



 **Gruppo
Dolomiti
energia**

Consolidated
Non-Financial Disclosure

2020

Pursuant to Italian Legislative Decree no. 254 of 2016

For information or comments on this disclosure
an email can be sent to comunicazione@dolomitienergia.it

Cover: Lake Garda from Monte Stivo
Photo: Tommaso Prugnola, Dolomiti Energia Group Archive

CONSOLIDATED NON-FINANCIAL DISCLOSURE 2020

Pursuant to Italian Legislative Decree no. 254 of 2016



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Letter to Stakeholders

Dear Stakeholders,

The fourth Non-Financial Disclosure of the Dolomiti Energia Group is an opportunity to share the activities carried out and results achieved over the last year, integrating the company strategy in the area of environmental, economic and social sustainability with the goal of creating a better future for everyone. For the Dolomiti Energia Group, our new “sostenibile per natura, sostenibile per scelta” (“sustainable by nature, sustainable by choice”) payoff encapsulates our awareness of the impact our activities have on the quality of life of the communities and areas in which we operate. This is reflected by our corporate culture based on transparency, the importance of people, respect for the environment and the constant improvement of the lives of citizens and customers: a management approach that seeks to develop competitive services, shared value and positive economic results through a sustainable development model.

The good business results achieved represent a starting point for the promotion of plans and projects, with the aim of further boosting the Group’s competitiveness on the market and responding to future challenges to ensure the responsible growth of the business. An approach which in 2020 involved important initiatives for the digitalisation of processes, services and products in the areas of smart grids, sustainable mobility and remote working. During the year we continued to implement solutions for the evolution and digitalisation of corporate processes in the context of the administration and advanced management of smart networks and industry 4.0, and launched a partnership with Microsoft focused on the digital transformation of the Energy & Utilities sector.

In addition to digitalisation there is also our commitment to the circular economy with the extension of the quantity-based urban waste tariff to major buildings in Trento, the implementation of energy-saving initiatives at customer and partner properties, the improvement of the energy efficiency of public lighting in certain municipalities, and by offering business and retail customers the chance to receive energy exclusively from renewable sources, cogeneration, or the production of biomethane and energy from the organic fraction. The commitment to the circular economy has been consolidated also by maintaining excellent levels of separate waste collection in the local areas served and enriched with the launch of a series of preliminary actions for the introduction of circular economy practices in the procurement area.

In the area of clean water and responsible consumption we have promoted initiatives, also through our social media channels, for improving waste sorting, for the sustainable consumption of tap water, and for the reuse of resources.

In 2020 the Group continued to make an important contribution to supporting national and provincial strategies in the area of decarbonisation and combating climate change. Our commitment to reducing climate-changing emissions by strengthening our ability to generate energy from renewable sources led to the acquisition of Veneta Esercizi Elettrici and the purchase of a stake in Iniziative Bresciane, both active in the production of hydroelectric energy, in 2020. The initiatives in the area of the efficient use of resources have promoted dedicated solutions for customers, for energy savings and to analyse and reduce consumption, but also gas and energy offers including energy efficiency services. During the year these were joined by the Ecobonus 110% Dolomiti Energia solution, a service that enables families and buildings to access real estate energy efficiency measures

with a “turnkey” formula. In line with our local and national e-mobility plans and the EU’s targets for reducing the carbon dioxide emissions of vehicles, through our holding in Neogy we continued to work on the widespread extension of the current regional infrastructure of charging stations with 411 new charging points, powered with 100% renewable energy, installed during the year. In order to ensure the continuity and quality of our services to citizens, we continued with our measures to bolster the safety, security and resilience of our networks, particularly the electricity distribution and sewage networks, now increasingly subject to extreme weather events.

In order to offer families innovative tools able to integrate the energy requirements of individuals with the collective need for greater social and environmental sustainability, partnerships such as Etika and Sinergika have been consolidated which offer concrete and accessible opportunities to save energy, consume 100% clean energy and make an everyday contribution to initiatives to protect the environment and safeguard future generations or social and charity projects. In line with the Business Plan, which provides the guidelines for the future development of the Group, activities consistent with the sustainability goals of the UN Agenda have been planned particularly in the area of energy production from renewable sources and the development of innovative services connected with consolidated activities like energy efficiency, e-mobility and smart cities. In order to make our energy services accessible to an ever greater number of people we continued to develop the gas and electricity distribution networks through the acquisition of the electricity distribution networks of the Municipality of Sella Giudicarie and the management of the gas distribution network in Isera and Pergine Valsugana. In 2020, in order to facilitate the work-life balance and enable employees to manage their work more flexibly, the Group sales company continued to develop the Family

Audit certification initiatives. Following the widespread introduction of remote working, employees were involved in a survey to assess the impact of this form of work not just on their professional lives but also on their private lives ahead of the issuing of a company regulation once the health emergency was over. In 2020 the Group analysed the risk connected with the health emergency and its impact on employee health and safety, business continuity and regulatory compliance. As regards workplace safety, the activities conducted to reduce the frequency and seriousness of accidents, through projects aimed at implementing models promoting safe behaviour, based on the BBS (Behaviour Based Safety) method, will continue in 2021 at Set, Dolomiti Ambiente and in the operational sectors of the Holding Company (Laboratory and Warehouse). In 2021 we will continue to promote and raise awareness of the more sustainable use of resources and correct waste sorting among the public. More steps will be taken to review and optimise operating processes with the aim of increasing overall efficiency and reducing the use of paper, thanks to the implementation of paperless processes and the adoption of information systems for the digitalisation of the field activities of operating staff (Work Force Management). In order to optimise its services for the general public, in 2020 Novareti obtained ISO 45001 certification and experimented with the use of technology facilitators, such as virtual reality, for the training of its operating staff. In 2021 the Group will continue to assess the impact of the COVID-19 epidemic on its various activities and, where necessary, introduce mitigation actions such as those promoted during the first few months of the year, including the elimination of the fixed sales costs associated with the final quarter of 2020 for all VAT-registered customers at national level, who in October, November and December 2020 recorded a reduction of at least one third in their consumption levels compared with the same period the year before. These will be joined by the donation of €250,000 to the Comunità Solidale Foundation to support families who have suffered the economic consequences of the pandemic. Lots of initiatives focused on personal health and safety were launched in 2020 in response to the impact of the pandemic with various measures connected with safeguarding the public, customers and employees. In particular, to mitigate the rise in daytime consumption costs connected with the lockdown, for all free market residential customers with the two-part tariff the sales company applied the night-time rate for entire day in March and April, helping over 175,000 customers in the process. 112,000 households and businesses were given the opportunity to suspend their urban waste collection and water cycle payments without the application of any interest or penalties. The issuing of new bills for these services was also postponed.

In addition, to enable customers to receive their bills in real time, without any possible delays due to the slowdown of postal service activities, Dolomiti Energia pre-activated the `bollett@mail` service for all customers that had never previously used online customer services. Finally, for all non-direct debit customers a dedicated phone number was created to provide them with all the information and assistance they needed on paying their bills from home.

Always attentive to the health and wellbeing of its workers, the Dolomiti Energia Group introduced a specific insurance policy for all employees to provide them with concrete support should they be admitted to hospital as a result of the COVID-19 virus. This measure joined the other actions taken in the early days of

the emergency when the Group introduced remote working, a method adopted by 64% of non-operational staff during the most critical periods. Employees were immediately given protective devices and instructions on behaviour and good practices to adopt to protect their health and a psychological help desk was set up. In the post-lockdown phase all employees were also given the chance to undergo an antibody test and rapid lateral flow tests were introduced and also extended to contacts outside the employee's bubble, where requested.

Valuable economic support was also provided to the Group's suppliers. To support small and medium-sized enterprises at such a delicate time, Dolomiti Energia chose to make advanced payments on invoices due in April and May, eliminating the usual timeframes associated with payments and pouring over €9 million of cash into the local economic fabric.

Finally, there is help that Dolomiti Energia provides to the local community and more vulnerable categories through dedicated projects like Etika, the Cooperazione Trentina and Dolomiti Energia electricity and gas initiative which saw €250,000 allocated to the solidarity fund for the donation of food packages for people in economic difficulty. The fund also made it possible to launch a psychological support project for more vulnerable people.

Another €250,000 was donated by the Dolomiti Energia Group to UPIPA, the association that brings together the retirement homes and public service companies of Trentino, for the purchase of healthcare materials so the people that work in these structures can protect their own health and safeguard that of their elderly residents.

The sustainability strategy of the Dolomiti Energia Group seeks to integrate, in an increasingly organic way, business and responsibility in its various sectors of activity: ethics, safe and secure infrastructure, respect for people, smart and flexible networks, user-friendliness, efficiency and reuse of resources, accessible services, energy transition, decarbonisation, sustainable water management, workplace safety, human rights, the safeguarding of resources, responsible consumption. The Group's goal and challenge for the future is people's general wellbeing: providing excellent everyday services with the aim of creating long-term shared value and a better future for everyone.

The Chairman
Massimo De Alessandri

The Dolomiti Energia Group

1 mln.

tonnes of carbon dioxide avoided thanks to 100% green supplies
(1.1 mln. tonnes in 2019)

98.3%

Energy produced from renewable sources
(97.3% in 2019)

25,940

hours of training provided during the year
(34,153 hours in 2019)

1,434

people
(1,362 in 2019)

3,991 GWh

Energy generated
(3,631 GWh in 2019)

€1,397

million total revenue and other income
(€1,500 in 2019)

82.6%

Average separate waste collection (Trento Rovereto)
(80.95% in 2019)

63%

public shareholders

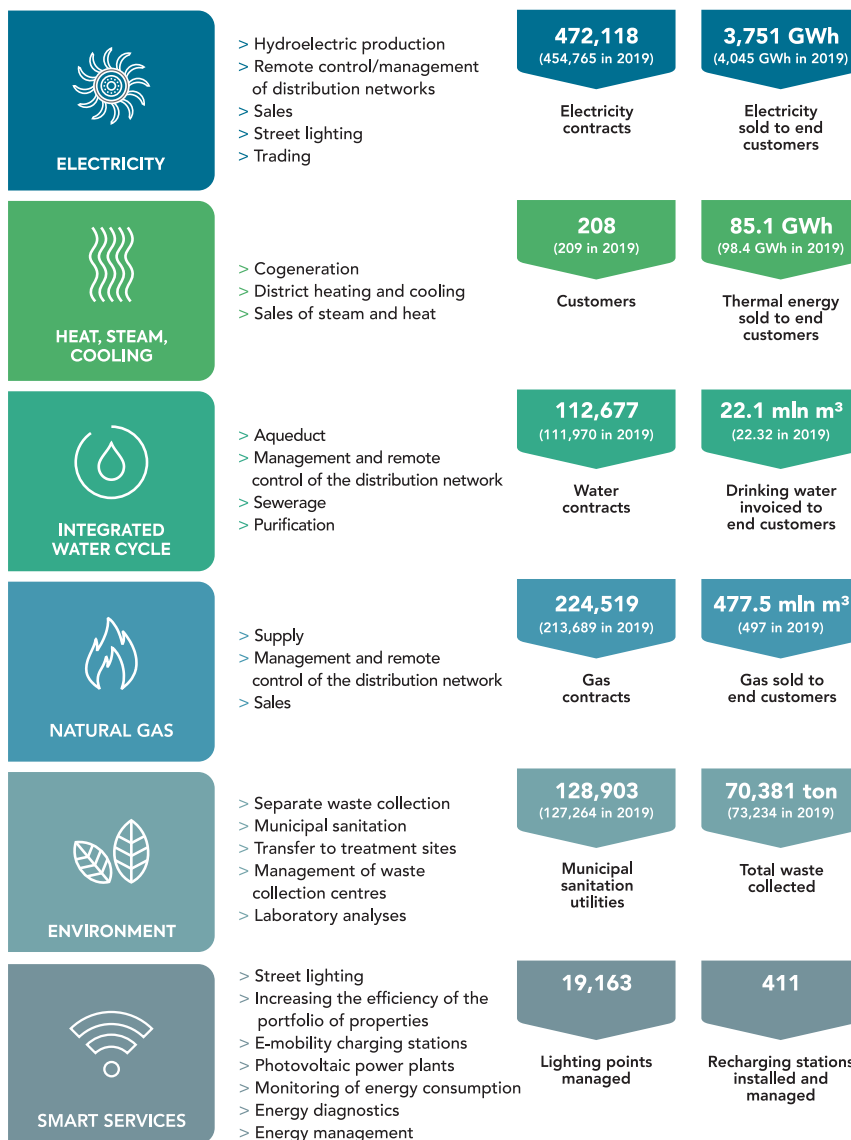
€87.7

million invested
(€63.2 mln. in 2019)

Profile and main activities

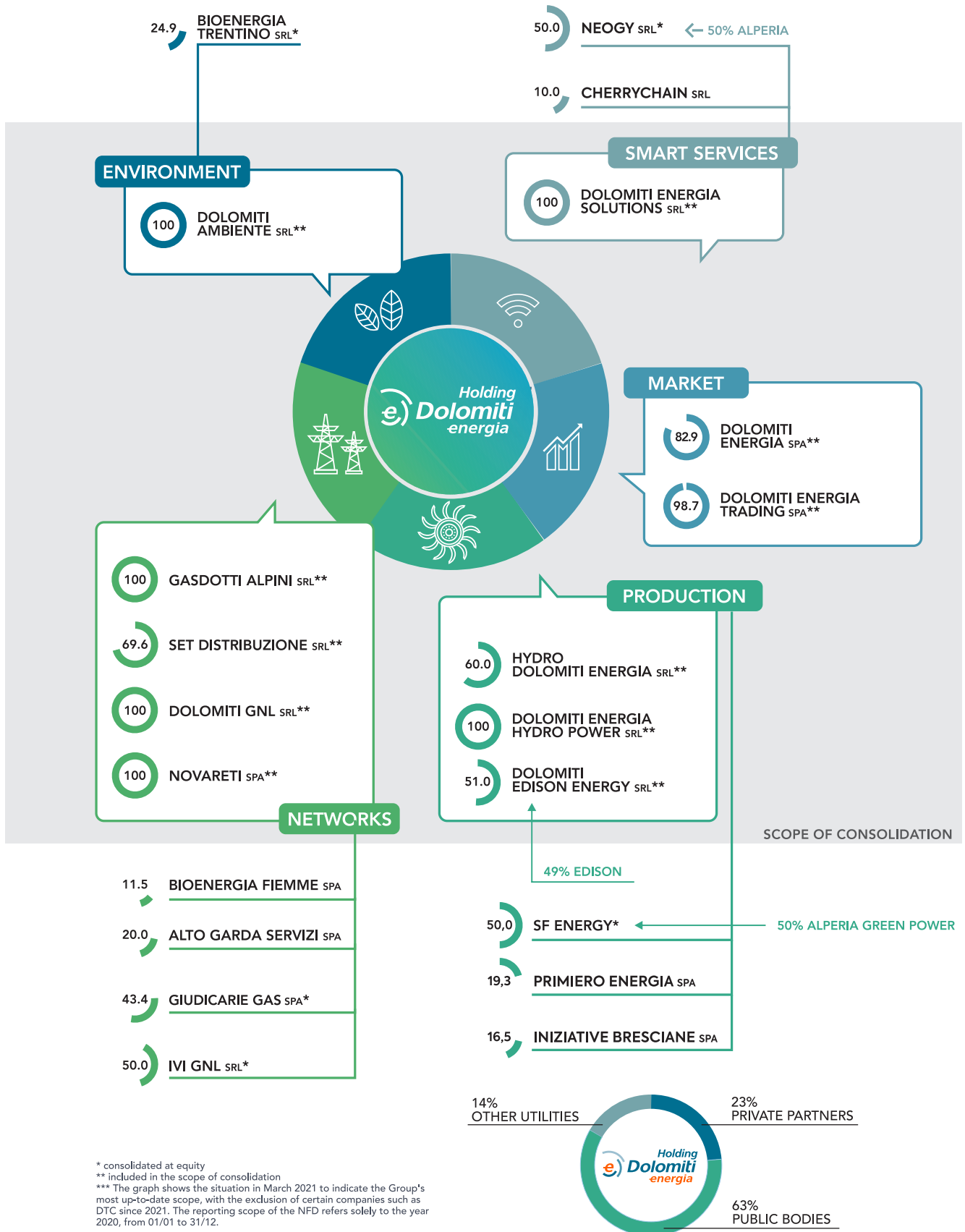
The Dolomiti Energia Group was founded under the name Trentino Servizi almost 20 years ago following the merger of SIT and ASM, the historic public services companies of Trento and Rovereto. Today the Group is one of the biggest multi-utility companies in Italy. The Group is active across the entire energy supply chain (production, distribution and sale of electricity, distribution and sale of gas, cogeneration and district heating), in the management of the integrated water service (drinking water, sewerage and purification), the management of environmental services (collection, waste disposal, street sweeping, laboratory testing), public lighting services and in the energy efficiency and e-mobility field.

Activities managed



For more information on the quantitative and economic data, please refer to the 2020 Report on Operations published on the website www.gruppodolomitienergia.it

Company structure (March 2021)



Ownership structure

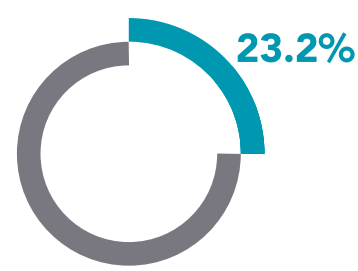
The Dolomiti Energia Group is fully controlled by Dolomiti Energia Holding SpA, on which the various operational companies depend. The shareholders of reference of Dolomiti Energia Holding are the Municipal Administrations of Rovereto and Trento and Provincia Autonoma di Trento. The Municipalities of Mori, Ala, Volano, Calliano and Grigno, together with many other Trentino municipalities, also hold investments in the Company, totalling 3% of the share capital.

Public Bodies



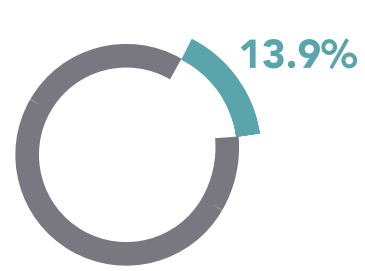
- **47.8%**
FinDolomiti Energia
(Joint partners with 33.3% each: Municipalities of Trento and Rovereto and Trentino Sviluppo)
- **5.8%**
Municipality of Trento
- **4.3%**
Municipality of Rovereto
- **3%**
Other municipalities in Trentino
- **2%**
BIM

Private Partners



- **11.9%**
FT Energia
- **5.3%**
Fondazione Caritro
- **4.2%**
ISA
- **1.8%**
EnerCoop

Other Utilities



- **6.4%**
Treasury shares
- **3%**
STET
- **1.2%**
AGS
- **1.5%**
Other local utilities
- **1%**
AIR
- **0.8%**
ACSM Primiero
(0.6% Primiero Energia
0.2% ACSM)

Mission and values

The historical local presence of the companies that created the Dolomiti Energia Group has consolidated an image of safety, environmental friendliness and quality services in the minds of our customers. The Dolomiti Energia Group aims to consolidate and reinforce this image, above all in the current period of heated competition and growing market complexity, by committing itself to its customers and to its stakeholders inside and outside to a continuous and gradual improvement of the service and of performance, both environmental and health and safety. This commitment takes concrete form through a strong technological and social innovation capability aimed at efficiently meeting the needs of customers and communities by optimising processes and identifying integrated and customised solutions, protecting the environment, guaranteeing improvement in the health and safety conditions for the company's personnel and its exter-

nal collaborators. The starting point for the strategies of the Dolomiti Energia Group and the first ethical principle of its actions is observance of the instructions given by the Competent Authorities in compliance with the applicable laws. The framework of reference of the values that inspire the policies and operational style of the Dolomiti Energia Group and that take shape branch out from this principle.

CUSTOMERS

Knowledge of citizens' needs and its bond with the territory are the primary references of the company's business, which aims at satisfying customers and at integrating and continuously improving the quality of its services. This is why the Dolomiti Energia Group considers having direct contact with the customer and creating a relationship based on the following as essential:

- Trust: knowing how to earn the respect of customers through conduct marked by expertise, reliability, honesty and the habit of guiding customers to the most advantageous solutions.
- Helpfulness and flexibility: the ability to adapt to the needs of customers.
- Clarity: providing simple and understandable answers.
- Attention: knowing how to listen to customers in order to understand their expectations, even if not obvious.
- Reliability: always fulfilling the commitments made to customers.

HUMAN RESOURCES

The Dolomiti Energia Group is aware that the functioning of the organisation, the attainment of its objectives and the improvement of occupational health and safety conditions depend on the basic contribution of all employees.

The Company therefore pays enormous attention to human resources:

- by bolstering the spirit of teamwork;
- by creating conditions in which everyone is able to creatively express their talents;
- by motivating and involving personnel in the development of its projects and the achievement of its objectives;
- by enabling people to improve their skills, knowledge and capabilities in the work environment and through training plans;
- by creating a work atmosphere and climate based on openness, fairness and respect for individual personalities, thoughts and opinions;
- by creating and fomenting a management climate able to motivate, recognise and reward contributions at team and individual level.

INNOVATION

The Dolomiti Energia Group has a strong bond with the local territory, a factor which explains its need to improve its present and future impact on the environment. It is therefore focused on investing in innovation, in terms of social and technological development, in order to both improve the protection of natural resources and the sustainability of energy sources, and the health and safety conditions of people.

CONTINUOUS IMPROVEMENT

For the Dolomiti Energia Group continuous improvement is the cultural, intellectual and motivational bedrock of the organisation. Its ability to rise to challenges at all levels is key to guaranteeing its success in terms of customer services, respecting the environment, health and safety prevention, employee satisfaction and remaining competitive. With this approach the Dolomiti Energia Group therefore aims to promote the culture of quality, health and safety and environmental protection in relation to both its own employees and its external stakeholders.

Values

The mission, values and objectives of the Dolomiti Energia Group are heavily influenced by the public nature of the Group's activities, its compliance with current legislation and its sustainable use of natural and local resources.

Strategy

The Dolomiti Energia Group has modulated its objectives and development strategies in a perspective not only local, but also outside the region and nationwide. In this sense, the Dolomiti Energia Group intends to:

- consolidate, strengthen and develop its presence in the area it serves by providing services of the highest possible quality, with particular attention on aspects related to the environment, safety, sustainability and service excellence;
- aim to strike a suitable balance between regulated activities and those typical of the free market;
- strengthen its presence on the multiutility market as regards both production and procurement, and the distribution and marketing of energy products and services, with a particular focus on reducing climate-altering emissions, saving resources, energy efficiency and savings, and the strengthening of smart networks.

In order to achieve these important objectives the Group companies have identified a series of strategic lines of development particularly in the area of renewable energy production and, more generally, in the development of innovative services connected with the Group's historic activities (energy efficiency, e-mobility, public lighting, the smart city).

Creation of economic value

Main economic and financial data *

	2020	2019	2018
Value added (€ million)	392	366	358
Leverage (net financial position on shareholders' equity)	0.46	0.41	0.45
ROI (EBIT/net invested capital) %	7.5	7.1	7.5
Gross operating margin/revenue and other income %	17	14.5	14.8
ROS (EBIT/turnover) %	12.5	10.2	10.6
TOTAL REVENUE AND OTHER INCOME (€ MILLION)	1,397	1,500	1,460
Gross operating margin (€ million)	238	217	216
Investments (€ million)	87.7	63.2	51.2

* For more information on the economic performance of the Group and its assets and financial position see the 2020 Report on Operations published at www.gruppodolomitienergia.it

Value added

Value Added is the Group's ability to create wealth through the company's business cost-efficiently and to distribute it among the various stakeholders in the socio-territorial context in which it operates. The creation of value for Shareholders and all other Stakeholders is one of the Group's objectives. The economic value generated and distributed throughout the financial year is represented here in a reclassified Income Statement of the Consolidated Financial Statements at 31 December 2020.

Value added (€ thousand)

	2020	2019	2018
ECONOMIC VALUE GENERATED BY THE GROUP	1,413,103	1,489,542	1,463,201
Revenue	1,397,413	1,499,763	1,459,848
Other income	18,540	2,566	5,725
Financial income	1,907	1,309	1,947
Value adjustments of investments	-	(9,071)	(1,554)
Write-downs	(4,757)	(5,025)	(2,765)
ECONOMIC VALUE DISTRIBUTED BY THE GROUP	(1,269,453)	(1,394,410)*	(1,344,661)
Operating expenses	(1,023,620)	(1,136,102)	(1,107,920)
Remuneration of collaborators	(67,387)	(66,739)	(67,017)
Remuneration of lenders	(6,536)	(810)	(8,978)
Remuneration of investors	(42,994)	(63,584)*	(46,942)
Remuneration of public administration	(126,786)	(125,029)	(112,080)
Sponsorships and donations	(2,130)	(2,146)	(1,724)
ECONOMIC VALUE HELD BY THE GROUP	143,650	95,132*	118,540
Amortisation/depreciation and allocations	58,194	49,078	56,527
Other reserves	85,456	46,054*	62,012

* The value differs to that declared in the 2019 Non-Financial Disclosure as it also includes the dividend of the Parent Company approved by the Shareholders' Meeting

In 2020, the Group generated €392 million of Value Added (€366 million in 2019). The Group distributed value to its employees, suppliers and Public Administration through taxes, duties and fees, to Shareholders with payment of dividends, to Lenders and, lastly, to the Community through donations and sponsorships.

For further details with regard to the implications of COVID-19 on company strategy and performance, see the Consolidated Financial Statements.

Responsible governance

33%

Women on the Board
of Directors
(33% in 2019)

16.7%

Women executives
out of total
executives
(12% in 2019)

0

Cases of
corruption
reported
(0 in 2019)

The governance model

The growing complexity of the competitive scenario in which the Dolomiti Energia Group operates and the regulatory provisions adopted in the sector over the last few years have led the Management to define an organisational and governance structure characterised by flexibility and efficiency, able to promote technological innovation and continuous improvement in order to enhance the expertise of our human resources, guarantee customer satisfaction, and respect the environment and all relevant regulations.

As such, the organisational model of the Dolomiti Energia Group is based on the following principles:

- Primary processes are assigned to specific corporate entities, which have full responsibility for them, while business support processes are centralised in the corporate and organisational structure of the Parent Company, which manages, coordinates and controls management and operational activities on one hand, and provides assistance and supplies services on the other.
- The Group performs its management, coordination and control activities on the basis of three-year strategic plans which are translated into annual budgets that, in turn, are used as a reference for the planning, checking and approval of the activities of the single companies. The annual budgets are monitored on a monthly basis and subject to quarterly reports presented to the Board of Directors.
- The composition of the Boards of Directors of the subsidiaries is defined with a view to optimising the coordination and management of Group activities and guaranteeing consistency with the Company's business, with respect for the relevant legislation in force.
- The company organisation, the structure of the hierarchical lines of reporting and the distribution of responsibilities, powers and tasks between the various organisational functions and within each function are designed to guarantee an effective system of overlapping and cross-checks for all processes and company activities, particularly for processes regarded as critical for the Group.
- The Group governance and organisation system is focused on the corporate separation of activities subject to accounting and functional unbundling regulations. Pursuant to Italian and European Community legislation, the Group constitutes a so-called vertically integrated company as it both distributes natural gas (Novareti S.p.A.) and electricity (SET Distribuzione S.p.A.) and sells it to end customers (Dolomiti Energia S.p.A.). Consequently, the Group is subject to the Functional Separation obligations established by law, i.e. a series of measures aimed at guaranteeing distribution companies a level of decision-making autonomy and independence that simulates ownership unbundling. In other words, functional separation establishes a situation whereby parties (natural persons) who manage a given activity are not involved in the management of other activities along the chain. The distribution system operator, should it be part of a vertically integrated company, must be independent in terms of its legal form, organisation and decision-making powers from the other activities carried out by the Group and not connected with distribution.
- The corporate governance model involves a series of organisational and control processes which consist of the clear identification and sharing of corporate values, the determination of a multi-year strategic and business plan, the mapping and assessment of associated risks, the definition of adequate safeguards to prevent and manage risks and the resulting internal control system. In line with this approach,

an annual internal audit plan is defined by the Group and subject to periodic reporting to the Board of Directors and Board of Statutory Auditors.

