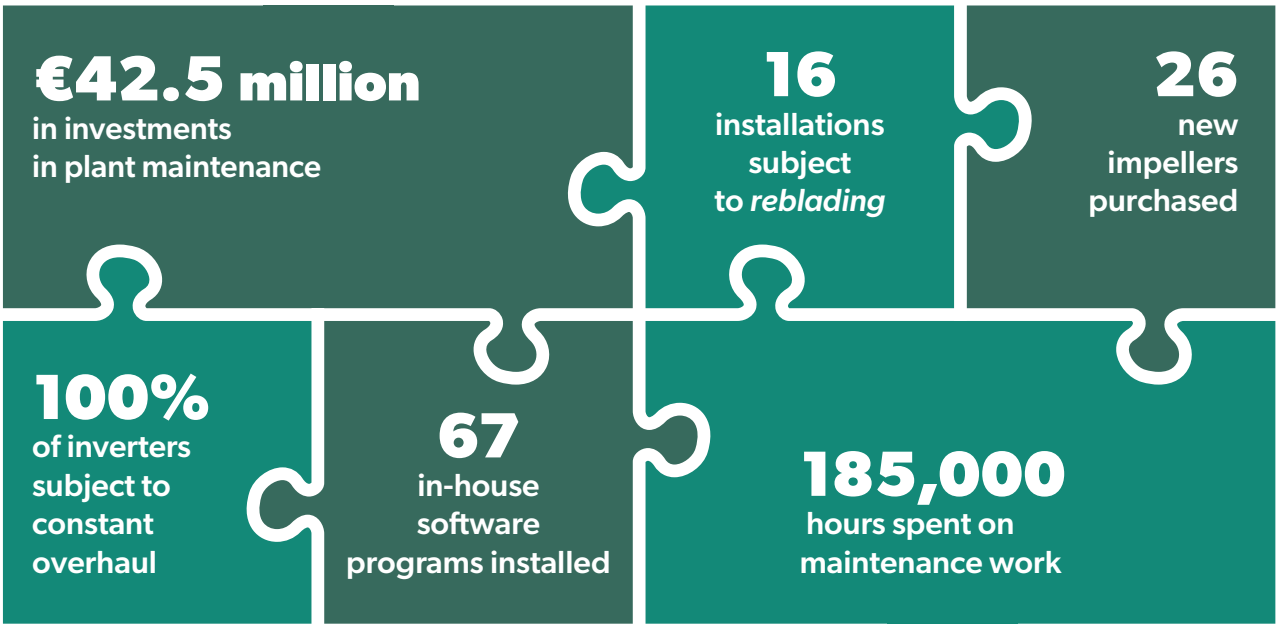
Collective self-consumption and energy communities are also a key element in achieving the goals contained in the National Integrated Energy and Climate Plan. **In fact, energy communities could contribute about 30% of the PNIEC's 2030 target**, with 17 GW of new installed power from renewables[58].

In this context, the Group makes its expertise available to the Aosta Valley region to foster the development of Renewable Energy Communities (RECs). In implementation of the Memorandum of Understanding signed with the Department of Economic Development, Training and Labour, the company launched its consultancy service in 2023 to support the design of CERs in the region.

CVA launched the **CVd'A project in collaboration with the Polytechnics of Milan and Turin** for **a preliminary study on the development potential of Residential Energy Communities ('CERs') in 74 municipalities in Aosta Valley**. During the first phase, CVA supported the Aosta Valley Public Administrations in the collection of functional data to calculate the energy load profiles of potential users, in order to have the necessary data for the pre-feasibility study of CERs. The second phase of the project currently under way involves the inclusion in the studies of small and medium-sized companies that have made a request for it and domestic users to identify potentially optimal aggregation solutions from both an economic and environmental point of view, throughout the region. The analysis conducted showed that a CER composed of a mix of private entities and companies generates a greater positive impact. The output of the project will be a detailed analysis that could be the starting point for the realisation of new facilities.

58 Elemens: The contribution of Energy Communities to decarbonisation (2020).

We are reliable and resilient



INVESTMENTS FOR THE RESILIENCE OF THE GROUP'S INFRASTRUCTURE

Investing to ensure the maintenance and modernisation of its assets is a key priority for the Group in order to **ensure continuity of service and business**. During 2023, the CVA Group allocated more than EUR 42 million to the maintenance and upgrading of its power generation and distribution facilities[59].

Investments in maintenance and renovation of production and distribution plants

VALUES IN THOUSANDS OF €	2023	2022	2021
CVA Group	42,500	36,483	32,628

59 The value includes investments made in hydroelectric, wind and photovoltaic power plants (net of amounts allocated to the acquisition of new plants) and in distribution plants.

ENERGY FROM WATER

THE MAINTENANCE OF HYDROELECTRIC POWER PLANTS

During the year, a series of plant maintenance works were carried out in order to make hydroelectric production more efficient. The maintenance activities, carried out by CVA's Electromechanical Engineering, Civil Engineering and Operations Divisions, involved the power stations of Hône 1, Signayes, Quart, Saint-Clair, Pont-Saint-Martin, Valpelline and Champagne 2, for a total of approximately **185,000 hours spent in maintenance and control work** by technical-operational staff.

INVESTMENTS FOR RESILIENCE AND UPGRADING OF HÔNE 2 AND CHAVONNE

One of the cornerstones of CVA's 2023-2027 Strategic-Business Plan is **the overall increase in renewable energy production: more than 804 MW of new installed capacity by 2027**. To achieve this goal, the Group has planned investments to increase renewable power in photovoltaics and wind power along with the modernisation of some hydroelectric infrastructure, in particular, the ***revamping* of the Hône 2 and Chavonne plants**.

After a long process, confirming the complexity of the national *permitting* system, in 2023 the **Hône 2 plant upgrade project passed the Environmental Impact Assessment (EIA) procedure and the technical part of the Single Authorisation process**. The modernisation project will **double the annual production of** renewable energy - from 50 GWh to 100 GWh - by increasing the maximum capacity that can be withdrawn, in line with the growth output of the industrial development plan.

In order to safeguard the environmental, faunal and landscape matrices of the territories and watercourses, an increase in riverbed releases is planned to guarantee the Ecological Flow[60] and a renunciation of withdrawals in some secondary watercourses, which are currently captured along the valley and will therefore be renaturalised. This is a complex project that involves the reconstruction of all the plant works and a 9 km tunnel between the municipalities of Champorcher and Hône, replacing the existing channel.

With regard to the **Chavonne plant expansion**, following the previous delivery of the final project and the Preliminary Environmental Study (PEA)[61], and following the consultation with the MASE to define the elements to be included in the Environmental Impact Study (EIS), the initial discussions with the local authorities have been commenced, with the intention of presenting the project to the community when it is properly finalised. The project will allow the complete modernisation of the plant and will lead to an increase in the annual production of energy from renewable sources, providing a concrete opportunity to achieve the objectives set by the regional sustainable development strategic framework.

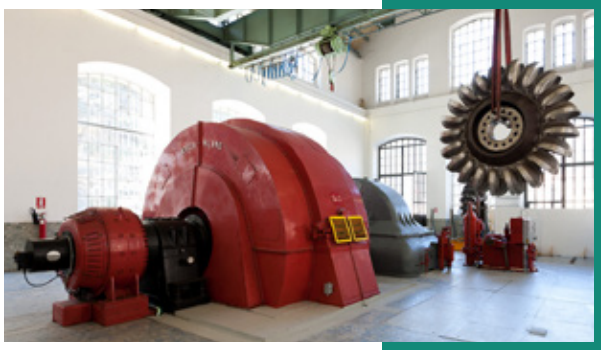
60 The concept of Ecological Flow is discussed in more detail in the following section 'Water Resource Management'.

61 The purpose of the 'SPA' (Preliminary Environmental Study) is to define the scope of the information, the relative level of detail and the methodologies to be adopted for the preparation of the Environmental Impact Study (EIS), as well as to provide the Competent Authority with an initial hypothesis of what is considered to be the elements most affected by the work and the potential impacts to be investigated in the subsequent phases of the process.

OVERHAUL AND REPLACEMENT OF HYDROELECTRIC TURBINES AND IMPELLERS

What are hydroelectric turbines and impellers?

The hydroelectric turbine is a device that **transforms** hydraulic energy (in its pressure, kinetic and potential contents) into mechanical energy. It is an indispensable element of hydroelectric power plants: turbines are able to convert roughly, and in several cases even more than, 90% of the hydraulic energy available at the machine's input into mechanical energy. A hydroelectric turbine consists of a **fixed part with swivelling elements** which serve to direct and regulate the water flow - called the distributor - and the **wheel or impeller** which converts the hydraulic energy taken from the water into mechanical energy and transfers it to the shaft on which it is mounted. There are three main types of turbines, depending on water flow or height difference: **Pelton**, **Francis**, and **Kaplan**.



The **Pelton turbine** is the type of turbine derived from the old mills and the most commonly found on CVA plants (around 80%). The water is conveyed into the penstock, at the end of which the velocity of the water increases at an injector, reducing its pressure. The jet of water coming out of the injector hits the blades of the impeller, shaped like shaped spoons, transferring energy to it.

The **Francis turbine** is the most widely used type of hydraulic turbine in the world (13% of the CVA hydroelectric park). It is a centripetal flow turbine: as soon as the water reaches the distributor via a spiral duct, adjustable blades on the fixed part direct the flow to hit the impeller blades.

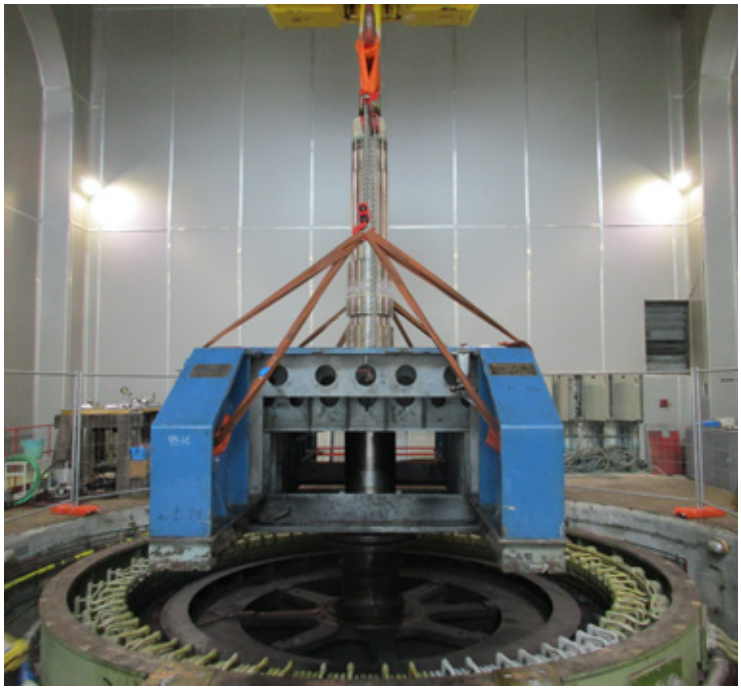
The **Kaplan turbine** instead follows the working principle of a ship's propeller. The Kaplan turbine is axial: the flow of water that turns the propeller blades enters and leaves the wheel parallel to the axis of rotation of the impeller. It has the advantage of providing excellent efficiency in the presence of small differences in height; moreover, thanks to the possibility of adjusting the angle of incidence of the blades, it maintains a high and almost constant efficiency even with large variations in flow rate.

Turbine overhauls

In 2023, multiple overhauls were carried out on the turbines of the hydropower park to ensure their efficient, safe and reliable operation. Specifically, **11 operations were completed** that involved at least partial dismantling of the turbines or their main accessories. Covering 15% of CVA's installed capacity, the main overhauls concerned the following turbines:

- **Turbine of Unit 2 of the Quart plant:** the work involved the replacement of the impeller and the distributor wear liners as well as the implementation of a new central seal with sprayed rings. The overhaul activities were completed in May 2023, with the Unit already able to be used during the soft period with plenty of water, ensuring full production.
- **Unit 1 turbine at the Saint-Clair plant:** an overhaul was carried out between November 2022 and September 2023, which included the replacement of the impeller, all the distributor wear liners, the central seal and the complete realignment of the rotating parts of the Generating Unit. This enabled the installation of a regenerated Francis impeller, as well as hydraulic channels protected with stainless steel liners, replacing the current liners.
- **Unit 2 turbine at the Pont-Saint-Martin plant**: the activity involved replacement of the impeller, replacement of the turbine shaft and functional overhaul of the injector.
- **Two turbines of the Champagne 2 plant Unit**: the overhaul involving the replacement of the impellers was completed. The initiative has drastically reduced maintenance work on the Unit, limiting unplanned outages and the use of spare parts.

The remaining works concerned the facilities of Hône 1, Valpelline (Unit 2), Champagne 1 (Unit 1 and Unit 3), Gressoney (Unit 2) and Verrès (Unit 1).



work on a Kaplan wheel blade in the Hône (AO) hydroelectric power plant

The impeller replacement and control plan

In 2023, the plan to replace impellers in CVA's hydroelectric park continued, for which **26 new impellers** were purchased, starting in 2020, with a view to improving the efficiency and safety of the plants. The replacement has a very significant positive impact in economic terms, allowing the **efficiency of the turbines to be increased by up to two percentage points** and thus the overall output of the plant with the same volume of available water.

During 2023, **110 inspections** were carried out on the impellers, of which 106 were carried out on the CVA hydroelectric park and 4 on the municipal power stations, as stipulated in the maintenance and inspection agreement. Inspections involved 92% of the impellers installed on CVA systems, while the remaining 8% were mostly involved in planned maintenance work and did not require additional inspections.

Turbine shaft replacement in the hydroelectric power plant of Hône (AO)

Construction sites closed for turbine replacements at Hône 1 and Signayes

During the year, the *repowering* of the Hône 1 hydroelectric unit was completed , following work on a Kaplan wheel blade. This required the **complete replacement of the turbine** shaft, generator shaft and rotor lantern, optimising the hydraulic and electrical behaviour of the system. In addition, in order to improve efficiency and ensure greater reliability of the electrical equipment with the consequent guarantee of continuity of service, a new MV (Medium Voltage) switchboard was commissioned, used for the connection of the generating unit to the elevating transformer as well as for the shunts of the power supplies for the new generator excitation and for the power plant services.

In March, ***the production unit*** was commissioned, i.e. the execution of the plan of electromechanical checks and tests aimed at configuring the plant and certifying the correct functioning of all components in accordance with the technical prescriptions provided during the design phase. Tests have shown compliance with higher performance levels than before, generating an increase in expected production and an optimisation in the use of water resources.

Renovation work on the hydroelectric production equipment at the Signayes power plant was also completed, and commissioning tests were carried out in April, which included the return of the Unit to operation. Having completed all the activities, **the three Signayes Units can** now be considered to have been completely modernised, and the goal of improving their reliability and efficiency has been achieved.

THE AUTOMATION OF HYDROELECTRIC PLANTS

Automating hydropower plants means introducing systems and technologies that enable the control and monitoring of key processes within a hydroelectric power plant. This automation process aims to improve operational efficiency, safety, resource management and overall plant productivity.

The automation of the two generating units of the Valpelline plant was completed in 2023. This work improved the reliability of the electrical protection system to guarantee and protect the operation and safety of the plant.

At the same time, work started on the **complete automation of the Saint-Clair plant**. Upon completion, expected in spring 2025, the power plant will be fully operated by automation solutions developed by CVA, making a significant contribution to the unification process of electromechanical installations that began in 2010.

What are electrical transformers?

Electrical transformers are the components of an installation that **transform electrical power from one level of alternating voltage to another** by connecting the generation plant to the electricity distribution and transmission network. The operation of transformers requires **the use of dielectric oil**, used for internal cooling and as an insulator.

Electrical transformer of the Torrent power plant located between the municipalities of Pré-Saint-Didier and La Thuile (AO)

ASSET CONTROL AND PREDICTIVE DIAGNOSTICS

Predictive maintenance work continued during the year. This is based on the study of a series of operating parameters relating to the performance of the plants, the monitoring of which enables the prevention of possible failures and malfunctions.

Checks of main plant components

Every year, the Electromechanical Engineering Division carries out periodic checks on the functionality of the electrical protections of the generators that transform the mechanical energy received from the turbine into electrical energy, operations that are indispensable for the safe operation of the machinery. During 2023, **more than 100 checks were carried out on protections**, more **than 30 thermographic** analyses were performed on the main electrical components of hydroelectric plants, and more than 30 checks were carried out **on voltage reducers**.

In addition, the preventive diagnostic campaign on synchronous generators continued, which included **five specialised internal machine inspections** and **15 electrical diagnostic measurements**. The multi-year plan to equip electrical machines with on-line instrumentation for magnetic flux measurement and control also continued.

The maintenance of oil production transformers

The survey of the condition and reliability of the oil production transformers is, first and foremost, ensured by the multi-year plan of periodic **analysis of the insulating oil**: **40 laboratory** analyses were carried out in 2023 and the results were stable compared to the previous year. In addition to helping to prevent breakdowns and strategically orientate maintenance and optimisation activities, the data collected is fed into a forecasting model developed *in-house*.

Following the measurements carried out over the past years on the 20 oil-water heat exchangers of the 10 water-cooled production transformers (*Oil Forced Water forced* – OFWF), **implementation of the automatic closure of the 10 water solenoid valves** serving the 3 Covalou and 2 Isollaz transformers was completed, which shut down the hydroelectric group in the event of anomalies in the concentration of water in oil, to safeguard the integrity of the transformers and the environment. Analyses derived from these findings enabled detailed renovation and maintenance work to be carried out on the transformer fleet.

During 2023, two ***ATMoS Basic Control 1 Mobile*** instruments were operated and optimised in the Chavonne and Verrès power stations, the operation of which resulted in a significant reduction in dissolved moisture in dielectric oil, an element that is detrimental to the service life of electrical machines. ATMoS is not, however, the only smart device at the service of the CVA Group's oil transformers: thanks to **DGA (*Dissolved Gas Analysis*)** analysers, which can also be remotely controlled and operate 24 hours a day, it is possible to identify many types of transformer failures and extend their useful life thanks to the **optimisation (or maintenance)** of operating **conditions.** To this end, the installation campaign of ***Hydrocal-type* analysers** continued in 2023, compatible with the 2019-2023 four-year plan, on the production transformers of Perrères (both transformers), Nus-Quart (transformer common to the 2 power stations) and Avise (TR3).

THE AUTOMATION OF INTAKE WORKS AND COMPONENTS

During 2023, the CVA Group **continued to upgrade the automation systems of its main water intake works**. The integration of advanced sensors and automation systems significantly improves the ability to prevent damage and protect the environment through efficient, real-time data collection. Thanks to this strategy, CVA is able to make more focused and informed decisions on the maintenance and management of plants, optimising the efficiency of the water resource.

The Group concluded the process of automations at the intake works on the Dora Baltea, also completing the **final commissioning of the Buthier intake**, which is part of the Quart plant. Automated outdoor panels have been installed at this intake and the Fenille intake to make **the Ecological Flow visible to the public**.

The professional skills acquired over time by the operating personnel, also with the help of specialised training courses, has also made it possible to implement a series of improvements on some of the hydroelectric park's governing apparatus. In particular, a number of dedicated automation solutions were developed, starting with the design of the switchboards and control logics, incorporating the assembly of the components and concluding with the commissioning - and its parameter setting - for optimal operation.

By way of example, we mention the automation solutions implemented on the Quincinetto 2 and Hône 1 units to monitor operating parameters, on the weir of the Bard intake, on the sluice gates of the La Salle intake to optimise the flow rate fed into the channel, on the Grand Eyvia Unit to allow the machine to be started up from the Remote Control Station (previously it was only possible from the plant), and on several river weirs classified as 'small dams' in accordance with regional regulations for the management of the sirens used to warn the population of possible flood waves in the riverbeds.