The organisation and governance system is therefore composed of bodies, committees, organisational positions and measures and organisational mechanisms which contribute to the decision-making processes of the Group and the individual Companies: the Shareholders' Meeting; the Board of Directors; the Board of Statutory Auditors and internal control committee; the Executive Committee; the Chairman; the Chief Executive Officer; the Independent Operator for the electricity and gas distribution networks; the Employers and delegated employers; the Environmental Officer; the Risk Committee; the Supervisory Bodies; the Credit Collection Committee; the Operational Business Managers.

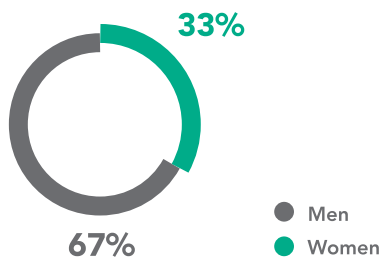
Following Dolomiti Energia Holding S.p.A.'s listing of a financial instrument, the Company implemented a process to update its organisational and governance mechanisms and information flows in order to manage the obligations resulting from the listing.

Composition of the Board of Directors and Executive Committee of Dolomiti Energia Holding

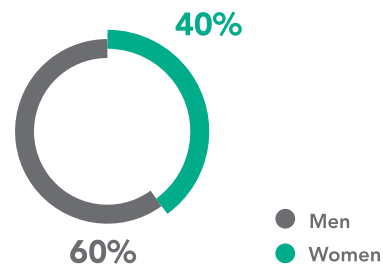
Director	Office	List	Holding Company
Massimo De Alessandri	Chairman	M	Chairman
Marco Merler	Chief Executive Officer	M	○
Massimo Fedrizzi	Vice Chairman	m	○
Rudi Oss	Director	M	○
Giorgio Franceschi	Director	m	○
Laura Pedrotti	Director	M	
Agostino Peroni	Director	M	
Manuela Seraglio Forti	Director	M	
Lino Benassi	Director	m	
Carlotta Baroldi	Director	m	
Paolo Mattei	Director	m	
Arianna Comencini	Director	M	

M/m: Majority/minority list

Directors by gender diversity

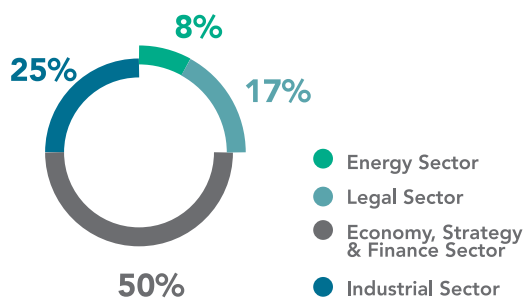


Composition of the Board of Statutory Auditors

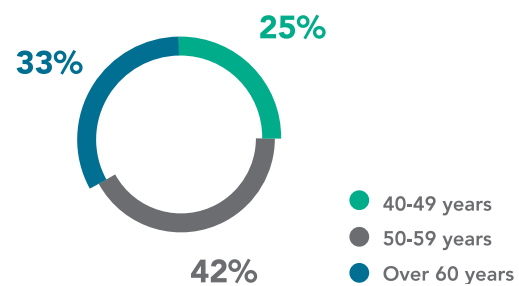


Pursuant to legal provisions and the Company's Articles of Association, the Board of Statutory Auditors is composed of three standing auditors and two alternate auditors, appointed by the Shareholders' Meeting in accordance with the gender balance. The term of office for the Board of Statutory Auditors is three years.

Directors by specialised background diversity



Directors by age diversity



Main organisational changes

The main organisational changes which took place during the year are outlined below:

- Acquisition by Dolomiti Energia SpA of the electricity marketing wing of the Municipality of Sella Giudicarie, effective as of 01/01/2021.
- Incorporation of Hydro Investments Dolomiti Energia Srl in Hydro Dolomiti Energia Srl by reverse merger.
- Acquisition by Dolomiti Energia SpA of the electricity marketing wing of the Municipality of Selvino following a tender procedure, effective as of 01/01/2020.
- Acquisition by Dolomiti Ambiente Srl of the commercial activities branch of Dolomiti Energia Holding dedicated to the urban waste service, effective as of 01/01/2020.
- Acquisition by Centraline Trentine Srl of the entire parcel of shares in Veneta Esercizi Elettrici Srl, active in the renewable energy sector, from Acciaierie Venete SpA.
- Merger through incorporation of Centraline Trentine Srl in Veneta Esercizi Elettrici Srl and subsequent changing of company reverse merger name to Dolomiti Energia Hydro Power Srl, a wholly-owned subsidiary of Dolomiti Energia Holding SpA
- Sale of treasury shares by Dolomiti Energia Holding SpA to Consorzio Elettrico di Pozza di Fassa Società Cooperativa.
- Sale of treasury shares by Dolomiti Energia Holding SpA to Consorzio Elettrico di Storo.

- Acquisition by Dolomiti Energia Holding SpA of a 16.52% shareholding in Iniziative Bresciane SpA, active in the renewable energy sector.
- Formation of the company Gasdotti Alpini Srl, active in the gas transportation and distribution sector.
- Acquisition by Dolomiti Energia Holding SpA of 50% of the share capital of IVI GNL Srl and subsequent pro rata capital increase of IVI GNL.
- Subjection, as of 1 July 2020, of Dolomiti Edison Energy Srl to the management and coordination of Dolomiti Energia Holding SpA with supply of the main corporate services by Dolomiti Energia Holding and its subsidiaries in place of Edison.
- Acquisition by Novareti SpA, following a tender procedure, of the gas distribution networks in the municipality of Isera from the Municipality of Isera, effective as of 01/01/2021.
- Acquisition by Novareti SpA, following a tender procedure, of the branch of Isera Srl concerning the gas distribution network management service in the municipality of Isera, effective as of 01/01/2021.
- Acquisition by Novareti SpA of the branch of STET SPA concerning the distribution of gas in the municipality of Pergine Valsugana, effective as of 01/01 2021.

Risk management

The Group's risk management system is composed of specific rules, instruments, organisational responsibilities and procedures so the company can be run ethically, transparently and honestly, preventing risks which might jeopardise the operational and strategic objectives of the Dolomiti Energia Group, in accordance with the laws and regulations in force.

The enterprise risk management system involves various roles in the context of their own specific competences:

- the Board of Directors, which provides guidance and assesses the adequacy of the system;
- the Board of Statutory Auditors, which monitors the adequacy of the organisational and control structure and also acts as an internal control and audit committee;
- the Risk Manager, who oversees the mapping of corporate risks and relative controls with specific reference to liquidity and energy commodity risks;
- the Compliance department manager, who contributes to defining and updating regulatory risk controls, together with the Compliance officers of the Group's various businesses;
- the Internal Audit department manager, tasked with checking that the risk management system is up to date, effective and adequate, including with reference to impacts on the company organisation and control system;
- the Planning and Development department manager, responsible for periodically monitoring the company's economic and financial performance;
- the direct managers of the company departments responsible for monitoring and managing company risks;
- the Supervisory Body and Corruption Prevention Manager, who monitor the adequacy and effective-

ness of the risk prevention oversights with regard to offences pursuant to Italian Legislative Decree 231/01 which benefit the organisation and corrupt practices that damage the organisation.

The Group mapped of all the Dolomiti Energia Group risks, assessed on the basis of their regulatory, economic, financial, operational, reputational and sanctioning impact and the probability of them occurring, taking into account the controls developed by the Group to prevent, mitigate and manage such risks.

Examples of relevant risk scenarios include unfavourable weather conditions, the processes for participating in major competitive procedures for concessions, the disruption or damage to networks and plants caused by natural disasters with an impact on the local area, the community and the continuity of services, risks connected with regulatory developments, health, safety and environmental risks, privacy risks, risks connected with the inadequacy of organisational aspects and human resources with an impact on the company's ability to fulfil its commitments, risks of offences pursuant to Italian Legislative Decree 231/2001, risks of corruption, risks of fraud by internal and external staff. In consideration of these potential risk scenarios, the Group has defined, planned and implemented the following specific controls, which it monitors at all times: the Group Code of Conduct; anti-corruption policies and measures; environmental, diversity and human rights policies; the Organisation and Control Models pursuant to Italian Leg. Decree 231/01; the company procedures, bodies, positions, organisational functions with relative human resources and competences for the management and control of such oversights; and, lastly, specific support tools, e.g. activity plans, IT security measures, risk management and control indicators.

In particular, in 2020 the Group considered and analysed the risk connected with the health emergency and its impact on employee health and safety, business continuity and regulatory compliance.

The aforementioned monitoring activities performed by the various company departments and the different risk control measures described make up the Internal Control System which is geared to ensuring, in line with a healthy and prudent management approach, the achievement of the strategic goals, the containment of the aforementioned risks, the effectiveness and efficiency of company processes and respect for laws and internal and external regulations. The Internal Audit department, within the context of its responsibility for verifying the completeness, adequacy, functionality and reliability of the Internal Control System, defines and implements an annual risk-based Internal Audit plan which is subject to the approval of the holding company's Board of Directors.

In terms of significant aspects relating to environmental and health and safety risks, control measures are planned and implemented by the Quality, Safety and Environment department which periodically reports to the management on these issues. Similarly, other company departments plan and carry out second-level control activities on specific aspects such as protecting the privacy of Dolomiti Energia Group stakeholders, respect for human resources policies, the implementation of IT security measures, the monitoring of compliance with the regulations on the responsibility of the company pursuant to Legislative Decree 231/01 and anti-corruption.

Conscious of the crucial role that company information and the IT systems play in achieving its strategic goals, considering the constant growth and evolution of cyber threats and aware that IT security is a continuous improvement process, the Dolomiti Energia Group continues to carry out activities and initiatives in the various technology, organisational and HR areas.

This continuously evolving process involves the adoption of technologies to prevent and safeguard against cyber attacks, organisational adjustments, the definition and review of suitable policies and procedures, and continuous awareness-raising activities so people know how to mitigate IT security risks.

For more detailed information on the topic please see the "Report on Operations and Consolidated Financial Statements 2020" approved by the Company's Board of Directors and available at the website www.gruppodolomitienergia.it

CLIMATE CHANGE: THE RESILIENCE PLAN TO MITIGATE NETWORK INFRA-STRUCTURE RISKS

In recent years there has been a notable increase in the number of lengthy power cuts at national level attributable to the damage caused by particularly violent and large-scale weather events which, due to effects of climate change, are becoming increasingly common occurrences.

For this reason SET has drawn up a three-year plan aimed at improving the resilience of its network infrastructure to extreme stress caused by critical risk factors such as:

- Particularly intense snowfall that may lead to accumulations of ice or snow;
- Flooding caused by particularly heavy rainfall;
- Heat waves;
- Trees falling on aerial lines

SET Distribuzione drafted its 3-year resilience plan in 2019 and updated it in 2020. The plan identifies measures designed to mitigate the problem of trees falling on aerial lines, the biggest risk factor in the areas in which SET Distribuzione operates. Thanks to the implementation of the measures outlined in the plan, around 30,000 users will benefit from uninterrupted services even in the event of exceptional weather events.

Rules and tools for integrity

Code of Conduct

The Dolomiti Energia Group has adopted a Code of Conduct with the goal of defining and spreading the ethical principles and rules of conduct of the Group, which must be followed by all those who - in the context of their role and responsibilities - work to achieve the company's objectives. The Group Code of Conduct is approved by the Board of Directors of the holding company and adopted by the Boards of Directors of the individual subsidiaries..

The Organisation and Control Model pursuant to Italian Legislative Decree no. 231/01

In order to guarantee the honesty and ethics of the company's activities, the Dolomiti Energia Group has also adopted its own Organisation and Control Model pursuant to the provisions of Italian Legislative Decree no. 231/2001 on the subject of corporate responsibility. The Model aims to make shareholders, directors, employees and collaborators fully aware of the Decree's provisions. Thanks to the identified prevention protocols and the supervisory activity - carried out by a specific in-house and permanent Supervisory Body - the Model makes it possible to prevent and/or promptly react to prevent the commission of crimes including, but not limited to, corporate offences, corruption offences, offences against Public Administration and offences involving health and safety and the environment.

The Model pursues the governance of the company's activities according to shared procedures and rules that distribute responsibilities and balance the relationship between operational management and auditing and control activities. The Model must therefore be constantly supervised and adapted to the organisational, operational and regulatory evolution of the Company.

In 2020, the 231 Model of each Group company was updated in order to strengthen the prevention measures against the new predicate crimes introduced in Leg. Decree 231/2001 in 2019 and 2020, with particular reference to tax crimes, to some new crimes against Public Administration, and to 231 risks intensified by the ongoing health emergency. The Group Code of Conduct and the Organisation and Control Models of the Group Companies are published on the internal corporate portal and on the website of each Company.

All Group suppliers and partners are requested to observe the principles of the Group Code of Conduct and the respective Organisation and Control Model when entering into contracts with the Group. These principles are also communicated and explained during the recruitment process and subsequently in the event of updates.

In addition, in order to guarantee the constant updating of the Group's management and organisational model, the company documents containing the latest organisational and procedural changes were updated and published during the year following the evolution of the company's organisation and operations.

Fight against active and passive corruption

For some years, the Dolomiti Energia Group has developed and implemented structured initiatives and activities to prevent crimes such as corruption offences against both public authorities and private parties. Observance of the laws and the committed fight against corruption are clearly established in the Group Code of Conduct, given tangible form in the working practices and methods defined and circulated through the company procedures, and supported, promoted and monitored through a system of communication, training and constant monitoring.

Company policies for combating corruption

The main corruption prevention tool used in the Dolomiti Energia Group consists of the Organisation and Control Model pursuant to Leg. Decree no. 231/01, which has been developed, adopted and constantly updated as an integral part of the activities of the Dolomiti Energia Group.

At the same time, the Group, aware of the importance of combating corruption and in light of the current social and political context, has decided to strengthen its prevention model with further specific measures to prevent corruption offences committed by Company representatives to the detriment of the Company. These join the pre-existing company regulations to prevent corruption offences pursuant to Leg. Decree no. 231/01, committed for the benefit or in the interests of the Company.

The organisation of the Dolomiti Energia Group is characterised on the one hand by the decentralisation of the various primary processes in specific companies and, on the other, by the centralisation of support and management processes within the corporate and organisational structure of parent company Dolomiti Energia Holding, which coordinates management and operating activities on one hand, and provides assistance and services to all of the Companies on the other. Based on this rationale, the system is developed at Group level, in strict coordination with the legal representatives of the subsidiaries and their Supervisory Bodies.

In 2020 the Group continued to spread the principles, values and codes of conduct designed to prevent acts of corruption among its employees, suppliers and company partners, also through specific training courses.

In 2020 the Group also guaranteed the constant updating and adaptation of the 231 Model on the basis of organisational, regulatory and operational changes in the Group, also monitoring the adequacy and efficacy of the relative company procedures periodically reported to the Supervisory Body and the Board of Directors.

Managing the fight against corruption

With reference to the above, and in compliance with the provisions of Italian Legislative Decree no. 231/01, the Dolomiti Energia Group companies have therefore set up their own Supervisory Body with the aim of supervising the functioning, effectiveness and observance of the Model by all its recipients. The Companies have also identified a corruption prevention manager tasked with supervising the adequacy and implementation of the supplementary corruption prevention measures. The Organisation and Control Model pursuant to Italian Legislative Decree no. 231/01 of each Group company is checked by the Supervisory Body and approved by the BoD of the Company. The specific corruption prevention measures are drawn up by the Group Corruption Prevention Manager, approved by the Board of Directors of the parent company and adopted by the Boards of Directors of the subsidiaries.

Commitments made to fighting corruption

The Dolomiti Energia Group has always placed considerable importance on values and ethics when managing the company's businesses. This is why it undertakes to operate in all areas according to the principles of integrity, honesty and transparency, in observance of current legislation, and has taken steps to prevent the risk of corruption infringements as identified by the main tools and national and international legislation to which the Group refers on this topic. The Dolomiti Energia Group undertakes to share its anti-corruption measures with all personnel that work for the organisation or on its behalf and to make them available to the public.

Corruption prevention provisions

The main prevention protocols are: principles and codes of conduct, the budget as a tool for guidance and control, the separation of powers and activities aimed at preventing a totally autonomous position from being able to carry out a process sensitive to corruption offences; traceability and the reporting of sensitive transactions; the procedures and authorising powers of reference; specific rules and control mechanisms according to the process; the whistleblowing process as an instrument for revealing any offences and breaches in the company's activities. For more details on the measures, refer to the documents published at www.gruppodolomitienergia.it and disseminated and accessible to employees and third parties where applicable. The Group has carried out risk assessment activities in order to identify risk areas and measures for preventing corruption. This analysis is summarised in a document called Matrix of Offences, Risks and Processes which is shared with the Supervisory Bodies and the basis for the anti-corruption measures approved by the Boards of Directors. The risk analysis is included both within the Organisation and Control Models published on the websites of the Group companies, and in the anti-corruption measures published on the Group website. The main processes exposed to the risk of corruption in the Dolomiti Energia Group are sales, procurement, consultancy, payments, sponsorships, recruitment, and relations with public or private parties.



The sustainability of the Dolomiti Energia Group

The Group focuses close attention on sustainability and corporate social responsibility, the issues on which its values and actions are based. This commitment translates into tangible initiatives to reduce the socio-environmental impact of the Group's activities, for example through the production of renewable energy, the promotion of energy efficiency products and services, and proximity to customers with green, ethical and socially-responsible commercial offers. The principles and codes of conduct in terms of sustainability are laid down in various Group documents such as the Code of Conduct; the 231 Organisational Model; the policies, guidelines, procedures, directives and instructions connected with specific and qualifying areas in this regard, such as anti-corruption, the protection of human rights, the protection of the environment and personal health and safety, the protection of diversity and equal opportunities, and investments and projects that combine business and social objectives.

The governance of sustainability within the Dolomiti Energia Group is also guaranteed through the monitoring of sustainability reporting activities via a set of over 90 KPIs (Key Performance Indicators) arising from an analysis of the GRI guidelines and information provided by stakeholders. In 2020 the Group expanded its computer platform for the collection of data, enabling the sharing of data and greater integration between sustainability and company processes, and updated roles, responsibilities and activities for the reporting process. The individual data managers in all Group operational areas collect and enter the data that drives the system, and these are then viewed centrally by the team consisting of the Administration department, the Planning and Management Control department and the Communication department which prepares the Non-Financial Disclosure in collaboration with all of the Group's departments. In addition, there is the Energy Management department of Dolomiti Energia Solutions, with which a service has been formalised to the benefit of all Group companies. This service handles the collection of data regarding environmental aspects. In addition to the reports, the constant dialogue with Stakeholders provides an indication of the effectiveness of the actions taken.

The social topics pertaining to relations with the community are monitored by the Communication department and the top management, while the topics pertaining to the people that work for the Group are managed by the Human Resources department. In early 2020 the role of overseeing the sustainability issues connected with the activities of the company and the interaction dynamics of the latter with all of its stakeholders was assigned to the Executive Committee which is now tasked with assisting the Board of Directors with preliminary activities, both propositional and consultative in nature, regarding all sustainability evaluations and decisions, in accordance with the principles of the Code of Conduct and the other tools that guide the Group's actions. During the year works continued to more effectively integrate the issue of sustainability in the Group's activities and strategies, as per the sustainability goals of the Business Plan, which envisages an evolution that is compatible and consistent with some of the shared development goals defined by the UN in the 2030 Agenda.

Stakeholders

Listening to stakeholders makes it possible to prevent the risk of not promptly identifying the occurrence of potential critical issues and enables honest and transparent dialogue with internal and external stakeholders affected directly or indirectly by the Group's decisions which seek, as far as possible, to take account of the expectations of said stakeholders. The Group relations system often sees the main stakeholders play a dual role: employees are also customers, institutions can also be shareholders, citizens and suppliers are also users/customers.

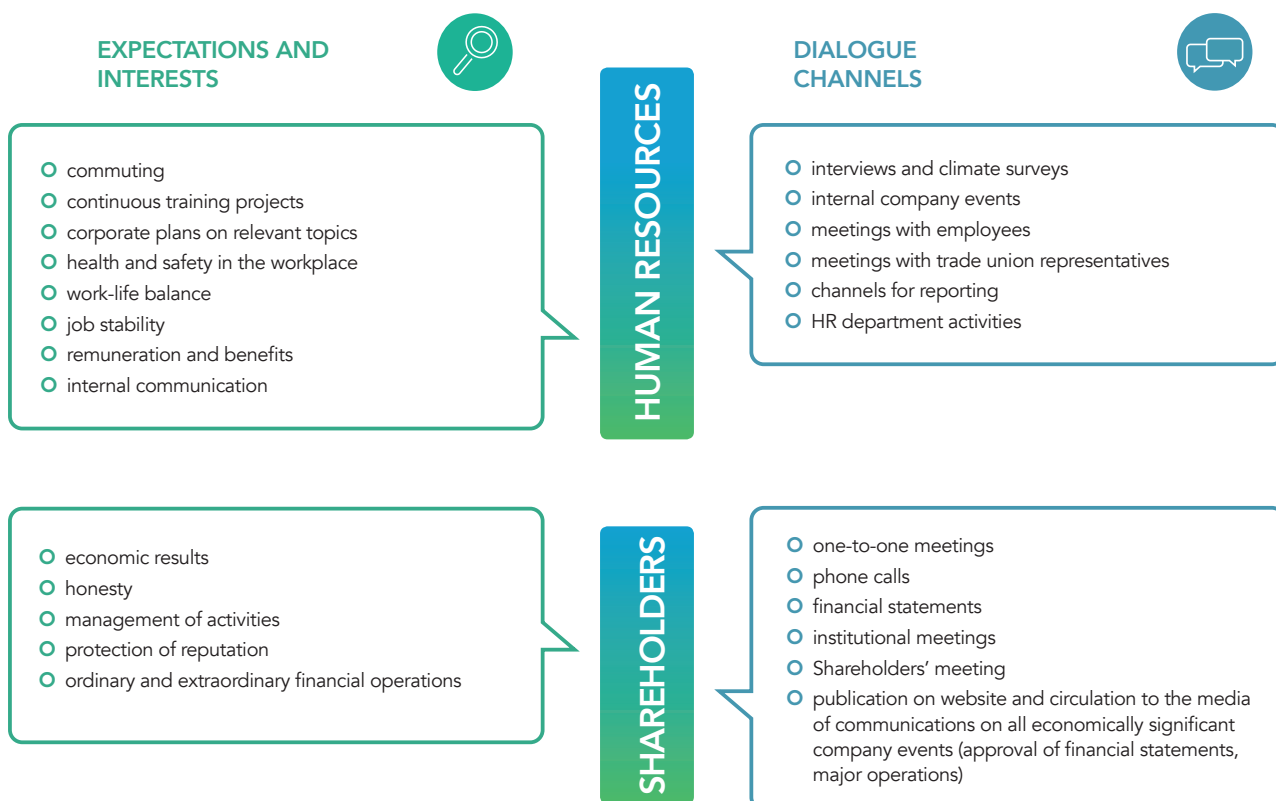
The Group's main categories of stakeholders are illustrated below:

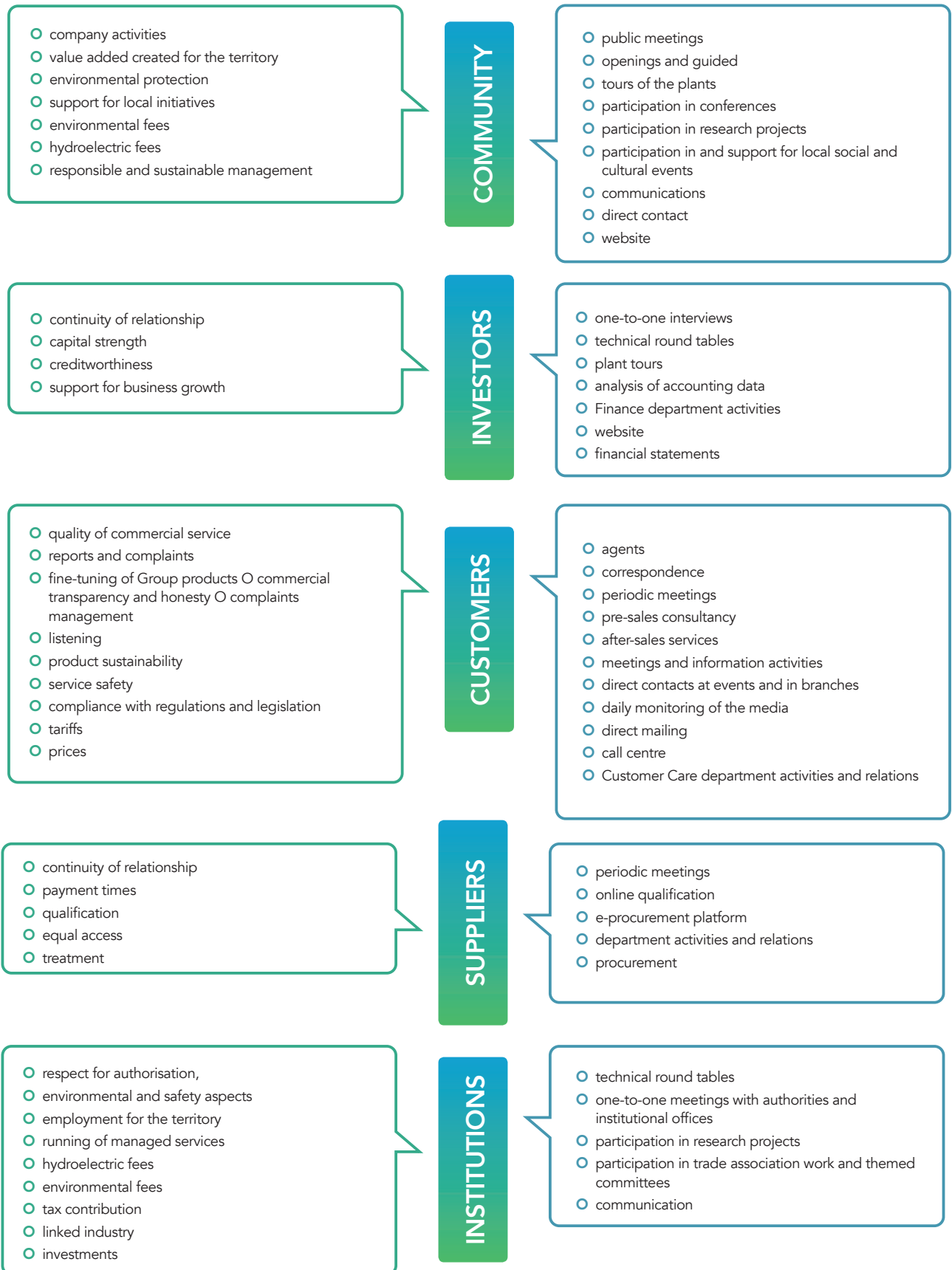


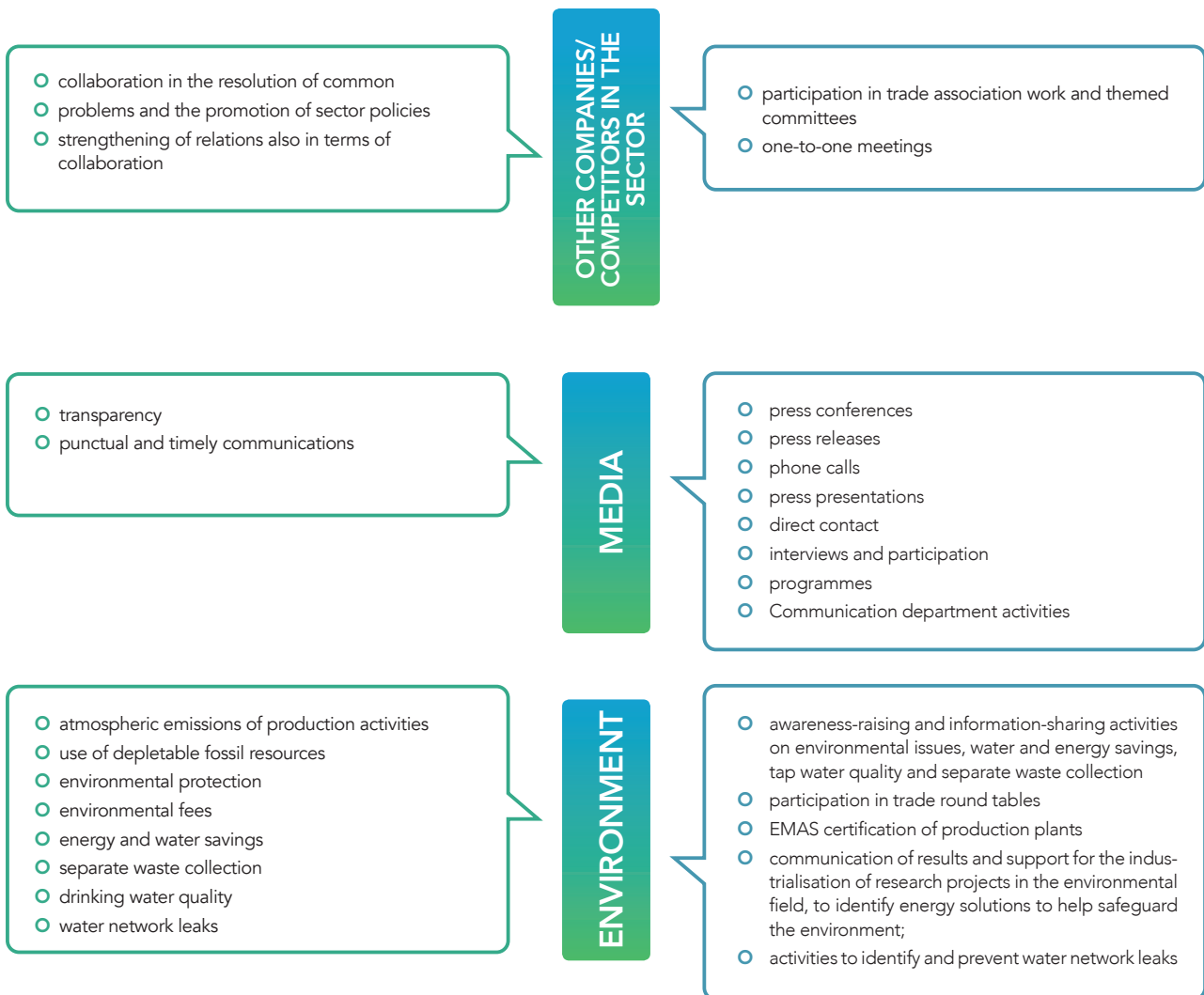
Stakeholder engagement

With varying frequency, different communication, listening, dialogue and partnership methods (customer satisfaction surveys, press reviews, meetings with institutional customers, meetings with the financial community, etc.) are active for every category. These aim to identify and understand the expectations of stakeholders, which are analysed and taken into consideration when defining material topics. An attempt is made to satisfy these expectations through company strategies and actions in order to improve the socio-environmental impact of the Group’s activities. As regards internal and external stakeholder initiatives promoted in 2020, of particular note were: the completion of the survey on work-related stress in the various Group companies, the Dolomiti Energia customer satisfaction survey (both domestic and VAT-registered customers) and the Dolomiti Energia and Dolomiti Ambiente customer satisfaction survey conducted through short questionnaires at branches (an activity reduced in 2020 because of the closures and restrictions connected with Covid-19). The updating and dissemination of company policies (HDE, DEE) in the workplace and on the websites also continued.

Communication days were held at Hydro Dolomiti Energia and SET to involve and inform employees. Internally, surveys were carried out on issues connected with information technology, the use of company vehicles and remote working in order to gather important information on areas of improvement. Quality and performance indicators were monitored in order to highlight trends in terms of internal and customer service processes as compared with defined goals, and the level of efficiency and effectiveness of these processes/services was also measured. Activities were also launched in 2020 (on a trial basis) to evaluate the performances of suppliers with the aim of sharing the results with the suppliers themselves and defining improvement plans.









Analysis of priorities

According to the responsible approach that distinguishes the Group's actions, sustainability is seen as the correct management and mediation between the requirements and needs of the Company, the territories where it operates, people, the environment and the local communities.

For this reason, in 2017 the Group carried out its first materiality analysis in order to identify the most important sustainability issues for the Group and its stakeholders: those on which to focus particular attention and work on a constant basis and, at the same time, to base the contents of this document in line with the GRI Standards.

The materiality analysis was carried out using a structured evaluation process that involved the main Group departments responsible for potentially relevant non-financial issues. In particular, to begin with, aspects of potential relevance to the Group and its stakeholders were identified using energy/multiutility sector benchmark analyses, internal information sources and studies connected with the world of sustainability. These topics were then closely analysed with the managers of 17 different areas/departments in order to determine their relevance. As spokespersons for the global vision of the Dolomiti Energia Group's processes and activities, the internal representatives evaluated the individual issues from both the point of view of the company and its stakeholders.

The Group also updated its materiality analysis in 2020 through the performance of benchmarking and media search activities as well as following consultation with the company management and various internal departments which gave their assessment of the relevance of the material topics identified according to various criteria: alignment with company strategy, economic and environmental impact, reputational risks and impacts, consistency with internal policies, commitments undertaken and the Code of Conduct. This analysis and assessment process pinpointed 29 topics with 22 of these considered to be more relevant and added to the materiality matrix. At the same time, three pre-conditions underlying the sustainability model were identified: the creation of sustainable economic value over time; the adoption of an effective and transparent governance system to support the business; constant attention on the issues of legal and regulatory compliance. The benchmarking activities and the meetings with the top management led to the confirmation of the list of material topics published in the 2019 Non-Financial Disclosure. The result is the below materiality matrix which identifies the topics of greatest relevance, aspects that are consequently analysed in this Disclosure.

Material topics identified

- Ethics and integrity in managing the business*
- Corporate welfare and occupational health and safety*
- Management of emergencies and business continuity*
- Efficient and sustainable use of water*
- Fight against corruption*
- Accessibility, efficiency and reliability of the service*
- Innovation, quality, safety of the service and listening to and satisfying the customer*
- Reduction of energy consumption and greenhouse gas emissions*
- Mitigation of exposure to risks and development of business opportunities*
- Technological innovation, energy efficiency, renewable energies and district heating*
- Reduction of waste and adoption of responsible disposal methods*
- Operations deep-rooted throughout the territory*
- Relations with the community and local institutions*
- Wellbeing, work-life balance and employment protection*
- Quality and costs of the waste collection service and urban embellishment*
- Innovative and efficient production and distribution management
- Support to the Community and Non-Profit Sector*
- Selection, management and control of suppliers and contractors according to criteria of fairness, transparency and social and environmental sustainability*
- Transparent, clear and honest communication and marketing practices*
- Staff training and development*
- Raising awareness on the sustainable use of resources*
- Biodiversity and protection of natural assets*
- Promotion of the sustainability criteria in governance and in relations with the financial community*
- Purification of wastewater
- Protection of human rights and workers' rights
- Diversity, equal opportunities and inclusion
- Dialogue and internal communication
- Trade union relations
- Performance Management and remuneration of personnel

* Material topics identified as significant and represented in the matrix

Materiality matrix



- | Relevant | RELEVANCE FOR THE DOLOMITI GROUP | Very relevant |
|--|--|---|
| <ul style="list-style-type: none"> 1 Ethics and integrity in business management 2 Corporate welfare and workplace health and safety 3 Management of emergencies and business continuity 4 Efficient and sustainable use of water 5 Combating corruption 6 Accessibility, efficiency and affordability of the service 7 Innovation, quality and safety of the service and listening to and satisfying customers | <ul style="list-style-type: none"> 8 Reduction in energy consumption and greenhouse gas emissions 9 Mitigation of exposure to risks and development of business opportunities 10 Technological innovation, energy efficiency, renewables and district heating 11 Reduction of waste and use of sustainable disposal methods 12 Operations firmly rooted in the local area 13 Relations with the community and local institutions 14 Well-being, work/life balance and employment protection | <ul style="list-style-type: none"> 15 Quality and cost of waste collection and urban embellishment service 16 Support for the community and the third sector 17 Selection, management and supervision of suppliers according to criteria of integrity, transparency and social/environmental sustainability 18 Transparent, clear and correct communication and marketing practices 19 Enhancing sustainability criteria in governance and in relations with the financial community 20 Staff training and development 21 Raising awareness of the sustainable use of resources 22 Biodiversity and protection of natural capital |

Sustainability goals 2020-2022



CLEAN WATER AND SANITATION

Ensure availability of drinking water, guarantee safety and sanitation, reduce leaks, guarantee controls along the supply chain

- Strengthen water leak detection service;
- Launch mass substitution of water meters;
- Installation of remote controlled sensors to monitor the quality of water in the water networks;
- Improve efficiency of sewage networks;
- Identify new water sources to combat climate change.



GENDER EQUALITY

Develop an inclusive corporate culture aimed at promoting diversity

- Extension of the Family Audit project to other Group companies;
- Combat all forms of discrimination in the Group;
- Promote a corporate culture that respects gender differences;



AFFORDABLE AND CLEAN ENERGY

Ensure access to energy, guaranteeing its continuity and reliability and improving infrastructure for safer and more resilient networks

- Develop the commercial web platform to promote the range of green products and services;
- Gradual introduction of second-generation smart meters;
- Extend gas distribution networks;
- Stardust project;
- Replace unprotected lines with cables and undergrounding of electricity distribution grid



DECENT WORK AND ECONOMIC GROWTH

Promote a safe workplace, the ongoing training, updating and qualification of employees, welfare initiatives

- Work-related stress risk assessment;
- Continue to reduce the risk of accidents through behaviour-based safety projects;
- Consolidation of employee welfare initiatives.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Pursue policies and actions to support the local economic fabric and the development of infrastructure

- Support the development of fibre optic infrastructure
- Digitalisation of commercial processes
- Increase investments in plants and distribution networks, including digitalisation, to improve the quality and continuity of the service and the resilience of the infrastructure;
- Digitalisation of operational staff management (e.g. WFM project).

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SUSTAINABLE CITIES AND COMMUNITIES

Plan measures to combat climate change risks, reduce the environmental impact of cities, select socially responsible suppliers

- Develop charging infrastructure for e-mobility;
- Intensify partnerships with universities, schools and research institutes for shared development with communities;
- Consolidate Hydrotour project;
- Strengthen environmental awareness activities and promotion of circular economy;
- Strengthen sustainability criteria in the selection of suppliers;
- Increase the number of lighting point installations managed for the public lighting efficiency service;



RESPONSIBLE CONSUMPTION AND PRODUCTION

Monitor and manage the waste cycle, promote a culture based on the reduction of waste production through prevention, sorting, recycling and reuse.

- Increase the number of electric vehicles in the company fleet;
- Introduce a Group sustainability policy;
- Mass distribution of bins for the collection of used domestic oil and promotion of initiatives for the recycling of sanitary towels;
- Strengthen the transparent reporting of sustainability goals and initiatives;



CLIMATE ACTION

Increase the energy efficiency of the Group and promote its products and services, pursue policies and actions to reduce climate-altering emissions

- Increase generation of renewable energy;
- Promote the development of plants for the production of Biomethane from waste;
- Improve the efficiency of company site energy performances.
- Revamp Rovereto cogeneration power plant;
- Incentivise the use of network water to promote more sustainable behaviours



LIFE BELOW WATER

Manage and protect water-related ecosystems to limit negative impacts

- Continue to prepare the technical elements required to further mitigate environmental impacts ahead of participation in tenders for the renewal of concessions for the major hydroelectric power sources;

Sustainable products and services

We supply families and companies with the services they need for their everyday lives: energy, gas, water, heating, air conditioning, clean cities. We undertake to guarantee efficient services, people's safety, customised energy solutions and competitive prices, quality of work and life for our employees, value for our shareholders, environmental protection and growth for the communities where we operate and a better future for our planet.

Products and services



The Dolomiti Energia Group is active right throughout the electricity supply chain with its electricity production, distribution and sales activities. The electricity sector represents an important share of the Group's total turnover. Our customers consist of the citizens (household customers) and companies (business customers) of the Province of Trento where the Group is leader in the distribution of energy and gas, and from all over Italy for the sale of electricity and gas and energy efficiency services and products. The Group also manages the municipal sanitation service for the cities of Trento and Rovereto and the public lighting service in some municipalities. It also provides district heating for citizens and businesses in Rovereto and Trento, and manages the water service in 10 municipalities in Trentino, most of which located in the Val dell'Adige. The Dolomiti Energia Group's most important stakeholders are its customers. Understanding their expectations, providing punctual and innovative services, supplying them to as many people as possible under favourable conditions, strengthening their communication and facilitating their accessibility are social responsibility objectives that the Group undertakes to achieve through concrete initiatives.

Electricity production

The total net energy produced by the Group through hydroelectric power plants, cogeneration facilities, photovoltaic power plants and the gas turbine plant in Ponti sul Mincio came to 3,991 GWh (3,631 GWh in 2019). In 2020 hydroelectric energy production represented 98.3% of the total (97.3% in 2019).

HYDROELECTRIC PRODUCTION

The Group develops its production capacity in the field of hydroelectric energy with hydroelectric plants it manages directly. This energy is generated by Hydro Dolomiti Energia, Dolomiti Energia Holding, SF Energy, Dolomiti Edison Energy and Dolomiti Edison Energia Hydro Power through the hydroelectric power plants located in the Trentino-Alto Adige and Veneto regions. Producing energy from environmentally friendly sources, such as hydroelectric power, plays an important role in protecting the environment, reducing greenhouse gas emissions and the use of other forms of energy production with considerable environmental impact.

Installed capacity (MW)*

	2020	2019	2018
hydroelectric power	1,454.26**	1,453.05	1,316.12

* The installed hydroelectric power figure for 2020 includes Hydro Dolomiti Energia, Dolomiti Energia Holding and Sf Energy, and is not comparable with the figures in previous years due to the variation in the scope under consideration.

** The data relative to Dolomiti Edison Energy is not shown as Edison was responsible for the operational management of the plants until 01/07/2020.

Energy generated (GWh)*

	2020*	2019	2018
Hydroelectric	3,922	3,533	3,563

* As well as HDE, DEH and DEHP, the companies SF Energy and Dolomiti Edison Energy were included when calculating the quantity of hydroelectric energy generated.

THERMOELECTRIC POWER PRODUCTION

The Group operates in this field through the combined cycle gas turbine plant in Ponti sul Mincio, in which it holds a 5% stake.

Total installed thermoelectric capacity

	power MW
Ponti sul Mincio power plant* (total installed capacity)	380

* The Group holds 5% of the share capital

Total thermoelectric power generated (GWh)

	2020	2019	2018
Ponti sul Mincio power plant (5% shareholding)	42	51	38.6

COGENERATION

The Group operates in this field through the company Novareti with the gas turbine and power-driven cogeneration plants in Rovereto and the "Le Albere" trigeneration power plant in Trento. The three cogeneration plants in Rovereto and the Trento power plant are natural gas-fuelled and generate electricity in a combined cycle with residual heat that is partly used for the district heating of town buildings and partly to supply pressurised steam for industrial use.

Only the Trento power plant also delivers cold water for cooling. The cogeneration plants ensure greater energy efficiency thanks to the recovery of heat from exhaust fumes and coolants. Moreover, cogeneration and trigeneration - associated with district heating and district cooling - reduce air pollution in the city, allowing for the elimination of many often poorly maintained sources of harmful emissions such as the boilers used to heat apartment blocks and individual homes.

Installed capacity cogeneration

Cogeneration	Electric power in MW	Thermal power in MWt	Cooling MWt
Total	20.26	104.25	7.39

Energy generated by cogeneration (GWh)

	2020	2019	2018
Steam produced	18.3	30.7	65.6
Heating and cooling	66.8	67.7	66.9
Electricity production	26.5	45.9	103.4

PHOTOVOLTAIC

Photovoltaic plants generate electricity using solar radiation and have practically zero environmental impact. The Group generates energy in this field through photovoltaic plants operating at the sites and plants in Rovereto, Preore, Torbole and Trento. Through the company Dolomiti Energia Solutions it also builds turnkey high energy efficiency plants and photovoltaic plants throughout Italy for energy requalification and savings.

Photovoltaic energy installed capacity

Power in kW	2020	2019	2018
Total	683.2	624.5	632

ENERGY GENERATED (GWh)

	2020	2019	2018
Total	0.71	0.66	0.67

The figure relative to 2018 published in previous NFD was incorrect due to a typing error

Electricity distribution

Through its subsidiary SET Distribuzione, the Group is the leading energy distribution business in the Trentino area. It carries out network management and electricity distribution activities in around 164 municipalities in Trentino. The electricity distribution network, which includes substations, overhead lines, underground lines and local electrical enclosures, has sections of low and medium voltage.

Length of electricity distribution network (the Group does not manage energy transmission activities)

		2020	2019	2018
Medium voltage	km	3,507	3,469	3,418
<i>of which</i>				
Not underground	Km	1,205	1,240	
Underground	Km	2,302	2,229	
Low voltage	Km	8,754	8,633	8,501
<i>of which</i>				
Not underground	Km	838	850	
Underground	Km	7,916	7,783	
TOTAL	km	12,261	12,102	11,919

Customers connected to the electricity distribution network

		2020	2019	2018
Total Customers (medium and low voltage)	no.	332,889	331,843	329,734

Gas distribution

In 2020 the Dolomiti Energia Group, through its subsidiary Novareti, distributed 291.8 million cubic metres of gas (294.8 million cubic metres of gas in 2019) to over 159,000 private users and businesses (over 158,000 users in 2019) across the provinces of Trento, Verona and Bolzano through a distribution network present in 86 municipalities in the province of Trento, in Val dell'Adige, in Valsugana and Tesino, in the Val di Non, in Valle dei Laghi, on the plateau of Paganella, in the valleys of Cembra, Fiemme and Fassa and on the plateaus of Folgaria, Lavarone, Luserna and in the Municipality of Cavalese. It also manages gas distribution in two municipalities outside the province: Salorno and Brentino Belluno.

The Group systematically searches for leaks along the gas distribution network in compliance with the standards and directives of national Authority ARERA. Together with the remote control system, the technologically advanced distribution network and its enhanced rapid intervention capability, this activity ensures that the network managed by the Group suffers very few leaks and less than the Italian average.

Number of customers connected to the gas distribution network

		2020	2019	2018
Total Customers	no.	159,126	158,435	157,348

Length of gas distribution network

		2020	2019	2018
Total network	km	2,428	2,415	2,376

LIQUEFIED NATURAL GAS

Through Dolomiti GNL, the Group began operating in the areas of the construction and management of LNG (Liquefied Natural Gas) plants consisting of a Liquefied Natural Gas tank, a gasification system and a local distribution network, as well as cryogenic storage and supply. Both medium and large industrial plants and hamlets and residential areas not yet served by the gas network can be served with LNG. This solution offers numerous benefits in terms of both energy savings and the environment. LNG is the cleanest and most eco-friendly of the fossil fuels. Compared to traditional technologies, producing the same amount of energy with an LNG-fuelled plant cuts carbon dioxide emissions, sulphur dioxide and pollution caused by nitrous oxides. Added to this are the economic benefits: the price of LNG is competitive and more constant over time compared to the price of other fuels such as diesel or LPG. Moreover, in the case of plants serving the community, having a single large plant outside built-up areas rather than many small LPG tanks or domestic cylinders will make it possible to optimise yield and energy efficiency, but above all guarantee high standards in terms of safety management. In fact, the plants install remote control systems so operations can be monitored at all times.

Heat, steam and cooling distribution

The distribution of heat along the 29 km district heating network satisfies energy needs in Rovereto and the innovative "Le Albere" district of Trento, where chilled water is also distributed for air conditioning; high-temperature steam is provided to certain businesses in Rovereto for their production processes. In 2020, 18.3 GWh of steam and 66.8 GWh of heat and cooling were generated, while 26.5 GWh of electricity were produced. The previous year's figures were 30.7 GWh, 67.7 GWh and 45.9 GWh, respectively.

Number of customers connected to the district heating distribution network

		2020	2019	2018
Total Customers	no.	208	209	213

Integrated water cycle

The Group is active in all stages of the water cycle through the company Novareti: in water collection, purification and distribution, in managing the sewage networks that serve over 78,000 users (over 200,000 inhabitants) in 10 municipalities in Trentino, most of which located in the Val dell'Adige. The integrated water supply system distributed 29.5 million cubic metres of water along 1,111 km of fully geolocalised network managed by Novareti (29.9 million in 2018). The managed water supply systems are supplied both by withdrawal from surface sources and from groundwater (via wells or drain off tunnels).

Considering all the municipalities managed, water collected from sources makes up about 70% and groundwater approximately 30%. The collection and distribution of water is remote controlled by a 24-hour system that monitors the functioning of the networks and plants.

Water cycle customers

		2020	2019	2018
domestic use	no.	65,946	65,500	66,690
other uses	no.	9,543	9,505	9,656
other supplies	no.	2,658	2,638	2,625
TOTAL		78,147	77,643	78,971

Length of water supply system network

		2020	2019	2018
Trento	km	681	681	681
Rovereto	km	174	174	172
Other municipalities	km	284	284	362
TOTAL	km	1,138	1,138	1,215

Municipal sanitation

Municipal waste collection and the cleaning of paved public areas (excluding parks and green areas) is managed by subsidiary Dolomiti Ambiente in the municipalities of Trento and Rovereto in the name and on behalf of the two Administrations by virtue of two distinct service agreements. The total population served is 88,218 residents (88,551 in 2019). The company carries out initiatives to monitor and control the quality of disposed waste, providing detailed feedback to interested customers whenever possible in order to foster an improvement in the quality of sorted waste.

The municipal waste management system includes the following services throughout the area served:

- Door-to-door collection of municipal waste, for domestic and non-domestic users;
- Collection centres where all forms of municipal waste, including hazardous waste, can be disposed;
- Home collection of bulky waste by phone call;
- Home collection of green waste upon request;
- Personalised collections of special types of hazardous waste from specific businesses (such as batteries and medicines);
- Sweeping and washing of paved public areas.

Meanwhile, the special waste collection, transport and treatment services are mainly targeted at artisan and commercial businesses.

During 2020, 70,381 tonnes of urban waste was collected, a decrease compared with the 73,234 tonnes collected in 2019, due to the March and April lockdown effects. 83.1% of waste was collected separately in Trento (81.65% in 2019) and 81.2% in Rovereto (78.85% in 2019). This percentage is calculated net of the

amount of waste collected from street sweeping.

The separate waste is sent for recovery through the specialised platforms and the supply chains of the sector, also thanks to agreements with the members of the national packaging consortium Conai (Consorzio Nazionale Imballaggi), or to private operators if the materials are not handled by the consortia.