MAINTENANCE WORK ON DAMS

On **large dams**, the culture of monitoring has been entrenched for many years thanks to legislation whose developments have imposed well-defined rules on the control of works. **Monitoring and maintenance** activities are carried out by the Concessionaires, thanks to the guards present at the dam 24/24 hours and the dedicated technical personnel who carry out periodic, monthly or weekly visits in order to prepare the documentation to be sent **to the Control Authority (Ministry of Infrastructure and Transport, General Directorate for Dams and Water Infrastructures)**. In the event of flood events, seismic activity, or extraordinary maintenance work, extraordinary inspections are planned.

Cignana Dam, Valtournenche (AO)

More recently, the management and control of minor **dams**, known as small dams, have been developed, with the individual regions being responsible for verification.

At CVA, the **measurements and controls, both manual and automatic, are sent daily to the competent office of the Civil Engineering Division**, which validates them; this is followed by a critical analysis of the information and measurements acquired through to the issuing of monthly reports forwarded to the Control Authority. These measures are the basis for the six-monthly certifications that the operator and the Responsible Engineer, a figure of responsibility as per the standard, submit to the Control Authority. The same monitoring procedures are put in place by the concessionaires **for small dams**, although the frequency of inspections and the number of checks is proportionate to the size and degree of risk of the work established by the regional authority in charge of control.

Number of checks carried out on assets

INSPECTION AND CONTROLS	CARRIED OUT BY CVA STAFF	CARRIED OUT BY CVA STAFF WITH CONTROL BODY (REGIONAL OR STATE)	GEOLOGICAL INSPECTIONS
Barriers and tanks classified as small dams	88	21	9
Large dams and related works	160	12	5

Penstocks of the Aymavilles power plant (AO)

INSPECTIONS OF DIVERSION CHANNELS AND PENSTOCKS

Every year, CVA's specialised technical staff **directly inspect all 200 km of diversion channels of the Group's hydroelectric plants**. The diversion channel is a tunnel or open channel that conveys water under pressure or free-flowing from the diversion to the penstock, which in turn transports it to the power plant. In the first half of 2023, a **complete installation** was carried out on the Pont-Saint-Martin pipeline installation of a start-up system consisting of specially designed, manufactured and certified anchorages, with related training on the correct use of the anchoring system, to allow technicians easier inspection and maintenance of the pipeline. In fact, the high gradient of several sections of the pipeline runs makes it necessary to secure the personnel in charge of control by using standardised ropes and anchors.

In addition, the implementation of **field inspections continued using ultrasound *phased array***. In 2023, the penstocks of the Châtillon and Champdepraz plant were checked with this technique. Ultrasound allows the internal state of pipes to be analysed by **observing a 'section' of pipe thickness**. Once fully operational, this methodology will provide a wealth of pipeline information that will enhance the predictive capabilities of inspection and maintenance plan.

HYDRO-GEOLOGICAL RISK REDUCTION INTERVENTIONS

In order to reduce the **risk associated with rockfall phenomena on certain production sites**, studies and actions have been undertaken in recent years to mitigate these risks and protect operating personnel. For this purpose, **rockfall defence measures** have been designed. They can be **active**, in that they act to prevent the rock from falling (e.g. rockfall nets) or **passive**, to resist the impact of the moving rock (e.g. rockfall nets). Over the years, the main works have included the installation of rockfall barriers at the Pont-Saint-Martin power plant, the Quincinetto crossroad, the Artanavaz intake, the Mecosse intake and the Montjovet loading basin, the cleaning of the rock face at the Miollet intake, and the installation of rockfall nets at Pont-Saint-Martin.

In parallel, and in accordance with the provisions of Legislative Decree 79/2044, seismic **assessments** were conducted **for all large dams** and for **ancillary works of dams that do not fall under the regulatory obligation**, such as guardhouses, discharge organs and sluice gates. Adaptation work was completed in 2023 **for the guardhouse in Cignana** and will be extended to the remaining ones in the coming years, starting with the guardhouse in Beauregard.

Remote Control: 24H presence

CVA has an operations centre dedicated to the remote control of its production plants, known as the Aosta Remote Control Station managed by the Operations Division. This centre allows real-time surveillance, facilitating prompt and timely intervention in case of need. Active 24/7, 365 days a year, the service is a point of reference for public safety and environmental protection agencies, such as the police, fire brigade and forestry corps, as well as for private citizens who can report any anomalies on hydroelectric plants.

IN-HOUSE SOFTWARE FOR MORE SMART AND RESILIENT PLANTS

In 2023, the process started in 2010 for the creation **of a unified process of management of electromechanical plants continued**. This commitment led to the installation of new automated systems developed in-house. The table of currently installed systems is summarised below.

AUTOMATIC SYSTEMS	THEIR FUNCTION	WHERE THEY ARE INSTALLED
RDF12©	- It regulates the speed of the plant in terms of turbine speed, synchronising the power requirement from the electrical network and the power generated - It avoids blackouts on the power lines that supply the tourist town of Gressoney in Aosta Valley, where there are many ski lifts, at peak times	On CVA's 24 hydroelectric units, covering more than 65% of the entire installed capacity
RDT14©	- It adjusts the system voltage - It synchronises the voltage produced by the generator according to the overall voltage of the network	On CVA's 23 hydroelectric units covering more than 59% of the entire installed capacity
AUT16©	- Together with the two previous systems, it allows the management of the entire generation unit in an automated way - It reduces disruptions through an intuitive user interface for auditing and monitoring production groups	On 10 plants
AUTOP	- It manages the river weirs by adjusting the maximum level of the reservoir and it generates the opening and closing commands of the individual gates - It continuously monitors the Minimum Vital Flow and allows for real-time adjustment	On 6 plants
AUTDS	- A more compact version of the AUTOP particularly suitable for small intakes (of size or with few gates to be controlled) or in applications on releases for third parties	On 5 plants
RDL18	- It regulates the water level of the system's loading tank, determining the hydraulic head available and maximising efficiency - It continuously monitors the redundant acquisition of the tank level and generates anomaly alerts for this purpose - It enables integration within RDF12© - It allows the totally autonomous operation of the system depending on the water available	On 2 hydropower units
AUTCI	- It manages common plant services such as power sources, auxiliary services - It internally integrates automatic tank level adjustment	On 1 hydroelectric plant
AUTLN	- It manages the controls and signals of the Electric Station attached to the hydroelectric plant	On 1 hydroelectric plant
AUTSI	- It implements the local supervisor of the hydropower plant. Through the same it is possible to give commands to the system and keep it accurately monitored	On 1 hydroelectric plant

CIVIL PROTECTION PLANS FOR THE SAFETY OF DOWNSTREAM AREAS

Managing risks related to potential flooding in areas downstream of dams requires a careful and organised approach. To meet this challenge, Civil Protection Documents (CPDs) are drawn up, specific to each dam,[62] which outline the procedures to be followed during the different alert phases.

The regular updating of CPDs for dams, large and small, has facilitated an effective exchange of data and information between CVA, the Regional Functional Centre and the Hydraulic Authority. Thanks to this collaboration, it is possible to obtain a **more precise mapping of the risk and to activate alert procedures in a timely manner when necessary**.

Satellite monitoring of CVA works

The analysis of the geological and structural aspects, including the **control of the behaviour of the slopes on which the Group's works are built**, is fundamental for the durability and safety of the installations. For years, CVA has used **satellite monitoring** alongside more traditional technologies, which guarantees **extremely high levels of accuracy and reliability**.

Using the available satellite data, with the help of leading companies in the industry and input from academia, an in-depth analysis of the movements of five areas comprising the CVA facilities is being conducted in order to understand the actual slope dynamics at work.

In order to increase the control of sites where hydroelectric plants are located, the Autonomous Region of Aosta Valley signed an **agreement with CVA for the exchange of spatial data** and the sharing of *best practices* in the field of slope stability. CVA will receive a satellite monitoring bulletin from the Region, related to any deformation anomalies of the ground, potential precursors of landslide. The possibility of obtaining images and data that satellites have detected throughout their life is also extremely useful, therefore with the ability, at any time, to obtain a historical evaluation. In addition, the agreement also provides for a **real-time monitoring system** to detect the location and intensity of seismic events in the territory. This system was activated in order to enable the rapid activation of civil protection procedures if needed.

62 The Civil Protection Documents are prepared by the General Directorate for Dams and Water and Electric Infrastructures of the Ministry of Infrastructure and Transport together with the Concessionaire, the Civil Protection of the regions concerned (through the Functional Centres) and the competent Hydraulic Authority of the Region.

ENERGY FROM THE SUN

REVAMPING INVERTERS FOR A LONGER USEFUL LIFE OF PHOTOVOLTAIC PANELS

What are inverters?

An inverter represents a link between the power generation phase and its feeding into the grid for transmission and consumption by end users. In fact, this device is capable of transforming direct current, produced by the modules that convert solar energy into electrical energy, into alternating current suitable for distribution networks. It has been shown that inverter malfunctions are responsible for around 60 % of photovoltaic system failures and the resulting loss of energy production. For this reason, ensuring that the installed inverters maintain an adequate yield with respect to technical and economic expectations is of strategic importance.

With this in mind, following the overhaul of all of the inverters in the Alessandria and Valenza parks, a total of 31 inverters, **no failures of these components were recorded in 2023**.

Photovoltaic plant in Valenza Fornace (AL)

REVAMPING OF AIR CONDITIONERS IN MEDIUM VOLTAGE SUBSTATIONS

To address the challenges of high temperatures during the summer months, in 2023 CVA completed a major project to **revamp the air conditioners in the medium-voltage substations at the Alessandria plant**, for a total of 10 air conditioners in 5 substations. These substations house all the essential components of photovoltaic systems, including cables, inverters, switches, transformers and equipment required for remote monitoring. The **high summer temperature**, which reached a **maximum of 47°C**, posed a threat to the proper functioning of these components.

Inverters, in particular, tend to reduce their output above a certain temperature, with a 5% decrease in output per °C above 85°C. Thanks to this intervention, CVA was able to **increase the lifetime of the components**, avoid energy production losses and reduce the number of failures. Similarly, to cope with similar situations, **new air conditioners** were installed in the five Valenza substations, thus improving the overall efficiency and safety of the photovoltaic systems.

What are electrical substations air conditioners?

Air conditioners are air conditioning systems designed to maintain a **controlled temperature inside substations** that house sensitive electrical components, such as inverters, transformers, circuit breakers and other equipment used in electrical installations. They are essential because the temperatures in electrical substations rise due to the heat generated by the equipment inside them and the weather conditions outside, impairing their operation and service life, and reducing the efficiency of the system as a whole.

Photovoltaic system of Alessandria Sud (AL)

ENERGY FROM WIND

REBLADING: INITIATIVES TO IMPROVE PERFORMANCE AND THE EXTEND SERVICE LIFE OF WIND FARMS

In 2023, the reblading project started, i.e. the replacement of wind turbine blades with new, innovative and more efficient blades. Initially planned for eight machines, the operation saw the **reblading of 16 wind turbines**, part of an ambitious project to improve the efficiency and productivity of CVA's wind farms.

Arrival of one of the towers that make up the 3 wind turbines of the Saint-Denis (AO) wind farm

The **21 machines in Piansano**, located in a particularly complex area, required special attention. Transporting the blades from Taranto, across the Apennines, required significant **relocation and modification of road infrastructure**, including 15 light poles, 50 road signs, 2 roundabouts (Viterbo and San Vittore) and hundreds of metres of guardrails along motorway junctions. This also meant that the roads inside the park and the plots had to be rebuilt, in addition to managing the work on all the roads outside the park.

Despite the **logistical and authorisation challenges**, thanks to the introduction in 2021 of the Simplification Decree to amend Legislative Decree 28/2011, CVA was able to proceed more quickly. The new 50-metre-long blades were installed to modernise the wind turbines and improve aerodynamic performance, allowing for an **increase in output and extending the life of the plant from 20 to 30 years**. The first four months of operation exceeded expectations, with a real production gain of more than 16%, despite the fact that the nominal output of the machines remained unchanged.

SAFE HIGH ALTITUDE INSPECTIONS: THE CONTRIBUTION OF DRONES

Through works carried out both by a partner specialised in *Operation & Maintenance* and by the Group's in-house technicians, CVA is constantly committed to the maintenance of all wind turbines and their electromechanical components to ensure the operation of the wind turbines. This includes not only **ordinary and extraordinary maintenance, but also preventive activities** aimed at preventing breakdowns. In 2023**,** drone plant ***screening*** **took place on 100% of CVA's wind farms**. In fact, CVA pioneered the **use of drone inspections to perform lightning system measurements on all its wind turbines**. This experimental activity, never before carried out in Italy, returned very positive results: in almost all cases (95%), significant problems were identified - and then resolved.

La Tour di Quart (AO) Photovoltaic plant

Continuity measurements were carried out on the metal receptors on each blade, with between four and eight receptors per blade. This activity was conducted on all of CVA's wind farms, with the exception of the Pontedera wind farm, which has a different type of blades and uses ***copper caps***, a special protection system for generators that consists of a copper coating placed on the tip of the wind blades to provide greater protection and ground discharge against lightning, painted with multiple layers that the drone cannot penetrate.

The Piansano **plant** is among the most affected by lightning strikes, which is why, following reblading, the new blades installed on the Piansano wind turbines were equipped with *copper caps*.

NETWORK BALANCING AND CONTINUITY OF SERVICE

CVA's contribution to network balancing

The Valpelline, Gressoney, Perrères and Maën-Cignana power plants are authorised by Terna to provide dispatching services, i.e. to manage energy flows on the Italian National Transmission Grid and through European Transmission System Operators (TSOs) on the Market Replacement Reserve (MRR) market, contributing to balancing the electricity grid. **In the field of energy distribution, the resilience of the system is represented by its ability to respond positively to climatic or non-climatic** events that disrupt the normal functioning of supplies. In this context, CVA's plant park plays a key role in the *backstart*[67]: **in the event of a blackout** of the national electricity grid, **the power stations of** Valpelline, Avise, Perrères, Maën, Covalou, Pont-Saint-Martin, Gressoney, Sendren and Zuino **are able to release voltage on a portion of the network** enabling the activation of the Trino thermal power plant in Piedmont, which in turn supplies voltage to other power plants so that the national service is gradually reactivated.

Perrères hydroelectric power plant, Valtournenche (AO)

Another specific feature guaranteeing continuity of service is the operation in *island* of some of CVA's hydroelectric power plants that are activated to guarantee the connection of the side valleys in the event of a grid outage. In 2023, close to the Christmas period, huge gusts of wind caused the fall of **a pylon of the high voltage line** that leads to Cervinia. Immediately, the **Perrères power plant in Valtournenche** went into island operation, **guaranteeing continuity of service for all electricity consumers**. This temporary solution was in place from 22 to 29 December and envisaged exceptional work by all those involved. This was the first occasion when CVA was faced with a major unforeseen disruption of the high-voltage grid with **tourism at full capacity and the entire ski resort in operation**. In the face of extremely high demand, CVA was able to maintain service continuity thanks to the activation of island operation within only 10 minutes of the breakdown.

63 Black start is the ability to restore the supply of electricity after a total interruption of the power transmission system, without the aid of other external power sources

CAPACITY MARKET IN SUPPORT OF DECARBONISATION

The ***Capacity Market (CM)*** **is a regulatory mechanism that aims to support the energy transition**, guaranteeing system security even in the event of peak demand. The progressively higher and more uncertain input of renewable energies envisaged by the decarbonisation process in fact risks making the national transmission grid unstable; renewable sources are by their nature less predictable and therefore programmable in terms of the amount needed to meet energy demand. For this reason, the person responsible for the security of the National Transmission Grid (TERNA) needs to have, well in advance, the certainty of the availability of a production park that can cope with balancing the grid even in the presence of extreme events such as exceptional consumption requirements or major simultaneous unavailability of primary sources such as sun, wind and water. The mechanism provides for remuneration by Terna for plants that undertake to guarantee long-term energy availability, committing producers to the proper maintenance of the production fleet participating in the capacity market. In this context, CVA Energie was awarded a total of 463 MW of Available Capacity in Probability (CDP) (313 MW Existing Capacity and 150 MW Foreign Capacity) for the delivery year **2024**. **In particular, CVA Energie has been allocated 111 MW of Existing Flexible Capacity,**, 202 MW of Existing Capacity from Non-Programmable Renewable Sources and 150 MW of Foreign Capacity, with a total Available Capacity in Probability of 463 MW.

Currently, the energy market is constantly evolving, as demonstrated by the recent release of the new TIDE (Testo Integrato del Dispacciamento Elettrico - Integrated Text of Electricity Dispatching) in July 2023[64] and the *market coupling process*[65] between almost all of Italy's neighbouring countries, with the exception of Switzerland. The exploitation of all available import-export capacities signals an ever closer integration of the European energy network. In parallel, an increasing shift of regulation and balancing services towards a shared European-wide approach can be observed, in line with regulatory developments.

INDICATOR	2023	2022	2021
Total net production of hydroelectric plants (GWh)	2,627	2,063	2,490
Producibility = *Net annual production / historical producibility [%]*	93.40%	68.41%	82.6%
Load factor = *Net annual production / (total hours per year * installed capacity) [%]*	32.03%	25.22%	30.4%
Availability index [%]	93.40%	90.92%	91.96%
Unavailability index - unscheduled [%]	3.87%	6.43%	4.66%
Unavailability index - scheduled [%]	2.73%	2.65%	3.38%

64 Available here: https://www.arera.it/fileadmin/allegati/docs/23/345-23alla.pdf

65 European market integration mechanism which, in determining the value of electricity in the different market zones involved, allocates the available transport capacity between these zones, optimising its use.

The table shows the availability values recorded on CVA Group's wind and photovoltaic plants over the past year.

PLANT	CONTRACTUAL AVAILABILITY		
	2023	2022	2021
Monteverde (AV, wind power)	98.40%	99.10%	99.08%
Tarifa (LE, wind power)	98.00%	98.10%	98.10%
Piansano (VT, wind power)	99.25%	99.20%	99.40%
Lamacarvotta (TA, wind power)	98.10%	98.70%	98.75%
Lamia di Clemente (TA, wind power)	98.60%	98.80%	99.52%
Ponte Albanito (FG, wind power)	93.15%	95.96%	97.60%
Pontedera (PI, wind power)	98.60%	98.30%	98.61%
Saint-Denis (AO, wind power)	99.20%	99.15%	99.78%
Alessandria (AL, photovoltaic)	97.9%	98.5%	99.70%
Valenza Fornace (AL, photovoltaic)	99.5%	99.8%	99.85%

Initiatives to reduce plant failures

In spring 2023, a **new-generation high-voltage** switch was tested that facilitates *plug-and-play* replacement on all CVA installations connected to the national 220 kV grid, namely those in Valpelline, Avise, Quart/Nus and Montjovet. This operation has made it possible to **minimise**, in the event of a breakdown, the **out-of-service and return-to-operating times of production plants** in order to safeguard service continuity. In order to verify proper functioning, prevent possible failures and prolong the life of the equipment, overhauls were carried out on the Compass circuit breakers at the Covalou Power Station. These works make it possible to preserve the proper operation of the high-voltage equipment of the national electricity grid in a grid node where five high-voltage lines are located.

As part of the multi-year overhaul campaign, **extraordinary maintenance work** was carried out on the 132kV equipment serving the 3 units of the Champagne 2 power plant.

THE QUALITY OF ELECTRICAL DISTRIBUTION SERVICE

The rules for guaranteeing service continuity, voltage quality and commercial quality in the electricity sector are laid down by ARERA (Regulatory Authority for Energy, Networks and the Environment) and are defined by means of a resolution that constitutes the integrated reference text. According to this document, **distribution companies are obliged to ensure the continuity of the electricity supply**, restoring the service as quickly as possible in the event of unplanned interruptions.

Specifically, CVA has to meet certain service quality standards, including annually calculated parameters such as the duration and number of interruptions for low-voltage customers. In addition, constraints and compensation are provided for the maximum time to restore service after an interruption. Companies are

also obliged to inform consumers promptly in the event of planned interruptions. The current version of the document refers to the 2016-2023 period.

SERVICE CONTINUITY	2023	2022	2021
Average minutes lost per LV user	22.46	17.87	21.39
Average number of interruptions per LV user	1.43	1.25	1.30

The electricity distribution infrastructure is a central factor in the energy transition since it must be able to govern a radically different generation system from the past and distributed energy flows from a multiplicity of plants. For this reason, the CVA Group, through its subsidiary Deval, the electricity distributor in the Aosta Valley, has planned a **multi-year business plan, aimed at increasing electricity transport capacity and meeting growing energy demand/production.** The Deval Resilience Plan is based on action lines coordinated with European, national and regional plans, defining a *roadmap* for energy transition aimed at digitalisation and improvement of network resilience.

THE RESILIENCE OF THE ELECTRICITY DISTRIBUTION NETWORK AND JOINT EMERGENCY MANAGEMENT

In order to ensure the supply of electricity even in the event of emergencies or critical situations that may threaten the continuity of the service, the CVA Group has forged close collaborative ties with civil authorities in the area in order to be able to promptly take joint actions should the need arise. In particular, taking into account the mountainous and often difficult-to-access environment in which most of the Group's assets are located, the **Regional Civil Protection is the main go-to point for emergency management with which Deval has signed a Memorandum of Understanding**. The latter includes the development of both emergency cooperation procedures and joint training and exercises. Sharing resources, skills and equipment makes it possible to reduce the risks to which the population and the technicians carrying out the works are exposed, to reduce restoration times and potential inconvenience caused.

Deval, in line with ARERA's obligations, has also adopted an Electricity Grid Emergency Plan that defines the procedures to minimise the effects of potential interruptions to the population, industry and businesses in the area. The Plan is structured around four levels of severity: alert, alarm, emergency and crisis, based on which there are different guidelines on the operations to be carried out. Needs dictate the operational methods of intervention, defining the appointment of a Management Officer and the activation of a dedicated control unit.

It is the responsibility of Distributors to identify the risks to which their distribution lines are exposed, to measure the relative exposure profile of their infrastructure and to define an ad hoc mitigation plan. **The distribution network in Aosta Valley, due to the morphology and altitude of the territories in which it is structured**, is subject to risks such as falling trees or the formation of ice sleeves in the winter season, which can cause the conductor to 'tear off' and fall to the ground. Another recurring problem is that of accessibility to sites in the event of the need to restore the distribution network, which often requires the dispatch of specialised technicians, materials and means of transport to places normally precluded due to their high level of danger.

Especially in mountainous areas, heavy snowfall and extreme weather conditions can cause damage to power lines, with the risk of local blackouts. In order to mitigate this risk, Deval and CVA's Open Innovation Function are actively working on projects to install **anchoring devices** that allow the length of the span, i.e. the distance between the supports of the electric cables, to be adjusted

The plan for the transition to smart meters for more conscious energy consumption

Starting in 2022, ARERA has ordered that first-generation meters be gradually replaced by Distributors with the new ***2G smart meters***, that make it possible to extract precise data on electricity usage. The need is to replace at least 90% of the total number of meters now installed by 2025, and 95% in 2026, benefiting about 37 million users throughout Italy. The replacement plan will enable customers to be more proactive and aware of their consumption. On the one hand, smart meters allow users to monitor their consumption more easily, and on the other hand, sellers can develop offers with price variations based on different hourly, daily or seasonal needs.

In this context, Deval has prepared its **replacement plan**, devised down to the last detail to ensure user support at all times and will be developed over **15 years**, with a large-scale phase between 2022 and 2026. The total investment of **Euro 17.6 million** includes the replacement of **more than 130,000 meters**. In 2023, the replacement campaign was launched in the municipalities of Aosta, Arvier, Courmayeur, Emarèse, La Salle, Saint-Oyen, Saint-Rhémy-en-Bosses and Valtournenche, totalling approximately **30,000 smart meters installed** (22%). The transition to the new generation of meters was also an opportunity to apply **circular economy** principles: the new *smart meters* are made of recycled material, recovered from the replacement of first-generation meters.

We are full of energy

Grand Eyvia hydroelectric power plant, Aymavilles (AO)

THE COMPOSITION OF OUR PEOPLE

[GRI 2-7] [GRI 2-8] [GRI 405-1]

As at 31 December 2023, the CVA Group had a total of **681 employees** (+5.25% compared to 2022). With the acquisition of SR Investimenti, 9 new employees were welcomed. Of the overall total, 100% of the people in CVA are employed on a permanent contract. Only 2% work part-time with a permanent contract. In 2023, there were **9 workers on temporary contracts,** all of them full-time, while there were 3 associates[67].

In terms of composition, 74.5% of the population are men, while 25.5% are women. 64% of employees are between **30 and 50 years** old, while people under 30 and over 50 account for 8% and 28%, respectively[68]. In addition, **38 new hires** were recorded during the year, of which 7 were women and 31 men, with a **recruitment rate of 6%**[69]. In terms of **terminations**, 2023 saw **16 exits**,of which 3 in SR Investimenti, for a **rate of 2%**.

66 The figure takes into account the hours worked at CVA S.p.A., CVA Energie, Deval, CVA EOS and SR Investimenti.

67 Case not present on SR.

68 The values reported by gender and age reflect the breakdown of employees falling into the following categories: managers, middle managers, white-collar and blue-collar workers.

69 There were no new hires in SR in 2023.

WELL-BEING AT CVA

GRI 401-2:

Benefits provided and work-life balance

Corporate welfare is not only an opportunity to improve the well-being and motivation of employees, but also a **strategy to promote the sustainable development of the company**. The CVA Group offers its people a wide range of benefits, ranging from financial support for family income, to education and parenting support, as well as insurance cover for disability and death. In addition, all Group employees, governed by the CCNL (national collective labour agreement) for workers in the electricity sector, have access to the **supplementary pension** system (FOPEN, FONDEMAIN), to which CVA contributes an additional quota over and above what is contractually provided for.

For personnel governed by the CCNL of the electricity sector, the Group implements company programmes to protect the health of workers through the Supplementary Employee Health Fund ('FISDE') in which all permanent employees are enrolled, with the company paying a share. The Fund entitles **employees and their dependants to health reimbursements**.

Executives, governed by the CCNL for executives of companies producing goods and services, are granted **company health protection programmes** through the Supplementary Health Care Fund ('FASI'), whose purpose is to provide supplementary benefits to the assistance provided by the National Health Service. In addition, all managerial staff are insured with ASSIDAI (a non-profit supplementary health insurance fund). Finally, the Group has an additional insurance policy for all employees covering **death and total and permanent disability**. As far as SR Investimenti is concerned, in addition to the Health Care Fund for Middle Managers (QuAS), which guarantees health care supplementary to the National Health Service, provision is made for the EST Supplementary Health Care Fund for all employees governed by the CCNL for commerce. Other benefits include access to Quadrifor for the development of the skills of Quadrifor employees and cover against third-party liability arising from negligence in the performance of their duties.

Fully aware of the importance of **work-life balance**, the Group has formalised **agile working arrangements** that provide up to **two days** of ***smart working*** **per week** for remote workers, with the exception of new hires during the probationary period, blue-collar workers, shift workers and semi-shift workers. Activated on a voluntary basis, smart working is subject to subsequent authorisations aimed at determining its compatibility with the work activity and the security measures provided at company level. As at 31 December 2023, there were **408** employees who had signed the agreement and **4 temporary workers**[70].

For certain categories of workers such as pregnant women, fathers, mothers and workers undergoing life-saving treatment, **exceptional *smart working*** measures are provided

70 The subsidiary SR is not included in the numbers.

Interior of the Aymavilles (AO) hydroelectric power plant

to meet individual needs. In addition, CVA assesses any requests for extensions by personnel in particularly difficult situations.

The remuneration system

CVA provides a **variable remuneration and incentive system**, correlated to the general performance of the company and to the achievement of objectives regarding the Functions' activities. The '**Performance Bonus Framework Agreement** for the years 2022-2024, cash 2023-2025' is the document that sets out the criteria for determining the performance bonus, pursuant to Article 44 of the CCNL for the electricity sector, as well as the company *welfare* measures, and refers to the definition of the incentive objectives based on productivity, quality, efficiency and innovation. On the whole, the Performance Bonus is divided into: company profitability - defined at Group level, and incentives for productivity, quality, efficiency and innovation - defined at individual company level. In addition, employees have the possibility to **transform the Performance Bonus into *welfare*** services and benefits.

Following the positive closure of the Financial Statements for the fiscal year 2022, CVA decided to recognise the merit and commitment of its employees through the **awarding of an Extraordinary Bonus**, as a sign of appreciation for the remarkable teamwork shown by everyone. The Bonus, equal for all employees (middle managers, white and blue collar workers), amounted to **EUR 1,500** gross, allocated to supplementary pensions or paid directly in the pay packet**.** In total, the amount paid out for the bonus was more than EUR 990,000.

Corporate conventions

In 2023, the annual company convention was split into a winter and a summer meeting, with the aim of sharing the results achieved during the year; the traditional Insieme Hiver was then joined by Insieme Été. The company specifically wanted to celebrate, together with all CVA's people, the Group's impressive ability to overcome, with excellent financial statements results, the energy crisis and the general instability of the energy markets, aggravated by the Russian-Ukrainian conflict.

During these collective meetings, the successes achieved, the challenges faced and the strategies adopted to overcome them are analysed and discussed. It is also an important opportunity to outline the company's future prospects, present new initiatives, current projects and objectives.

These events not only foster transparency and communication within the company, but also team cohesion and the sharing of a common vision for the future.

HEALTH AND SAFETY

[GRI 403-1] [GRI 403-2] [GRI 403-5] [GRI 403-8] [GRI 403-9] [GRI 403-10]

The adoption of security measures is crucial for a company specialising in the operation of power generation and distribution plants. Spending a large part of their working time on installations, employees and technicians are exposed to a number of potential risks. Safety at work therefore becomes not only a priority, but a necessity to ensure workforce protection and business continuity.

In 2023, taking employees into account, **only 1 non-serious accident** was recorded[71] out of an overall total of **1,065,284 hours worked**[72], excluding commuting accidents[73], while no reports of occupational diseases were received. The **severity index**[74] recorded in 2023 and referring only to the company CVA S.p.A. at which the accident occurred, is **0.01.**[4] The **frequency rate**[75] **on the other hand is 1.44**[76].

The Integrated Management System (IMS), which complies with the **ISO 45001** standard on occupational health and safety, is the tool that defines a coherent and integrated management of the Quality Safety and Environment (QSA) areas. In addition, all Group companies including SR Investimenti have prepared the **Risk Assessment Document ('DVR')**[77], in which the risks arising from the work activities performed and the risk mitigation measures adopted are analysed. Finally, employees themselves can also make reports via special **anonymous reporting forms** provided for by the IMS. In addition, a **Bilateral Training, Health and Safety Commission** composed of both company (including company RSPPs - Prevention and Protection Service Managers) and trade union representatives was established.

+9,000
total hours of training on health and safety

In addition, the company's Prevention and Protection Service ('SPP') manages **training on** occupational health and safety. In fact, CVA ensures that workers receive the necessary training when they join and, later, according to their tasks and regulatory requirements. Courses can be conducted both in-person and remotely and include tests to assess participants' learning. In 2023, the CVA Group allocated a total of more than 9,000 hours of occupational health and safety training to its staff.

Finally, 2023 saw the latest collaboration with E-distribuzione's training centre in **Sestriere**, which allowed the involvement of the operational body in the training activities of personnel of the distribution company Deval, including courses on safe driving on snow, ice and off-road, in scheduled maintenance and breakdown situations.

71 Injuries are recorded where they result in the loss of more than 1 working day.

72 The figure includes SR Investimenti. In 2023, there were 1,049,466 hours worked by CVA employees and 15,818 hours worked by SR Investimenti employees

73 Commuting accidents are defined as accidents occurring during the normal commute between home and the workplace.

74 The severity index expresses the seriousness of occupational accidents in conventional lost days per thousand hours worked.

75 The recordable occupational accident frequency rate measures the incidence of occupational accidents per million hours worked that occurred in a given period.

76 The figure reported refers to employees. In the case of contracted workers, both indexes are zero.

77 Pursuant to the Consolidated Safety at Work Act (Legislative Decree 81/2008).

The computerisation of provisions for the prevention of electrical and hydraulic risks

In 2023, CVA adopted an **IT application to facilitate the issuing, filing and management of Hydraulic and Electrical Safety Plans**, in compliance with the Provisions for the Prevention of Hydraulic Risk (DPRI) and the Provisions for the Prevention of Electrical Risk (DPRE). The IT Services Function therefore developed an *in-house* application that, by utilising the intranet at the production sites, aims to ensure compliance with the company's hydraulic and electrical safety procedures.

The **Point 2.0 - MS Plans application** is a tool that can be accessed from both PCs and mobile devices, thus offering greater flexibility and ease of use. The application's functionalities have been specifically organised to manage both Hydraulic Safety Plans (MSI Plans) and Electrical Safety Plans (MSE Plans), as well as providing dedicated modules for Administration and Research. In both cases, the application allows for the complete management of the life cycle of the Plans, including the creation, signing of the relevant forms and the possibility for the parties involved to view and intervene at the various stages, thus ensuring effective collaboration and better traceability of the activities carried out.

Water-Mist fire-fighting system and smoke extraction in the Avise power plant

In order to fulfil the regulatory requirements of the Fire Prevention Code, several **automatic fire extinguishing systems** based on Water-Mist **technology** have been installed **on power transformers** in recent years. Following the completion of the installations finalised in previous years, checks were carried out in 2023 to verify the full operation of the installations. These checks have shown that they are functioning and effective, guaranteeing a high level of security.

In addition, **at the Avise power plant, a smoke extraction system was completed that is automatically activated in the event of a fire in the transformers** in the engine room. The design was realised in such a way that the system works in the event of a fire and, at the same time, can also be used for simple air exchange through manual activation. Finally, the new automatic door was connected to the same fire detection system and its closure if needed allows the safe exit of personnel present through the access tunnel to the plant. These works make it possible to **increase the degree of operator safety in the engine room**, both during certain work processes and in the event of an emergency due to fire.

UPSKILLING AND RESKILLING INITIATIVES

[GRI 404-1] [GRI 404-2]

+10%
the hours of upskilling and reskilling per capita

The Group has adopted a strategy focused on promoting continuous skills development through two main approaches. With **upskilling**, it aims to enhance existing skills and acquire new ones, with a focus on language, IT and soft skills. At the same time, through **reskilling**, the company is committed to upgrading existing skills, preparing employees for the 'jobs of the future' that offer significant opportunities for personal and professional growth. In 2023, CVA provided 30 hours per capita (+10% compared to the previous year), while SR provided 7 hours per employee, focusing especially on renewable energy installations and authorisations.

In total, the staff benefited from almost 11,000 hours of training distributed in specialised technical updates, in-depth training in managerial and soft skills, language courses, and updates in ESG and corporate social responsibility issues.

With a view to encouraging employees' self-training, the Group has contracted, for the three-year period 2022-2024, the **Udemy Business** training platform, which offers unlimited access to more than 6,000 courses, which can be taken in different languages and completed at any time and from any device. Since the contractualisation of the platform to date, **281 user accounts** have been assigned (+99 compared to 2022). The process of issuing licences is continuous and progressive on the basis of needs reported by managers. Of the 281 activated users, 235 (83.63%) were enrolled in at least one course and, of these, 86% attended at least one lesson for a **total** of 1,294[78] **hours of training taken by users**.

Management training on communication and leadership

Following the 'Future Generation' corporate climate survey conducted in February 2022, **it emerged that the Group needed to improve internal communication and leadership processes**. For this reason, CVA engaged and involved function and office managers in the 'Level Up' management training project. The initiative involved a total of **73 participants -** 47 from CVA, 8 from CVA Energie, 3 from CVA EOS and 15 from Deval **-** of which 26 top managers and 47 managers. In total, **1,280 hours of training** were delivered.

The aim of the project is to support those involved in developing and strengthening their leadership in a dynamic and unpredictable environment, to foster greater mutual understanding and solidarity among participants, to engage in an inclusive communication style and to encourage a constructive feedback culture. Topics covered during the course included 'The mindset of the contemporary leader', 'Curiosity and care as pillars of the team relationship', 'Engaging, inspiring, involving the team', 'New way of giving feedback' and 'The design of motivation'.

The course, delivered both in-person and remotely, was carried out throughout 2023, through small group meetings and using specialised tutors. During the sessions, practical exercises and opportunities for exchanges were offered to address issues such as conflict management, resource optimisation and feedback management.

78 Figure updated to 31 December 2023.

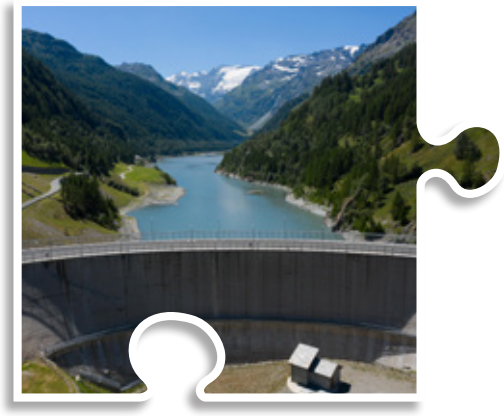
What are Guard Houses?

These are **housing structures located at the dams that are intended to house the personnel responsible for the surveillance and maintenance of the facilities.** Guards are responsible for the continuous supervision of the facilities to ensure their proper functioning and the safety of the surrounding area. Their responsibilities include monitoring and managing the flow of water, controlling the efficiency of the systems and intervening in case of emergencies or maintenance needs. Guard Houses provide staff with a place to live during their shift, as these facilities are often located in remote or isolated areas where it is not practical or possible for staff to travel on a daily basis.

Strengthening the skills of guards

In 2023, CVA launched 'Time, Relationships and Balances', a pilot training project for guarding **staff** with the aim of managing conflicts and promoting well-being within guarding facilities. The training course focused on **communication and conflict management**.

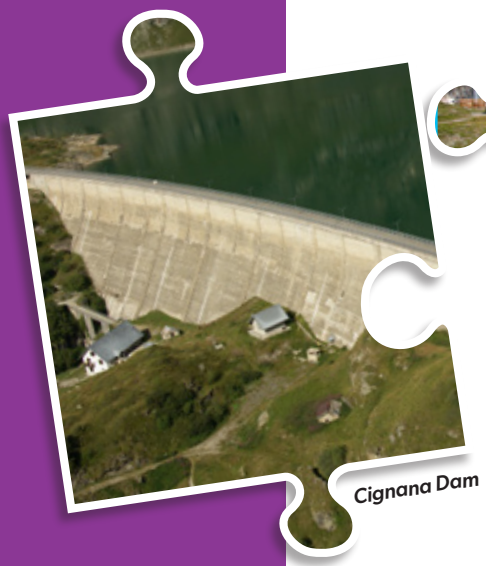
The project involved **33 guards**, distributed among the **5 large dams of CVA**: Beauregard, Place Moulin, Goillet, Cignana and Gabiet, with the main objective of sharing experiences, creating points of contact with other company structures and improving internal relations. The training consisted of **5 meetings**, alternating between digital mode and face-to-face meetings, for a **total of 375 training hours**. Through this initiative, CVA has demonstrated a concrete commitment to promoting well-being and improving internal relations, recognising the importance of supporting its staff in complex work environments.



Beauregard Dam

Place Moulin Dam

Goillet Dam



Cignana Dam

Gabiet Dam

Maintenance work on the electricity grid near the Castle of Verrès (AO)

+ € 700 thousand
the value of sponsorships and donations to the territory

€ 136.5 million
value of supplies

83,180
customers served in the free market and in the greater protection regime

+ 1,000
visitors to CVA facilities

172
local suppliers used in 2023

€ 38.8 million
value of purchases commissioned from local suppliers in 2023

CVA FOR THE TERRITORY

SUPPORTING TERRITORIAL PROJECTS

Through the new 'Sponsorships, Promotional Initiatives, Donations and Gadgets' procedure activated in 2023, which governed the allocation of sponsorships and donations on the basis of award criteria, the CVA Group supported various initiatives in areas such as health, culture, sports, the school system and the environment. In total between sponsorships and donations CVA allocated a total value of over EUR 700,000.