Breakdown of waste collected in Trento and Rovereto (tonnes)

Waste by composition	u.m.	2020					
		Collected in Rovereto			Collected in Trento		
		WASTE PRODUCED	WASTE NOT INTENDED FOR DISPOSAL	WASTE FOR DISPOSAL	WASTE PRODUCED	WASTE NOT INTENDED FOR DISPOSAL	WASTE FOR DISPOSAL
HAZARDOUS WASTE	tonnes						
WEEE		90.2	90.2	0	224.6	224.6	0
Other (Batteries, medicines, etc.)		56.4	54.8	1.6	151.3	148.0	3.3
TOTAL		146.6	145.0	1.6	375.9	372.5	3.3
NON-HAZARDOUS WASTE	tonnes						
Paper and cardboard		2630.3	2630.3	0	8341.1	8341.1	0
Glass		1418.1	1418.1	0	4886.9	4886.9	0
Green waste		1220.5	1220.5	0	3069.6	3069.6	0
Organic waste		4151.2	4151.2	0	13394.8	13394.8	0
metal packaging		0	0	0	19.3	19.3	0
Multi-material		1549.9	1549.9	0	4936.0	4936.0	0
Bulky objects		588.8	344.4	244.4	1249.2	1249.2	0
Wood		862.8	862.8	0	2335.8	2335.8	0
Inert		1059.1	1059.1	0	2695.3	2695.3	0
WEEE		216.1	216.1	0	610.7	610.7	0
Metal		252.9	252.9	0	725.8	725.8	0
Other (Batteries, medicines, etc.)		77.8	77.3	0.4	258.6	225.6	33.0
Used clothing		144.9	144.9	0	461.3	461.3	0
Residual		3000.6	648.9	2351.7	8617.3	2399.1	6218.3
Sweeping		340.1	273.6	66.5	743.8	598.3	145.5
TOTAL		17513.1	14850.1	2663.0	52345.5	45948.7	6396.8
TOTAL WASTE		17659.8	14995.1	2664.7	52721.4	46321.3	6400.1

kg per capita in Trento and Rovereto

Waste by composition	u.m.	2020					
		Collected in Rovereto			Collected in Trento		
		WASTE PRODUCED	WASTE NOT INTENDED FOR DISPOSAL	WASTE FOR DISPOSAL	WASTE PRODUCED	WASTE NOT INTENDED FOR DISPOSAL	WASTE FOR DISPOSAL
HAZARDOUS WASTE	kg per capita						
WEEE		2.2	2.2	0	1.8	1.8	0
Other (Batteries, medicines, etc.)		1.4	1.3	0	1.2	1.2	0
TOTAL		3.6	3.5	0	3.1	3.1	0
NON-HAZARDOUS WASTE	kg per capita						
Paper and cardboard		64.2	64.2	0	68.4	68.4	0
Glass		34.6	34.6	0	40.1	40.1	0
Green waste		29.8	29.8	0	25.2	25.2	0
Organic waste		101.3	101.3	0	109.9	109.9	0
metal packaging		0	0	0	0.2	0.2	0
Multi-material		37.8	37.8	0	40.5	40.5	0
Bulky objects		14.4	8.4	6	10.2	10.2	0
Wood		21.1	21.1	0	19.2	19.2	0
Inert		25.8	25.8	0	22.1	22.1	0
WEEE		5.3	5.3	0	5	5	0
Metal		6.2	6.2	0	6	6	0
Other (Batteries, medicines, etc.)		1.9	1.9	0	2.1	1.9	0.3
Used clothing		3.5	3.5	0	3.8	3.8	0
Residual		73.2	15.8	57.4	70.7	19.7	51
Sweeping		8.3	6.7	1.6	6.1	4.9	1.2
TOTAL		427.4	362.4	65.0	429.3	376.9	52.5
TOTAL WASTE		431.0	366.0	65.0	432.4	379.9	52.5

Waste non destined for disposal by type of recovery operation

Waste by composition	u.m.	2020					
		Collected in Rovereto			Collected in Trento		
		IN SITU	AT EXTERNAL UNIT	TOTAL	IN SITU	AT EXTERNAL UNIT	TOTAL
HAZARDOUS WASTE	tonnes						
Recovery/Preparation for reuse		0	0	0	0	0	0
Recycling		0	0	0	0	0	0
Other recovery operations*		0	145	145	69.6	303	372.5
-WEEE		0	90.2	90.2	41.7	182.8	224.6
-Other (Batteries, medicines, etc.)		0	54.8	54.8	27.8	120.2	148
TOTAL		0	145	145	69.6	303	372.5
NON-HAZARDOUS WASTE	tonnes						
Recovery/Preparation for reuse		0	0	0	2395.6	0	2,395.6
-Residual		0	0	0	2395.6	0	2,395.6
Recycling		0	0	0	1036.4	175.6	1212.1
-Organic waste		0	0	0	1036.4	175.6	1212.1
Other recovery operations*		0	14,850.1	14,850.1	26,980.8	15,189.6	42,170.4
-Paper and cardboard		0	2630.3	2630.3	4914.7	3426.4	8341.1
-Glass		0	1418.1	1418.1	3995.5	891.4	4886.9
-Green waste		0	1220.5	1220.5	830.2	2239.4	3069.6
-Organic waste		0	4151.2	4151.2	12007.0	175.6	12182.7
-Metal packaging		0	0	0	19.5	0	19.5
-Multi-material		0	1549.9	1549.9	3463.1	1472.8	4936.0
-Bulky objects		0	344.4	344.4	206.8	871.5	1078.4
-Wood		0	862.8	862.8	328.9	2006.9	2335.8
-Inert		0	1059.1	1059.1	318.5	2376.8	2695.3
-WEEE		0	216.1	216.1	86.5	524.2	610.7
-Metal		0	252.9	252.9	80.8	645.0	725.8
-Other (Batteries, medicines, etc.)		0	77.3	77.3	61.1	164.5	225.6
-Used clothing		0	144.9	144.9	69.8	391.5	461.3
-Residual		0	648.9	648.9	0	3.4	3.4
-Sweeping		0	273.6	273.6	598.3	0	598.3
TOTAL		0	14,850.1	14,850.1	30,412.9	15,365.2	45,778.1
TOTAL WASTE		0	14,995.1	14,995.1	30,482.5	15,668.2	46,150.7

* Includes, for example, waste delivered to suppliers that have agreements with the recycling chain

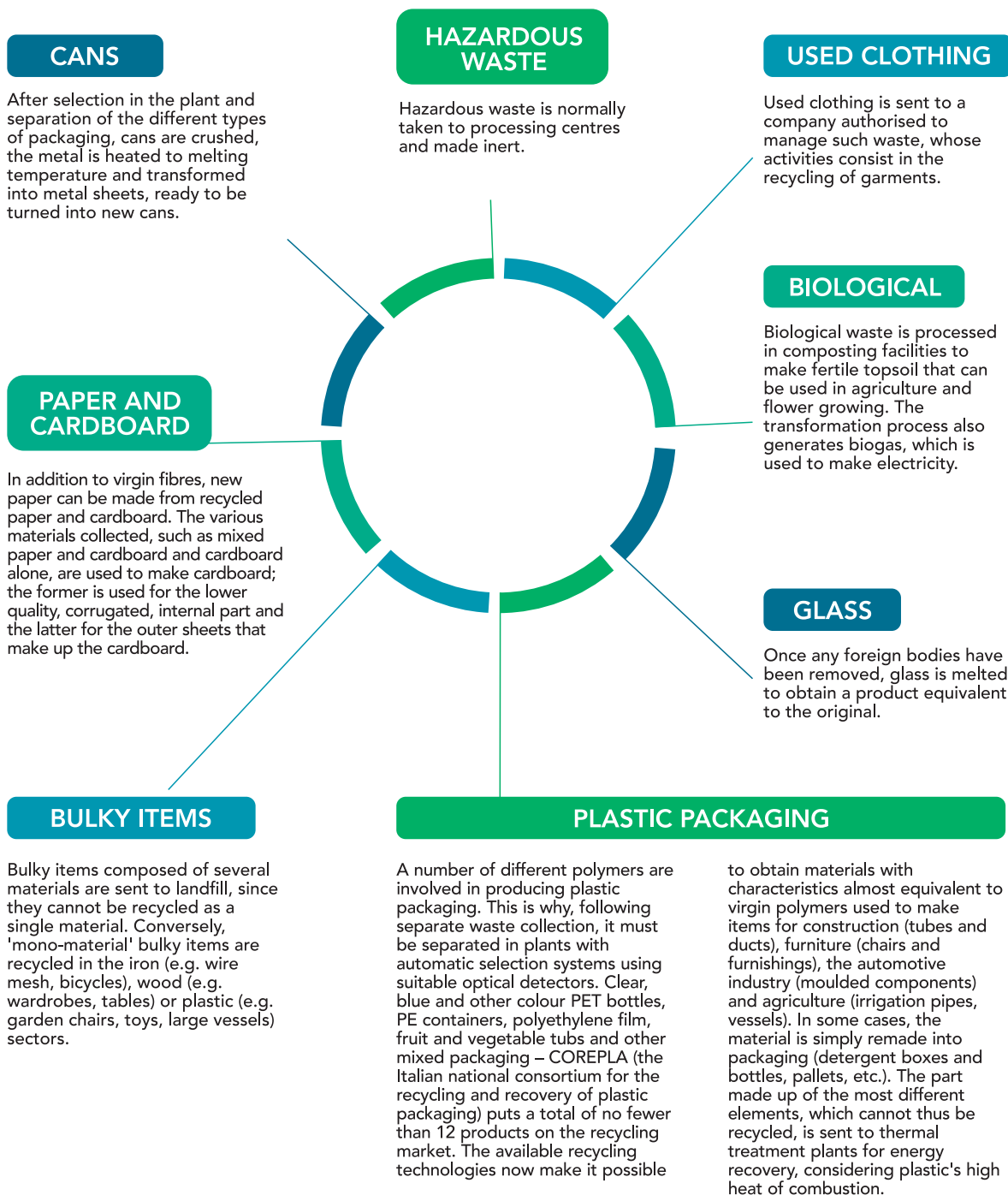
Waste destined for disposal by disposal method

Waste by composition	u.m.	2020					
		Collected in Rovereto			Collected in Trento		
		IN SITU	AT EXTERNAL UNIT	TOTAL	IN SITU	AT EXTERNAL UNIT	TOTAL
HAZARDOUS WASTE	tonnes						
Incineration (with energy recovery)		0	0	0	0	0	0
Incineration (without energy recovery)		0	0	0	0	0	0
Disposal at landfills		0	0	0	0	0	0
Other disposal operations*		0	1.6	1.6	2	1.3	3.3
-Other (Batteries, medicines, etc.)			1.6	1.6	2	1.3	3.3
TOTALE		0	1.6	1.6	2	1.3	3.3
NON-HAZARDOUS WASTE	tonnes						
Incineration (with energy recovery)		0	0	0	0	0	0
Incineration (without energy recovery)		0	0	0	0	0	0
Disposal at landfills		0	66.5	66.5	2333.8	3194.6	5528.4
-Bulky objects		0	0	0	31.3	139.6	170.8
-Other (Batteries, medicines, etc.)		0	0	0	0	33	33
-Used clothing		0	0	0	0	0	0
-Residual		0	0	0	2157.1	3022.0	5179.1
-Sweeping		0	66.5	66.5	145.5	0	145.5
Other disposal operations*		0	2596.5	2596.5	0	0	1039.2
-Bulky objects		0	244.4	244.4	0	0	0
-Other (Batteries, medicines, etc.)		0	0.4	0.4	0	0	0
-Residual		0	2351.7	2351.7	1039.2	0	1039.2
-Sweeping		0		0	0	0	0
TOTAL		0	2663	2663	3373	3194.6	6567.6
TOTAL WASTE		0	2664.7	2664.7	3375.0	3195.9	6570.9

* Includes, for example, disposal at mechanical/biological treatment plant

In 2020 a separate waste registration system was introduced which involves the introduction of the street sweepings sent for recovery in specific plants together with sorted waste; in addition, in the first months of year a system was launched at the two Trento and Rovereto landfills to sort and recover bulky goods, further contributing to the increase in the percentage of separated waste.

WHAT BECOMES OF SEPARATED WASTE?



Laboratory

The laboratory - specialised in the quality control of drinking water and the analysis of soils and waste - supports the Dolomiti Energia Group's activities but its customers also include many Trentino municipalities for which it performs analyses on the potability of the water in the water supply networks and on the wastewater coming from the purification processes. It is also a point of reference for the environmental controls of many entities, professionals and companies that today make up a significant portion of its clientele.

Overall, during the year 18,118 samples were examined (19,729 in 2019), 56.3% of which for third parties (61.7% in 2019). The Dolomiti Energia Group laboratory operates with an analysis process quality management system compliant with the provisions of the European UNI CEI EN ISO/IEC 17025:2005 standard which requires compliance with specific and strict quality and organisational standards.

Sale of energy and gas

The Group sells energy, gas, services and energy efficiency products to free market customers all over Italy through its trading company Dolomiti Energia. It operates under the Trenta brand on the enhanced protection service market. Compared with the previous year, the overall number of energy and gas customers rose to over 697,000 (668,000 in 2019).

Customer relations: transparent, clear and honest

The Group is determined to abide by the principle of sustainability (economic, environmental and social) in its actions, in order to reduce risks and ensure the consistent and sustainable long-term development of its business, so as to make an active, direct and informed contribution to the well-being of its stakeholders and the growth of the economic and social systems it serves. It is therefore committed to establishing a relationship with the sales company's final customers based on trust, helpfulness and flexibility, clarity and transparency in order to provide simple and comprehensible answers, to be prepared to listen, and to protect the company's reputation through conduct based on competence, accountability and fulfilment of all obligations, at all times. It undertakes to respect regulations, and both technical and legal standards, to keep customer data confidential, and to strive for continuous improvement of the performance of the Integrated Quality, Environment, Health, and Safety Management System, in compliance with the UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and BS OHSAS 18001:2007 standards.

These principles are translated into specific and measurable improvement objectives. Some of these objectives are constant performance growth to achieve customer satisfaction, and the pursuit of the best available technologies to protect the environment, and the health and safety of our workforce, to reduce accidents. Further objectives include improving customer loyalty and acquiring new clients, thanks to commercial offers that are convenient and competitive and also clear and transparent so that customers are fully aware of all aspects when they sign. Such guidelines also imply constantly monitoring the market, to address its requirements and expectations, analysing our main competitors in the industry, and promoting

the use of energy from renewable sources and methods that improve energy efficiency and lead to savings. In its relations with clients and users and the community in general, two stakeholders that often coincide and overlap, the Group has identified a few operating and strategic risk factors, the effects of which in reputational terms need to be assessed: the quality of drinking water, clean energy and gas, the continuity of distribution services, the correctness of sales offers made directly or through its sales network, the efficiency of the waste collection service, client satisfaction, ease of access to the service, respect for the environment and the safety of people that provide services for the customers.

Sustainable offers

The Group's commercial company offers diversified energy products and tariff plans, suitable to satisfy the requirements of different kinds of households and companies. To optimise and rationalise consumption, the offers provide advantages in terms of saving options, but also in terms of discounts, additional services such as the online support desk, the apps, an advantage card, bonuses of various kinds, call centre services, e-mail invoices, monthly invoicing on the bases of real consumption estimates, but above all the possibility of contributing in the first person to a social or environmental innovation project.

The Group has always been close to its customers to improve and make their electricity services increasingly accessible even for those who find themselves at a disadvantage economically, who are granted discounts in their invoices through a social bonus, as provided for by ARERA.

A few offers provide tariffs based on time slots to the advantage of those customers who mainly consume energy during evening hours and at weekends, while at the same time making the national electricity grid more efficient. To promote more conscious consumption behaviour and more efficient energy use, and also to explain simply how to properly read the information contained in the bill, the Group promotes and/or participates with its experts in meetings and events, which have obviously been drastically reduced this year due to the pandemic. For customers that are more concerned about environmental issues it offers gas supplies that are '100% CO2 offsets' and energy produced exclusively from renewable sources as '100% clean energy', a certified brand that guarantees the nature and the origin of the energy consumed, or offers that are linked to the sale of highly energy-efficient products such as LED light bulbs. DOLOMITI ENERGIA LED is an offer addressed to the deregulated market that includes a supply of high-efficiency LED light bulbs that customers can pay for in instalments directly in their electricity bill, so that, with a very limited investment, they can use much less energy and thus lower their energy bills.

A specific commercial proposal is aimed at very large households. For business client supplies and major consumers, the commercial companies offer personalised advice along with made-to-measure conditions and tariffs. For Trade Associations and Organisations (retirement homes, craft workshops, hoteliers, etc.) the retailers stipulate framework agreements to offer competitive tariffs and simplified negotiation procedures.

Proximity to customers

In order to better respond to the changing business environment, which today requires an increasingly high level of customer care and service, Dolomiti Energia continued in 2020 to optimise its caring activities in order to better understand and meet the needs of each type of customer, but also to intercept potential actions for continuous improvement. This is complemented by a management that focuses on involving people and continuously sharing objectives and results, and by an extensive training programme for all operators.

The customers can use freephone numbers that are constantly improved in terms of the quality of service offered and the capacity to provide answers capable of satisfying commercial or information requirements, enabling access directly from home to the same services provided at the local branches.

The freephone number is operational 82 hours a week, open late into the evening, from Monday to Fridays from 8 am to 10 pm, and also available on Saturdays from 8 am to 8 pm.

A special freephone number and dedicated e-mail channels are available for Dolomiti Energia's deregulated market business customers, with specialised and fully trained operators, to provide an ever more rounded and specialist service.

Telephone calls and requests submitted by e-mail and using the web form have been very popular channels during 2020, including because of the general lockdowns that have limited movement and reduced access to branches, with Dolomiti Energia having to handle thousands of telephone calls and e-mails every month.

The Group has 10 customer offices open throughout the provincial districts (Trento, Rovereto, Mezzolombardo, Pergine Valsugana, Borgo Valsugana, Panchià, Tione di Trento, Arco, Cles, Riva del Garda) with opening hours designed to enable customers to access to services outside working hours.

On some days of the week, the offices in Rovereto and Trento are also open to the public morning and afternoon, with no break for lunch. During 2020, in order to guarantee compliance with the regulations and precautions imposed by the pandemic, Dolomiti Energia's customers were able to benefit from a booking service to schedule 'secure and certain' access to branches. Bookings can be managed both online and by calling the company's freephone numbers.

For those who prefer to manage their contracts online, the online branch remains available at www.sportelloclienti.it, where customers can look for information concerning their contracts, account and consumption.

During the year, the bollet@mail service has continued, enabling the elimination of hard copy invoices with an obvious benefit to the environment and the opportunity of having all one's past bills stored in a convenient and always accessible digital archive.

Another channel available at all times is the online chat on the www.dolomitienergia.it website and the app, which allows users to check their consumption, view bills and submit readings. There is also an SMS notification and alert service. The service, which is completely free, enables customers to be promptly updated on the status of their energy, gas and water utility bills. Thanks to mobile warnings, the customer can keep track of contracts, check on payments and receive automatic warnings regarding payment deadlines or unpaid invoices. On request, and at any time, one can ask for a copy of an invoice and find out office opening hours.

In 2020, Altroconsumo conducted an investigation and drew up a ranking of 21 gas and electricity providers, based on the quality of service offered. Dolomiti Energia was ranked first as the best light & gas supplier.

Promoting renewable energy and energy efficiency

In 2020, the Group confirmed its range of energy efficiency services for its customers throughout Italy and also increased its sales of its well-established products in this sector. Within this activity, Dolomiti Energia initiated a virtuous process with a growing number of business customers, aimed at reducing energy costs and using energy resources more consciously and efficiently.

Concerning renewable sources, in 2020 the company confirmed its strategic choice to ensure to its customers that all the energy they consume during the year comes from renewable sources, certified by cancelling GO (Guarantee of Origin) certificates. Dolomiti Energia's fuel mix will also be 100% renewable in 2020.

The services offered during 2020 by Dolomiti Energia as part of its energy efficiency package are:

FOR COMPANIES

Puro Led

Involves the replacement of a neon lighting system at the company's premises with new generation LED light fittings made in Italy; they provide savings of up to 50% of lighting costs while also increasing the comfort in the working environment.

The Puro Led services chosen by our customers in 2020 will help our customers avoid 5,132 tonnes/year of CO₂ (compared to 6,147 in 2019), thanks to the savings on their energy consumption.*

Power quality solutions

They generate energy savings by improving the quality of the energy, acting on all the electrical parameters that produce that power and optimising the voltage by reducing the amount active of and reactive power that is absorbed by the electricity grid. Besides the savings, these power quality systems reduce losses along power lines, improve the quality of the power, stabilise the current voltage, extend the average life of electrical appliances and monitor the supervision and operation of the client's system.

The energy efficiency measures carried out in 2020 made it possible to avoid 5,235 tonnes of CO₂/year thanks to energy consumption savings.*

Energy audit and monitoring

The monitoring service offered by Dolomiti Energia provides accurate measurements of all electricity quantities, in order to keep the company's energy performance under control.

the monitoring service offered by Dolomiti Energia provides accurate measurements of all electricity quantities, in order to keep the company's energy performance under control.

For businesses, the energy audit can identify real solutions to implement to improve energy efficiency.

Electric car charging stations

The Group offers its customers charging stations where they can recharge their electric cars to be installed in public and private spaces and thanks to which they can power their electric vehicles. All the energy provided is generated by renewable hydroelectric systems. Thanks to this activity, we managed to avoid the consumption of 110 tonnes of oil equivalent and the emission of 343 tonnes of carbon dioxide during 2020.

FOR PRIVATE INDIVIDUALS

Love led

An initiative whereby LED bulbs can be purchased for the home at favourable conditions: the kits of bulbs purchased at an advantageous price are paid in instalments in 36 months and charged directly to the customer's bill.

The Naturalmente Sostenibile package

The package, included in the price of the offer, includes a variety of services and benefits for the customer:

- 'Dolomiti Energia 100% clean energy' certification.
- An annual report, in digital format, on the amount of CO2 saved and on the environmental impacts.
- The monthly contribution in terms of CO2 reduction is shown on the invoice.
- Use of the 'Dolomiti Energia 100% clean energy' mark.
- A set of exclusive services for home efficiency and leisure time.

Etika: the first eco-fair cooperative energy purchasing group

The unique initiative, a partnership between not-for profit and for-profit organisations was born out of the agreement between Cooperazione Trentina, Casse Rurali Trentine, Family Cooperatives that have enrolled in SAIT, Con.Solida and the Social Cooperative La Rete which together with Dolomiti Energia, and have built a system of mutual savings, where all stakeholders gain by taking part. The offer provides economic benefits for customers, respect for the environment, and the implementation of social projects to help the vulnerable and disabled. Thanks to the contracts implemented, during 2020 more initiatives have been financed designed to lead people with disabilities towards independent living solutions, but there have also been concrete actions taken, aimed at tackling the impacts of the pandemic.

Thanks to this initiative, over the years it has been possible to avoid the emission into the atmosphere of 31,093 tonnes of CO2, equal to the amount absorbed by 29,805 trees (18,385 in 2019).*

* Figure calculated according to ISPRA indications

The Group launched the Dolomiti Energia Ecobonus 110% during 2020, a 'turnkey' energy efficiency service for buildings, households and apartment blocks. The objectives of the interventions are aimed at reducing bills by up to 30%, increasing the net worth of buildings through the achievement of two higher energy classes and the possibility of easier access to the tax benefits provided for in the Superbonus.

During the year, the pandemic forced Team Etika easy to suspend its activities to make Etika deregulated market offers easier to access. The team that assists with signing the offer includes people with disabilities among the operators.

At 31 December 2020, the cumulative fund-raising associated with the signing of Etika contracts (for which

Dolomiti Energia disburses €10.00 per active contract each year to the Etika Solidarity Fund) amounted to €1,783,560. The funds have made it possible to support other inclusive living projects involving dozens of people with disabilities and also initiatives to mitigate the social difficulties caused by the pandemic. The year also witnessed the consolidation of Sinergika, an initiative using the same mechanism as Etika but aimed at customers outside the Trentino area.

By supplying 100% green energy in its offers, Dolomiti Energia will offset 3,245,288,000 GO certificates for 2020, which will avoid the emission of 1,032,650 tonnes of CO₂ into the atmosphere (1,118,493 tonnes in 2019).

Listening and customer satisfaction

The commercial quality of Dolomiti Energia, SET and Novareti services is monitored through indicators expressed at national level by ARERA. These indicators, combined with requirements and procedures established internally, measure the efficiency and effectiveness of the company's performance in relation to its customers. The service level is measured by indicators and data acquired by management systems and constantly monitored in order to be able to identify critical areas and take prompt action to implement the best possible improvements.

For the Dolomiti Energia call centre, systematic monitoring of the quality of responses given to client requests by the company's contact centres and the customers' level of satisfaction is always in operation.

During 2020, actions to gauge the level of customer satisfaction directly at the branches, where the level of satisfaction and any suggestions were collected, were greatly reduced and in some cases suspended due to the pandemic.

During the year, the commercial company Dolomiti Energia was ranked the best gas and electricity sales company in a survey conducted by Altroconsumo throughout Italy, testifying to the commitment and work done to continue to improve the service level for its customers.

During the year 2020, 33 non-conformities were recorded relating to the various Group companies in terms of quality, safety and the environment as a result of internal/external audits, feedback from stakeholders and supervisory bodies. There were no cases of non-compliance with regulations or voluntary regulations concerning the information and the labelling of products/services. All the findings were handled by the appropriate internal bodies and offices.

The quality, safety and environmental management system

In order to guarantee a constant improvement of the quality levels of its services, limit its environmental impact and prevent workplace health and safety risks, the Group has organised the management of certain company processes according to specific and internationally acknowledged standards:

- Certification under the international UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 schemes of the Integrated Quality/Environmental Management System to guarantee quality standards and ensure close attention is paid to environmental aspects in Dolomiti Energia's commercial services;
- ACCREDIA accreditation according to the UNI CEI EN ISO/ IEC 17025:2018 international standard on the technical and management quality of the chemical and microbiological tests performed in Dolomiti Energia Holding's Analysis Laboratory;
- UNI EN ISO 14001:2015 Environmental Management system certification for the electrical and thermal cogeneration plant managed by Novareti in Rovereto;
- Certification under the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 of the Integrated Quality/Environmental Management System for the design and management of Novareti's natural gas distribution systems;
- Implementation throughout the Dolomiti Energia Group companies of occupational health and safety management systems based on the BS OHSAS 18001:2007 standard;
- Certification under the UNI EN ISO 14001:2015, UNI ISO 45001:2018 international standards and EMAS registration for the Integrated Environmental/Safety Management System for the hydroelectric energy production managed by Hydro Dolomiti Energia and Dolomiti Edison Energy;
- Certification under the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 international standards and EMAS registration for the Integrated Quality/Environment management system for the waste collection system used in Trento and Rovereto and operated by Dolomiti Ambiente;
- Certification under the UNI EN ISO 9001:2015 international standard of the Quality Management System for the design, management and development of photovoltaic plants and public lighting and for the development and provision of energy services operated by Dolomiti Energia Solutions;
- Certification under the UNI CEI 11352:2014 standard of the provision of energy services (ESCO) (ESCO) by Dolomiti Energia Solutions;

Furthermore, SET Distribuzione SpA, Dolomiti Ambiente Srl and Dolomiti Energia Holding SpA (solely for the Laboratory and Warehouse) are continuing a process on occupational safety based on behaviour-based safety training.

The Dolomiti Energia sales company has obtained the basic Family Audit certification, which certifies the company's awareness and commitment to reaching an ideal balance between working life and personal and family life of the people working for it.

Accessible, efficient and reliable services

To be able to always guarantee the utmost safety for citizens, workers and the environment, the production plants, networks and waterworks are monitored around the clock.

This continuous oversight enables us to guarantee on a daily basis, not just a regular, prompt and efficient service, but it also allows us to detect critical situations and emergencies and promptly find solutions to them.

SET Distribuzione has reached its goal of constantly reducing the duration of interruptions thanks to targeted and continuous investments in its distribution networks and its remote control and management systems that enable it to monitor operations in real time and take prompt action in the event of breakdowns thanks to the efficient organisation of the emergency services throughout its service area and often directly from the remote control centre.

The management of emergencies and critical situations is governed by special procedures and company plans. An electricity distribution emergency service is on duty 24 hours, 7 days a week, every day of the year and can be accessed by phone at the freephone number 800 969888.

Every year, the Italian Regulatory Authority for Energy, Networks and the Environment surveys electrical service downtime and assigns sector companies incentives or imposes sanctions depending on the results obtained in relation to the set goals. Once again in 2020 SET Distribuzione was able to benefit from the economic incentives provided by ARERA in relation to the quality of the service it provided in the management of operations and this year SET Distribuzione also led the ranking drawn up by the regulatory authority.

The electricity distribution network recorded a loss percentage of 2.24% in 2020, a figure that indicates an efficient network.

With regard to commercial quality, in 2020 SET Distribuzione provided 30,000 services (34,000 in 2019), lower than the previous year because of the lockdown, and in 99.8% of cases (99.8% in 2019) met the standard execution times set by the regulatory authority for the various services (quotes and simple work on low voltage grids, activations and deactivations of meters, replacement of faulty meters, etc.).

Service accessibility: Service interruption frequency index (average annual number of interruptions for LV customers due to long interruptions without warning G4-EU 28)

	2020*		2019*		2018*	
	annual value	ARERA target	annual value	ARERA target	annual value	ARERA target
low concentration area	1.8	4.3	1.9	4.3	1.8	4.3
medium concentration area	0.5	2.3	0.9	2.3	0.7	2.3
high concentration area	0.2	1.2	0.3	1.2	0.2	1.2

* The result indicated actually refers to the previous year, since ARERA publishes the results and awards the prizes in the year after the reference year.

Service interruption average duration index:
Average annual minutes of interruptions for LV customers due to long interruptions without warning

	Unit of Measurement	2020		2019*		2018	
		annual value	ARERA target	annual value	ARERA target	annual value	ARERA target
low concentration area	minutes	30.8	68.0	30.0	68.0	33.9	30.0
medium concentration area	minutes	10.3	45.0	17.1	45.0	16.4	17.1
high concentration area	minutes	8.9	28.0	8.0	28.0	5.9	8.0

* The worsening of the indicators in some areas is due to a particularly severe weather event that occurred between 29 October and 4 November 2018

The Group systematically searches for leaks along the gas distribution network in compliance with ARERA standards. Together with the remote control system, a technologically advanced distribution network and its boosted quick intervention capability, this activity ensures that the network that the Group manages has very few leaks on the whole, and fewer than the national average.