136
million euros the value of supplies in 2023

172
local suppliers in 2023 (31% of the total)

PROXIMITY TO SUPPLIERS

Building and maintaining **solid and transparent relationships with suppliers** is crucial for effective business and supply chain management. Investing in the constant improvement of collaboration down the chain is essential for increasing productivity and business competitiveness, creating solid foundations on which to build long-term success.

Acknowledging the value of the territory, **in carrying out its activities, CVA collaborates with numerous suppliers, mainly local companies**, supporting and favouring the economic growth and entrepreneurial ecosystem of the Aosta Valley territory. On the whole, in 2023 alone, CVA commissioned purchases of roughly **EUR 38.8** million from 172 companies in Aosta Valley.

CVA GROUP (VALUES IN THOUSANDS OF €)	AOSTA VALLEY		NON-REGIONAL		TOTAL	
FY	SUPPLIERS	AMOUNT	SUPPLIERS	AMOUNT	SUPPLIERS	AMOUNT
2021	231	54,402	337	65,958	568	120,261
2022	201	37,014	267	39,198	468	76,212
2023	172	38,789	382	97,561	554	136,350

Interior of the Avise (AO) hydroelectric power plant

PROXIMITY TO CUSTOMERS

CVA places customers at the centre of its activities, with the aim of creating tailor-made proposals and solutions specifically designed to meet the different needs of private individuals, small businesses, apartment blocks or large companies.

The number of domestic and small business customers served in the free market and higher protection regime in 2023 is 83,180, the majority residing in Aosta Valley. As in the previous three-year period, the main share of energy sold, 3,200 GWh went to the business customer segment of the free market.

TYPE OF END CUSTOMERS	2023		2022		2021	
	ENERGY SOLD (GWH)	CUSTOMERS	ENERGY SOLD (GWH)	CUSTOMERS	ENERGY SOLD (GWH)	CUSTOMERS
Business[79]	3,200	1,507	1,399	1,002	1,524	722
Retail	171.33	52,846	173.09	49,561	160.54	45,659
Greater Protection	25.345	28,827	37.162	33,563	52	38,184
Total	**3,397**	**83,180**	**1,609**	**84,126**	**1,576**	**84,565**

The end of the protected market

While the Greater Protection Service has, up until now, offered tariffs linked to market trends and subject to quarterly review regulated by the **Regulatory Authority for Energy, Networks and Environment (ARERA),** the free market instead allows commercial company operators to set their own prices and tariffs, which are then determined on the basis of the offers proposed by **electricity companies**. Under this regime, the Regulatory Authority for Energy, Networks and Environment (ARERA), determines energy costs only for matters concerning transport, distribution and system charges.

As envisaged, in 2023, legislation has defined the end of protection services, with the free market remaining the only mode of supply in most cases. In fact, the **Greater Protection Service will be offered to vulnerable and non-vulnerable domestic customers until 30 June** 2024, and from **1 July 2024 the service will be available only to vulnerable domestic customers**. To accompany the transition to the free market for non-vulnerable domestic customers, the Authority has planned a gradual process to give everyone the opportunity to choose the free market offer best suited to their needs. If the non-vulnerable domestic customer does not subscribe to a free market offer, as of 1 July the supply will automatically switch, without any interruption, to the Gradual Protection Service ('STG'), at contractual and economic conditions defined by ARERA.

79 Including the PPA of CAS

PROXIMITY TO LOCAL COMMUNITIES

The energy of large companies

In the evocative setting of **Palazzo Clerici**, in Milan, CVA met the stakeholders of the financial community in a friendly setting, during which it presented the progress made in implementing the Group's Business Development Plan and the challenges it will face in the immediate future.

During the event, the docufilm produced by CVA entitled '**Peaks of Energy**' was screened, narrating the exciting expedition of 6 mountain guides from the Aosta Valley to Pakistan to conquer 3 of the peaks over 8,000 metres. It was an engaging experience that emphasised the CVA Group's core values of determination, ethics, sharing, resilience and team spirit. The viewing of the documentary was then also proposed to the company population, as a team-building exercise, and to the public in the Aosta Valley, during a special evening which the mountain guides who starred in the film were also invited to.

Biometric stations for cardio-respiratory monitoring

CVA renewed its support for the Centro Cardiologico Monzino (Monzino Cardiology Centre), currently owned by the European Institute of Oncology (IEO) and the IEO-CCM Foundation. After the one inaugurated at Punta Helbronner (altitude of 3,466m) at the end of 2019, the **second Keito K9 biometric station** was installed in Courmayeur (Pontal) in 2023. Both are part of the cardiac monitoring project promoted by the Monzino Cardiology Centre that allows visitors to the Courmayeur ski resort to monitor their own heartbeat and their body's reactions at high altitude.

The multilingual, touch-screen station specifically determines weight, height, lean and fat mass percentage, body mass index (BMI), but above all measures blood pressure, heart rate and oxygen saturation in the blood. In addition, to further raise awareness of the cardiac risks associated with high altitudes, information panels were installed next to the Keito K9 biometric station.

EMPOWERING COMMUNITIES

The 'Empowering Communities' pillar of CVA's sustainability plan aims to work with communities to improve their social quality. Activities are geared towards developing outreach projects that in 2023 were aimed at supporting **volunteering**, **environmental education** in schools and **social inclusion**.

Solidarity initiatives

Among significant initiatives to support volunteer associations, in 2023 CVA supported the Aosta Valley Coordinamento Servizi Volontariato - CSV in organising the **DONO DAY VdA**, held on 9 October at Sarre Castle. The solidarity purchase of 900 kg of apples from the Italian Multiple Sclerosis Association campaign was in turn donated to the Aosta Valley Food Bank to combat food poverty. Finally, in response to the flooding in Emilia-Romagna in May 2023, the Group provided a grant of **EUR 50,000**; rubber boots for volunteer rescue workers were donated to the Civil Defence and more than EUR 4,000 was allocated as a monetary conversion of working hours donated directly by CVA employees.

Promoting corporate volunteering

With the intention of implementing corporate volunteering initiatives, during 2023 CVA addressed a questionnaire to its corporate community on participation and interest in volunteering. The questionnaire was taken by 58% of the parent company's corporate population. The results showed that **63% of respondents are interested in participating in volunteer initiatives** promoted and financially supported by CVA. Among the different areas of volunteering, the environment attracted the most interest, followed by social work, with 33.2% interest, and health, with 18%. In early 2024, the foundations were laid for the piloting of a corporate volunteering project to promote environmental education.

Inclusive Sport

During the summer of 2023, CVA organised the 1st edition of '**Sali Su**', a series of climbing sessions accompanied by the Aosta Valley Mountain Guides, in collaboration with the Cooperativa C'era l'Acca, which specialises in inclusive routes for people with disabilities. Sali Su is designed to involve people of all ages, including children, teenagers, adults, and people with disabilities. These meetings were attended by 749 people, 6% of whom had disabilities, achieving the target.

The Aosta Valley Alpine Guides guided participants through basic techniques, allowing them to test their skills in total safety along the walls of Gressan, Arnad and Courmayeur.

To meet the specific needs of each participant with a disability, dedicated and tailor-made responses have been developed. For example, accessibility cards were prepared for those with motor disabilities, an occupational therapist was made available and guides provided ad hoc support. For persons with hearing disabilities, an LIS interpreter was provided and persons with visual impairments were provided with a radio to facilitate communication with the guide. Likewise, an augmentative communication manual was created to support the experience of participants with cognitive disabilities.

In 2023, an agreement was reached with the Aosta Valley Ski Instructors' Association, called '**Skiing for all abilities**'. The aim of the initiative was to develop inclusive projects and ski initiation for children and young people. Through a six-day course, three in the classroom and three in the field, 36 ski instructors were trained to teach people with disabilities. In addition, thanks to CVA's contribution, 26 new aids were purchased to facilitate the accompaniment of people with disabilities on the slopes.

Finally, in the context of the '**Ski...Fly**' project, CVA extended its initiative to the school community, offering classroom lessons on skiing and snow sports to over 900 middle school children. Afterwards, the students were involved in practical lessons in the field, which allowed them to put what they had learnt into practice. Children with disabilities were also included in this programme, and a personalised lesson was provided for them.

The event was a huge success, thanks to the commitment of the ski instructors, who spent a total of over 360 hours teaching between classroom and field lessons.

CVA Christmas cookies

To celebrate Christmas 2023, CVA biscuits were created, spiced doughnut-shaped cookies that reproduce the company logo, produced by a local confectioner together with the Cooperativa Sociale **C'era l'Acca** and the boys and girls of **Cielo in una Pentola**, an experimental approach to work for people with disabilities. The biscuits, which were warmly appreciated, were part of the company gifts for all Group employees.

Learning by doing: education for environmental sustainability

The LabEnergie project, now in its 4th edition, is part of the 'Growing Renewable - Projects for Schools' initiative, offering students from Aosta Valley secondary schools the opportunity to **explore energy production from renewable sources**. Through the use of **workshop kits and educational videos**, children can understand the operation of hydroelectric, wind and photovoltaic power plants through practical experiments that consolidate the theoretical knowledge acquired in the classroom. In 2023, 31 LabEnergie Kits were distributed, involving **918 students** from 14 classes, 4 of which belonged to the secondary school and the remaining 10 to the junior high school.

By adopting the learning by doing method, the project not only promotes creativity, but also fosters inclusion among students with different abilities, making learning content more accessible to students with learning difficulties. The primary objective of these educational initiatives is to spread awareness about the importance of clean energy, environmental protection and the promotion of sustainability in a broad sense.

In the same vein, after the success of the 2022 edition, CVA and the Forte di Bard Association have once again proposed a free event for all primary schools in Aosta Valley to mark **Earth Day**.

During this particular day at the Fortress, CVA set up a series of interactive workshops designed to help youngsters discover and experience how water, wind and sun can be transformed into clean energy, offering them fun and engaging experiments on the subject.

Among others, the Minister of the Environment and Energy Security, Gilberto Pichetto Fratin, spoke at the event.

Finally, in conjunction with the **Cactus International Children's and Youth** Film Festival, the film festival dedicated to children and pre-adolescents, CVA organised a further full immersion of practical workshops, in which children could learn and have fun while discovering the world of clean energy.

STEM scholarships

As part of the initiatives dedicated to the world of education, for the school year 2023/2024, the CVA Group has announced *five STEM* (Science, Technology, Engineering and Mathematics) *scholarships* worth *€5,000 each*, for young female students who will graduate *in the summer* 2024 and enrol in one of the STEM faculties in the following academic year. The aim of this proposal is to ***counteract the* gender gap,** which is still significant for technical and scientific professions.

Visits to CVA plants reopen

After a period of interruption brought about by the pandemic emergency, the CVA Group reopened its hydropower plants to the public. There are 6 power stations in total: the power stations of Lillaz, Valpelline, Champagne 1, Maën, Gressoney, Pont-Saint-Martin plus one dam: the Place Moulin dam.

The visits are divided between:

- **summer visits** which begin at the end of June and end in early September. A guide selected by CVA takes guests inside the plant. A total of **376 visitors** were recorded in 2023;
- **school visits** with requests from educational institutions, both from Aosta Valley and outside the region: in 2023, there were 31 school visits with a total of **668 visitors** from September to June.

1,044
visitors
to the facilities

Via a dedicated page on the website, schools and citizens can book themselves in by filling in a simple form. Given the importance of education on sustainability and respect for the environment for future generations, the opportunity to visit the hydroelectric power stations, located throughout the territory, is part of a broader set of summer events and activities offered to schools throughout the year. Summer visits are free of charge, as are those requested by educational institutions in Aosta Valley. Visitors are accompanied by qualified guides, who explain the operation of the power plants and the process of hydroelectric power generation.

In October 2023, a **training course was provided to qualify 54 tourist and nature guides interested in accompanying people on visits to the power plants**. The first part of the course was theory-based, with information applicable across the CVA Group, followed by a test to ascertain the acquisition of the required skills. The second part, on the other hand, consisted of inspections at the facilities accessible for visits, with explanations on site.

ACTIVITIES WITH THE SCIENTIFIC COMMUNITIES ENGAGED IN THE TRANSITION

Renewable Thinking: the first Renewable Energy Forum

According to recent estimates, Italy has exploited only 30% of the development opportunity that can be activated by renewable energy sources in the short to medium term, while 60% of the new renewable power identified in the draft decree of eligible areas is located in regions that are moving slower than the Italian average[80]. These are the figures presented at the first Renewable Energy Forum 'Renewable Thinking', held on 21 and 22 July at the Centro Congressi - Grand Hotel Billia in Saint-Vincent (Aosta), an event created by CVA under the patronage of Elettricità Futura. **Renewable Thinking is the platform conceived by CVA** which aims to realise qualified awareness-raising, positive advocacy and strategic orientation on the role and evolution of renewable energy sources for the energy transition in Italy.

The position paper presented at the Forum identifies strategic directions and levers to accelerate the deployment of renewables in the country and facilitate the achievement of the 2030 renewables targets. **The event aims to become the annual point of reference for a strategic reflection on the evolution of renewable energy sources in Italy;**the event was attended, among others, by the Minister of the Environment and Energy Security, the President of the Aosta Valley Region, and the Scientific Director of ASVIS.

80 The state of the art of renewables in Italy, The European House - Ambrosetti, 2023

Achieving the 2030 renewable installation targets will require investments of between EUR 74 and 90 billion, providing up to 540,000 new jobs and reducing emissions by up to 270 million tonnes of CO_2 over the Plan period. At the same time, the expected economic benefits are significant: between EUR 121 and 148 billion would be generated in electrical power alone. According to the study, the development opportunity from renewable sources that can be capitalised on in the short to medium term is approximately 130 GW, of which 50% is concentrated in southern Italy. Italy has an installed capacity from renewables of 56.2 GW, representing 30% of the development opportunity in the country. Consequently, Italian progress is still too slow to meet the required targets. Yet, in Italy there are 33 GW in the last two stages of the grid application process that can be quickly enabled in two to three years.

The '***National Climate Conference***2023', held in July 2023, dealt with similar issues: now in its 4th edition, it involved experts and representatives of companies and institutions on existing technologies and the innovations needed to cope with the climate crisis, also in the face of the emergency that hit Emilia Romagna. The speakers included special guest Giuseppe Argirò, with his speech entitled: 'Hydropower: at the crossroads of climate and water crisis.'

In 2023, the CVA Group participated in the 11th CSR and social innovation Fair, entitled '***Abitare il cambiamento (Inhabiting the change)***'. In order to inhabit the change, it is necessary to build a new compass of values, believe in innovation and value the role everyone plays in sustainable development. The Salone della CSR is the most important event in Italy dedicated to sustainability, allowing people to meet companies that have made sustainability a strategic driver, talk to experts, and help build the future of CSR. During this edition, CVA General Manager Enrico De Girolamo spoke on the panel focusing on '**Renewable Energy and Innovation**.'

During the summer of 2023, CVA S.p.A. took part in the '**Key players in Courmayeur**' project, devised with the support of Courmayeur Mont Blanc, the Courmayeur Mont Blanc Foundation and aCOURMA!, which took place over the course of sixteen meetings in the evocative setting of the Jardin de l'Ange in Courmayeur. During the meetings, several leading figures from institutions, business, journalism and society discussed the topic of '**New Energies for Change**.' The CEO of CVA S.p.A., Giuseppe Argirò, spoke at the opening round table.

La Tour di Quart (AO) photovoltaic plant

Methodological note

With this document, the CVA Group intends to meet the requirements of **Legislative Decree 254/2016** regarding the disclosure of non-financial information necessary to understand its business, performance and environmental, economic and social impacts. CVA's sixth Sustainability Report, now a **consolidated non-financial statement** in its third edition, aims to provide *stakeholders* with a clear, comprehensive and transparent account of results and performance.

This Non-Financial Statement consolidates the information and data of CVA, CVA Energie, Deval, Valdigne Energie and CVA Eos, the latter limited to the SR investment branch, as far as subsidiaries are concerned. The figures of SR Investimenti S.r.l. were consolidated from the date of acquisition of the company, which was completed in March 2023, so the information reported refers to the time period March-December 2023. The subsidiaries Renewable Technical Solutions S.r.l. - RTS S.r.l., Sharenergy S.r.l. - Nuova Energia and RS Service S.r.l. were excluded because their acquisitions took place in the second half of 2023. In this sense, the reporting boundary of the Non-Financial Statement 2023 does not coincide with the boundary of the consolidated financial statements of the CVA Group.

The information relates to the most recent fiscal year - 1 January to 31 December 2023 - and includes a comparison with the two previous years (2022 and 2021) to allow for an assessment of performance over time, and also includes specific explanations of the expansion of the reporting boundary that took place in 2023 with the inclusion of the subsidiary SR Investimenti.

The Sustainability Report was prepared following the guidelines of the **GRI Standards 2021** of the *Global Reporting Initiative,* considered the most authoritative and widely used standard for non-financial reporting. Furthermore, the Report meets the disclosure requirements of the **European Taxonomy for Sustainable Finance** (EU Regulation 2020/852), under which the CVA Group falls. The data and information relating to the European Taxonomy concern all consolidated companies in the Non-Financial Statement above.

The *GRI Content Index* details the indicators reported.

The document is based on 9 material sustainability topics identified and updated by CVA through a **materiality analysis** process, i.e. the tool that allows organisations to identify the environmental, economic and social issues deemed most important to the company and its stakeholders. Starting from an analysis of CVA's sustainability context and value chain, a list of actual and potential positive and negative impacts generated by CVA's activities on the external context were **identified**. In line with the standards, the analysis was carried out by activating a **listening** process of 18 external stakeholders.

The Sustainability Report/NFS 2023 was approved by the Board of Directors on 12 June 2024, evaluating the completeness and consistency with the recorded topics of the materiality matrix. Following the validation of the document by the Board of Directors, the publication date of the Annual Report is 10 July 2024, the reporting period is from 1 January 2023 to 31 December 2023, in line with the reporting scope of the financial statements.

The contact point for more information is: sostenibilita@cvaspa.it

The collection of information and related data reported in the Sustainability Report took place in collaboration with all the people of the company, each for the activities within their competence, constituting a timely and comprehensive information flow that has ensured the soundness of the reporting model. For further details on the contents of this document, please refer to the Index of GRI Reported Indicators.

The Statement is also the subject of a limited review ('limited assurance engagement', according to the criteria outlined in ISAE 3000 Revised) by EY S.p.A., which, at the end of its work, issued a report on the conformity of the information provided with respect to the Decree and the GRI Standards[81].

NOTES TO THE DATA AND INFORMATION

WORKFORCE DATA

The headcount figures for 2023 include the total figures for the Group and its subsidiaries as at 31 December 2023. As a result of the new acquisitions undertaken by the Group, SR Investimenti S.r.l. came under the reporting scope in fiscal year 2023, while Renewable Technical Solutions S.r.l. - RTS S.r.l., Sharenergy S.r.l. - Nuova Energia and RS Service S.r.l. were excluded because their acquisitions took place in the second half of the year. Punctual comments have been inserted where necessary for the reading of the data in correspondence with each indicator.

HEALTH AND SAFETY DATA

With reference to accidents, accident data are shown for both employees and non-employees (contract workers), although no accidents were recorded for contract workers. The injury severity index is calculated as (number of days lost due to injury/hours worked) x 1,000. The recordable work injury rate is calculated as (number of injuries/hours worked) x 1,000,000. The rate of occupational accidents with serious consequences is calculated as the number of occupational accidents with serious consequences (excluding deaths) / hours worked x 1,000,000.

81 Quantitative indicators that do not relate to any general or topic-specific disclosures of the GRI Standards, which are reported on the pages indicated in the Content Index, are not subject to limited review by EY S.p.A.

ENVIRONMENTAL DATA

The calculation boundary for energy consumption, energy intensity and emissions data for 2023, in continuity with previous years, includes the total data of the Group and its subsidiaries as of 31 December 2023. The environmental data do not include SR Investimenti as the company has signed a lease with monthly rent including utilities. Punctual comments have been inserted where necessary for the reading of the data in correspondence with each indicator.

- ***2023***
  - Scope 1 stationary combustion (petrol, diesel, natural gas and LPG): Ministry of the Environment and Protection of Land and Sea ('MATTM'), Table of national standard parameters, 2021, 2022, 2023
  - Scope 1 corporate fleet (petrol, diesel, LPG and hybrids): UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2021, 2022, 2023
  - Scope 2 Location-based: Terna, International Comparisons 2019
  - Scope 2 Market-based: AIB - European Residual Mixes, 2021 and 2022
- ***2022***
  - Scope 1 fuels (gasoline, diesel, LPG, automotive hybrid): Ministry of the Environment and Protection of Land and Sea ('MATTM'), Table of national standard parameters, 2020, 2021, 2022
  - Scope 1 fuels (natural gas and diesel for stationary combustion): UK Department of Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2020, 2021, 2022
  - Scope 2 Location-based: Terna, International Comparisons 2019
  - Scope 2 Market-based: AIB - European Residual Mixes, 2020 and 2021
- ***2021***
  - Scope 1 fuels (gasoline, diesel, LPG, automotive hybrid): Defra 2021
  - Scope 1 fuels (natural gas and diesel fuel for stationary combustion): national standard parameter table published by the Italian Ministry of Environment for 2021
  - Scope 2 Location-based: Terna 2019
  - Scope 2 Market-based: AIB 2020

Data on water withdrawals (and resulting water discharges) refer only to water withdrawals for the operation of hydroelectric power plants and are calculated as detailed within the NFS text.

Table linking material topics, GRI topics, and Legislative Decree 254/2016 topics[82]

TOPICS OF THE DECREE	MATERIAL TOPICS 2023	GRI INDICATORS
Aspects pertaining to personnel management	**Well-being and skills development**	**General Disclosures**: GRI 2-7 (Employees); GRI 2-8 (Workers who are not employees); **Topic Specific Disclosures**: GRI 202-2 (Proportion of senior managers hired from the local community); GRI 401-1 (New employee hires and employee turnover); GRI 401-2 (Benefits provided to full-time employees that are not provided to temporary or part-time employees); GRI 401-3 (Parental leave); GRI 402-1 (Minimum notice periods regarding operational changes) GRI 403-1 (Occupational health and safety management system); GRI 403-2 (Hazard identification, risk assessment, and incident investigation); GRI 403-3 (Occupational health services); GRI 403-4 (Worker participation, consultation and communication on occupational health and safety); GRI 403-5 (Worker training on occupational health and safety); GRI 403-6 (Promotion of worker health); GRI 403-8 (Workers covered by an occupational health and safety management system); GRI 403-9 (Work-related injuries); GRI 403-10 (Work-related ill health); GRI 404-1 (Average hours of training per year per employee); GRI 404-2 (programs for upgrading employee skills and transition assistance programs); GRI 405-1 (Diversity of governance bodies and employees); GRI 405-2 (Ratio of basic salary and remuneration of women to men); GRI 406-1 (Incidents of discrimination and corrective actions taken)
Environmental issues	**Reduction of CO_2 emissions (Scope 1 and 2)**	**Topic Specific Disclosures**: GRI 302-1 (Energy consumption within the organisation); GRI 302-3 (Energy intensity); GRI 305-1 (Direct (Scope 1) GHG emissions); GRI 305-2 Energy indirect (Scope 2) GHG emissions; GRI 305-4 (GHG emissions intensity)
Environmental issues	**Water resource management**	**Topic Specific Disclosures**: 303-1 (Interaction with water as a shared resource); 303-2 (Management of water discharge-related impacts); 303-3 (Water withdrawal); 303-4 (Water discharge)
Environmental issues	**Renewable energy production and mitigation of the impacts of the energy crisis**	There are no Topic Specific GRIs related to this material topic
Social issues	**Cybersecurity and data protection**	**Topic Specific Disclosures**: 418-1 (Substantiated complaints concerning breaches of customer privacy and losses of customer data)
Environmental issues	**Asset integrity and adaptation to climate change**	There are no Topic Specific GRIs related to this material topic
Social issues	**Trust, reputation and territorial anchoring**	**Topic Specific Disclosures**: 204-1 (Proportion of spending on local suppliers); GRI 417-2 (Incidents of non-compliance concerning product and service information and labelling); GRI 417-3 (Incidents of non-compliance concerning marketing communications)
Social issues	**Technological and service innovation**	There are no Topic Specific GRIs related to this material topic
Environmental issues	**Soil consumption, protection of biodiversity and landscape**	**Topic Specific Disclosures**: GRI 304-1 (Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas); GRI 304-2 (Significant impacts of activities, products and services on biodiversity); GRI 304-4 (IUCN Red List species and national conservation list species with habitats in areas affected by operations).
Environmental issues	-	**Topic Specific Disclosures**: GRI 306-1 (Waste generation and significant waste-related impacts); GRI 306-2 (Management of significant waste-related impacts); GRI 306-3 (Waste generated); GRI 306-4 (Waste diverted from disposal); GRI 306-5 (Waste directed to disposal)
Fighting corruption	**Trust, reputation and territorial anchoring**	**Topic Specific Disclosures**: GRI 205-2 (Communication and training about anti-corruption policies and procedures); GRI 205-3 (Confirmed incidents of corruption and actions taken)

82 It should be noted that the issue related to respect for human rights, although provided for in Legislative Decree 254/2016, was not included among the material topics, considering the territorial, regulatory and business environment in which the Group operates. However, this issue is dealt with within the NFS because, as highlighted in the Code of Ethics and Conduct, the Group protects the respect, dignity and integrity of people, ensuring equal opportunities without any discrimination or prevarication.

Appendix

GRI 2-1: ORGANISATIONAL DETAILS

Compagnia Valdostana delle Acque - CVA S.p.A. is 100% owned by Finaosta, a financial company of the autonomous region of Aosta Valley.

The head office is Châtillon.

The registered offices of the CVA Group companies are:

- CVA S.p.A. a s.u.: Via Stazione 31, 11024 Châtillon (AO)
- CVA EOS S.r.l. a s.u.: Via Stazione 31, 11024 Châtillon (AO)
- Valdigne Energie S.r.l.: P.zza Vittorio Emanuele II 14, Pré-Saint-Didier, 11010 (AO)
- CVA Energie S.r.l.: Via Stazione 31, 11024 Châtillon (AO)
- DEVAL S.p.A. a s.u.: Via Clavalité 8, 11100 Aosta
- SR Investimenti S.r.l.: Via Stazione 31, 11024 Châtillon (AO)
- Renergetica S.p.a.: Via Stazione 31, 11024 Châtillon (AO)
- Agreen Energy S.r.l.: Via Stazione 31, 11024 Châtillon (AO)
- Nuova Energia S.r.l.: Loc. Torrent de Maillod 15, 11020 Quart (AO)
- RS Service S.r.l.: Via Stazione 31, 11024 Châtillon (AO)
- RTS S.r.l.: Via Stazione 31, 11024 Châtillon (AO)

The CVA Group operates exclusively in Italy.

WORKFORCE DATA[83]

GRI 2-7: EMPLOYEES

A. EMPLOYEES BY GENDER AND REGION

	CVA+SR					CVA													
	2023					2023					2022					2021			
	F	*M*	*Other**	*n.a.*	***Tot***	*F*	*M*	*Other**	*n.a.*	***Tot***	*F*	*M*	*Other**	*n.a.*	***Tot***	*F*	*M*	*Other**	*n.a.*	***Tot***
Italy*	173.02	504.6	-	-	**677.62**	170.02	498.6	-	-	**668.62**	167.68	476.6	-	-	**644.28**	142.71	454.4	-	-	**597.11**

**As a relevant region CVA identified Italy.*

B. EMPLOYEES BY GENDER AND REGION

	CVA+SR					CVA													
	2023					2023					2022					2021			
	F	*M*	*Other*	*n.a.*	***Tot***	*F*	*M*	*Other*	*n.a.*	***Tot***	*F*	*M*	*Other*	*n.a.*	***Tot***	*F*	*M*	*Other*	*n.a.*	***Tot***
Number of permanent employees	173.02	504.6	-	-	**677.62**	170.02	498.6	-	-	**668.62**	163.68	468.6	-	-	**623.28**	135	450	-	-	**585**
Of which, full-time	163	504	-	-	**666.38**	160	498	-	-	**658**	155	468	-	-	**623**	127.29	448.6	-	-	**575.89**
Of which, part-time	10.02	0.6	-	-	**10.62**	10.02	0.6	-	-	**10.62**	8.68	0.6	-	-	**9.28**	7.71	1.4	-	-	**9.11**
Number of fixed-term employees	0	0	-	-	**0**	0	0	-	-	**0**	4	8	-	-	**12**	0	3	-	-	**3**
Of which, full-time	0	0	-	-	**0**	0	0	-	-	**0**	4	8	-	-	**12**	0	3	-	-	**3**
Of which, part-time	0	0	-	-	**0**	0	0	-	-	**0**	0	0	-	-	**0**	0	0	-	-	**0**
Number of employees with non-guaranteed hours	0	0	-	-	**0**	0	0	-	-	**0**	0	0	-	-	**0**	0	0	-	-	**0<r**
Regional total	173.02	504.6	0	0	677.62	170.02	498.6	0	0	668.62	167.68	476.6	0	0	644.28	135	453	0	0	588

83 Most of the indicators shown below present a double view of the CVA Group with and without SR, the only company among those acquired to be consolidated in the NFS perimeter. For specific indicators and greater clarity in the information provided, numerical evidence of SR is represented separately (e.g: GRI 402-1)

C. METHODOLOGIES AND ASSUMPTIONS USED TO COMPILE THE DATA

The data reported in indicators 2.7 take a snapshot of the situation as at 31/12 each year.

Table 2-7a provides a snapshot of the numbers at 31/12 with reproportioning for full-time equivalence. For numerical analysis, the numbers of part-time workers without reproportioning for full-time equivalence are given below:
2023 (CVA) Women: 13 - Men: 1
Year 2022 Women: 11 - Men: 1
Year 2021 Women: 10 - Men: 2

Table 2-7b gives a snapshot of the stock at 31/12 with reproportioning for full-time equivalence. See above for numerical analysis (without FTE). Full-time employees have not been included in the table because they are already included in the 'open-ended' and 'fixed-term' relationship types. Part-time employees all refer to 'permanent' relationships and are shown with the reproportioning for full-time equivalence. **SR**: There are no part-time workers in SR.

D. CONTEXTUAL INFORMATION NEEDED TO UNDERSTAND THE DATA IN 2-7-A AND 2-7-B

2023 CVA: The fixed-term relationships were entered into in accordance with national legislative provisions (Legislative Decree 81/2015). TDs mainly refer to 'temporary and objective needs, unrelated to the ordinary activity' - for reasons before 05/05/2023 Decree Law 48/2023 - 'needs provided for by Article 17 collective agreement' - for reasons from 05/05/2023 Decree Law 48/2023 - and/or 'causal'. In the latter case, the use of fixed-term contracts is prior to a subsequent offer of an open-ended contract.

Full-time employment is determined on the basis of the hours fixed by the CCNL applicable to employees (e.g. personnel governed by the CCNL for the electricity sector - 38 hours per week).

Short-time work is the result of a specific request by the employee (for health and/or childcare).

2023 SR: There are no temporary workers in SR.

E. DESCRIBE SIGNIFICANT CHANGES IN THE NUMBER OF EMPLOYEES DURING AND BETWEEN REPORTING PERIODS

Between the years 2021-2023, the workforce of the Group's companies grew significantly (more than 20 recruited resources) as a result of the significant recruitment budget approved to implement the CVA Group's strategic plan. The change in personnel between 2022 and 2023 is also affected by the acquisition of SR (9 resources).

GRI 2-8: Workers who are not employees

A. NON-EMPLOYEES

2023 CVA: Data as at 31/12 of each year - only data on staff with employment contracts and with coordinated and continuous collaboration contracts provided. In the calculation, the categories of 'interns' and collaborators in 'work experience' are excluded.

With regard to collaboration contracts, it is specified that collaborators work autonomously, without time constraints or subordination, except for the necessary functional coordination in the performance of activities.

Detail of administered staff/collaborators as at 31/12:
2023
Contract workers - Women: 5 - Men: 4 - all fixed-term full-time
Employees - Women: 0 - Men: 3 - all fixed-term and part-time (however, it is not possible to determine a % of part-time)

2022
Contract workers - Women: 0 - Men: 13 - all fixed-term full-time
Employees - Women: 0 - Men: 3 - all fixed-term and part-time (however, it is not possible to determine a % of part-time)

2021
Contract workers - Women: 12 of which 8 permanent full-time and 4 fixed-term full-time - Men: 7 of which 1 permanent full-time and 6 fixed-term full-time
Employees - Women: 0 - Men: 4 - all fixed-term of which 1 full-time (for part-time, however, no part-time % is possible)

SR: In SR there are no non-employees.

B. METHODOLOGIES AND ASSUMPTIONS USED TO COMPILE THE DATA

2023 CVA: The data shown in indicator 2.8.a are *head counts* and not FTEs because for coordinated and continuous collaborators, the only persons who can be considered part-time, it is not possible to provide a % of part-time. The contracted workers are all full-time. Therefore, no difference between *head counts* and FTEs. **SR:** In SR there are no non-employees.

C. DESCRIBE SIGNIFICANT CHANGES IN THE NUMBER OF NON-EMPLOYEE WORKERS DURING AND BETWEEN REPORTING PERIODS

2023 CVA: From 2021 to 2023, there was a decrease in the use of temporary workers as a part of the positions occupied by temporary workers have been made permanent (hired based the Board of Directors' approval of the recruitment budget). **SR:** In SR there are no non-employees.

GRI 2-9: Governance structure and composition

A. DESCRIPTION OF THE GOVERNANCE STRUCTURE, INCLUDING COMMITTEES OF THE HIGHEST GOVERNING BODY

Parent Company Board of Directors (elected in January 2022)

Marco Cantamessa - *Chairman of the Board of Directors*

Giuseppe Argirò - *CEO*

Valeria Casali - *Director*

Marzia Grand Blanc - *Director*

Fabio Marra - *Director*

Board of Statutory Auditors

Pierpaolo Imperial - *Chairman of the Board of Statutory Auditors*

Federica Paesani - *Standing Auditor*

Marco Termine Carmelo - *Standing Auditor*

Supervisory Body Legislative Decree 231/2001

Vincenzo Scipioni - *Chairman of the Supervisory Board*

Nicola Distasi - *Member of the Supervisory Body*

Federico Massa - *Member of the Supervisory Body*

Independent Auditors

EY S.p.A.

B. LIST OF COMMITTEES OF THE HIGHEST GOVERNING BODY ENTRUSTED WITH THE DECISION-MAKING AND OVERSIGHT OF THE MANAGEMENT OF THE ORGANISATION'S IMPACTS ON THE ECONOMY, ENVIRONMENT AND PEOPLE

The tasks of the Board of Directors include the approval of the Non-Financial Statement and the Integrated Plan. There are no changes in the composition of the body and its tasks in 2023 compared to 2022

C. COMPOSITION OF THE HIGHEST GOVERNING BODY IN 2023

- **Marco Cantamessa**: non-executive member, independent (2022-2024 term of office), male.
  In addition to his role in CVA, he holds 3 other positions.
- **Giuseppe Argirò**: executive member, employee (2022-2024 term of office), male.
- **Valeria Casali**: non-executive member, independent (2022-2024 term of office), female.
- **Marzia Grand Blanc**: non-executive member, independent (2022-2024 term of office), female.
- **Fabio Marra**: non-executive member, independent (2022-2024 term of office), male.
  In addition to his role in CVA, he holds another position.

All Board members have many years of experience in the renewables sector. They regularly participate in congresses, events and conferences related to sustainable development and write articles and studies on the subject. In addition, their activities include stakeholder engagement and the strategic integration of sustainability into the Integrated Business Plan.

C. COMPOSITION OF THE HIGHEST GOVERNING BODY IN 2022

- **Marco Cantamessa**: non-executive member, independent (2022-2024 term of office), male.
  In addition to his role in CVA, he holds 3 other positions.
- **Giuseppe Argirò**: executive member, employee (2022-2024 term of office), male.
- **Valeria Casali**: non-executive member, independent (2022-2024 term of office), female.
- **Marzia Grand Blanc**: non-executive member, independent (2022-2024 term of office), female.
- **Fabio Marra**: non-executive member, independent (2022-2024 term of office), male.
  In addition to his role in CVA, he holds another position.

All Board members have many years of experience in the renewables sector. They regularly participate in congresses, events and conferences related to sustainable development and write articles and studies on the subject. In addition, their activities include stakeholder engagement and the strategic integration of sustainability into the Integrated Business Plan.

C. COMPOSITION OF THE HIGHEST GOVERNING BODY IN 2021

- **Marco Cantamessa**: non-executive member, independent (2019-2022 term of office), male.
  In addition to his role in CVA, he holds 3 other positions.
- **Giuseppe Argirò**: executive member, employee (2019-2020 term of office), male.
- **Monique Personnettaz**: non-executive member, independent (2019-2022 term of office), female.
  In addition to his role in CVA, he holds another position.
- **Marzia Grand Blanc**: non-executive member, independent (2019-2022 term of office), female.
- **Fabio Marra**: non-executive member, independent (2019-2022 term of office), male.
  In addition to his role in CVA, she holds another position.

All Board members have many years of experience in the renewables sector. They regularly participate in congresses, events and conferences related to sustainable development and write articles and studies on the subject. In addition, their activities include stakeholder engagement and the strategic integration of sustainability into the Integrated Business Plan.

GRI 2-18: Evaluation of the performance of the highest governance body

A. DESCRIBE THE PROCESSES FOR EVALUATING THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF THE ORGANIZATION'S IMPACTS ON THE ECONOMY, ENVIRONMENT, AND PEOPLE

The sustainability objectives, which are part of the integrated strategic plan approved by the Board of Directors, are updated annually by the Heads of Function who are the owners of the individual objectives. There is still no formalised performance evaluation procedure in the supervision of the management of impacts on the economy, the environment and people.

B. REPORT WHETHER THE EVALUATIONS ARE INDEPENDENT OR NOT, AND THE FREQUENCY OF THE EVALUATIONS

N/A

C. DESCRIBE ACTIONS TAKEN IN RESPONSE TO THE EVALUATIONS, INCLUDING CHANGES TO THE COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ORGANIZATIONAL PRACTICES

N/A

GRI 2-21: Annual total compensation ratio

A./B.

	CVA+SR			CVA								
	2023			2023			2022			2021		
	Highest pay	*Median**	***Report***	*Highest pay*	*Median**	***Report***	*Highest pay*	*Median**	***Report***	*Highest pay*	*Median**	***Report***
a. Annual total compensation ratio	€ 215,802.83	€ 40,364.94	**5.35**	€ 215,802.83	€ 40,334.84	**5.35**	€ 195,012.80	€ 39,199.61	**4.97**	€ 189,891.28	€ 38,322.19	**4.96**
b. Percentage increase in annual total compensation	10.66	2.97	**3.59**	10.66	2.90	**3.68**	2.70	2.29	**1.18**	6.61	2.83	**2.33**

* For all employees of the organisation except the highest paid individual.

C. CONTEXTUAL INFORMATION NECESSARY TO UNDERSTAND THE DATA AND HOW THEY WERE COMPILED

All employees (managers, middle managers, white-collar and blue-collar workers) in force as at 31 December of each year were taken into account, with the exception of one worker on leave for public office (for the years 2023, 2022 and 2021) and one worker on personal leave (for 2023 and 2022).