For the gas distribution service, the commercial quality level is measured using a general company index which represents the percentage of services executed, within the standard times foreseen by ARERA, especially for services subject to specific quality levels to be guaranteed to the applicant and to which an automatic indemnity policy applies. The general company index of services performed within standard timeframes, for the purposes of service quality parameters, achieved during the year was 99.87% (99.89% in 2019).

For the water service, interruptions can be caused by force majeure events, malfunctions, programmed maintenance and maintenance needed to ensure the correct operation of the systems and to ensure the quality and safety of the service. In this case, the client is promptly and suitably informed in advance to limit their inconvenience to a minimum. If shortages or service interruptions take place that last longer than 24 hours, activation of an emergency replacement service may be considered. An emergency response service is at hand 24 hours, 7 days a week every day of the year and can be accessed on the toll-free number 800 969898. The technical operational staff is activated immediately and in a maximum of 2 hours will be on site to assess how to solve failures, water shortages or any other situation that could involve a risk to the health of citizens.

For the sewerage service, the maximum time that can pass between the fault being reported and the start of remedial work is 8 hours.

In order to ensure the continuity of the water service (aqueduct and sewerage), programmed leak search activities are carried out along the aqueduct network along with checks to ensure that the water supply system is operating properly and to check the static conditions of the sewerage network. The drinking water supply is constantly monitored to verify the network's main operational parameters. Further, in compliance with reference legislation, laboratory testing is performed periodically to ensure that the final customer received drinking-quality water, by carrying out sample checks along the entire water supply system. The results of these regular analyses of the waters are published on the website www.novareti.eu



Raising awareness of the sustainable use of resources

The Group, on a regular basis, opens its power stations, water mains and waste collection centres to schools of all levels, organised groups and citizens. In 2020, because of the pandemic, this activity, which allows people to participate every year in these opportunities to improve their knowledge and understanding of a world that interacts with all our daily lives by guaranteeing everyone public utility services, was nearly suspended.

To this end, at the most significant sites, we normally provide specialised technicians to accompany visitors inside the facilities. Again because of the pandemic, Dolomiti Energia Group was unable to continue its commitment to disseminating and raising awareness of clean energy issues by periodically opening to the public the Riva del Garda, Cogolo, Bussolengo and Santa Massenza power plants and, in particular, with 'Hydrotour Dolomiti',

a project aimed at enhancing and raising awareness of the hydroelectric plants in Trentino and the surrounding areas.

Visitors were unable to discover, accompanied by qualified personnel and thanks to dedicated installations, the various aspects of hydroelectric production and many issues related to environmental and social sustainability. However, the Group took steps to make alternative tools available. These will be implemented in 2021, enabling the virtual and remote discussion of these topics.

In any case, 2020 saw the continuation of the planning and preparatory activities for the creation of a panoramic walkway at the Diga di Santa Giustina plant, in cooperation with local institutions.

Suppliers and the communities

52.4%

Percentage of expenditure on local suppliers for purchasing goods and services
(52.5% in 2019)

100%

Supply contracts with relevant clauses of compliance with the Code of Conduct or anti-corruption policy
(100% in 2019)

The supply chain



The Group's main supplies concern energy raw materials and the execution of work, services and supplies to support the Group's business. The procurement and logistics of the main materials are managed by a central department at the Parent Company for all companies. The organisation of the Group's procurement process is organised according to principles of affordability, effectiveness, impartiality, equal treatment, transparency, proportionality, publicity, environmental protection and energy efficiency. These principles govern the main processes that concern the supply chain as a whole and in particular the qualification and monitoring of the requirements and performance of the suppliers, the rules for the collection of offers, the standardisation of contractual clauses.

During 2020, the procurement department completed the renewal of its processes and in particular the change management activities in support of the new software platform dedicated to purchases. In addition, a new model has been adopted for the suppliers' performance ratings. During the most severe period of the pandemic, the department supported the companies' businesses in adapting the procurement strategy to the extraordinary context, providing its services on a continuous basis.

The Group's procurement acts upon request from the individual corporate departments and in line with the reference budget of each, with the related organisational responsibilities and in compliance with the principles set out in the internal procedures.

The main elements adopted in the procurement process, and codified in the Group's procedures concern all the main phases of the relationship with suppliers which are activated through an e-procurement platform, to facilitate easy and fair access to the Group's procurement requirements by the businesses concerned and to promote transparency, traceability and the lowest possible operating cost for the preparation of offers.

The use of an electronic platform provides the certainty of using standardised procedures, also adopted to implement current legislation on the matter, the Code of Ethics and the Group's 231 Organisational Model, ensuring equal treatment, public disclosure as well as traceability, unambiguous identification of the departments and persons responsible for the stages of the process and the corresponding authorisation profiles.

Suppliers and external collaborators (including consultants, representatives, brokers, agents, etc.) are all required to comply with the principles contained in the Code of Conduct. To this end, specific clauses are included in letters of assignment and/or negotiated agreements, which foresee, in the event of violation, the termination of the contractual relationship and/or the application of penalties. Encouraging or entering into personal relationships in order to curry favour, influence, or undermine in an illicit fashion, whether directly or indirectly, the outcome of the relationship is forbidden, even in relation to the possible commission of the offence of bribery between individuals.

In supplier relations, the Group's employees are required to: not exclude any supplier that meets the requirements from competing, adopting objective and transparent evaluation criteria in the selection proc-

ess, to comply with the terms of the contract and to maintain clear and correct relations with the public officials in charge and with private counterparts, avoiding any behaviour that could impair the other party's freedom of judgement; they must also carefully file all the documentation of the entire selection and purchase procedure so as to enable the reconstruction of each transaction.

Suppliers are guaranteed fair remuneration for their activities and the respecting of set payment times, in exchange for a commitment to ever increasing quality and efficiency.

Businesses remain in the Register of Qualified Suppliers subject to checking that they also maintain the minimum requirements and to the results of audits and Vendor Rating activities of the services they offer in execution of any contracts awarded to them.

During the contracting phase, the Group has certain requirements from its Suppliers with regard to social (work conditions) and environmental aspects which, for certain critical categories, are necessary right from the qualification phase. Insurance cover is also provided to protect the personnel involved, along with periodic checks regarding the legality of the wages and social security contributions of the people involved in the performance of contracts.

In particular, the rating system was updated during 2020 concerning the available KPI, the revision of the thematic assessment areas and the creation of a new vendor rating policy.

Selection of Suppliers

Relations with suppliers are based on responsibility, on involvement in compliance with the ethical, quality, environmental and safety standards adopted by the Dolomiti Energia Group to build a proactive and cooperative relationship that can prevent the risks linked to the company's business, to uphold occupational health and safety and introduce organic measures to minimise environmental impact.

The Economic Operator is assessed for qualification purposes through a fully traced computer process, based on general, administrative and financial requirements, relating to quality, safety, environment, sustainability and technical issues, with reference to technical and organisational capacity, the development of the professional skills of its workforces and financial soundness. In particular, during the qualification of suppliers, information was collected regarding moral requirements, the protection of workers' health and, where applicable, the environmental impacts of its activities. All suppliers, even if only potential, must accept the Group's Code of Conduct, while the risk management measures set out in the 231 Model are backed by the detailed procedures adopted. Moreover, information is collected on the possession of environmental certifications and the availability of tools for reporting the CSR activities performed, such as the Non-Financial Disclosure and the Sustainability Report.

For the contracting phase, the Group has certain requirements from its Suppliers with regard to social (work conditions) and environmental aspects which, for certain critical categories, are necessary right from the qualification phase.

Procurements concerning the award of critical activities for the Group's sectors of activity and which mainly includes the provision of electrical materials and equipment, work contracts and services in the gas and electricity distribution, hydropower generation, and IT sectors are partly governed by the new Procurement Code, derived from the EU directives, which recommends the inclusion of sustainability criteria in tenders based on the criterion of the most economically advantageous tender.

The same criteria are also used for awarding contracts which, because of their characteristics, do not fall within the scope of public procurement regulations. For potential suppliers in these areas, special requirements are also adopted during the qualification phase.

In order to expand its supplier portfolio, the Sourcing Department that reports to Procurement also carries out market scouting, through meetings with potential suppliers.

During the year, new qualification systems were activated for tasks relating to professional and technical services, tasks relating to IT services (ICT), the updating and expansions of the relevant categories of interest to the general construction of power lines.

The percentage of cost that is spent with local suppliers with headquarters in the province of Trento amounts to 52.4% (52.5% in 2019) of suppliers of raw materials and services for all the Group's companies amounting to an expenditure of over €1.04 billion (€1.15bn in 2019). Equally, the percentage of expenditure intended for European suppliers outside Italy fell to 0.2% this year (from 1.8% in 2019), equivalent to expenditure of almost €46 million (€38m in 2019). The figures do not take into account occasional service providers, tour guides, rents and licenses. It also does not include the purchase of raw materials outside the European Community.

The prevalence of Italian and local suppliers is determined by the specificity of the business, in particular by the need to rapidly carry out maintenance work to ensure maximum system safety with greater competitiveness in terms of transport costs for supplies that are very heavy and large, thus also contributing to reduce the corresponding environmental impacts.

PROTECTING SAFETY

Given the substantial reliance on external manpower in its procurement of works, services and supplies to maintain networks and plants that are critical for the continuity of the services provided and for the impact on safety and environmental protection issues, the Group adopts strict rules in terms of qualification, but also in the management of the performance of the contract, particularly in terms of occupational safety, the requirements of which are excluded from discounting processes applied in contract bids.

During qualification, suppliers must also provide proof of the existence and maintenance of documented procedures to protect occupational health and safety; for companies in sectors considered most significant from an environmental and safety point of view, an in-depth examination of management practices is also required. During qualification, the Dolomiti Energia Group also asks suppliers to provide proof of the existence and maintenance of documented procedures to protect occupational health and safety; for companies in sectors considered most significant from an environmental and safety point of view, an in-depth examination of management practices is also required. In particular, in-depth analyses and periodic checks are scheduled regarding: the possession of the documentation required by the legislation in force concerning employment contracts, employees' knowledge of the Italian language, ensuring sufficient and adequate health and safety training for workers, including with respect to linguistic knowledge and operating procedures, as well as measures to respect the environment and the effective and constant provision of specific training for the operating areas for which the suppliers are offering to work with the Group. Moreover, particular attention is dedicated to differentiated training in relation to the professional figures identified, with a particular focus on specific areas of intervention deemed especially critical, such as operators tasked with the assembly and maintenance of underground lines, overhead lines, employees responsible for trimming vegetation, site managers, foremen and safety managers, operators in confined spaces, driv-

ers of machinery, welders, operators on gas/electricity/water distribution lines and on operational plants in general. Checks are also envisaged with respect to specific appointments according to roles that must be held by virtue of tasks entrusted and to the appointment of the Prevention and Protection Department Manager (RSPP), the site safety representative, the head of emergency management and his or her replacement and the company physician;

In addition, in contracts stipulated with contractors, a requirement is added to provide immediate information on any accidents that may occur.

The effective training of personnel is checked through the SRM online platform during the initial qualification phase and the company is required to keep the documentation up to date; the monitoring of the expiration of the documentation is carried out both by means of automatic blocks that can be implemented on the system (automated expiry notices) and "manually" when inviting tenders and/or contracts.

To minimize the risk of breaches of human and labour rights affecting employees and third parties, suppliers must, in addition to submitting the specific documentation of the instrumental contracts, take out specific insurance policies to cover damages to persons and property, including property owned by the contractor, for the entire duration of the work and for an amount proportionate to the nature of the work and periodic copies of the tax and social security payments made.

CIRCULAR ECONOMY

During 2020, the Group consolidated the acquisition of the soft skills necessary for managing procurement according to circular economy practices.

Procurement of energy raw materials

The trading activities in electrical energy and ancillary services and environmental products in terms of sourcing in favour of the Group companies and in terms of the Group's production optimization are guaranteed by the subsidiary company Dolomiti Energia Trading. Contracts with suppliers of energy raw materials also include a clause concerning compliance with current anti-corruption laws.

Responsible relations with the communities

The role and nature of the Group and of its activities call for a constant dialogue and interaction with National Institutions and Local Authorities. On a local level, the stakeholders range from universities and research centres, to local associations and institutions, to the municipalities that own the public services operated by the Group and the bodies responsible for supervision and prevention related to the sectors in which the Group operates.

At a national level, since the Group's business is highly regulated, a condition that over the long term directly affects economic aspects, it interacts with the industry's regulatory authority (ARERA) which is tasked with enforcing national regulations and supervising competition and efficiency in the water, environmental, gas and energy sectors. Moreover, the Group entertains relations with parties that are technical experts in the field such as Terna (the Manager of the National Transmission Network), GSE (the Manager of Electrical Services), GME (the manager of the Electricity Market), the Single Buyer (the Entity responsible for energy procurement for the enhanced protection service market).

Trade Associations

The Group is in constant contact with the Trade Associations to promote petitions, in relation to the various businesses, that may provide a contribution to the improvement of the service provision and contribute to the improvement of its know-how. In order to promote its interests before Italian and European institutions and to provide specialist support for its organisational structures, it actively participates in trade associations, technical committees and strategic work groups set up within them, both in Italy and Europe.

Among the main ones that the Group is a member of:

ANIGAS

Associazione Nazionale Industriali Gas represents companies that are engaged in any one or more of the following activities in the entire gas chain: transport, storage, regasification of liquefied natural gas, distribution and sale of natural gas on the final and wholesale markets, trading, and methane gas for automotive use. Our Group is represented by the subsidiaries Dolomiti Energia and Novareti; the Chairman of the Parent Company is also a member of the Chairman's Committee and the Board of Directors. The Group participates in the Association's Technical Commissions formed to explore the issues of importance for the gas sector, assessing the initiatives to be proposed at the association level.

UTILITALIA

The Federation that brings together all the Companies operating in public services related to water, the environment, electrical energy and gas. Our parent company Dolomiti Energia Holding is a member. Our Group is also represented in the Executive Board and on the Board of Directors, besides participating in several specific Commissions, Committees and Cross-Sectoral Working Groups; The organisation has more than 500 members in the water, environment, electricity, and gas sectors.

AIGET

Italian Energy and Trader Wholesalers Association of which the subsidiary Dolomiti Energia Trading is a member. The Association promotes competition and transparency within the energy markets, fosters the development and standardization of primary energy products, derivatives and the relevant markets. It analyses with its various partners the critical points that affect the trade of energy products and promotes initiatives aimed at their resolution among grid and market operators, government agencies and competent authorities.

ACCADEMIA AGICI – OSSERVATORIO OIR - OSSERVATORIO TEE

Agici Finanza d'Impresa is a research and consulting company specialized in the field of utilities, renewables, infrastructure and energy efficiency. Dolomiti Energia Holding is a member of the Osservatorio Internazionale sull'Industria e la Finanza delle Rinnovabili (International Observatory for the Industry and Financing of Renewables), launched in 2008 in conjunction with the GSE, which systematically analyses the production chains of Italian and international renewables, going beyond biased outlooks and focusing on industrial issues, innovation and finance. This is also to make proposals for the policy maker. Dolomiti Energia Solutions is a member of the Osservatorio del Mercato dei TEE (observatory of the energy efficiency certificates market).

AIAS

The Italian Professional Association for Environment and Safety offers services dedicated to the health and environmental safety sector via conferences, technical documents, regulatory training courses, and coverage of any legal costs for litigation. Dolomiti Energia Holding SpA is a member.

UNI

UNI - Ente Italiano di Unificazione is an organisation that draws up and publishes voluntary regulatory documents (UNI standards, technical specifications, technical reports and reference practices) in all industrial, commercial and tertiary sectors. It has more than 4,000 members, including our parent company Dolomiti Energia Holding.

IT COLD

The Italian National Committee for Large Dams is a cultural and scientific association which seeks to promote and facilitate the study of all problems connected with dams, their creation and operation. Hydro Dolomiti Energia is a member of this committee.

IBC

The Association of Consumer Goods Industries, which brings together producers of consumer goods and seeks to promote the effectiveness and efficiency of consumer goods industries in their relations with the market, through measures that seek to provide contributions of ideas and projects to boost the production competitiveness. Dolomiti Energia Trading is a member.

The Dolomiti Energia Group also participates through the Parent Company and its subsidiaries in the following National Associations:

- **AIRU** the Italian association for urban heating. Dolomiti Energia Holding is a member
- **AEIT**, the Italian association of electrotechnics, electronics, automation, computer science and telecommunications. The subsidiaries Hydro Dolomiti Energia and SET Distribuzione are members.

- **AIIA** Italian Association of Internal Audit. Dolomiti Energia Holding is a member.
- **APCE** Association for the protection of metal structures from electrolytic corrosion. Novareti is a member
- **UNICHIM** Association for the unification of the chemical industry sector, affiliated to the UNI (the Italian standards body). Dolomiti Energia Holding is a member
- **AITI** Trade association that brings together the treasury offices of the leading Italian companies. Dolomiti Energia Holding is a member.
- **CTI**, the Italian Thermotechnical Committee, a body affiliated to the UNI, conducts legislative and unifying activities in the various thermotechnical sectors and supplies its members with regulatory tools for developing the thermotechnical sector. Novareti is a member.
- **CLUSTER ENERGIA** the National Technological Energy Cluster (CTN), a trade association chaired by ENEA with the objective of searching for, developing and growing the next generation of innovative technologies, products and services for the energy sector. Set Distribuzione is a member.

The Group is also a member of the following organisations in order to represent its interests with local institution:

- **ACOST** An association of safety coordinators for Trentino. SET Distribuzione is a member
- **APINDUSTRIA** An association of small and medium enterprises of Verona. Dolomiti Energia is a member)
- **CONFINDUSTRIA TRENTO**, Sistema Confindustria and Associazione degli Industriali Trentini part of the Confindustria System. Dolomiti Energia Holding, Depurazione Trentino Centrale and Dolomiti Energia Solutions are members
- **CONFCOMMERCIO TRENTO**, Italian General Confederation of Businesses. Dolomiti Energia Holding, Dolomiti Energia, Dolomiti Energia Trading, Novareti, and Set Distribuzione are members
- **ASSOENERGIA** The Confindustria system organisation that offers services linked to the world of energy. Novareti is a member
- **CFP VERONESI** A vocational training school
- **ACCADEMIA DEGLI AGIATI** A historical local cultural association

Our support for the community and local initiatives

The Group has a strong link to its service area and pays the utmost attention to the needs that it expresses, actively supporting the local communities by jointly participating in many kinds of initiatives. Dolomiti Energia Group's focus on the local community has – for many years now – become a constant and tangible support for all the projects and activities in the fields of art and culture, environmental specialisations, sport and associations, that help improve the community's living standards and those of its citizens.

During 2020, the Group allocated more than Euro 2.1 million (over Euro 2.1 million in 2019) for sponsorships and donations. Among the main initiatives, the Etika project enabled major interventions to

support people with disabilities to live more independently, support for festivals open to citizens that have made accessible (at least online, considering the limitations on face-to-face meetings) issues such as the economy, respect for the environment, the mountains or weather forecasting involving the most diverse audiences. But also initiatives that have linked the Group to the healthy values of team sports such as basketball or volleyball, and more local events in which the group stood side-by-side with the organisations that animate the communities it serves, but above all in a year marked by the pandemic, it has striven to support people with concrete, targeted measures for suppliers, customers and citizens. The Group's economic impact is also measured by the support it provides to public spending thanks to its contribution to tax revenue and the remuneration of the capital of its public shareholders, thus favouring further investments beneficial to the collectivity. During the year the Group paid taxes and dues worth Euro 263 million (Euro 282 million in 2019).

In 2020, the Group also invested Euro 87.7 million (Euro 63.2 million in 2019), a large part of which was spent to improve its plants, distribution networks, and local production facilities, and to strengthen the services that benefit its stakeholders.

The remuneration of shareholders will be paid by the Dolomiti Energia Holding 2020 dividend, which will largely benefit the community through the public shareholders of the parent company Dolomiti Energia Holding.

Research and innovation

The Group continued to pursue highly innovative initiatives, focusing on strategic relationships and implementing solutions to support its corporate processes, operations, and advanced management of the Group's business. As part of the Industry 4.0 initiative, the Group has created a number of innovative projects over the last few years on its generation, trading, sales to end customers, gas, electricity and water network management chains. It has focused its commitment to innovation with projects concerning:

- Studying and comparing the available alternatives and designing an energy efficiency offer for our electricity and gas consumers;
- Developing a software application for flood management, i.e. for continuous monitoring, logging, simulation and management of flood events so as to protect the ecosystem and the population;
- Creating systems for forecasting and optimizing the production of its hydroelectric power plants, so as to use available water resources more efficiently;
- Digitalising its gas and electricity network management processes, so as to further maximize efficiency service level provided;
- Revision of the model and processes used to manage and develop human resources, aimed at more fully enabling the potential of the Group's people;
- Replacing the entire installed base of meters with smart devices, which will allow meters to be read remotely;
- The development of application software to manage the collection of data in preparation for the consolidation of the sustainability report;

- The setting up, process and software design for the purpose of implementing an energy management system to balance and optimise the Group's energy sources (power stations and outside procurement) in relation to the consumption of its gas and electricity customers;
- Experimenting, on the Mori gas network, an innovative remote management system that automatically adjusts the settings of the pressure reducers in order to follow the profiles of real consumption;
- Developing the technology of its electricity distribution network in order to provide increasingly advanced functions, such as real-time monitoring, voltage regulation, information exchange and new fault identification techniques;
- The launch of a partnership with Microsoft aimed at the digital transformation of the Energy & Utilities sector;
- Improving energy efficiency to increase the level of customer awareness on energy consumption and to gauge the degree of interest of both business and residential customers for certain products and services designed to optimise energy consumption;
- Completion of the SFA project aimed at equipping Dolomiti Energia with cloud instruments, to support the direct and direct actions of the sales force. In this case, the project seeks to innovate the product offering and management, sales, commercial network management and marketing processes (using marketing automation and campaign management tools). The solution seeks to consolidate and replace the tools used in the past, while industrialising and boosting the efficiency of certain processes which are currently highly manual in nature;
- The adoption of technologies and services to prevent and defend from cyber attacks.

The Group promotes and participates in a range of research initiatives in the energy and environmental fields, specifically designed to identify new instruments that can contribute to safeguarding the environment and improving the services it offers. Specifically:

- European Stardust Project: The objective is to pave the way for the transformation of fossil-fuelled cities into highly-efficient, smart and citizen-oriented cities, by developing sustainable technical solutions that can be rapidly replicated in the market. The Group focuses its efforts on the energy requalification of buildings, on studying the impact of electric mobility on the electricity distribution network, and on innovative communication systems to collect information from the plants.
- OSMOSE: within the European Framework Programme for Research and Innovation, the activities connected with the Horizon 2020 project entitled 'OSMOSE' have continued, which involves the major European Network Managers, universities, research centres and various industrial partners, including Hydro Dolomiti Energia. The project aims to prove the technical feasibility of a mix of flexibility solutions, able to maximise the technical and economic efficiency of the European electricity system, ensuring that it is safe and reliable. Hydro Dolomiti Energia is particularly involved in work packages relating to experimental activities aimed at the use of hydroelectric generation and pumping plants for balancing the cross-border electricity grid.
- In July 2020, an agreement was signed, whose object was the joint trial of innovative technology for converting hydraulic energy into electricity. The project saw the launch of an initial three-year trial along the route of the Biffis Canal.

For further details, see the 2020 Consolidated Financial Statements.

Environmental protection

84,424

Taxpayers served by quantity-based waste charging
(86,303 in 2019)

39

Hydroelectric power stations with EMAS registration





As a result of its business, the Dolomiti Energia Group has a strong bond with its local community and environment and is well aware that its operations affect the economic, social and environmental development and the living standards throughout its service area.

The Group has adopted a specific policy on environmental matters in which it has publicly stated its commitment, at all levels, to do business responsibly and sustainably. With this document, the Group asks all its recipients, whether directors, employees and agents of the Dolomiti Energia Group and its subsidiaries, as well as all those who work in the name of and on behalf of the Group, to follow and comply with the guidelines and conduct set out therein.

In particular, this required the application of the following behavioural principles:

- Comply with the provisions, technical and legislative regulations and resolutions of the regulatory authority applicable for the field that establish the fundamental principles and set the standards for the services provided, concerning environmental issues on the basis of the principle of risk prevention and mitigation, including those related to climate change.
- Implement and periodically assess the Integrated Quality, Environment, Health, and Safety Management System in order to ensure the respect and protection of the environment.
- Recurrently analyse the environmental risks and opportunities present in the context in which the Group companies operate, also in order to prevent and manage environmental emergencies.
- Periodically define environmental protection objectives and the specific strategies necessary to achieve them.
- Provide accurate and timely measurement and reporting on the reference indicators of the Integrated Quality, Health, Safety, and Environment Management System of the Dolomiti Energia Group, in order to identify any need for corrective action.
- Consider the eco-compatible behaviour of all employees as an integral part of Dolomiti Energia Group's values, and, accordingly promote actions and behaviours that support their implementation.
- Responsibly manage the environmental impact of the Group's activities in the same way as the quality of performance and service provided to our customers.
- Protect the climate by reducing greenhouse gas emissions and promoting renewable sources for energy production and provision.
- Sustainably manage the energy, water and other natural resources used, carefully optimizing their use, and reduce their waste.
- Reduce waste production, promote the use of recycled materials and encourage the use of responsible disposal methods.
- Encourage the development and deployment of sustainable technologies and services capable of efficiently managing water and energy consumption and contributing to mitigate the risks related to climate change.

- Protect the natural environment, the ecosystem and the biodiversity of the areas where the plants are located, taking into account the impacts on the territory and on natural resources.
- Collaborate with external bodies (e.g. public administration, suppliers) to disseminate a widespread awareness of environmental protection matters.
- Dialogue with workers and their representatives regarding compliance with the rules and regulations on environmental protection, in order to highlight their contribution to the Group's strategies.
- Collaborate with stakeholders, through open and constructive dialogue, seeking solutions to improve the Group's environmental performance and that of the communities it serves.

Management of environmental impacts

All of the Group's operating companies have implemented a model for the prevention of environmental crimes

as required by Italian Legislative Decree standard. At Dolomiti Ambiente, Hydro Dolomiti Energia, Dolomiti Edison Energy, Dolomiti Energia and Novareti (limited to the GAS service and the cogeneration plant in the Industrial Area in Rovereto), the environmental management systems have been subject to certification based on the UNI EN ISO 14001 standard. For Dolomiti Ambiente, Hydro Dolomiti Energia and Dolomiti Edison Energy, EMAS registration was also secured. The main environmental risks linked to the Group companies' business are related to potential emergency events in the waste management sector, in the management of the water cycle, specifically involving the collection of wastewater and its purification, the management of hydroelectric production and the production of electricity and heat using cogeneration processes. In real terms, the potential environmental risks identified are possible impacts on the contamination of the soil, subsoil and aquifers, on flora, fauna, and biodiversity, on polluting emissions and the emission of greenhouse gases into the atmosphere.

The Group's commitment to safeguarding the environment is borne out by the absence also during 2020 of any significant fines or sanctions due to a failure to comply with laws or regulations related to environmental issues.

Energy consumption

In 2020 the Group consumed 1,147,815.38 GJ (equivalent to over 318 GWh of energy), which is quantity required to meet the annual energy needs of over 118,000 households (according to ARERA's average consumption of residential customers with a power supply rated at 3 kW, equal to 2,700 kWh/year). Total consumption is given by the contributions of: electricity drawn from the grid (33.2%), electricity produced and internally consumed on site (7.8%), natural gas (58.3%) and thermal energy drawn from the district heating network (0.6%). It should be noted that, in the energy drawn from the grid, the consumption of electricity supplied by Dolomiti Energia and the electricity for pumping in hydroelectric power plants have been taken into account.

The most energy consuming activities of the Group are the pumping at hydroelectric plants and the production of thermal energy for district heating and cogeneration. In particular, the latter activity is the one that causes the Group's greatest environmental impacts, particularly in terms of greenhouse gas emissions. The Group's direct energy consumption mainly concerns the use of fuel (natural gas) to produce electricity and heat in the plants (e.g. cogeneration), as well as non-renewable primary energy flows not directly related to energy production (e.g. heating etc.).

The Group's indirect energy consumption (electricity that the Group purchases or consumes) includes the offices and the Group's production plants (Dolomiti Energia Holding, Hydro Dolomiti Energia, SF Energy, Dolomiti Edison Energy, Depurazione Trentino Centrale and Dolomiti Ambiente). As mentioned above, the energy drawn from the network includes both that purchased from the Group's supply company (which guarantees its 100% renewable traceability) and the energy used for pumping in hydroelectric power plants. The Group has electricity production plants (hydroelectric, photovoltaic, cogeneration and thermoelectric) that have produced a total of 4,007 GWh; a very small part of this energy (24.6 GWh, equal to 0.6% of the total) is used internally.

The total electricity requirement, given by the sum of energy withdrawn and consumed within the Group, was around 130 GWh (equivalent to over 472,000 GJ). This consumption was provided by 100% renewable energy, therefore with no CO₂ emissions.

In addition to the direct and indirect consumption data specified above, we must take into account the fuel consumption of the company's fleet of vehicles, relating to the rental company Arval, which amounted to 1,369,821, split between diesel (97.10%), petrol (2.86%) and natural gas (0.04%).

Total energy consumption within the organisation

		2020	2019	2018
Non-renewable fuel consumed	GJ	668,950.34	860,486.51	1,365,159
Renewable fuel consumed	GJ	0	0	0
Electricity, heating, cooling and steam purchased for consumption	GJ	388,816.41	400,892.42	137,782
Electricity, heating, cooling, and steam produced internally	GJ	15,717,014.88	12,445,091.47	96,276
(-) Electricity, heating, cooling, and steam sold	GJ	15,626,966.25	12,386,213.36	
TOTAL	GJ	1,147,815.38	1,320,257.04	1,599,217

Direct energy consumption within the organisation

		2020	2019	2018
FROM NON-RENEWABLE SOURCES	GJ	668,950.34	860,486.51	
Natural gas	GJ	663,706.26	851,942.37	1,365,159*
For heating	GJ	35,818.20	35,650.23	ND
For heating	GJ	0	0	ND
Other (i.e. burned in own plants)	GJ	627,888.06	816,292.14	ND
Diesel	GJ	1,255.60	1,427.95	ND
For heating	GJ	1,085.84	915.55	ND
For other uses	GJ	169.76	529.49	ND
LPG	GJ	3,988.48	7,099.05	ND
FROM RENEWABLE SOURCES			0	ND
Biogas	GJ	0	0	ND
Biomass	GJ	0	0	ND
Other (specify in notes field)	GJ	0	0	ND
TOTAL	GJ	668,950.34	860,486.51	
SF6 (replenishments)	GJ	0.01	0	ND

* In previous years natural gas consumption was counted without breaking it down into heating and other use and the perimeter did not include diesel and LPG consumption. The figure shown in the 2018 NFD differs from that indicated, as it was overestimated by mistake

Energy consumption within the organisation, by source

		2020		2019		2018	
		year	(GJ)	year	(GJ)	year	(GJ)
FROM NON-RENEWABLE SOURCES							
<i>Of which purchased for consumption:</i>	KWh	2,024,282.00	7,287.42	2,240,050.00	8,064.18	ND	ND
Electricity	KWh	0	0	0	0	ND	ND
Thermal energy	KWh	2,024,282.00	7,287.42	2,240,050.00	8,064.18	ND	ND
Energy for cooling	KWh	0	0	0	0	ND	ND
Steam	KWh	0	0	0	0	ND	ND
Other sources (specify in the notes field)	KWh	0	0	0	0	ND	ND
<i>Of which produced internally:</i>	KWh	120,804,743.00	434,897.07	147,807,010.00	532,105.24	ND	ND
Electricity	KWh	25,984,432.00	93,543.96	45,900,000.00	165,240.00	ND	ND
Thermal energy	KWh	73,972,646.00	266,301.96	67,700,000.00	243,720.00	ND	ND
Energy for cooling	KWh	3,284,840.00	11,825.42	3,507,010.00	12,625.24	ND	ND
Steam	KWh	17,562,825.00	63,226.17	30,700,000.00	110,520.00	ND	ND
Other sources (specify in the notes field)	KWh	0	0	0	0	ND	ND
<i>Of which sold:</i>	KWh	120,804,743.00	434,897.07	147,807,010.00	532,105.24	ND	ND
Electricity	KWh	25,984,432.00	93,543.96	45,900,000.00	165,240.00	ND	ND
Thermal energy	KWh	73,972,646.00	266,301.53	67,700,000.00	243,720.00	ND	ND
Energy for cooling	KWh	3,284,840.00	11,825.42	3,507,010.00	12,625.24	ND	ND
Steam	KWh	17,562,825.00	63,226.17	30,700,000.00	110,520.00	ND	ND
Other sources (specify in the notes field)	KWh	0	0	0	0	ND	ND
FROM RENEWABLE SOURCES							
<i>Of which purchased for consumption:</i>	KWh	105,980,275.48	381,528.99	109,118,955.97	392,828.24	ND	ND
Hydroelectricity	KWh	105,980,275.48	381,528.99	109,118,955.97	392,828.24	25,512,780	137,782
Solar power	KWh	0	0	0	0	ND	ND
Other sources (specify in the notes field)	KWh	0	0	0	0	ND	ND
<i>Of which produced internally:</i>	KWh	4,245,032,724.69	15,282,117.81	3,309,162,844.10	11,912,986.24	ND	ND
Hydroelectricity	KWh	4,244,314,541.69	15,279,532.35	3,308,502,340.11*	11,910,608.42	ND	ND
Solar power	KWh	707,108.00	2,545.59	660,503.99	2,377.81	ND	ND
Other sources (Via Fersina cogenerators)	KWh	11,075.00	39,87	0	0	ND	ND
<i>Of which sold:</i>	KWh	4,222,019,215.94	15,192,069.18	3,292,807,813.54	11,854,108.13	ND	ND
Hydroelectricity	KWh	4,219,736,067.94	15,191,049.84	3,292,591,998.13	11,853,331,19	ND	ND
Solar power	KWh	283,148.00	1,019.33	215,815.41	776.94	ND	ND
Other sources (specify in the notes field)	KWh	0	0	0	0	ND	ND

* This value does not include the production of Dolomiti Edison Energy since the operational management of the plants in 2019 was entrusted to Edison

Company vehicle fleet fuel consumption

		2020	2019	2018
AUTOMOBILES	GJ	9,284.52	8,977.32	ND
Diesel	GJ	8,862.88	8,612.78	ND
Petrol	GJ	421.63	364.52	ND
Methane	GJ	0.01	0.02	ND
VANS AND HGV	GJ	42,727.74	40,782.05	ND
Diesel	GJ	41,814.65	40,676.47	ND
Petrol	GJ	913.09	105.56	ND
Methane	GJ	0.01	0.02	ND
TOTAL	GJ	52,012.26	49,759.37	51,045

This consumption pertains only to the Arval rental company, the main one for the Group, compared to the other two companies, Leasys and Car Server, the data of which are not included. Thanks to an improved reporting system, the methods used to calculate the company's fleet's fuel consumption have been refined, dividing them into cars and vans and heavy vehicles.

Energy intensity

		2020	2019	2018
Direct energy consumption*	kWh	185,819,539.55	239,024,029.40	598,378,957
Indirect energy consumption*	kWh	133,018,066.23	127,714,036.53	38,272,710
Gross energy production*	kWh	3,991,210,000	3,630,500,000	3,562,600,000
Energy intensity	kWh/kWh	0.080	0.101	0.179
Energy intensity over the number of employees	kWh/N. employees	222,341	269,264	473,347

* Figure includes the production generated by the Ponti sul Mincio power plant

What we have done to reduce energy consumption

Initiatives undertaken to reduce energy consumption

	2020		2019		2018	
	Type of energy	Amount of reduction (estimate)	Type of energy	Amount of reduction (estimate)	Type of energy	Amount of reduction (estimate)
Replacement of the lighting fixtures with new LED technology, etc.	KWh electricity	2,177,002.46*	electricity	2,046,379.00	electricity	7,700
Replacement of the thermal plants	KWh thermal	6,604.00**	thermal	0.	-	-
Installation of photovoltaic power plants	KWh electricity	0	electricity	0	-	-
Other	KWh electricity and thermal	64,803.00***	electricity	91,300.00	-	-

* These refer to the work at the Santa Massenza power plant, the Dolomiti Ambiente sites (at Tangenziale Ovest) and the activities to boost the efficiency of the street lighting

** Refers to natural gas savings connected with the replacement of the boiler at the Viale Trieste site

*** Refers to the work at the Cimego power plant, in the REMI (regulation and measurement) cabins at Ala, Grigno and Villa Agnedo

The initiatives undertaken in 2020 to reduce energy consumption included:

- completion of the refurbishing of the lighting system for the cave power station of Santa Massenza is currently being designed using LED technology light fixtures;
- for the operations carried out by SET Distribuzione, initiatives aimed at reducing network losses are planned, leading to a significant reduction in energy consumption;
- the Group uses a computer-based hydrodynamic model of the water systems of the cities it serves, which provides a detailed picture of the operation of the delicate water system of the aqueduct – point by point and moment by moment. In particular, the model has been designed to reduce the service's environmental impact, as it helps to monitor the network's efficiency by revealing the hidden leaks that every year lead to a significant waste of water, by highlighting consumption exceeding ordinary parameters. The other important implication is the possibility of calibrating the activity of the draw pumps based on the consumption recorded at any one time, with the resulting possibility of reducing the energy consumption involved in pumping water up from the aquifers. In 2020 this optimization of pressure management, combined with greater efficiency in the search for leaks, led to energy savings for pumping. With the start of the structural investments, i.e. the increase in pipeline replacement and the implementation of a new automatic real-time regulation system, we believe that these savings will continue to be consolidated in the future;
- replacement of thermal plants at the Viale Trieste site;
- replacement of public lighting fixtures with LED technology in the municipalities of: Brentonico, Bussolengo, Dro, Mori, Rovereto, Val di Zoldo, and Volano;
- completion of relamping work at the Dolomiti Ambiente sites and properties;
- launch of the energy efficiency work for the air conditioning at the Rovereto site;
- installation of EMMA systems in certain REMI cabins which generated a natural gas saving of 48,353 kWh and thanks to the installation of a heat pump at the Cimego power plant an energy saving of 1,450 kWh was achieved.

Atmospheric releases

The Dolomiti Energia Group produces electricity essentially from renewable sources (hydroelectric and photovoltaic generation). Only two of the Dolomiti Energia Group companies emit CO₂ to produce energy, Novareti in its cogeneration plants and Dolomiti Energia Holding, as 5% owner of the electrical power plant at Ponti sul Mincio. The Mincio power plant is a thermoelectric power plant fuelled by natural gas.

Other Scope 1 emissions are generated by leaks of SF₆ (sulphur hexafluoride). SF₆ gas is used as insulation for certain electrical devices insulated with SF₆ since it enables limited volumes and greater safety. Part of the gas present in the infrastructures is dispersed into the atmosphere through gaskets or in certain cases during operations to restore pressure. SF₆ is classed among greenhouse gases: the Group is committed to limiting SF₆ leaks by keeping them under control.

Other emissions are generated from the use of company vehicles. In 2020, the Group continued with its process to reduce emissions generated by the Group's mobility requirements. Due to the pandemic, the launch of new initiatives was postponed.

Under service contacts with the two companies mentioned above, Dolomiti Energia Trading is responsible for sourcing on the market the European Emission Allowances (EUAs) required by the two companies to meet their obligations, supplementing any quotas received free of charge by the system.

Direct emissions of the organisation, by source (Scope1)**

		2020	2019	2018*
FROM NON-RENEWABLE SOURCES	t. CO₂e	30,905.96	45,069.17	113,914
Natural gas	t. CO ₂ e	30,593.19	43,509.27	ND
<i>For heating</i>	t. CO ₂ e	1,651.02	1,820.68	ND
<i>Other (i.e. burned in own plants)</i>	t. CO ₂ e	28,942.17	41,688.59	ND
Diesel	t. CO ₂ e	83,90***	98,26	ND
LPG	t. CO ₂ e	0,86	1,52	ND
SF ₆ (replenishments)	t. CO ₂ e	228	1460,11	ND

* In previous years, diesel, LPG and SF₆ emissions are not included in the scope. The factors used to calculate the emissions were published by the Department for Environment, Food & Rural Affairs (DEFRA).

** The data perimeter includes Dolomiti Ambiente, Dolomiti Energia Holding, Dolomiti Energia Solutions, Dolomiti Energia, Hydro Dolomiti Energia, Novareti, and SET.

*** Relating to emissions for district heating and other uses

Emissions of the corporate fleet (Scope 1)

		2020	2019	2018
AUTOMOBILES				
Diesel	t. CO ₂ e	592.27	585.67	ND
Petrol	t. CO ₂ e	26.84	23.70	ND
Methane	t. CO ₂ e	113.80	182.47	ND
VANS AND HEAVY VEHICLES				
Diesel	t. CO ₂ e	2,794.29	2,766.01	ND
Petrol	t. CO ₂ e	58.13	6.86	ND
Methane	t. CO ₂ e	104.96	217.63	ND
TOTAL	t. CO₂e	3,690.29	3,782.35	3,730

Thanks to an improvement in the reporting system, the methods used to calculate emissions of the company fleet have been refined.

Total emissions

		2020	2019	2018
Direct (Scope 1)	t. CO ₂ e	34,596.01	48,851.52	117,644
Indirect (Scope 2)	t. CO ₂ e	349.41	394.38	0
TOTAL	t. CO₂e	34,945.42	49,245.90	117,644

The extension in the reporting scope that led to inclusion of indirect emissions. The factors used to calculate indirect emissions (scope 2) were published by the Department for Business, Energy & Industrial Strategy (BEIS) in 2019.

Cogeneration NOX SOX, and other significant emissions, by weight*

		2020	2019	2018
NOX	kg	34,188.00	48,662.00	83,854.00
SOX	kg	0	0	0
Persistent organic pollutants (POP)	kg	0	0	0
Volatile organic compounds (VOC)	kg	0	0	0
Hazardous atmospheric pollutants (HAP)	kg	0	0	0
Particulate matter (PM)	kg	0	0	0
Other standard categories of atmospheric emissions identified in the relevant legislation	kg	0	0	0

* Data supplied by the fume analysers and by annual checks. The quantity of fumes produced is calculated based on the quantity of gas burned and based on its composition. Data perimeter includes Novareti's business. The NOx, SOx, and other significant atmospheric emissions have been reported, since they are monitored, for Novareti Cogenerazione; for all the other Dolomiti Energia Group companies they are estimated to have a low impact compared to those reported.

Greenhouse gas emission intensity (GHG) **

		2020	2019	2018
Emissions	t. CO ₂ e	34,945.66	49,245.90	117,644
Gross energy production	kWh	3,991,210,000	3,630,500,000	3,562,600,000
Intensity	t. CO ₂ e/kWh	0.0000088	0.000014	0.000033
Total number of employees	no.	1,434	1,362	1345
Intensity, by number of employees	t. CO ₂ e/no.	24.4	36.2	87.5

** The perimeter of the data includes the business of Dolomiti Gnl, Dolomiti Energia Solutions, Novareti, Dolomiti Ambiente, Dolomiti Energia Holding, ENERGIA Energia., Hydro ENERGIA Energia, SET, DEE.

What have we done for cleaner air

		2020	2019	2018
Reduction of greenhouse gas emissions through renewable energy (hydroelectric) production	t. CO ₂ e	1,426,264.85	1,353,320.20	1,248,584.42
Greenhouse gas emission reduction initiatives	t. CO ₂ e	0	ND	ND
Initiatives to reduce greenhouse gas emissions EUA	t. CO ₂ e	0	ND	ND
Conversion and retrofitting of equipment (lights, computer equipment, heating, etc.)	t. CO ₂ e	20.93	3.70	2.70

For 2019 and 2020, the table does not consider the reduction of CO₂ emissions connected with street lighting energy efficiency interventions, in view of the 100% renewable traceability

- SET Distribuzione is involved in initiatives to reduce network losses that indirectly also lead to a reduction in greenhouse gas emissions;
- The Group has continued to upgrade its vehicle park to lower consumption, limit emissions and increase both the quality of the service provided and the well-being of the workforce using them. It has also continued to introduce electric vehicles into the company's fleet of both cars and work vehicles;
- Conference call: during the 2020 pandemic, the Group adopted the widespread use of video conferencing tools, thus generating significant reductions in environmental impact due to the use of vehicles for trips and travel, in addition to costs and energy.
- In 2020, including thanks to the use of innovative tools that have enabled the personnel to work remotely to carry out many of their activities, we have been able to make an important contribution in terms of sustainability by reducing the carbon dioxide emitted.
- Increased capacity for hydroelectric production thanks to the acquisition of the Veneta Esercizi Elettrici plants.
- The sales company offers its business clients the "100% CO₂ compensated" natural gas offer: a CO₂ compensation project whereby anyone choosing this offer funds the distribution of efficient cooking stoves in certain rural communities in Southern Ethiopia to support people, besides the environment. This project is run in conjunction with Dolomiti Energia and in collaboration with COOPI, an Italian NGO. The stoves that have been distributed reduce wood consumption by 20% and the resulting CO₂ emissions, and the impact on the climate as well as the health risk caused by the inhalation of combus-

tion fumes. Another part of the funds will be used to build a run-of-the-river hydroelectric power plant, which will produce clean energy without any polluting emissions. The project generates CO₂ credits that give rise to internationally recognized certificates that ensure that the projects produce a real reduction in greenhouse gases.

- For 2020, we offset CO₂ equivalent to a total of 25,064,455 Sm³ consumed by our customers, corresponding to 49,286 tonnes of CO₂ saved.
- 2020 saw the completion of the replacement of the electrical equipment at the high-voltage (130,000 V) substation in the Riva del Garda hydroelectric power plant. This activity helped bring the substation in line with the electrical safety regulations in force, improve its efficiency and, at the same time, significantly reduce the use of dielectric greenhouse gases (SF₆), to the benefit of the environment. In fact, the quantity of SF₆ gas in the equipment has fallen by 28%. In addition, the new equipment has eliminated leaks into the atmosphere.

Waste management

The Group handles its self-produced waste and the production waste that it generates within the context of its various activities through Dolomiti Ambiente and under a Group procedure (PG-GDE-051 "Self-produced waste"), in order to enable regular recovery or disposal of the waste without endangering the human health, ensuring a high level of environmental protection, and complying with the principles of Italian and provincial legislation.

For cogeneration, the production of waste is directly related to the maintenance activity of the plants.

For SET, the production of waste is linked to the maintenance of its networks and distribution plants. Most of SET's hazardous waste is made up of transformers, while its non-hazardous waste is water-based solutions.

For Novareti, water sector, the production of waste is directly linked to the maintenance activity of the networks and aqueduct systems. Most of its hazardous waste is batteries, while its non-hazardous waste is water-based solutions.

The waste produced by the specific activities of Dolomiti Ambiente is mainly deriving from the operation and maintenance of vehicles used for the collection of municipal waste, from the maintenance of infrastructures and the container pool. Such waste is disposed of at authorized sites according to the type of material, favouring recovery whenever possible. The Dolomiti Ambiente processes in their turn generate waste, most of it non-hazardous. For Dolomiti Ambiente the hazardous waste is mainly constituted of vehicles and/or vehicle maintenance, while non-hazardous waste is aqueous liquid waste.

Dolomiti Energia Holding as hazardous waste mainly produces chemical laboratory substances containing or made up of hazardous substances, including mixtures of chemical laboratory substances, while as non-hazardous waste it mainly produces packing wood and furnishing.

For activities connected with HDE, the quantities produced vary significantly from one year to the next since they depend essentially on the schedule of the ordinary and extraordinary maintenance activities. Since waste is not generated directly by the production cycle, but from maintenance activities, or the need

to replace waste oil, achieving a reduction in product quantities will be difficult. There is thus little scope for improvement as regards this aspect. Since a considerable amount of waste is produced, any further recycling opportunities are being explored.

The Group's commitment to reduce the environmental impact of its waste starts with an environmentally-friendly management that complies with the relevant national regulations during the entire life cycle of the waste. Only a residual part of the refuse produced is sent to landfill and thus has an environmental impact. A significant portion of the waste is directed to treatment chains that enable its sustainable processing. In order to reduce the consumption of paper and therefore also waste, electronic archiving has been introduced, alongside the use of certified e-mail and the dematerialisation of documents. To reduce the impact of the paper consumed, where possible we purchase paper from certified and CO₂-neutral chains. Each site has containers for separate waste sorting. Moreover, before being handed over to authorised parties for disposal or recycling, waste is temporarily stored in suitably equipped areas within the facilities, in accordance with the time frames and quantities stipulated in the legislation. These areas are also chosen with regard to the lowest possible visual impact on the external environment. Waste is stored in a controlled manner, preventing any risk for people or the environment. In particular, hazardous and non-hazardous waste are separated, while spills of liquids, the dispersion of powders and the emission of harmful vapours are prevented.

Waste products by composition

		Waste produced	Waste not intended for disposal	Waste intended for disposal
COLLECTION HAZARDOUS				
Waste from electrical and electronic appliances	t	15.07	15.07	0
Batteries and accumulators	t	7.80	7.80	0
CABLES	t	1.99	1.99	0
Fluorescent lighting	t	0.18	0.18	0
Packaging that contained hazardous substances	t	1.31	1.31	0
Absorbents and filtering materials	t	1.10	1.10	0
Mineral/synthetic oils	t	4.26	4.26	0
Chemicals	t	2.91	2.91	
Other	t	67.30	57.73	9.57
TOTAL	t	101.92	92.35	9.57
COLLECTION NON HAZARDOUS				
Plastics	t	79.84	79.84	0
Wood	t	49.01	49.01	0
Mixed packaging	t	11.27	11.27	0
Metal	t	116.28	116.28	0
Organic waste	t	13.53	13.53	0
Sewage sludge	t	22.16	0	22.16
End-use electrical and electronic equipment	t	52.89	52.89	0
Other	t	1,571.61	121.64	1,449.98
TOTAL	t	1,916.59	444.45	1,472.14
TOTAL WASTE	t	2,018.53	536.82	1,481.71

Group procedure PG-GDE-051 applies to all the activities of Dolomiti Energia Holding, Dolomiti Ambiente, Novareti, SET Distribuzione, Dolomiti Energia Solutions, Hydro Dolomiti Energia, Dolomiti Edison Energy and Dolomiti Energia that produce waste.

The procedure does not apply to the public collection service conducted by Dolomiti Ambiente or to the sewage and ecological plants service operated by Novareti.

Self-produces waste not destined for disposal by type of recovery operation

		In situ	At an external site	Total
COLLECTION HAZARDOUS				
Recovery/Preparation for reuse	t	0	0	0
Recycling	t	0	0.01	0.01
-Metal	t	0	0.01	0.01
Other recovery operations*	t	0	92.36	92.36
-Waste from electrical and electronic appliances	t	0	16.02	16.02
-Batteries and accumulators	t	0	6.86	6.86
-Cables	t	0	1.99	1.99
-Fluorescent lighting	t	0	0.18	0.18
-Packaging that contained hazardous substances	t	0	1.31	1.31
-Absorbents and filtering materials	t	0	1.10	1.10
-Mineral/synthetic oils	t	0	4.26	4.26
-Other	t	0	57.73	57.73
-Chemicals	t	0	2.91	2.91
TOTAL	t	0	92.37	92.37
COLLECTION NON HAZARDOUS				
Recovery/Preparation for reuse	t	0	0	0
Recycling	t	0	0	0
Other recovery operations*	t	0	444.44	444.44
-Plastics	t	0	95.65	95.65
-Wood	t	0	33.20	33.20
-Mixed packaging	t	0	11.27	11.27
-Metal	t	0	116.27	116.27
-Organic waste	t	0	13.53	13.53
-Sewage sludge	t	0	0	0
-End-use electrical and electronic equipment	t	0	52.84	52.84
-Other	t	0	121.68	121.68
TOTAL	t	0	444.44	444.44
TOTAL WASTE	t	0	536.8	536.8

Group procedure PG-GDE-051 applies to all the activities of Dolomiti Energia Holding, Dolomiti Ambiente, Novareti, SET Distribuzione, Dolomiti Energia Solutions, Hydro Dolomiti Energia, Dolomiti Edison Energy and Dolomiti Energia that produce waste.

The procedure does not apply to the public collection service conducted by Dolomiti Ambiente or to the sewage and ecological plants service operated by Novareti.

* Includes, for example, handover to suppliers accredited with the recycling chain

Waste intended for disposal by disposal method

		IN SITU	At an external site	Total
COLLECTION HAZARDOUS				
Incineration (including energy recovery)	t	0	0	0
Incineration (without energy recovery)	t	0	0	0
Disposal at landfills	t	0	0	0
Other disposal operations*	t	0	9.57	9.57
-Waste from electrical and electronic appliances	t	0	0	0
-Batteries and accumulators	t	0	0	0
-Cables	t	0	0	0
-Fluorescent lighting	t	0	0	0
-Packaging that contained hazardous substances	t	0	0	0
-Absorbents and filtering materials	t	0	0	0
-Mineral/synthetic oils	t	0	0	0
-Other	t	0	9.57	9.57
-Chemicals	t	0	0	0
TOTAL	t	0	9.57	9.57
COLLECTION NON HAZARDOUS				
Disposal at landfills	t	0	31.42	31.42
-Plastics	t	0	0	0
-Wood	t	0	0	0
-Mixed packaging	t	0	0	0
-Metal	t	0	0	0
-Organic waste	t	0	0	0
-Sewage sludge	t	0	44.32	44.32
-End-use electrical and electronic equipment	t	0	0	0
-Other	t	0	2,157.77	2,157.77
Incineration (including energy recovery)	t	0	0	0
Incineration (without energy recovery)	t	0	0	0
Other	t	0	31.42	31.42
Other disposal operations*	t	0	2,202.09	2,202.09
TOTAL	t	0	2,233.51	2,233.51

Group procedure PG-GDE-051 applies to all the activities of Dolomiti Energia Holding, Dolomiti Ambiente, Novareti, SET Distribuzione, Dolomiti Energia Solutions, Hydro Dolomiti Energia, Dolomiti Edison Energy and Dolomiti Energia that produce waste.