Part-time workers were counted as FTEs so wages were raised to 100%

The types of remuneration included are: fixed monthly remuneration at the top of the payslip + fixed elements in the body of the payslip (middle man. comp., 14th salary ass., new edr, edr, etc.), fringe benefits all (beyond the exemption), + performance bonus for cash (pre-conversion) and MBO for cash + contractual one-off (only for cash 2022) + fixed pay items for calculation with effects on 13th and 14th months' salary + extra bonus_annual one-off amount (only for SR)

GRI 2-27: Compliance with laws and regulations

In August 2023, pursuant to Art. 21 of Legislative Decree 758/1994, the General Manager of CVA S.p.A. was admitted to the administrative payment of the fine provided for the contravention (for an amount of EUR 1,965.61) following the ascertainment of the fulfilment of the prescription issued with a previous inspection report in relation to a breach of Article 97, paragraph 2, of Legislative Decree No. 81/2008. The fine was paid on time and, therefore, the proceedings were dismissed due to the extinction of the crime.

GRI 2-29: Approach to stakeholder engagement

A.I) STAKEHOLDER CATEGORIES	A. II) PURPOSE OF INVOLVEMENT	A. III) SIGNIFICANT INVOLVEMENT
Environment	• Protection of the environment and biodiversity • Responsible water use	• Memorandum of Understanding with the Fishing Consortium • Participation in round-table working groups to monitor the effects of climate change
Industry companies and competitors	• Respect for the rules • Transparency	• Press releases • Financial statements • Website • Sustainability report
Business partners	• Compliance with contractual commitments • Relationship continuity • Local investments	• Press releases • Website • Sustainability report • Financial statements
Customers	• Customer satisfaction • Transparency and responsible marketing • *Privacy* and data security • Asset security • Security of supply	• Customer service and other initiatives for dialogue with Consumer Associations • Social communication channels • Branches on the territory • Advertising campaigns • Sustainability report
Community	• Asset security • Support for solidarity initiatives • Relations with the local area • Local investments and support for the entrepreneurial environment • Quality employment	• Press releases • Initiatives dedicated to the territory • Guided tours of the plants • Sustainability report • Financial statements
Control and regulatory bodies	• Customer satisfaction • Security of supply	• Communications to ARERA • Website • Financial statements • Sustainability report
Suppliers	• Compliance with contractual commitments • Relationship continuity • Local investments	• Supplier area portal on the website • Sustainability report • Financial statements
Institutions and trade associations	• Compliance with the law • Privacy and data security • Economic and financial sustainability	• Press releases • Website • Sustainability report • Financial statements
Financial institutions	• Compliance with contractual commitments and continuity of relationship • Innovation in financial instruments • ESG Rating	• Disclosure transparency • Sustainability-inked loan • Issuance of listed bonds
Media	• Economic and financial sustainability • Respect for the rules • Attention to worker health and safety • Environmental protection • Asset integrity • Relations with the local area • Transparency	• Press releases • Website • Sustainability report • Financial statements
Market	• Economic and financial sustainability • Value creation • Corporate governance • Respect for the rules • Attention to worker health and safety • Environmental protection • Asset integrity • Relations with the local area • Transparency	• Press releases • Advertising campaigns • Sustainability report • Financial statements
People	• Economic and financial sustainability • Skills enhancement • Work/life balance • Equal opportunities • Occupational health and safety • Transparency • Public competitions	• Training • Intranet • Corporate convention *'Insieme'* • Sustainability report • Financial statements

2-30 Collective bargaining agreements

100% of employees are covered by collective bargaining

GRI 202-2: Proportion of senior management hired from the local community

A. SENIOR MANAGERS HIRED BY THE LOCAL COMMUNITY

	CVA + SR	CVA		
	2023	2023	2022	2021
	Operational office 1	*Operational office 1*	*Operational office 1*	*Operational office 1*
Total senior managers	4	4	3	3
Senior managers employed in the local community	4	4	3	3
Senior managers employed in the local community (%)	**100%**	**100%**	**100%**	**100%**

B. DEFINITION OF SENIOR MANAGER

We consider people with a managerial qualification as Senior Managers

C. DEFINITION OF LOCAL WITH RESPECT TO THE ORGANISATION'S PREMISES

We consider local figures resident in the Aosta Valley Region for CVA, CVAE, CVA EOS and DEVAL and metropolitan city of Milan for SR Investimenti

D. DEFINITION OF SIGNIFICANT OPERATIONAL LOCATION

Senior managers are only present at CVA and work only at the significant operational site in Châtillon.

GRI 205-2: Communication and training about anti-corruption policies and procedures*[84]

A. COMMUNICATION OF ANTI-CORRUPTION PROCEDURES, GOVERNANCE BODIES

	2023			2022			2021		
	Italy			*Italy*			*Italy*		
	Total members (n)	Informed members (n)	**% informed members**	Total members (n)	Informed members (n)	**% informed members**	Total members (n)	Informed members (n)	**% informed members**
Governance bodies	5	5	**100%**	5	5	**100%**	5	5	**100%**

B. COMMUNICATION OF ANTI-CORRUPTION PROCEDURES EMPLOYEES

	2023			2022			2021		
	Italy			*Italy*			*Italy*		
	Total members (n)	Informed members (n)	Informed employees (%)	Total employees (n)	Informed employees (n)	Informed employees (%)	Total members (n)	Informed members (n)	Informed employees (%)
Executives	4	0	0%	3	3	100%	3	3	100%
Managers	45	0	0%	46	46	100%	44	44	100%
White collars	269	0	0%	254	254	100%	218	218	100%
Blue collars	131	0	0%	131	131	100%	133	133	100%
Total	**449**	**0**	**0%**	**434**	**434**	**100%**	**398**	**398**	**100%**

C. COMMUNICATING ANTI-CORRUPTION PROCEDURES TO BUSINESS PARTNERS

Currently, anti-corruption procedure policies are not communicated to business partners

D. TRAINING ABOUT ANTI-CORRUPTION PROCEDURES, GOVERNANCE BODIES

	2023			2022			2021		
	Italy			*Italy*			*Italy*		
	Trained members (n)	Total members (n)	% trained members	Total members (n)	Trained members (n)	% trained members	Total members (n)	Trained members (n)	% trained members
HE governance bodies	5	0	**0%**	5	0	**0%**	5	1	**20%**

84 *CVA no longer has an anti-corruption training obligation under Law 190/12, nor does it have any further obligations arising from regulations and/or standards. The numbers shown in the tables refer to 231 training administered to CVA Spa employees. In 2023, training was limited solely to newly hired staff of CVA Spa; some of the numerous predicate offences of responsibility 231 constitute instances of corruption.*

E. TRAINING ABOUT ANTI-CORRUPTION PROCEDURES, EMPLOYEES									
	2023			2022			2021		
	Italy			*Italy*			*Italy*		
	Total employees (n)	Informed employees (n)	Informed employees (%)	Total employees (n)	Informed employees (n)	Informed employees (%)	Total members (n)	Informed members (n)	Informed employees (%)
Executives	4	0	0%	3	0	0%	3	3	100%
Managers	45	0	0%	46	2	4%	44	19	43%
White collars	269	18	6%	254	69	27%	218	198	91%
Blue collars	131	3	2%	131	13	10%	133	0	0%
Total	**449**	**21**	**4%**	**434**	**84**	**19%**	**398**	**220**	**55%**

205-3 Confirmed incidents of corruption and actions taken

In 2021, 2022, and 2023, no incidents of corruption were established, and as a result, no lawsuits were initiated against the company or its employees.

GRI 401-1: New employee hires and employee turnover*

TOTAL RECRUITMENTS AND TERMINATIONS (N)	CVA + SR			
	2023	2023	2022	2021
a. Employees hired by gender				
Of which men	31	31	30	24
Of which women	7	7	27	7
a. Employees hired by age				
< 30 years old	20	20	15	14
30-50 years old	14	14	38	11
> 50 years old	4	4	4	6
TOTAL RECRUITMENT	**38**	**38**	**57**	**31**
b. Terminated employees by gender				
Of which men	11	9	8	10
Of which women	5	4	2	4
b. Employees terminated by age				
< 30 years old	1	1	0	0
30-50 years old	7	4	5	3
> 50 years old	8	8	5	11
TOTAL TERMINATIONS	**16**	**13**	**10**	**14**

RECRUITMENT AND TURNOVER RATE (%)	CVA + SR			
	2023	2023	2022	2021
a. Rate of employees hired by gender				
Of which men	4.6%	4.6%	4.6%	4%
Of which women	1%	1%	4.2%	1.2%
a. Rate of employees hired by age				
< 30 years old	2.9%	3%	2.3%	2.3%
30-50 years old	2.1%	2.1%	5.9%	1.8%
> 50 years old	0.6%	0.6%	0.6%	1%
TOTAL EMPLOYEES	**681**	**672**	**647**	**600**
Total hiring rate	**5.58%**	**5.65%**	**8.8%**	**5.2%**
b. Rate of terminated employees by gender				
Of which men	1.6%	1.3%	1.2%	1.6%
Of which women	0.7%	0.6%	0.3%	0.7%
b. Rate of terminated employees by age				
< 30 years old	0.1%	0.1%	-	-
30-50 years old	1%	0.6%	0.8%	0.5%
> 50 years old	1.2%	1.2%	0.8%	1.8%
TOTAL EMPLOYEES	**681**	**672**	**647**	**600**
Total turnover rate	**2.35%**	**1.93%**	**1.5%**	**2.3%**

** All recruitments and terminations took place in the geographical area 'Aosta Valley Region'*

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

A. STANDARD BENEFITS	CVA	SR
Life insurance	Yes	No
*Healthcare**	Yes	Yes
Insurance cover in the event of disability and invalidity	Yes	No
*Parental leave ***	-	-
*Pension contributions ***	-	-
Shareholding	No	No
Recreational Association, only after passing probationary period and supplementary pension only if enrolled in the Fund	Yes	Yes

* *Only after passing trial period for electrical personnel*
** *Parental leave and pension contributions are provided for by legislation, to that extent it is not a benefit but meets regulatory compliance*

B. DEFINITION OF SIGNIFICANT OPERATIONAL LOCATION
The operational sites shown represent all the operational sites of the CVA Group: Operational Office 1 CVA_CVAE_CVAEOS_DEVAL all operational sites in the VdA region Operational Office 2 SR Significant Operational Headquarters --> Milan Metropolitan City Operational Headquarters

GRI 401-3: Parental leave

PARENTAL LEAVE	CVA + SR			CVA								
	2023			2023			2022			2021		
	Men	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*
a. *Employees entitled to parental leave*	200	67	**267**	198	65	**263**	187	68	**255**	148	48	**196**
b. *Employees who have taken parental leave*	38	26	**64**	38	26	**64**	31	27	**58**	23	24	**47**
c. *Employees returning to work after parental leave*	38	26	**64**	38	26	**64**	31	27	**58**	23	24	**47**
d. *Employees who returned to work and who are employees in the following 12 months*	31	27	**58**	31	27	**58**	23	24	**47**	20	20	**40**
e. *Return rate*	100			100			100			100		
e. *Retention rate*	100.00			100.00			100.00			97.56		

INFORMATION NEEDED TO CALCULATE THE RETURN AND RETENTION RATE	CVA + SR	CVA		
	2023	2023	2022	2021
Total number of employees who should have returned to work after taking parental leave	64	64	58	47
Total number of employees returned to work following parental leave in the previous reporting period(s)	58	58	47	41

CONTEXTUAL INFORMATION NECESSARY TO UNDERSTAND THE DATA AND HOW THEY WERE COMPILED
a. Individuals entitled to parental leave are those who have children up to the age of 8 in the years 2021 and 12 in the year 2022 and 2023 as per regulatory changes. In the entitlement, no account is taken of whether all paid or unpaid leave has already been taken (total between spouses max. 10 or 11 months), which is only available to the Inps as the leave authority b. Employees who have had parental leave (paid or unpaid) during the year b. Employees who have had parental leave (paid or unpaid) during the year d. Refers to the re-entry in the next 12 months of those who benefited in the previous year (i.e. those who benefited in 2022 and terminated 2023).

GRI 402-1: Minimum notice periods regarding operational changes

A. MINIMUM WEEKS' NOTICE	SR	CVA		
	2023	2023	2022	2021
Number of weeks' notice given to employees	3.57	4.29	4.29	4.29

B. INCLUSION OF THE MINIMUM NOTICE PERIOD IN COLLECTIVE AGREEMENTS

For CVA, CVAE, CVAEOS and DEVAL, deadlines are defined by the CCNL for the electricity sector (30 days)

For SR, the deadlines defined by CCNL for commerce the are only for certain cases; therefore, for the protection of workers, we apply the provisions of the national rule on Company Transfers (Law 428/1990), even if it is provided for companies with more than 15 employees (25 days)

GRI 403-1: Occupational health and safety management system

A. IMPLEMENTATION OF AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The companies CVA, CVA ENERGIE, CVA EOS, DEVAL have adopted an Integrated Management System (IMS) that, with regard to health and safety aspects, complies with the ISO 45001:2018 standard SR Investimenti is excluded from the scope.

B. DESCRIPTION OF WORKERS, ACTIVITIES AND WORKPLACES COVERED BY THE OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM, AND JUSTIFICATION WHERE WORKERS ARE NOT COVERED

For each CVA, CVA ENERGIE, CVA EOS company, the relevant scope is defined within the Management Document of the IMS. For CVA 'Production of electrical energy from renewable sources: hydroelectric' for CVA ENERGIE 'Marketing of electrical energy', for CVA EOS 'Production of electrical energy from renewable sources: wind and photovoltaic' for Valdigne Energie 'Production of electrical energy from renewable sources hydroelectric', for DEVAL 'Electricity distribution through the phases of: management/operation, extension and maintenance of HV, MV, LV and remote control electricity networks; commercial services related to electricity transport and connection of end customers and producers; electricity balance measurement and processing services. Managing the effects of adverse weather/environmental conditions in order to ensure service continuity. SR Investimenti is excluded from the scope.

GRI 403-2: Hazard identification, risk assessment, and incident investigation

A. PROCESSES FOR IDENTIFYING AND ASSESSING OCCUPATIONAL HEALTH AND SAFETY RISKS

For all companies CVA, CVA ENERGIE, CVA EOS, DEVAL and SR Investimenti, a Risk Assessment Document ('DVR') has been drawn up in accordance with current legislation. It analyses the hazards arising from the work performed and the risk mitigation measures implemented by the companies. In addition to this, the analysis and management of new health and safety risks may result from audits and inspections carried out by the company's RSPP/ASPP (in possession of the qualifications required by law) within the framework of the IMS, from reports received from workers (see below).

B. PROCESSES AVAILABLE TO WORKERS TO REPORT HAZARDS AND DANGEROUS SITUATIONS AT WORK, AND AN EXPLANATION OF HOW WORKERS ARE PROTECTED FROM RETALIATION

Workers can send their reports through the 'reporting forms' provided by the IMS, possibly also anonymously For SR Investimenti, any reports are shared by workers with their superiors.

C. A DESCRIPTION OF THE POLICIES AND PROCESSES AVAILABLE TO WORKERS TO REMOVE THEMSELVES FROM WORK SITUATIONS THAT ARE BELIEVED TO CAUSE WORK-RELATED INJURY OR ILLNESS, AND AN EXPLANATION OF HOW THEY ARE PROTECTED FROM RETALIATION

The worker implements the provisions of the DVR and the maintenance order if provided for, the supervisor suspends the activity in the event of serious and immediate danger and reports to his/her superior any problems that could lead to injury or occupational illness For SR Investimenti, the worker implements the provisions of the DVR and the maintenance order if provided for, the Workers' Safety Representatives and the function managers suspend the activity in the event of serious and immediate danger and reports any problems to his/her superior that could lead to injury or occupational illness.

D. DESCRIPTION OF THE PROCESSES USED TO INVESTIGATE POSSIBLE OCCUPATIONAL ACCIDENTS

Use of appropriate company procedure (POS.SGI 12, P 13.01 and I 11.01 Deval) for accident and near miss investigations. SR Investimenti does not have a corporate procedure in place in this regard, N/A.

GRI 403-3: Occupational health services

A. DESCRIPTION OF OCCUPATIONAL MEDICINE SERVICES

The employers of the companies CVA, CVA ENERGIE, CVA EOS, DEVAL and SR Investimenti have appointed a competent doctor for each company who meets the requirements laid down by law (Legislative Decree 81/2008). The appointed professional has drawn up a health protocol for the various company tasks, which contains the types of health examinations and/or assessments necessary for the formulation of the judgment of suitability for the job. Sensitive health information is kept by the competent doctor

GRI 403-4: Worker participation, consultation and communication on occupational health and safety

A. DESCRIPTION OF PROCESSES OF PARTICIPATION IN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

Worker participation in health and safety processes is ensured through regular meetings with the company's RLS (Workers' Safety Representatives). Worker training and instruction is provided at the time of recruitment and prior to each new assignment in line with current legal requirements. Information to workers is conveyed through e-mails, staff communiqués, documents available on the company intranet or specific training meetings For SR Investimenti, worker participation in health and safety processes is ensured through regular meetings with the company's RLS (Workers' Safety Representatives). Worker training and education is provided at the time of recruitment in line with current legal requirements.

B. DESCRIPTION OF FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES

A bilateral training, health and safety commission composed of company representatives (including company RSPPs) and trade union representatives is established for CVA Group companies, excluding SR Investimenti.

GRI 403-5: Worker training on occupational health and safety

A. DESCRIPTION OF TRAINING ACTIVITIES

Training is provided upon entry of all workers into the company, differentiated according to the risk job the worker holds. The courses are mainly delivered face-to-face or remotely and include tests to verify learning. Training is provided for each new position the employee holds. The training required by law is organised directly by the company's SPP, also using forms of financing derived from joint bodies and also taking care of subsequent updates. The remaining training is initiated by the company structures at the request of the function/office managers. Training takes place during working hours, at the company's expense. For SR Investimenti, training is provided upon entry of all workers into the company, differentiated according to the risk job the worker holds. The courses are mainly delivered or remotely and include tests to verify learning. Training is provided for each new position the employee holds. The training required by law is organised directly by the company's RSPP. Training takes place during working hours, at the company's expense.

GRI 403-6: Promotion of worker health

A. AN EXPLANATION OF HOW THE ORGANIZATION FACILITATES WORKERS' ACCESS TO NON-OCCUPATIONAL MEDICAL AND HEALTHCARE SERVICES, AND THE SCOPE OF ACCESS PROVIDED.

The CCNL for employees in the electricity sector provides a specific article for supplementary health care, also defining an additional payment to increase the company funding already in place.

Employees of CVA Group companies, regulated by the CCNL for the electricity sector, are automatically enrolled in the FISDE (Enel Group employees' supplementary healthcare fund), whose institutional purpose is to provide members with supplementary healthcare: reimbursements for healthcare services in a direct form - through the network of affiliated facilities available to members - or in an indirect form, assistance for people with disabilities or with problems related to social emergencies (e.g. drug addiction and alcoholism) and initiatives on preventive medicine. Employees are defined as those employed under an open-ended contract who have passed the probationary period. Ordinary Members also benefit from FISDE for their tax-dependent family members.

The CCNL for managerial staff provides a specific article for supplementary health care. Employees with executive status are enrolled in the FASI (Supplementary Health Care Fund for executives of companies that produce goods and services) whose purpose is to provide executives who are voluntarily enrolled, whether in service or retired, and their families with supplementary benefits in addition to the assistance provided by the National Health Service within a system of mutuality and intergenerational solidarity. In addition to this benefit, managerial staff are insured with ASSIDAI (a non-profit supplementary health insurance fund).

Non-employee (contracted) staff are governed by the CCNL of the ApL. In this context, supplementary health care is provided through the bilateral organisation Ebitemp, which offers support measures for workers on sick leave and health care costs, including through agreements with third parties that meet legal requirements. Health Protection is intended for temporary workers (both fixed-term and open-ended) employed by Employment Agencies as well as their tax-dependent family members (limited to spouse and children). For SR Investimenti, the CCNL for employees in the commerce sector provides a specific article for supplementary health care. SR INVESTIMENTI employees (excluding middle managers) are enrolled in the FONDO ASSISTENZA SANITARIA INTEGRATA EST whose institutional purpose is to provide members with supplementary healthcare: reimbursements for healthcare services in a direct form - through the network of affiliated facilities available to members. Ordinary Members do NOT benefit from the EST FUND for their tax-dependent family members.

Managerial employees, on the other hand, are enrolled in the QUAS integrated health care fund, whose institutional purpose is to provide members with supplementary health care: reimbursement for health care services directly - through the network of affiliated facilities available to members. The Member does NOT benefit from the QUAS for his or her tax-dependent family members or spouse. In parallel, some executives are enrolled in the BiSALUS fund.

GRI 403-8: Workers covered by an occupational health and safety management system

A. HEALTH AND SAFETY MANAGEMENT SYSTEM	2023*		2022		2021	
	n	%	n	%	n	%
i. Employees covered by the system	684	99	656	100	617	100
i. Non-employees covered by the system	21	100	30	100	28	100
ii. Employees covered by the internally audited system	684	99	656	100	617	100
ii. Non-employees covered by the internally audited system	21	100	30	100	28	100
iii. Employees covered by the third-party certified system	684	99	656	100	617	100
ii. Non-employees covered by the third-party certified system	21	100	30	100	28	100

* *The 'heads' of all employees and contractors managed in 2023 were included. Nb workers who had their contracts terminated during the year are counted in each company in which they worked. 99% is related to the fact that SR employees are not covered by an IMS.*

B. ANY WORKERS EXCLUDED FROM THE COVERAGE OF THE MANAGEMENT SYSTEM

SR Investimenti employees are not covered by an Occupational Health and Safety Management System

C. ADDITIONAL INFORMATION ON DATA COMPILATION

Percentages calculated from the number of employees and non-employees.

GRI 403-9: Work-related injuries

A. EMPLOYEES	2023					2022				2021			
	CVA Spa	*CVA Energie*	*Deval*	*CVA EOS*	*SR INVESTIMENTI*	*CVA Spa*	*CVA Energie*	*Deval*	*CVA EOS*	*CVA Spa*	*CVA Energie*	*Deval*	*CVA EOS*
Number of recordable accidents (excluding commuting accidents)	1	0	0	0	0	4	0	1	0	1	0	3	0
Number of injuries with serious consequences	0	0	0	0	0	0	0	0	0	0	0	0	0
Total employee hours worked	695,812.36	99,038.99	230,561.96	24,053.16	15,817.5	660,411.78	97,527.36	222,385.71	7,754.95	630,561.03	97,129.64	219,273.50	876.59
Gravity index	0.01	0	0	0	0	0.1	0	0.01	0	0.03	0	0.62	0
Frequency index	1.44	0	0	0	0	6.06	0	4.5	0	1.59	0	13.68	0

B. NON-EMPLOYEES	2023					2022				2021			
	CVA Spa	*CVA Energie*	*Deval*	*CVA EOS*	*SR INVESTIMENTI*	*CVA Spa*	*CVA Energie*	*Deval*	*CVA EOS*	*CVA Spa*	*CVA Energie*	*Deval*	*CVA EOS*
Number of recordable accidents (excluding commuting accidents)	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of injuries with serious consequences	0	0	0	0	0	0	0	0	0	0	0	0	0
Total employee hours worked	19,185.96	0	1,927.13	2,166.78	0	17,371.3	652.83	2,348.2	4,631.03	26,901.77	6,452.65	671	779.93
Gravity index	0	0	0	0	0	0	0	0	0	0	0	0	0
Frequency index	0	0	0	0	0	0	0	0	0	0	0	0	0

C. OCCUPATIONAL HAZARDS CONSTITUTING A RISK OF ACCIDENT WITH SERIOUS CONSEQUENCES

The risk assessment process is carried out within each Risk Assessment Document of the companies CVA, CVA ENERGIE, CVA EOS, DEVAL and SR Investimenti. The hazards of each work activity carried out by workers that could potentially generate accidents are identified, followed by an assessment of the associated risk and the prevention and protection measures that the company introduces to minimise risks

D. ACTIONS TAKEN OR IN PROGRESS TO ELIMINATE OTHER HAZARDS AT WORK AND MINIMISE RISKS USING THE HIERARCHY OF CONTROLS

Risk reduction measures identified in company DVRs can be either structural, organisational or through information, education and training for the workers concerned

E. CALCULATION OF SEVERITY, INCIDENCE AND ACCIDENT RATES

The method used to calculate the rates referred to in the disclosure is *1,000,000

F. EXCLUSIONS OF CERTAIN WORKERS FROM THE DISCLOSURE

All workers are included, with the exception of continuous and coordinated collaborators.

G. ADDITIONAL DESCRIPTION OF DATA CALCULATION AND METHODOLOGIES USED

The hours worked are provided by the Human Resources function from the software used in companies for time recording.
For 2023, the tables show the newly acquired SR Investments, due to the improved availability of perimeter data. For SR Investimenti, the hours of leave and holidays are communicated in writing and on file to the direct superior, and then forwarded to the payroll consultant.

GRI 403-10: Work-related ill health

A. DEPENDENT OCCUPATIONAL ILLNESSES (N)	2023	2022	2021
Deaths resulting from occupational illnesses	0	0	0
Recordable occupational illnesses	0	0	0
Main types of occupational illnesses	0	0	0

B. NON-EMPLOYEE OCCUPATIONAL ILLNESSES (N)	2023	2022	2021
Deaths resulting from occupational illnesses	0	0	0
Recordable occupational illnesses	0	0	0
Main types of occupational illnesses	0	0	0

C. OCCUPATIONAL HAZARDS CONSTITUTING A RISK OF OCCUPATIONAL DISEASE

The risk assessment process is carried out within each Risk Assessment Document of the companies CVA, CVA ENERGIE, CVA EOS, DEVAL and SR Investimenti. The hazards of each work activity carried out by workers that can potentially lead to occupational illnesses are identified, followed by an assessment of the associated risk and the prevention and protection measures that the company puts in place to minimise the risks.

D. EXCLUSIONS OF CERTAIN WORKERS FROM THE DISCLOSURE

No exclusion

E. CONTEXTUAL INFORMATION NECESSARY TO UNDERSTAND THE DATA AND HOW THEY WERE COMPILED

No events detected in the year 2023

GRI 404-1: Average hours of training per year per employee[85]

A. AVERAGE HOURS OF TRAINING PROVIDED TO EMPLOYEES

	CVA + SR			CVA								
	2023			2023			2022			2021		
	Men	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*
Executives	18.25	0.00	**18.25**	18.25	0.00	**18.25**	13.67	0	**13.67**	18.67	0	**18.67**
Managers	41.31	35.61	**40.06**	44.03	38.56	**42.88**	42.97	35.48	**41.70**	48.05	51.23	**48.60**
White collars	32.60	18.84	**27.39**	32.84	18.91	**27.56**	29.37	15.23	**23.92**	23.29	15.41	**20.21**
Blue collars	30.57	0.00	**30.57**	30.57	0.00	**30.57**	28.70	0	**28.70**	18.57	0.00	**18.57**
Total	**32.72**	**20.33**	**29.50**	**33.06**	**20.46**	**29.80**	**30.53**	**16.56**	**29.96**	**24.25**	**17.96**	**22.67**

85 Also included in the count are agency workers whose employment treatment is equal to that of Group employees.

GRI 404-2: PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

2023	2022	2021
In 2023, CVA provided a series of programmes to enhance the skills of its employees and facilitate work continuity for a combined total of 10,945 hours. Given the large number of such programmes, only the main ones are listed below, broken down by the following macro-areas: • Regulatory compliance (e.g. processing of personal data, whistleblowing, Supervisory Board audits, supervisors, etc.) • Professional refresher courses by function (e.g. Generator Services, Geotechnics, Telescopic Motor Driven Harvester, MV/MV and MV/MB electrical substation maintenance, etc.) • Personal and digital competence courses (Guardian Conflict Course, conflict management, project management, business communication, etc.) • Sustainability (Sustainability Global Summit, Gender Equality Certification, CSRD Directive, etc.) **SR** • Best Practice Project Finance Modelling • Renewable energy authorisations • RES plants 2023	In 2022, CVA provided a series of programmes to enhance the skills of its employees and facilitate work continuity for a combined total of 7,201.88 hours. Given the large number of such programmes, only the main ones are listed below, broken down by the following macro-areas: • Regulatory compliance (e.g. GDPR, OdV - Supervisory Body -, Legislative Decree 81/08, cyber security, etc.) • Professional refresher courses by function (e.g. penstocks, polluted site remediation, georadar, energy communities, etc.) • Personal and digital skills courses (e.g. finance, leadership, public speaking, languages, excel, new computer systems training etc.) • Occupational health and safety courses (e.g. machine safety, industrial security, etc.) • Welfare (e.g. employee welfare, smart working, etc.)	In 2021, CVA provided a series of programmes to enhance the skills of its employees and facilitate work continuity for a combined total of 6,342 hours. Given the large number of such programmes, only the main ones are listed below, broken down by the following macro-areas: • Regulatory compliance (e.g. conflicts of interest, privacy, anti-corruption, Law 90/2012, industry regulations, cybersecurity - 5G etc.) • Professional refresher courses by function (e.g. sediment management, major works, hydromorphology, energy communities, energy transition process, etc.) • Personal and digital skills courses (e.g. Power BI, Microsoft, French and English language courses etc.) • Occupational health and safety courses (F-Gas, evolution of safety regulations, accidents at work, etc.) • Welfare (personnel selection competitions, e-invoicing, smart working, etc.)

GRI 405-1: DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

A. MEMBERS OF THE BOARD OF DIRECTORS

	2023			2022			2021		
	Men	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*
< 30 years old	-	-	0	-	-	0	-	-	0
30 - 50	1	2	3	1	2	3	1	2	3
> 50	2	-	2	2	-	2	2	-	2
Total	**3**	**2**	**5**	**3**	**2**	**5**	**3**	**2**	**5**

A. MEMBERS OF THE BOARD OF STATUTORY AUDITORS OF CVA S.P.A.

	2023			2022			2021		
	Men	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*
< 30 years old	-	-	0	-	-	0	-	-	0
30 - 50	-	-	0	-	1	1	1	2	3
> 50	3	2	5	2	1	3	2	-	2
Total	**3**	**2**	**5**	**2**	**2**	**4**	**3**	**2**	**5**

A. MEMBERS OF THE SUPERVISORY BODY

	2023			2022			2021		
	Men	*Women*	*Total*	*Men*	*Women*	*Total*	*Men*	*Women*	*Total*
< 30 years old	-	-	0	-	-	0		-	0
30 - 50	1	-	1	1	-	1	1	-	1
> 50	2	-	2	2	-	2	2	-	2
Total	**3**	**0**	**3**	**3**	**0**	**3**	**3**	**0**	**3**

B. EMPLOYEES	CVA + SR				CVA											
	2023				2023				2022				2021			
	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total	Men	Women	Other	Total
Executives	4	0	-	4.00	4	0	-	4.00	3	-	-	3.00	3	-	-	3
Managers	56	15.8	-	71.80	52	13.8	-	65.80	54	11	-	65.00	52	11	-	63
White collars	262	157.22	-	419.22	260	156.22	-	416.22	237	156.68	-	393.68	218	131.71	-	349.71
Blue collars	182.6	0	-	182.60	182.6	0	-	182.60	182.6	-	-	182.60	181.4	-	-	181.4
TOTAL	504.6	173.02	-	677.62	498.6	170.02	-	668.62	476.6	167.68	-	644.28	454.4	142.71	-	597.11

B. EMPLOYEES	CVA + SR				CVA											
	2023				2023				2022				2021			
	< 30 years old*	30 – 50 years old	> 50	Total	< 30 years old*	30 – 50 years old	> 50	Total	< 30 years old*	30 – 50 years old	> 50	Total	< 30 years old	30 – 50 years old	> 50	Total
Executives	-	-	4	4	-	-	4	4.00	-	-	3	3	-	-	3	3
Managers	-	40.8	31	71.8	-	35.8	30	65.80	-	37	28	65	-	38	25	63
White collars	36	264.85	118.37	419.22	36	261.85	118.37	416.22	23	263.36	107.32	393.68	13	241.73	94.98	349.71
Blue collars	16	131	35.6	182.6	16	131	35.6	182.60	16	139	27.6	182.6	16	136.8	28.6	181.4
TOTAL	52	436.65	188.97	677.62	52	428.65	187.97	668.62	39	439.36	165.92	644.28	29	416.53	151.58	597.11

** Age was calculated in the same way as for the figure in the annual report (only on year of birth/reference)*

GRI 405-2: Ratio of basic salary and remuneration of women to men*

A. RATIO OF BASIC SALARY OF WOMEN TO MEN	CVA + SR		CVA					
	2023		2023		2022		2021	
	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration
Executives	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Managers	98.03	90.07	99.64	94.87	104.62	100.08	102.79	99.81
White collars	97.79	92.95	97.79	93.08	95.96	88.21	96.27	89.52
Blue collars	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

** The average basic salary and the average remuneration were calculated on what was actually owed by the CCNL and actually paid, in the year under analysis, to the population that was in force on 31 December of each year.*

B. INDICATE THE DEFINITION USED FOR 'SIGNIFICANT OPERATIONAL SITES'
The operational sites shown represent all the significant operational sites of the CVA Group:
CVA_CVAE_CVAEOS_DEVAL: all operating sites in the VdA region
SR: operational headquarters Metropolitan City of Milan

GRI 406-1: Instances of discrimination and corrective actions taken

A. INSTANCES OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	CVA + SR	CVA		
	2023	2023	2022	2021
Total instances of discrimination	0	0	0	0

B. STATUS OF INCIDENTS AND ACTIONS TAKEN
No incidents of discrimination occurred during the three-year period.

Environmental Data

GRI 302-1: Energy consumption within the organisation

	Unit of measurement	2023	2022	2021
A. DIRECT ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES				
Methane gas	MWh	377	312	512
Diesel	MWh	2,645	2,628	1,992
Gasoline	MWh	127	103	69
Hybrid-petrol fuel	MWh	310	120	28
Hybrid-diesel fuel	MWh	111	57	
LPG	MWh	7	2	6
Total	MWh	**3,577**	**3,222**	**2,607**
B. DIRECT CONSUMPTION OF ENERGY FROM RENEWABLE SOURCES				
Hydroelectric (self-consumption)	MWh	28,974	21,807	26,304
Photovoltaics (self-consumption)	MWh	304	197	290
Wind power (self-consumption)	MWh	4,514	4,062	4,581
Total	MWh	**33,792**	**26,066**	**31,175**
C. INDIRECT ENERGY CONSUMPTION (PURCHASE)				
From non-renewable sources	MWh	2,553	1,430	1,969
Certified from renewable sources	MWh	9,883	10,902	10,142
District Heating	MWh	211	152	281
Total	MWh	**12,646**	**12,484**	**12,392**
D. ENERGY CONSUMED WITHIN THE ORGANISATION				
Total energy consumption from non-renewable sources	GJ	22,822	17,294	17,484
Total energy consumption from renewable sources	GJ	157,224	133,086	148,739
Total	GJ	**180,046**	**150,380**	**166,223**

E. STANDARDS AND METHODOLOGIES USED

For the three-year period, the calculation boundary for energy consumption data, in continuity with previous years, includes the total data of the Group and its subsidiaries as at 31 December 2023 SR Investimenti signed an office contract with Regus Business Centres Italia with a monthly fee including utilities.

F. SOURCE OF CONVERSION FACTORS USED

Greenhouse gas reporting conversion factors 2023 (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023)

GRI 302-3: Energy intensity

A. - B. ENERGY INTENSITY	Unit of measurement	2023	2022	2021
Absolute energy consumption	MWh	50,013	41,772	46,173
Installed power	MW	1,148	1105	1105
Energy intensity (consumption/power)	**MWh/MW**	**43.6**	**37.80**	**41.8**

C. TYPE OF MATERIAL

Fuel (methane, diesel, petrol, hybrid, LPG), electricity, steam

D. CALCULATION

The calculation of energy intensity considers energy consumption within the organisation

303-1 Interactions with water as a shared resource

The CVA Group holds the following sub-concessions in the Autonomous Region of Aosta Valley for the diversion, and consequent release, of water:

- Dora di Valgrisenche and tributaries;
- Chalamy stream and tributaries;
- Lys stream and tributaries;
- Evançon stream and tributaries;
- Marmore stream and tributaries;
- St. Barthélemy stream and tributaries;
- Dora di Rhêmes;
- Savara stream;
- Grand Eyvia stream and tributaries;
- Ayasse streams and tributaries;
- Buthier stream and tributaries;
- Dora di La Thuile and tributaries;
- St. Barthélemy stream

GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

A. OPERATIONAL SITES

Operational site name managed in (or adjacent to) protected areas and areas of high biodiversity value (including future activities)	*i. Geographical area*	*ii. Underground and proprietary land*	*iii. Location in relation to the protected area (within, adjacent to or containing portions)*	*iv. Type of activity*	*v. Size of operational site (km²)*	*vi. Biodiversity value of the area*	*vii. Biodiversity value under protection regimes*
Intake - Aymavilles PP	it 1205030 - Pont d'Ael	yes	within	diversion work	0.0013	terrestrial ecosystem	Natura 2000 site
La Salle reservoir Champagne 2	Marais di Morgex and La Salle	no	within	diversion work	0.0335	freshwater ecosystem	'protected area regional legislation Natura 2000 site'
Gran Lago Modulation Lake - Champdepraz PP	Mont Avic Natural Park	no	within	modulation lake	0.18	terrestrial ecosystem	regional park
Fenille diversion - channel - Chavonne PP	Gran Paradiso Natural Park	yes	within	diversion work - canal	0.007	terrestrial ecosystem	national park
Channel from La Nouva diversion - Chavonne PP	Gran Paradiso Natural Park	yes	within	channel	0.008	terrestrial ecosystem	national park
Channel from La Nouva diversion - Chavonne PP	it 1205030 - Pont d'Ael	yes	within	channel	0.0008	terrestrial ecosystem	Natura 2000 site
Rhemes diversion channel - Champagne I PP	Gran Paradiso Natural Park	yes	within	channel	0.0008	terrestrial ecosystem	national park
Covalou diversion channel - Châtillon PP	it 1205090 - Xeric environments of Grand Brison and Cly	yes	within	channel	0.0007	terrestrial ecosystem	Natura 2000 site
Miserin regulation lake - Hône 2	Mont Avic Natural Park	no	within	modulation lake	0.16	terrestrial ecosystem	regional park
Vercoche regulation lake - Hône 2	it 1202020 - Mont Avic and Mont Emilius	no	within	modulation lake	0.06	terrestrial ecosystem	Natura 2000 site
Brenve intake - channel - Hône 2	it 1202020 - Mont Avic and Mont Emilius	yes	within	diversion work	0.002	terrestrial ecosystem	Natura 2000 site
Montagnayes Secondary Intake - Valpelline PP	Montagnaya Reserve	yes	within	diversion work	0.001	terrestrial ecosystem	protected area - regional legislation

GRI 304-2: Significant impacts of activities, products and services on biodiversity

A. DESCRIPTION OF SIGNIFICANT IMPACTS (DIRECT AND INDIRECT) ON BIODIVERSITY	
Renewable energy production	Production of energy from renewable sources
Infrastructure construction	Construction site set-up
Habitat reduction	Water diversion - loss of river continuity Area occupied by infrastructure (Plants - photovoltaic)
Soil loss	Area occupied by infrastructure (Plants - photovoltaic)
Possible impact on migration routes	Wind