The procedure does not apply to the public collection service conducted by Dolomiti Ambiente or to the sewage and ecological plants service operated by Novareti.

* This includes, for example, sending biological or chemical-physical treatment

Self-produced residual waste at the sites

Waste by composition	u.m.	Collected in Rovereto			Collected in Trento		
		WASTE PRODUCED	WASTE NOT INTENDED FOR DISPOSAL	WASTE FOR DISPOSAL	WASTE PRODUCED	WASTE NOT INTENDED FOR DISPOSAL	WASTE FOR DISPOSAL
Collection hazardous	t						
Residual	t						
TOTAL	t	0	0	0	0	0	0
Non-hazardous waste	t						
Residual	t	95,254		95,254	265,240		265,240
TOTAL	t	95,254	0	95,254	265,240	0	265,240
TOTAL WASTE	t	95,254	0	95,254	265,240	0	265,240

The table considers the residual waste produced at the two main sites at Via Manzoni in Rovereto and at Via Fersina in Trento.

Preservation of natural resources and biodiversity

Sustainable wastewater management

The Group carries out sewage treatment activities for the catchment area of the Adige river on behalf of the Province of Trento through the "Depurazione Trentino Centrale" subsidiary, in which it has a 57% stake until 31 December 2020, after which date it is not in the Group's scope. Discharged waters are returned to the environment only after they have been collected via the sewer system and then purified. The monitoring of the connections of the sewage network, the checks made to verify the efficiency of the treatment plants along with regular analyses of wastewater guarantee protection against and risks of pollution.

Waste water treatment*

		2020	2019
Total volumes of wastewater treated	Megaliters	24,364.73	25,009.02
Total volume of sludge output	t	24,712.86	28,483.33

* The total cubic metres that arrive at the treatment plant are obtained from metres installed and correspond to a percentage of around 80% of the volume of water released into the aqueduct network (the total of the municipalities served by Novareti), net of leaks, which are estimated by analysing the night-time minimums, as 15%. Rain water is subject to the purification cycle for a maximum volume equal to 3 times the average flow in dry weather, while the excess is sent directly to surface water courses.

What have we done to protect natural capital

- The cleaning of vehicles used for municipal sanitation is done exclusively with water, without the addition of chemical additives or detergents in order to be able to return the water to the environment without the addition of pollutants.
- In 2020, an awareness-raising project was organised for the issues of separate waste collection aimed at citizens, which has unfortunately been downsized due to the pandemic, especially as regards the activities envisaged with the University and Opera Universitaria, which were cancelled due to the absence of students and the critical issues arising from the ban on organising face-to-face training sessions. Conversely, meetings were organised for primary schools, both face-to-face and remote, with over 70 requests received. Two videos were then produced to illustrate the new features introduced since 1 January 2021 into the exact pricing system for large apartment blocks.
- Completion of the activities in preparation for the extension (in 2021) of an exact pricing system for large apartment blocks to further encourage the correct separation of waste.
- Created to improve environmental security, at the Tangenziale Ovest operating site, an oil-separator plant able to treat all the rainwater collected from the rainwater network before returning it to the groundwater for dispersion.
- For materials that support the municipal sanitation activities (containers, tubs, composters and bags), we try, where possible, to choose materials that have been produced with a percentage of recovered

materials.

- Launch of a project to introduce circular economy practices into company catering: the first steps of the initiative aimed at limiting the waste of raw materials and the adoption of plastic-free and paper-free policies, the recovery of undistributed meals, the elimination of single-use paper table mats and the adoption of free-beverage arrangements in internal canteens, but also the possibility for individual users to take away their extra-food.
- Waste cooking oils recovered through the activities of Dolomiti Ambiente.
- A continued commitment to guarantee citizens, even during the most severe phase of the pandemic, maximum accessibility to material collection centres.
- Dolomiti Ambiente has developed its online services, particularly useful during the health emergency: for all contractual operations, bookings for the collection of bulky items and verification of the number of emptying operations of the residual fraction recorded. An online branch is also available and may be accessed 24/7. In addition, the new 'Dolomiti Ambiente' app has been made available, where users can find all the information about their utilities, collection days, the guide to separate waste collection, in addition to the invoices archive and, where possible, the progress of the emptying operations; information initiatives have also been launched to raise awareness of the use of e-mail bills, highlighting their benefits in environmental terms.
- Continuation in Trento of the project to revise the stock of containers for the collection of small street waste (bins) aimed at reviewing their number and locations to provide a better response to the needs of citizens forced to choose to consume food outdoors because of the pandemic restrictions.
- Awareness raising programme for citizens - together with the annual allocation of bags - with regard to light packaging and separate waste collection to stimulate the improvement of the quality of this type of waste where there are still significant quantities of 'non-compliant material', i.e. material which cannot be recovered. In order to achieve the objective of improving the quality of light packaging, we are continuing to provide personalised bags with a unique alphanumeric code, so that any disposal errors can be detected and citizens can be made more aware of the correct methods to be adopted.
- The Group has contributed to the replenishment of a water course.
- The overhaul of the transformer station at the Riva del Garda power plant has been completed, with a resulting reduction of SF₆ sulphur hexafluoride in the isolators.
- Environmental certification: for many of its production plants, the Group has been granted EMAS (ECO Management and Audit Scheme) recognition and consolidated over time, the European certification that assesses the performance and the environmental management system of production plants. In order to be granted this certification one has to prove that one's management system supervises the effects of its activities on the outside environment (ISO 14001 standard) as well as adopting a policy that aims towards continuous improvement of environmental performances, compared to the goals set in each instance.
- Work continued on implementing calculation models to develop new sewer networks.
- In 2020, the mapping plan of the Novareti Water Service was aligned with the protected areas or those with a high biodiversity value. For the Sewerage Service, the exclusive result of the alignment was short stretches of underground pipes, to the benefit of citizen users. With reference to the Aqueduct Service, which, by its very nature has a number of works located in mountainous or wooded areas, the analysis highlighted a greater number of alignments. As regards the underground pipes, any water leaks, an

event that is relatively rare and occurs when there is a breakage of pipes, is promptly staunched by the prompt intervention of the Water Service. In any case, the water dispersed is drinking water, containing very slight traces of chlorine. On the other hand, as regards water intake systems, it is of central interest for the Aqueduct Service for the appurtenant areas to be protected, in order to preserve the quality of aquifers and spring water. As regards reservoirs, the sole risks of pollution derive from the movement of purification products, which is carried out in full compliance with legal requirements, or by using suitable containment tanks, which protect from possible spills.

- SET Distribution is committed to protecting biodiversity. We pay special attention to environmentally relevant areas, such as Special Protection Areas, Sites of Community Interest, Provincial Nature Reserves, Local Reserves, Biotopes and Special Areas of Conservation where the company has operations. Digitally mapping these areas enables SET to design its new plants minimizing their environmental impact, for example by moving the plants outside the protected areas, choosing construction solutions or materials that are more suitable for the type of natural environment in which they will be located. Any spills and recoveries of pollutants are always carefully monitored by the SET personnel and the area concerned is immediately analysed and requalified through works and excavations. Spills are mostly due to accidental damage from bad weather which damages structures such as Pole-Mounted Transformers and causes leaks of pollutant (insulating oil). SET has also initiated a project to identify among its plants those that could have a high environmental impact, in particular with regard to water pollution in case of accident. SET has analysed variables such as the proximity to the water supply network or to watercourses or protected areas. During 2020, SET has therefore continued the multi-year plan focused on mitigating the risk of environmental pollution due to dielectric oil spills both from pole-mounted transformers and from transformers inside primary and secondary distribution stations. It was therefore decided to minimise the risk of these events occurring in SET plants in areas with absolute protection for wells and springs and the extraordinary plan will be completed by the year 2021 to eliminate the risk caused by these plants by means of technical measures such as moving the pole-mounted transformers to a lower risk area, replacing it with a masonry substation, replacing the oil currently contained in the transformers with vegetable oil. Thanks to this project, in 2020, SET Distribuzione did not detect any significant spills.

During 2020, there was only one recovery of waste at the 'Monclassico' substation, owned by Terna, within the context of the separation of plants with SET (around 80m³ of material recovered). The procedures for managing and processing these materials was agreed with the Agenzia Provinciale Protezione Ambiente based on the legislation in force. Any environmental incidents (whether spills or recoveries) are suitably treated by SET Distribuzione, observing rigid protocols for the correct disposal and remediation of the area concerned.

Thanks to the environmental funds of the San Floriano power station, on a property owned by the company SF Energy that manages the hydroelectric power plant, it has been possible to redevelop water areas for amphibians in an alder plantation located near the power station, in the Monte Corno Natural Park.

BIRDLIFE PROTECTION PROJECT

The power lines that span vast stretches of land in the areas covered by the High and Low Sarca Reserves Network, traversing several ecosystems, are a major and essential factor in the anthropization of the region. The presence of overhead power lines running bare conductors, in some cases, can be dangerous for birdlife and cause:

- on one hand the risk of death due to a possible collision in flight against the conductors (or aerial cables) of the lines or against the towers;
- in other cases the presence on the towers of live elements of the electrical system (conductors, switch-gear, etc..), can cause electrical shock and therefore electrocution as a result of accidental contact between them and the birds. In particular, this problem may affect medium-large sized birds, such as eagle owls, which, when they are perched on top of the power line towers, due to their large wingspan, may accidentally contact two conductors or a live conductor and an earthed structure.

SET Distribuzione collaborates with the park authorities of the protected areas where it works to safeguard of protected species and non-protected species, taking measures to reduce the impacts on the birdlife due to the presence of overhead cables and electrical conductors and their towers. SET is involved in network measures that involve replacing non-insulated rigid insulators and overhead conductors and isolating conductors and disconnectors in various common areas of environmental interest such as the municipalities of Trento, Lavis and Zamabana, the Sarca River Park or the local Monte Baldo Park to reduce the risk of collision and electrocution by some species of diurnal and nocturnal birds of prey with medium and low voltage overhead power lines.

PROJECT TO SAFEGUARD QUADRUPEDS NEAR PRIMARY SUBSTATIONS

In order to avoid accidents involving animals such as cats and weasels that accidentally contact live equipment near primary substations, the medium voltage transformer busbars have been insulated to avoid contact with animals.

SET Distribuzione is committed to returning stretches of forest to the environment. Power lines need continuous maintenance and forest cleaning to reduce the likelihood of failures and avoid a reduction of the resilience of the network that the presence of tall trees near the power lines could determine. Over the last 5 years, many investments have been made that have led to the restitution of 137 hectares of wooded sections to the territory, the equivalent of the area of 205 football pitches, by burying the lines, with a further 24.4 hectares returned in 2020.

Efficient and sustainable use of water

Some facilities owned or operated by HDE are located at high altitudes or in areas of naturalistic value such as national or natural parks, biotopes, and river parks. The hydroelectric activity coexists with these conditions and is compliant with applicable regulations. The Malga Mare and Cogolo plants are located within the Stelvio National Park. The Nembia and S. Massenza plants are part of the Adamello-Brenta Natural Park. Moreover, also the Boazzo, Cimego, La Rocca, S. Massenza, Toblino, Fies, Dro, Torbole, San Floriano, Carzano, Costa Brunella, Grigno, Val Noana and Pradastua plants are part of protected areas (e.g. biotope of Toblino lakes, "Marocche" of Dro, etc.). Furthermore, the plants in Ala, Bussolengo and Chievo partially affect areas classified as SIC (Sites of Community Interest).

The San Floriano hydroelectric plant partially falls within the Monte Corno Natural Park.

Hydroelectric plants produce eco-compatible energy without emitting pollutants and with a low environmental impact because they use a renewable resource: water. Furthermore, the water used for hydroelectric energy production is not consumed, it is just used during the production process and then released without having been changed in any way.

The water used for hydro-electrical production is collected mainly from rivers and lakes while guaranteeing the minimum vital runoff and the uses of the resource by the lands downstream. Since 2000, in order to balance production and environmental requirements, the Group's hydroelectric power plants must ensure a "minimum vital runoff" for the waterways used for production. A constant amount of water is released downstream of the water collection point, in order to safeguard the water flora and fauna and the continuity of the waterway's environment. The hydroelectric power plants and the reservoirs are managed by optimizing the resource depending on the variable weather patterns.

The water used for hydroelectric production by HDE, DEE (1 July to 31 December) and DEH in 2020 amounted to 18,756,598.6 (1,000 m³) and was returned to the environment clean and with no significant change both in temperature and composition, thus ensuring continuity to the aquatic environment. The assessment of the quality of Trentino's waterways, in compliance with the European directive on water bodies, is carried out under the Water Protection Plan. This plan is an excerpt of the General Plan for the Use of Public Waters. The main document is a map that classifies rivers and lakes from which one can determine that the hydroelectric usage, associated to the Group's plants, is not particularly critical for the waterways involved.

In the various areas it serves, the Group promotes projects to safeguard the natural ecosystems, and for years has developed a constructive collaboration with the Associations of Trentino Fishermen to develop projects and initiatives designed to preserve and replenish public fish stock.

Water withdrawal

		2020		2019	
		All areas	Of which in areas subject to potential stress hydric	All areas	Of which in areas subject to potential stress hydric
SUPERFICIAL WATER (TOT.)	1000 Megaliters	19,009,674.44	0	16,847,005.65	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	19,009,674.44	0	16,847,005.65	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	0	0	0	0
UNDERGROUND WATER	1000 Megaliters	30,649.12	0	30,834.84	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	30,649.12	0	30,834.84	0
>1,000 mg/L total dissolved solids	1000 Megaliters	0	0	0	0
SEAWATER (TOT.)	1000 Megaliters	0	0	0	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	0	0	0	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	0	0	0	0
PROCESS WATER (TOT)	1000 Megaliters	5,168.63	0	7,394.01	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	5,161.48	0	4,571.01	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	7.15	0	2,823.00	0
WATER FROM SUPPLY SERVICES (TOT)	1000 Megaliters	56.66*	0	26,245.02	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	34.31	0	36,02	0
≤1,000 mg/L total dissolved solids	1000 Megaliters	22.35	0	26,209	0
TOTAL WATER WITHDRAWAL	1000 Megaliters	19,045,548.86	0	16,911,479.52	0

Thanks to an improvement of our reporting system, data on water withdrawals and discharges have been reported per the GRI 303 standard: the 2018 version of Water and Water Discharges, which is mandatory for reports from January 2021, but for which the Global Reporting Initiative encourages early adoption. In addition, it should be noted that GRI 306 reporting on water discharges: Water effluents and waste 2016, (Information Note 306-1) has been updated and can be found in GRI 303: Water and water discharges 2018

* With regard to DEE, the Via Fersina and Via Manzoni sites, Dolomiti Ambiente withdrawals and Novareti cogeneration

Water discharges

		2020	2019
WATER DISCHARGES, BY DESTINATION			
TOTAL WATER DISCHARGES	Megaliters	22,800.06	4,055.66
of which surface water	Megaliters	3.52	0.81
Of which groundwater	Megaliters	0	0
Of which in seawaters	Megaliters	0	0
Of which in sewers	Megaliters	22,796.54	4,054.85
Other	Megaliters	0	0
WATER DISCHARGES, BY TYPE			
TOTAL WATER DISCHARGES	Megaliters	22,773.40	4,036.45
Fresh water (≤ 1.000 mg/L total dissolved solids)	Megaliters	0	0
Other water (> 1.000 mg/L total dissolved solids)	Megaliters	22,773.40	4,036.45
TOTAL WATER DISCHARGE IN AREAS SUBJECT TO WATER STRESS BY CATEGORY			
TOTAL WATER DISCHARGES	Megaliters	0	0
Fresh water (≤ 1.000 mg/L total dissolved solids)	Megaliters	0	0
Other water (> 1.000 mg/L total dissolved solids)	Megaliters	0	0
Total water discharge in areas subject to water stress, by treatment level		0	0
Treatment level	Megaliters	0	0
Primary treatment	Megaliters	0	0
Secondary treatment	Megaliters	0	0
Tertiary treatment	Megaliters	0	0

The management of the water cycle in the Dolomiti Energia Group is based on three closely interconnected management tools: cartography, numerical modelling and remote control. Ordinary activities are planned to optimize internal resources, while extraordinary activities are validated by hydraulic analyses carried out using numerical simulators. Throughout 2020 work continued on a pilot project for Trento's Municipal Waterworks that produces a report, every morning, on the minimum nightly consumption in the various districts so as to guide the daily leak search campaigns, save the resource and use it efficiently. All the waters used in Dolomiti Ambiente's production process are taken from the water supply and used to wash vehicles used for waste collection and waste storage platforms, and to supply the restrooms, inclusive of showers.

Any waters that are potentially polluted are sent to a biological purification plant owned by the company and located inside the same area where production takes place and where the waters are put back into the environment. After treatment, the wastewater is delivered back into the drainage system in the Trento area. At the Rovereto site, water used for washing is collected in a watertight tank and periodically pumped out to be delivered to treatment plants. Dolomiti Ambiente takes great care to monitor and optimize the processing of wastewater and to safeguard the quality of the water and the of the environment into which it is reintroduced.

What have we done to reduce water consumption

- Work progressed on the development of the APC project, based on advanced real time management of the water network and designed to optimize the network pressure to reduce water loss and electricity consumption, and increase the overall efficiency of the water system. The system will be managed by a controller based on a real-time model which, in addition to the network's normal hydraulic parameters (both real and virtual), will also take into account external parameters such as temperature, solar radiation and weather forecasts: it will thus maximize the use of renewable energy obtained from dedicated solar plants and will be able to ensure the best possible management of tanks and pumping systems.
- For years, Novareti has been working to reduce the amount of water that goes into the network by conducting active loss detection campaigns: the areas to investigate are established based on consolidated schedules, which can be changed if anomalous consumption occurs in certain districts or on specific water supply systems.
- Work continued on optimizing aqueduct management through advanced simulation and control tools.
- With reference to the consumption of the company sites in Via Fersina and Via Manzoni of 9.524 Megalitres in 2020 (8,025-97 Megalitres in 2019), the consolidated internal campaign continues to raise awareness among employees of the need to properly use resources, with posters displayed in the main company spaces.

People

111

New hires
in 2020
(99 in 2019)

21%

Women
employees
(21% in 2019)

32.6%

Employees ha
under 40
(30% in 2019)

45.75 years

Average age of
employees
(46.5 in 2019)

96.7%

Of employees with open ended
employment contracts
(96.9% in 2019)

Commitment towards its employees



The Dolomiti Energia Group is aware that the operation of the organisation and the achievement of its objectives depends on the vital contribution of all personnel.

As at 31 December 2020, the Group's total personnel amounted to 1,434 people. 53% of personnel are white collar workers, 42% are blue collar workers, 4% are managers and 1% are top managers. 10% of staff are under 30 years of age, 23% are between 31 and 40 years of age, 26% are between 41 and 50 years of age and 41% are over 50 years of age.

The Dolomiti Energia Group believes that the collective sum of the uniqueness of the single people represents a significant part of its own reputation and assigns value to the human capital in that it is fundamental for its existence. The Group therefore pays great attention to its human resources by creating and promoting a management climate capable of motivating, acknowledging and gratifying the contribution at both team and individual level.

The Dolomiti Energia Group acknowledges the need to protect individual freedoms in all their forms and rejects all displays of violence, especially if designed to limit personal freedoms, as well as any form of violation of the dignity of the individual. The Group is committed to promoting the sharing of these same principles both within its own activities and primarily among its employees, collaborators, suppliers and partners. The employees who believe they have been discriminated against can refer the incident to the Supervisory Body and/or to its line manager who shall take steps to verify the actual infringement of the Code of Conduct.

The Dolomiti Energia Group opposes all forms of mobbing whether horizontal or vertical within its organisation and has established that relations between employees, at all levels, should be based on criteria of correctness, collaboration, loyalty and mutual respect. It is also committed to protecting the privacy of its employees according to current legislation, undertaking not to communicate or disseminate personal data without the interested party's consent, except when required by law.

The acquisition, processing and conservation of said information is carried out according to specific procedures designed to avoid unauthorised third parties become privy to it. The Dolomiti Energia Group, to facilitate the collection of reports by employees or external third parties, regarding any illicit conducts or such that go against the company's dispositions, has implemented some collection channels:

- e-mail to the Group Corruption Prevention Manager published on the company's website where one may report any illegal conduct;
- e-mail to the Supervisory Body of each of the Group's companies to which one can report any illegal conducts;
- a format on the company website which enables the forwarding of reports to the Group Corruption-Prevention Manager without using one's own e-mail and also in anonymous form;

- a box for the collection of hard copy reports, on the main company premises, that are managed directly by the Corruption Prevention Officer;

Other reports from other channels that are in any case addressed to the company premises, e-mail or official postal addresses are also assessed. During the year, we received a few reports concerning working practices that the Company has taken on board through the various departments. None concerned any events of corruption.

To properly apply internal procedures, regular audits are performed both by the internal audit department and by the Quality Safety Environment department.

Following the investigation into organisational well-being over the last year, despite the notable difficulties caused by the still ongoing pandemic, we attempted to carry out certain the measures entered in the Risk Assessment Document, while delaying those that cannot be carried out due to the restrictions resulting from the situation mentioned above, aware that a reduction, even if lower than hoped, in certain risk factors contributes, in any case, to improving company well-being.

The 'Sportello di ascolto' has been kept active, a service managed by specialist external doctors available to support and guide workers affected by conditions of distress or discomfort deriving from work and/or personal questions. The commercial company is continuing the development of the initiatives foreseen by the Family Audit plan of action and certification process. The Group is assessing whether to extend the process to other group companies.

As a consequence of the internal investigation conducted in 2019 into corporate mobility and the home/work commute process, the Group began to develop a sustainable mobility plan, compatible with the current state of emergency, by introducing certain initiatives aimed at renewing the fleet of vehicles, to make people's mobility more efficient and simpler both inside and outside the company, in particular as regards improving environmental impact. During the year, an internal safe driving investigation was also proposed, which will enable the assessment of some measures to adopt to increase the road safety of the company's fleet, both in terms of devices to fit in vehicles and through awareness-raising processes for drivers.

What is more, following the mass introduction of smart working, the employees concerned were involved in an investigation to assess the impact of this new way of working not only on professional life, but also on private life with a view to laying down rules for its introduction, once the emergency phase has been completed.

All Group personnel were invited to participate in another investigation, aimed at understanding the approach to digital technologies and the associated level of knowledge.

Selection policies

The Group carries out selection processes which involves assessing the candidate's profile based on the requirements of each of the Group's companies, adopting impartial and unbiased assessment methods and complying with principles of objectivity, transparency and equal opportunity for all candidates and the regulations governing employment contracts; during all stages of the selection process it is also assured that no discrimination shall take place based on race, religion and political leanings.

The final objective is to identify a short-list of candidates that fulfil the requirements, have the knowledge

and the approach that best matches the profile outlined for each of the positions that need filling. The search for outside personnel is carried out via channels such as the Group's website, employment agencies and job centres. The Group also uses other tools that provide a very widespread dissemination of the information, safeguarding the principle of publicly disclosing the offer.

The Group hires and manages the personnel according to standard employment contracts, not allowing any form of employment that is not compliant or is elusive of current legislation; the Group is committed to ensure that said disposition is also complied with by its suppliers and commercial partners.

Protection of human rights

The Dolomiti Energia Group is a responsible and ethical organisation, which agrees with the importance of full respect for internationally recognised human rights. That's why it has adopted a Policy dedicated to the issue of Human Rights, which integrates and broadens what has been already included in the Code of Conduct, the Anti-Corruption measures, the 231 Model, the Integrated Quality, Environment, Health and Safety Management System and the Privacy Management System for the Protection of Personal Data.

To this end the Group's commitment focuses on opposing the employment of minors, forced labour, harassment, discrimination and promotes the freedom of association, health and safety at the workplace, dignified working conditions, the protection of personal privacy and a sustainable social development.

There were no relevant human rights complaints during the year. In practice, the Data Protection Officer manages any requests from interested parties in terms of privacy.

Promoting diversity and inclusion

The Dolomiti Energia Group believes that the collective sum of the uniqueness of the single people represents a significant part of its own reputation and assigns value to the human capital in that it is fundamental for its existence.

The Group refuses discriminations and promotes a culture of diversity and inclusion, that respects the singular nature of the individual according to what is recognised and approved on an international level. That is why since 2017 it has adopted a Policy on diversity, which supplements and broadens the provisions on the matter in our Code of Conduct and the 231 Models.

Thus the Group's commitment recognises the value of being able to offer non-discriminatory conditions, equal opportunity, the inclusion of people and tools so that they may reconcile work and private life in the best possible way, including flexible working hours which enable most employees to carry out their work within a time frame that guarantees a certain daily flexibility on entrance and exit and for other types of contract a multi-period or part-time flexibility, a tool which employees can rely on in order to find precious and useful time to reconcile work and private life. The introduction of smart working has also represented, in addition to a measure aimed at containing the spread of the pandemic, a further element of flexibility for balancing professional and family requirements.

The number of workers belonging to protected categories is 48 (84 in 2019, of which 61 were men and 23 were women). Of these 31 are men and 17 are women.

During the year, the Group participated in working groups to pursue, together with other Italian multi-utilities, its commitment to fostering the inclusion of diversity of gender, age, culture and ability within company policies as formalised in the 'UTILITALIA AGREEMENT – Diversity makes the difference'.

PERSONNEL COMPOSITION

(Given the territorial nature of the Group's company offices it has been decided to not group the data by geographical area); the 2020 figures cannot be compared with previous years, since the reporting scope has changed.