B. IMPACTS						
Description of the impact	*Direct/ indirect*	*Positive/ Negative*	*i. Species concerned*	*ii. Size of the area concerned*	*iii. Duration of impact*	*iv. Reversibility / Irreversibility of impact*
Renewable energy production	indirect	positive	all species threatened by Climate Change	global	when plants in operation	reversible
Hydroelectricity: habitat reduction - loss of continuity	direct	negative	fish species	stretches of riverbed underlying the diversions	when plants in operation	reversible
Photovoltaics: soil loss	direct	negative	plant and animal species	areas affected by infrastructure	in the presence of infrastructure	reversible
Wind power: possible impact on migration routes	direct	negative	avifauna	areas affected by infrastructure	in the presence of infrastructure	reversible
Construction of new plants - Ecosystems initiatives	direct	negative	plant and animal species	construction site/infrastructure areas	in the presence of construction sites and infrastructure	reversible
Construction of new plants - quarrying material management	direct	negative/ positive	plant and animal species	site/neighbouring areas	in the presence of a construction site	reversible
Construction of new plants - noise	direct	negative	animal species	areas adjacent to the construction site	during the course of some works	reversible
Construction of new plants - vibrations	direct	negative	animal species	areas adjacent to the construction site	during the course of some works	reversible
Construction of new plants - air pollution	direct	negative	plant and animal species	areas adjacent to the construction site	during the course of some works	reversible
Construction of new plants - moving equipment	direct	negative	plant and animal species	roads affected by the construction site	during plant construction	reversible
Construction of new plants - material storage	direct	negative	plant and animal species	site areas	during plant construction	reversible

GRI 304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations

A. TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LISTS	
Habitat name	*Number*
i. Critically endangered species	5
ii. Endangered species	7
iii. Vulnerable species	15
iv. Nearly endangered species	14
v. Species of minor concern	67
Total	**108**

GRI 305-1: Direct (Scope 1) GHG emissions

DIRECT (SCOPE 1) EMISSIONS	2023	2022	2021
From stationary combustion	368	369	337
From combustion of fuels in owned vehicles	391	339	306
From fugitive emissions	239	-	-
Total	**998**	**708**	**643**

GRI 305-2: Energy indirect (Scope 2) GHG emissions

INDIRECT (SCOPE 2) EMISSIONS - MARKET BASED	2023	2022	2021
Electricity	1,167	653	903
District Heating	37.5	26	48
Total	**1,204**	**679**	**951**

INDIRECT (SCOPE 2) EMISSIONS - LOCATION BASED	2023	2022	2021
Electricity	3,917	3,885	3,815
District Heating	37.5	26	48
Total	**3,955**	**3,910**	**3,863**

GRI 305-4: GHG emissions intensity

A./B. EMISSION INTENSITY	Unit of measurement	2023		2022		2021	
		Market-Based	*Location-Based*	*Market-Based*	*Location-Based*	*Market-Based*	*Location-Based*
Total emissions	tCO_2	2,203	4,953	1,387	4,619	1,594	4,506
Installed power	MW	1,148	1,148	1,105	1,105	1,105	1,105
Emission intensity	**tCO2 < MW**	1.92	4.31	**1.26**	**4.18**	**1.44**	**4.08**

C. TYPES OF GHG EMISSIONS INCLUDING EMISSION INTENSITY RATE

Direct (Scope 1) and indirect (Scope 2) emissions from energy consumption

D. GASES INCLUDED IN THE CALCULATION

CO_2 and CO_2 equivalent of petrol, methane, diesel

GRI 306-1: Waste generation and significant waste-related impacts

A. SIGNIFICANT AND POTENTIAL IMPACTS RELATED TO WASTE

Oils for hydraulic systems and maintenance; production of significant quantities of waste from intake scouring operations (non-hazardous).

The criteria for assessing and reporting on whether inputs, activities and outputs result or could result in significant waste-related impacts are:

- Quantity of inputs used to produce the organisation's products or services, which will become waste after being used for production.
- Quantity of output waste produced by the organisation in its own activities, or quantity of output it provides to downstream actors destined to become waste once it reaches the end of its life.

Hazard characteristics of inputs and outputs.

- Properties of input materials or design characteristics of outputs that limit or prevent their recovery or limit their durability.
- Known potential threats associated with certain materials once removed. For example, the potential threat of marine pollution due to the dispersion of plastic packaging into water bodies.
- Types of activities involving the generation of significant amounts of waste or the generation of hazardous waste

GRI 306-2: Waste generation and significant waste-related impacts

A. ACTIONS TAKEN TO PREVENT THE GENERATION OF WASTE IN THE ORGANISATION'S ACTIVITIES AND UPSTREAM AND DOWNSTREAM IN ITS VALUE CHAIN, AND TO MANAGE THE SIGNIFICANT IMPACTS ARISING FROM THE WASTE GENERATED

Oil regeneration

B. DESCRIPTION OF THE PROCESSES USED TO DETERMINE WHETHER THE THIRD PARTY HANDLES THE WASTE IN LINE WITH CONTRACTUAL OR LEGAL OBLIGATIONS

Commitment to proper waste management is required in the contract; the fourth copy of the FIR is requested

C. PROCESSES USED TO COLLECT AND MONITOR WASTE DATA.

Data collection from different production sites and centralised control on specific Atlantide programme

GRI 306-3: Waste generated

A. WASTE GENERATED	2023	2022	2021
Waste generated (t)	**547.784**	**460.02**	**611.085**
Of which non-hazardous	503.63	412.10	553.57
Of which non-hazardous (%)	92%	90%	91%
Of which hazardous	44.15	47.917	57.512
Of which hazardous (%)	8%	10%	9%

B. BACKGROUND INFORMATION
Tonnes at destination as in many cases production is only estimated

GRI 306-4: Waste diverted from disposal

A./B./C./D. WASTE DIVERTED FROM DISPOSAL (T)	2023	2022	2021
Total waste diverted from disposal	227.30	**156.57**	**157.87**
Of which hazardous waste	31.87	31.26	54.83
Preparation for re-use	0.00	0.00	0.00
On site	0.00	0.00	0.00
At an external site	0.00	0.00	0.00
Recycling	0.00	1.14	7.79
On site	0.00	0.00	0.00
At an external site	0.00	1.14	7.79
Other recovery operations	31.87	30.12	47.04
On site	0.00	0.00	0.00
At an external site	31.87	30.12	47.04
Of which non-hazardous waste	195.44	125.31	103.04
Preparation for re-use	0.00	0.00	0.00
On site	0.00	0.00	0.00
At an external site	0.00	0.00	0.00
Recycling	4.56	0.20	0.00
On site	0.00	0.00	0.00
At an external site	4.56	0.20	0.00
Other recovery operations	190.88	125.11	103.04
On site	0.00	0.00	0.00
At an external site	190.88	125.11	103.04

E. BACKGROUND INFORMATION
Lack of infrastructure for on-site recovery

GRI 306-5: Waste directed to disposal

A./B./C./D. WASTE DIRECTED TO DISPOSAL (T)	2023	2022	2021
Total waste directed to disposal	**320.48**	**303.44**	**453.22**
Of which hazardous waste	12.28	16.66	2.69
Incineration (with energy recovery)	0.00	0.00	0.00
Incineration (without energy recovery)	0.00	0.00	0.00
Landfilling	0.00	0.01	0.00
On site	0.00	0.00	0.00
At an external site	0.00	0.01	0.00
Other disposal operations	12.28	16.65	2.69
On site	0.00	0.00	0.00
At an external site	12.28	16.65	2.69
Of which non-hazardous waste	308.20	286.78	450.53
Incineration (with energy recovery)	0.00	0.00	0.00
Incineration (without energy recovery)	0.00	0.00	0.00
Landfilling	261.43	286.59	381.73
On site	0.00	0.00	0.00
At an external site	261.43	286.59	381.73
Other disposal operations	46.77	0.19	68.80
On site	0.00	0.00	0.00
At an external site	46.77	0.19	68.80

E. BACKGROUND INFORMATION
Lack of infrastructure for on-site recovery

417-2 Incidents of non-compliance concerning product and service information and labelling

No incidents of non-compliance were recorded during the reporting period

417-3 Incidents of non-compliance concerning marketing communications

No incidents of non-compliance were recorded during the reporting period

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

In the three-year period 21-23, there were no breaches of customer privacy or losses/leaks/thefts of customer data.

GRI content index

Declaration of use	The CVA Group reported in accordance with GRI Standards for the period 1 January - 31 December 2023.
GRIs used	GRI 1: Foundation 2021
GRI Sector Standard(s)	Not applicable

GRI STANDARD/OTHER SOURCE	INFORMATION	LOCATION	OMISSIONS			GRI SECTOR STANDARD REF. NUM.
			OMITTED REQUIREMENTS	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	**2.1. The organisation and its reporting practices**					
	2-1 Organisational details	• About us; Appendix				
	2-2 Entities included in the organisation's sustainability reporting	• Methodological note The corporate structure CVA S.p.a. (100%), Valdigne Energie S.r.l. (75%), CVA Eos s.r.l. (100%), CVA Energie S.r.l. (100%), Deval S.p.A. (100%), SR Investimenti S.r.l. (100%) • Methodological note				
	2-3 Reporting period, frequency and contact point	• Methodological note				
	2-4 Restatements of information	No changes were made compared to the previous reporting period				
	2-5 External assurance	• Methodological note Independent Auditors' Report				
	2.2. Activities and workers					
	2-6 Activities, value chain and other business relationships	• About us; The value chain				
	2-7 Employees	• We are full of energy; The composition of our people Appendix				
	2-8 Workers who are not employees	• We are full of energy; The composition of our people Appendix				
	2.3 Governance					
	2-9 Governance structure and composition	• About us; Responsible governance Appendix				
	2-10 Nomination and selection of the highest governance body	• About us; Responsible governance				
	2-11 Chair of the highest governance body	• About us; Responsible governance				
	2-12 Role of the highest governance body in overseeing the management of impacts	• About us; Responsible governance				
	2-13 Delegation of responsibility for managing impacts	• About us; Responsible governance Enterprise risk management				
	2-14 Role of the highest governance body in sustainability reporting	• About us; Responsible governance				
	2-15 Conflicts of interest	• About us; Responsible governance				
	2-16 Communication of critical concerns	• About us; Responsible governance; Appendix				
	2-17 Collective knowledge of the highest governance body	Appendix (GRI 2-9)				
	2-18 Evaluation of the performance of the highest governance body	Appendix				
	2-19 Remuneration policies	• About us; Responsible governance				
	2-20 Process to determine remuneration	• About us; Responsible governance				
	2-21 Annual total compensation ratio	Appendix				
	2.4. Strategy, policies and practices					
	2-22 Statement on sustainable development strategy	• Letter to stakeholders				
	2-23 Policy commitments	• About us; Responsible governance • About Us; The Strategic Business Plan 2023-2027				
	2-24 Embedding policy commitments	• About us; Responsible governance; Enterprise risk management				
	2-25 Process to remediate negative impacts	• About us; Enterprise risk management; Sustainability risk assessment; Responsible governance				
	2-26 Mechanisms for seeking advice and raising concerns	• About us; Responsible governance				
	2-27 Compliance with laws and regulations	• Appendix				
	2-28 Membership associations	• About us; Associations CVA is part of				
	2.5. Stakeholder engagement					
	2-29 Approach to stakeholder engagement	• About us; Materiality analysis and dialogue with stakeholders Appendix				
	2-30 Collective bargaining agreements	• Appendix				

GRI 3: Material topics	**3. Material topics**	
	3-1 Guidance to determine material topics	• About us; Materiality analysis and dialogue with stakeholders
	3-2 List of material topics	• About us; Materiality analysis and dialogue with stakeholders
	3-3 Management of material topics	• About us; Materiality analysis and dialogue with stakeholders
Reduction of CO2 emissions (Scope 1 and 2)		
GRI 3: Material topics 2021	***3-3 Management of material topics***	• We are the energy of the future
GRI 302: Energy 2016	***302-1 Energy consumption within the organisation***	• We are the energy of the future Appendix
	302-3 Energy intensity	Appendix
GRI 305: Emissions 2016	***305-1 Direct (Scope 1) GHG emissions***	• We are the energy of the future; Group carbon footprint Appendix
	305-2 Energy indirect (Scope 2) GHG emissions	• We are the energy of the future; Group carbon footprint Appendix
	305-4 GHG emissions intensity	Appendix
Water resource management		
GRI 3: Material topics 2021	***3-3 Management of material topics***	• We are reliable and innovative • We are the energy of the future
GRI 303: Water and Effluents 2018	***303-1 Interactions with water as a shared resource***	• We are the energy of the future; Water resource management Appendix
	303-2 Management of water discharge-related impacts	• We are the energy of the future; Water resource management
	303-3 Water withdrawal	• We are the energy of the future; Water resource management
	303-4 Water discharge	• We are the energy of the future; Water resource management
Soil consumption, protection of biodiversity and landscape		
	3-3 Management of material topics	• We are the energy of the future; Plant management for the respect of biodiversity and the environment
GRI 304: Biodiversity 2016	***304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas***	• We are the energy of the future; Plant management for the respect of biodiversity and the environment Appendix
	304-2 Significant impacts of activities, products and services on biodiversity	• We are the energy of the future; Plant management for the respect of biodiversity and the environment Appendix
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	• We are the energy of the future; Plant management for the respect of biodiversity and the environment Appendix
Trust, reputation and territorial anchoring		
GRI 3: Material topics 2021	***3-3 Management of material topics***	• We are full of energy • About us; Responsible governance
GRI 204: Procurement practices 2016	***204-1 proportion of spending on local suppliers***	• We are full of energy; Close to our suppliers
GRI 205: Anti-corruption 2016	***GRI 205-2 - Communication and training about anti-corruption policies and procedures***	• About us; Responsible governance Appendix
	205-3 Confirmed incidents of corruption and actions taken	Appendix
GRI 417: Marketing and labelling 2016	***417-2 Incidents of non-compliance concerning product and service information and labelling***	Appendix
	417-3 Incidents of non-compliance concerning marketing communications	Appendix
Well-being and skills development		
GRI 3: Material topics 2021	***3-3 Management of material topics***	• We are full of energy
GRI 202: Market presence 2016	***202-2 Proportion of senior management hired from the local community***	Appendix

GRI 401: Employment 2016	***401-1 New employee hires and employee turnover***	• We are full of energy; The composition of our people; Appendix
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	• We are full of energy; Well-being at CVA Appendix
	401-3 Parental leave	Appendix
GRI 402: Labour/Management Relations	***GRI 402-1: Minimum notice periods regarding operational changes***	Appendix
GRI 403: Occupational Health and Safety	***GRI 403-1 Occupational health and safety management system***	• We are full of energy; Health and safety Appendix
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	• We are full of energy; Health and safety Appendix
	GRI 403-3 Occupational health services	Appendix
	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	Appendix
	GRI 403-5 Worker training on occupational health and safety	• We are full of energy; Health and safety Appendix
	GRI 403-6 Promotion of worker health	Appendix
	GRI 403-8 Workers covered by an occupational health and safety management system	• We are full of energy; Health and safety Appendix
	GRI 403-9 Work-related injuries	• We are full of energy; Health and safety Appendix
	GRI 403-10 Work-related ill health	Appendix; • We are full of energy; Health and safety
GRI 404: Training and Education 2016	***404-1 Average hours of training per year per employee***	• We are full of energy; Upskilling and reskilling initiatives Appendix
	404-2 Programs for upgrading employee skills and transition assistance programs	• We are full of energy; Upskilling and reskilling initiatives Appendix
GRI 405: Diversity and equal opportunities 2016	***405-1 Diversity of governance bodies and employees***	Appendix
	405-2 Ratio of basic salary and remuneration of women to men	Appendix
GRI 406: Non-discrimination 2016	***406-1 Instances of discrimination and corrective actions taken***	Appendix
Cybersecurity and data protection		
GRI 3: Material topics 2021	***3-3 Management of material topics***	**About us**
418: Consumer Privacy 2016	***418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data***	**Appendix**

MATERIAL TOPICS NOT COVERED BY GRI TOPICS

GRI STANDARD/ OTHER SOURCES	INFORMATION	LOCATION	OMISSIONS			GRI SECTOR STANDARD REF. NUM.
			OMITTED REQUIREMENTS	REASON	EXPLANATION	
Asset integrity and resilience						
GRI 3: Material topics 2021	***3-3 Management of material topics***	• We are full of energy				
CVA indicators	***Investments in plant maintenance and upgrades***	• We are reliable and resilient				
CVA indicators	***Producibility, load factor, availability index, scheduled and unscheduled unavailability index***	• We are reliable and resilient				
Technological and service innovation						
GRI 3: Material topics 2021	***3-3 Management of material topics***	• We are reliable and resilient				
CVA indicators	***Number of software programs developed in-house***	• We are reliable and resilient; In-house software for smarter and more resilient plants				
Renewable energy production and mitigation of the impacts of the energy crisis						
GRI 3: Material topics 2021	***3-3 Management of material topics***	Management of material topics				
CVA indicators	***CO_2 emissions avoided***	• We are reliable and resilient				

GRI INDICATORS NOT RELATED TO MATERIAL TOPICS

GRI STANDARD/ OTHER SOURCES	INFORMATION	LOCATION	OMISSIONS			GRI SECTOR STANDARD REF. NUM.
			OMITTED REQUIREMENTS	REASON	EXPLANATION	
GRI 306: Waste	***306-1 Waste generation and significant waste-related impacts***	• We are the energy of the future; Waste management Appendix				
	306-2 Management of significant waste-related impacts	• We are the energy of the future; Waste management Appendix				
	306-3 Waste generated	• We are the energy of the future; Waste management Appendix				
	306-4 Waste diverted from disposal	• We are the energy of the future; Waste management Appendix				
	306-5 Waste directed to disposal	• We are the energy of the future; Waste management Appendix				

Independent Auditors' Report

EY
Building a better working world

EY S.p.A.
Via Meucci, 5
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of Consob Regulation adopted with Resolution n. 20267 of January 18, 2018 (Translation from the original Italian text)

To the Board of Directors of
Compagnia Valdostana delle Acque S.p.A. - Compagnie Valdôtaine des Eaux S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of Consob Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Compagnia Valdostana delle Acque S.p.A. - Compagnie Valdôtaine des Eaux S.p.A. and its subsidiaries (hereinafter "Group") for the year ended on 31st December 2023 in accordance with article 4 of the Decree, and approved by the Board of Directors on 12th June 2024 (hereinafter "DNF").

Our limited assurance engagement does not cover the information included in the paragraph "The alignment of CVA with the European Taxonomy" of the DNF, that is required by art. 8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
Capitale Sociale Euro 2.600.000,00 i.v.
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Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Compagnia Valdostana delle Acque S.p.A. - Compagnie Valdôtaine des Eaux S.p.A. Group's consolidated financial statements;
4. understanding of the following aspects:
   - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
   - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
   - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

   With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below

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5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
   In particular, we have conducted interviews and discussions with the management of Compagnia Valdostana delle Acque S.p.A. - Compagnie Valdôtaine des Eaux S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

   Furthermore, for significant information, considering the Group activities and characteristics:
   - at Group level:
     a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
     b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

   - For the company Deval S.p.A., that we have selected based on its activities, relevance to the consolidated performance indicators and location, we have carried on-site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Compagnia Valdostana delle Acque S.p.A. - Compagnie Valdôtaine des Eaux S.p.A. Group for the year ended on 31st December 2023 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusions on the DNF of the Compagnia Valdostana delle Acque S.p.A. - Compagnie Valdôtaine des Eaux S.p.A. Group do not refer to the information included in the paragraph "The alignment of CVA with the European Taxonomy" of the DNF itself, that is required by art.8 of the European Regulation 2020/852.

Turin, 4th July, 2024

EY S.p.A.
Signed by: Ettore Abate, Auditor

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

C.V.A. S.p.A. a s.u.

Compagnia Valdostana delle Acque
Compagnie Valdôtaine des Eaux

Via Stazione, 31 - 11024 Châtillon
Valle d'Aosta - Italia

T. +39 0166 82 3111
F. +39 0166 82 3031

sostenibilita@cvaspa.it
www.cvaspa.it