Employees by age group and gender

	2020			2019			2018		
	N°	MEN	WOMEN	N°	MEN	WOMEN	N°	MEN	WOMEN
< 30 anni	146	of which 69%	31%	137	of which 77%	23%	125	of which 82%	18%
31 - 40 years	322	of which 68%	32%	276	of which 67%	33%	251	of which 65%	35%
41 - 50 years	376	of which 74%	26%	374	of which 74%	26%	403	of which 78%	22%
>50	590	of which 87%	13%	575	of which 88%	12%	566	of which 89%	11%
TOTAL	1,434	of which 79%	21%	1,362	of which 79%	21%	1,345	of which 80%	20%

In the table published in the 2019 NFD, columns were switched around due to a typographical error

Employees by contractual category and gender

	2020			2019			2018		
	N°	MEN	WOMEN	N°	MEN	WOMEN	N°	MEN	WOMEN
Managers	19	of which 84%	16%	17	of which 88%	12%	19	of which 89%	11%
Middle managers	54	of which 82%	18%	51	of which 82%	18%	48	of which 83%	17%
Administrative staff	758	of which 63%	37%	713	of which 62%	38%	680	of which 64%	36%
Workers	603	of which 99%	1%	581	of which 99%	1%	598	of which 99%	1%
TOTAL	1,434	of which 79%	21%	1,362	of which 79%	21%	1,345	of which 80%	20%

Employees by contractual category and gender

	FULL TIME			PART TIME		
	2020	2019	2018	2020	2019	2018
TOTAL	1,307	1,234	1,217	127	128	128
OF WHICH MEN TOTAL	1,119	1,055	1,055	15	21	26
Managers	16	15	17	0	0	0
Middle managers	44	42	40	0	0	0
Administrative staff	468	431	416	9	13	16
Workers	591	567	582	6	8	10
OF WHICH WOMEN TOTAL	188	179	162	112	107	102
Managers	3	2	2	0	0	0
Middle managers	44	8	7	1	0	1
Administrative staff	170	163	147	111	106	101
Workers	6	6	6	0	0	0

Employees by grade and gender on permanent contracts

	2020	2019	2018
TOTAL	1,386	1,320	1,315
DI CUI TOTAL MEN	1,103	1,054	1,056
Managers	15	14	16
Middle managers	44	42	40
Administrative staff	464	432	425
Workers	580	566	575
DI CUI TOTAL WOMEN	283	266	259
Managers	3	2	2
Middle managers	10	9	8
Administrative staff	264	249	243
Workers	6	6	6

Number of employees, by contractual category and age

	2020					2019					2018				
	< 30	31-40	41-50	> 50	TOTAL	< 30	31-40	41-50	> 50	TOTAL	< 30	31-40	41-50	> 50	TOTAL
Managers	0	1	8	10	19	0	2	7	8	17	0	0	55	70	125
Middle managers	0	5	22	27	54	0	4	19	28	51	1	4	157	89	251
Administrative staff	77	202	196	283	758	75	174	192	272	713	7	19	209	168	403
Workers	69	114	150	270	603	62	96	156	267	581	11	25	259	271	566
TOTAL	146	322	376	590	1,434	137	276	374	575	1,362	19	48	680	598	1,345

Terminations by gender and age

	Terminations 2020			Terminations 2019			Terminations 2018		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
< 30	9	3	12	3	4	7	4	1	5
31 - 40 years	3	3	6	4	10	14	6	4	10
41 - 50 years	3	0	3	5	0	5	8	3	11
>50	47	2	49	49	0	49	47	4	51
TOTAL	62	8	70	61	14	75	65	12	77

Hires by gender and age

	Hirings 2020			Hirings 2019			Hirings 2018		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
< 30	37	7	44	24	18	42	25	3	28
31 - 40 years	26	11	37	28	12	40	16	9	25
41 - 50 years	19	4	2	4	8	12	16	8	24
>50	7		7	5	0	5	17	1	28
TOTAL	89	22	111	61	38	99	74	21	95

Hiring rate by gender and age*

	2020		2019		2018	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
< 30	30.3%	29.2%	22.6%	58.06%	24.3%	13.6%
31 - 40 years	11.9%	10.7%	15.1%	13.2%	9.9%	10.1%
41 - 50 years	6.8%	4.1%	1.4%	8.3%	5.1%	8.9%
>50	1.4%	0	1%	0	3.4%	1.6%
TOTAL	7.85%	7.33%	5.67%	13.29%	6.8%	8%

Termination rate by gender and age*

	2020		2019		2018	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
< 30	7.4%	12.5%	2.8%	12.9%	3.9%	4.5%
31 - 40 years	1.4%	2.9%	2.2%	11%	3.7%	4.5%
41 - 50 years	1.1%	0	2.8%	0	2.6%	3.3%
>50	9.1%	2.7%	9.7%	0	9.3%	6.3%
TOTAL	5.5%	2.7%	5.67%	4.90%	6.0%	4.5%

* Percentage of total employees by age group and gender as at 31 December 2019. The 2020 figure cannot be compared with previous years since the reporting scope has changed.

Remuneration

In defining the type of contract and remuneration, the Group scrupulously complies with Italian legislation, which rules out gender distinction on the fee relationship.

The Group's fee policy classifies all employees according to the national collective bargaining agreements. For all employees remuneration is structured around fixed and variable monetary components and includes a series of benefits to support income or easements (health and retirement insurance, exclusive offers exclusively reserved for employees on services managed by the Group and a series of benefits of various kinds).

The main tools used within the context of meritocratic policies, based on the qualifications and the employees' level, involve the application of deserved increases, one off payments, level changes and, depending on the qualification and position within the organisation, the application of additional accessory compensations.

Further, for the population of top managers and partly for the executives a variable payment scheme is foreseen based on direct correlation with company performance and individual targets met ("MbO").

The variable remuneration is integrated by a collective incentive tool: the "performance bonus", based on a system of objective revenue and productivity/quality indicators diversified depending on the activities performed, and designed to guarantee that all personnel contribute to the achievement of the company's objectives. The performance bonus is paid to all employees. Again this year, employees have been given the opportunity of converting part of their "performance bonus" into provisions and services, in addition to existing contractual and corporate welfare contributions, for themselves or for their dependants.

A Group corporate welfare package designed to increase employee welfare and that of its family members. The initiatives and the services included concern health and health services, insurance and pensions, support for children's education and assistance, personal and welfare services for the benefit of the employee. The project foresees the introduction of a flexible welfare quota, which the employee can use on individual initiatives – for example the partial reimbursement of incurred expenses or the purchase of goods and services – chosen among the broad offer foreseen for each different sector. In addition, there is also the possibility of converting part of the performance bonus into additional hours of paid leave, the amount of which may be doubled by employees with permits under Law 104/09.

All (100%) of employees are covered by collective bargaining agreements, seeing as the employment relationship for all Group employees is governed by the CCNL (National Collective Bargaining Agreements), integrated by second level negotiations.

Generally speaking, what is foreseen for full time employees is also applied to employees on part time contracts, with the economic recognition revised based on the actual number of hours worked by the interested party.

As for short-term employees, the allocation of certain recognitions is dependent on the duration of the employment contract.

The benefits foreseen for employed personnel, besides the CCNL, also refer to second level negotiations. Generally speaking, benefits are foreseen for health assistance, additional pensions, recreational activities, canteens and restaurants offering special deals for company employees.

Skills development and training

During the year, the training schemes involved all corporate employment levels. The situation caused by the Coronavirus emergency influenced the provision of training courses which fell in terms of hours taught compared with the previous year: face-to-face courses were able to be held for a limited period that coincided with the summer season (except for safety courses for which the Prime Ministerial Decrees, after the stoppage between March and May 2020, permitted face-to-face sessions in accordance with the protocols in effect) and it was only possible to use distance learning for a limited number of courses. We give constant importance to investment in skills, and preparing employees to provide an increasingly better service to our customers. As in previous years, the legislative obligations and the constant commitment of the Dolomiti Energia Group in guaranteeing high standards in the performance of its working activities have led to training on safety and refresher courses for the technical departments, which represent the most significant initiatives in terms of training hours provided. 48% (52% in 2019) of the training initiatives concerned safety issues and 36% (39% in 2019) the development and maintenance of skills in specialist technical areas.

Training and instruction in workplace health and safety has always played a fundamental role in the cultural growth of employees and its implementation is subject to specific annual plans.

During 2020, training activities were influenced by restrictions resulting from the pandemic and made it more difficult to carry out the initiatives. To address this, remote learning activities were increased, where possible, and face-to-face activities were reshaped with the application of specific anti-contagion protocols.

Despite these difficulties, over 12,500 hours of training/instruction were provided in terms of safety.

98% (same percentage as 2018) of employees attended at least 1 training course during 2020.

Although training hours fell because of the Coronavirus emergency, the percentage of employees that received training remained constant, with the focus on safety courses required by law and/or necessary due to the expiry or renewal of qualifications, on the topic of Cyber Security that concerned all the Group employees in possession of a company device. Thanks to e-learning platforms, courses on GDPR Privacy - Protection of personal data and Code of Conduct, Model 231, anti-corruption measures and the whistleblowing process were provided. In addition, there were courses on specific topics pertaining to the various businesses provided through web sharing tools by internal and external teachers.

Total number of employees by gender and contractual classification*

	2020		2019		2018	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Managers	16	3	15	2	17	2
Middle managers	43	10	41	9	39	8
Administrative staff	463	275	432	264	389	242
Workers	552	6	531	6	547	6
TOTAL	1,074	294	1,019	281	992	258

* NOTE

Number of hours of training*

	2020		2019		2018	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Managers	431	69	478	97	611	53
Middle managers	921	114	1,471	225	1,117	208
Administrative staff	8,625	3,935	12,009	5,256	8,661	3,812
Workers	11,821	24	14,583	34	11,519	6
TOTAL	21,798	4,142	28,541	5,612	21,908	4,079

Average annual number of training hours per employee*

	2020		2019		2018	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Managers	27	23	32	48	36	26
Middle managers	21	11	36	25	29	26
Administrative staff	19	14	28	20	22	16
Workers	21	4	27	6	21	1
TOTAL	20	14	28	20	22	16

* For 2020, the training hours and the number of employees trained apply to Dolomiti Energia Holding, SET Distribuzione, Hydro Dolomiti Energia, Dolomiti Ambiente, Novareti, Dolomiti Energia, Dolomiti Energia Trading, and Dolomiti Energia Solutions, Dolomiti Edison Energy (limited second semester of 2020). The data provided do not include interns, directors, agents, temporary workers, DTC employees (since the training is not managed by the parent company), and Dolomiti GNL because it has no employees.

Again, in 2020, the Dolomiti Energia Group continued its consolidated commitment towards the local schools to host interns. The Coronavirus emergency has naturally also had impacts on the activation of apprenticeships, the number of which fell compared with previous years. Just like training courses, during the March-May 2020 period, the possibility of hosting face-to-face internships was suspended and certain apprenticeships, although already scheduled, have not been activated. In particular, there were no conditions to activate, as usual, summer internships with higher education establishments for sandwich courses. In any case, it was decided to continue the cooperation with the Enaip vocational training centre at Villazano during the autumn period, to host students taking the Environmental and Energy Higher Technician

course. The average duration increased, since it was possible, for certain training projects, to integrate the apprentice remotely. This probably extended the periods for achieving the objectives. The traineeships activated during 2020 were curricular in nature.

More specifically, 30 internships and apprenticeships (63 in 2019) were organised which involved students from vocational institutes, secondary schools and universities.

The average duration of the internships was 92 days (64 days in 2019). As at 31 December 2020, there were 5 workers on a labour supply contract in the Group. In 2019, there was one.

Attention paid to occupational health and safety

The Group has adopted an organisation and management model regarding health and safety at the work place by identifying the figure of the Employer in the physical person at the summit of each organisation, and providing them with full organisational and executive powers for the purpose of guaranteeing protection of health and safety at the workplace.

The Group has a centralised Quality, Safety and Environment department within the Holding Company that supports the Employers of the individual companies by standardizing procedures and best practices, and creating common tools for risk prevention, assessment and management. The department personnel covers the roles of RSPP/ASPP and carries out internal audits.

The Prevention and Protection services of the single organisations are generally complemented by the internal company personnel also taking on the role in coordination with the centralised department. The aim of the model is to share the best experiences and create synergic relations between all the Prevention and Protection Services thus guaranteeing the organisation the utmost flexibility.

Periodic evacuation drills are carried out in the main sites to identify and resolve any critical issues. In order to avoid mass gatherings, in 2020 this activity was limited. Moreover, specific sheets were drafted for the various assignments relating to risks connected with workplaces.

All Group companies have their own Health and Safety Management System which complies with the UNI ISO 45001 standard according to the specific Group Guidelines and in compliance with the Organisation and Supervision Model pursuant to Italian Legislative Decree no. 231 and their own policy/strategy that is committed to the preventing, eliminating and reducing occupational health and safety risks. The policies, approved by the Employer, are published at the workplaces and on the companies' websites.

The percentage of workers covered by the Occupational Health and Safety Management System subject to internal audit is equal to 95.4% of the total, of which 13.3% are covered by a system certified by independent third parties.

The Health and Safety Management System adopted by Hydro Dolomiti Energia and Dolomiti Edison Energy are certified in compliance with the OHSAS 18001:2007 standard.

Main risks

The extreme variety of activities performed by the Group companies exposes workers to risks of various natures. In particular, the main risks noted are:

- of an electrical nature and due to falls from heights for electrical distribution company workers;

- as a result of contact with electricity and water and due to falls from heights for hydroelectric production and water mains management company workers;
- due to road accidents, mechanical and manual load handling accidents for workers involved in waste management;
- due to fire and exposure to explosive atmospheres (ATEX) for workers employed by the natural gas distribution company;
- of exposure to chemical and biological agents, drowning and falling from a height for workers in collecting societies and sewage treatment plants;
- electrical, fire, exposure to explosive atmospheres (ATEX) and severely hot conditions for cogeneration workers;
- exposure to chemical and biological agents, fire and exposure to Explosive Atmospheres (ATEX) for Laboratory workers;
- ergonomic and for the eyesight of workers that spend long hours in front of display screens.

Policies and management model

The Group pays great attention to the issue of occupational health and safety, and is fully aware of their great social importance and of its responsibility to proactively guarantee and promote the protection of the physical and psychological integrity of its collaborators, working to develop a healthy and appropriate workplace and adopting all the best organizational and procedural techniques in order to constantly improve the performance of Occupational Health and Safety management.

2020 was marked by the COVID-19 emergency: the Group took prompt steps to adapt to the state of crisis, observing the prohibitions, obligations and recommendations laid down by the authorities to protect the health and safety of its employees and customers, as well as by activating measures aimed at mitigating the spread of the virus, by adapting them to the operating requirements of the various companies and with the precise intent of maintaining the continuity and availability of the services under safe conditions.

Commitment to spreading a health and safety culture

The Group, which has always been attentive to protecting the health and safety of its employees and agents (and, more generally, all those involved in the activities of the Group companies), has set itself the target not only of respecting the relevant laws in force, but a set of measures aimed at the continuous improvement of working conditions.

This is why it constantly strives to spread a culture of safety based on the development of risk perception, the promotion of responsible behaviour by all employees and agents and the sharing of responsibilities among all the parties involved in the Group's activities, without exception.

The commitment to spreading a health and safety culture includes strict compliance with legal requirements. It also requires continually improving risk assessments through constant updates, and ensuring the compliance of machinery, systems, equipment, protective devices for both individuals and the workplace. Furthermore, it implies providing information, worker training and education, adopting safe procedures and operating practices, supervising the health of workers, fostering worker discussions and participation both directly and via their prevention representatives, and managing emergencies if they occur. Furthermore, for a few years now, an important safety conduct project termed BBS (Behaviour Based Safety) has been implemented and applied within SET Distribuzione, Dolomiti Ambiente, and the Holding's operative sectors (Laboratory Warehouse). The events that occurred and the actions implemented are monitored and periodically reviewed during the meetings between the Employers and the Prevention and Protection Service Managers. On these occasions, the results of the internal audits on health and safety that are usually

carried out by the personnel of the centralised QSA department are reviewed.

Some of the shared goals of the Employers of the companies include the constant improvement of the integrated workplace health and safety risk management system, continuous analysis of the critical issues, processes and resources to protect, constant attention to training, instruction and communication processes, the adoption of better, economically accessible technologies and controlling and updating working methods.

Achieving continuous improvement objectives is firmly anchored to the capacity to involve each worker in taking care of his or her health and safety and that of third parties present in the workplace.

Employers have identified the persons tasked with acting as Prevention and Protection Service Managers for the individual companies.

The risk assessment documents are updated according to the development of the structures and the operational conditions, as well as any regulatory changes.

In 2020, the management systems inspired by the OHSAS 18001 standard implemented over the last few years in Group companies have been adjusted to the new requirements of UNI ISO 45001:2018. All Group companies have adopted the system, with the sole exception of Depurazione Trentino Centrale.

The companies Hydro Dolomiti Energia and Dolomiti Edison Energy submitted their SGSL systems to certification of compliance with the standard ISO 45001 by IMQ-CSQ.

The system is supported by the development and implementation of specific software adopted for management purposes (Simpledo.net). This tool enables the better dissemination of information, the careful planning and management of obligations and deadlines, structured operational control and an efficient environment for the continuous improvement of the Occupational Safety and Health system.

Worker Safety Representatives have been appointed in each of the Group's companies (excluding Dolomiti Energia Solutions and Dolomiti Energia Trading). Via its head of the prevention and protection service each company organises consultation and coordination meetings with the Worker Safety Representatives several times during the year.

Percentage of workers represented by the safety committees

	2020	2019	2018
Men	97.6%	97.9%	97.8%
Women	95.6%	95.4%	95.7%
TOTAL	97.1%	97.4%	98.3%

* considering the Occupational Safety Representatives

The percentage of workers represented is very high (over 97%). Total coverage could be achieved if Workers' Safety Representatives were also appointed in Dolomiti Energia Solutions and Dolomiti Energia Trading, which currently do not have such Representatives (for a total of 39 workers not represented).

Communications are disseminated to workers through multiple channels: direct training and information initiatives (face-to-face or remote), internal communications using the intranet, e-mail, the posting of notices for workers unable to use electronic systems, posters.

The Group provides its workers with occupational safety and health (OSH) training both during the recruitment phase and as part of professional development during their entire period of service.

The training also includes, in addition to the mandatory activities laid down in the legislative requirements, some courses deriving from the risk assessment and others from the continuous improvement of processes.

In detail, the main training courses provided in 2020 concerned:

- General training of new recruits;
- Specific training for new recruits or workers assuming a new role which entails a change in sector or risk level;
- Special, additional training for Supervisors;
- OSH training for executives;
- Training and instruction for parties responsible for managing emergencies (fire, first aid, AEDs, lifts, environmental emergencies);
- Training and instruction for specific duties;
- Training and instruction in the use of machines, equipment, PPE and hazardous substances;
- Training for specific figures, such as the RSPP (Prevention and Protection Service Manager), ASPP (Prevention and Protection Service Officer), RLSA (Workers' Safety Representative), Site Safety Coordinators, etc.

A large part of the training was provided through e-learning due to the pandemic. Specific prevention protocols, involving distancing, protection and sanitisation, have been adopted for face-to-face training, leading to a drastic reduction in the number of participants for each session.

The courses are taught by qualified staff from both inside and outside the organisation. The teachers will be subject to a skills assessment process and their performance will be monitored, including with the direct involvement of the workers.

Procedures are in place to verify the lessons learned through the training activities.

Promotion of workers' safety and occupational medicine services

The occupational medicine service is entrusted to external professionals; in 2020, the Group appointed a coordinating Medical Officer and two Company Physicians. The Physicians provide support to the Employers by participating actively in risk assessment activities and work inspections to identify hazards and reduce risks.

The Company Physicians draft specific monitoring plans (Health Monitoring Protocols) for each Group company, in consideration of the various tasks assigned to the workers, the associated risk factors and the age, gender and subjective conditions of the individual workers.

The occupational health service's access to workers is envisaged both during the pre-recruitment phase and through periodic check-ups according to the frequencies stipulated in the health monitoring protocols. In addition, preventive medical examinations will be conducted in the event of a change of role that exposes workers to risks that have not previously been assessed or in the event of a return to work after prolonged absence through illness.

Workers are informed that, if necessary, they can also request extraordinary medical check-ups. The occupational medicine service also includes a specific help desk available to workers, on request, to address any personal difficulties.

The occupational medicine service is subject to periodic performance assessments by the internal departments concerned.

During 2020, monitoring workers' health entailed the conducting of 1,343 medical check-ups with the relevant verifications, according to the tasks assigned to the workers and the resulting assessment of health risks.

Considering the increase in the number of workers and the fact that, for some categories of workers, the frequency of the check-ups was multi-annual (2, 3 or 5 years), the figure is considered in line with the findings from previous years.

Injury prevention figures

The scope of the analysis includes the following companies: Dolomiti Energia Holding, Novareti, Dolomiti Ambiente, Dolomiti Energia, Dolomiti Energia Trading, Depurazione Trentino Centrale, Dolomiti Energia Solutions, SET Distribuzione, and Hydro Dolomiti Energia, Dolomiti Edison Energy. The Group's accident register are referred to the INAIL offices in Trento, Rovereto, Verona and Vimercate. During 2020, no fatal incident was recorded and no details were received regarding cases of occupational disease attributable to work activities under the control of the Group.

Accidents

		2020		
		Uomo	Donna	Totale
TOTAL NUMBER OF WORKPLACE ACCIDENTS RECORDED	No.	13	1	14
ON THE WORKPLACE	No.	12	1	13
Trento	No.	10	1	11
Rovereto	No.	2	0	2
Other locations	No.	0	0	0
IN TRANSIT	No.	1	0	1
Trento	No.	1	0	1
Rovereto	No.	0	0	0
Other locations	No.	0	0	0
TOTAL NUMBER OF WORKPLACE ACCIDENTS WITH SERIOUS CONSEQUENCES (EXCLUDING DEATH)	No.	3	0	3
ON THE WORKPLACE	No.	3	0	3
Trento	No.	2	0	2
Rovereto	No.	1	0	1
Other locations	No.	0	0	0
IN TRANSIT	No.	0	0	0
DAYS OF ABSENCE BECAUSE OF ACCIDENTS	days	400	12	412
ON THE WORKPLACE	days	376	12	388
Trento	days	303	12	315
Rovereto	days	73	0	73
Other locations	days	0	0	0
ON THE ROAD	days	24	0	24
Trento	days	24	0	24
Rovereto	days	0	0	0
Other locations	days	0	0	0
TOTAL NUMBER OF HOURS WORKED (ESTIMATE)	hours	1,791,064	413,617	2,204,681
Trento	hours	1,356,915	313,704	1,670,619
Rovereto	hours	395,089	80,001	475,090
Other locations	hours	39,060	19,912	58,972

Notes on the calculations:

Rate of working days lost: (total number of days lost due to accidents/total hours worked)*1,000 Occupational disease rate (ODR): (total number of cases of occupational disease/ total hours worked)*200,000 Accident Rate (AR): ((total number of accidents) / total hours worked)*1,000,000

The rates also include commuting accidents.

** Absences due to accidents were calculated by adding the days of absence for accidents occurring in the year they occurred calculated up to 3112 and the days of absence for accidents that occurred in the previous year and did in the reference year (solely for the portion relating to the reference year).

* Also for 2020, as data on hours worked broken down by gender (M/F) were not readily available, the data provided by the HR function aggregated for each INAIL insurance position were used.

The figures relating to the number and duration of accidents were taken from computerised accident registers through Simpledo.net.

The data on occupational diseases have been obtained from the HR department and apply to occupational diseases recognized by INAIL.

Data on hours worked were obtained from the HR function and aggregated by territorial insurance position, as defined with INAIL.

Injury rates

		2020		
		Men	Women	Total
Injury rates	%	7.26	2.42	6.35
Death rate from workplace accidents	%	0	0	0
Rate of workplace accidents with serious consequences (excluding death)	%	1.67	0	1.36
Accident severity index	%	223.33	29.01	186.88

Injury rates

		2020	2019	2018
Severity indicator	hours	0.18	0.42	0.74
Frequency index	hours	5.90	13.90	19.76

During 2020, no details were received regarding occupational disease attributable to work activities under the control of the DE Group.

The comparison between the two periods shows a significant reduction in the frequency index, measured as the number

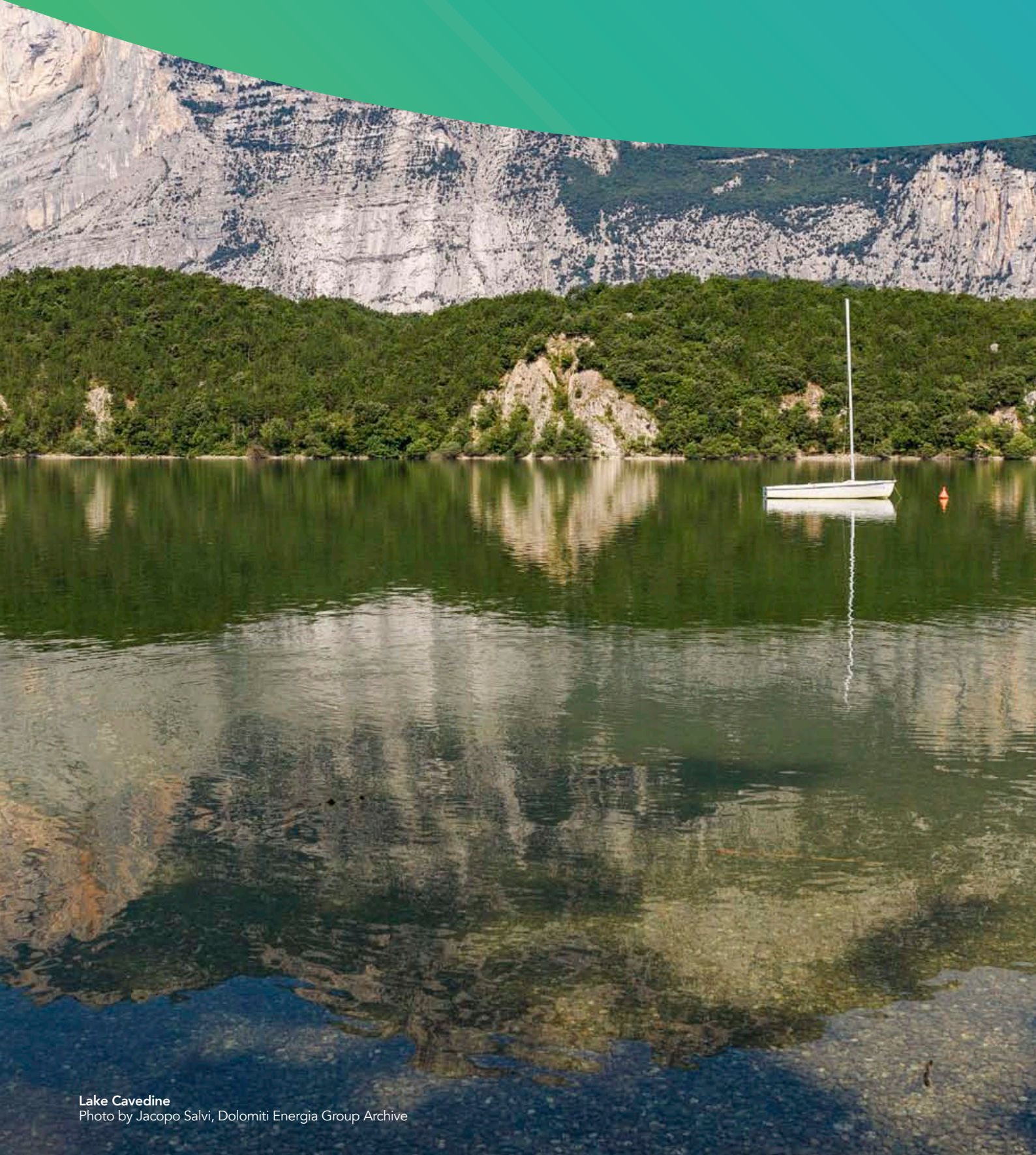
of events compared to the hours worked, which dropped from 15.24 in 2019 to 6.35 in 2020.

Also as regards the level of severity of accidents, measured as the total number of days lost due to accidents compared to the number of hours worked, there was a clear improvement compared with the previous year, with a fall from 0.43 in 2019 to 0.19 in 2020.

Among the factors that may have influenced the result is the continuation of the BBS project in the waste collection (DA) and electricity distribution (SET) sectors. Moreover, it should be noted that the 'zero accidents' target was reached with respect to work in the energy distribution sector (SET). Employers have direct access to accident data by consulting computerised registers. They analyse statistical data on accident trends at regular meetings. In addition, quarterly data are revised for Management Control and to be sent to members of the Board of Directors. Statistical data are also sent to the Supervisory Bodies on an annual basis.

More information on the accident indices calculated without taking into account accidents in transit can be found in the financial statements report.

Appendix





Methodological note and guide to interpretation

This fourth edition of the Consolidated Non-Financial Disclosure (henceforth also “Disclosure”) is a transparency tool which as well as highlighting what the Group has done during the year also guides its future actions with the aim of fostering constant ethical, social and environmental improvements.

The Disclosure, drafted annually in compliance with Italian Legislative Decree 254/2016, follows the international principles of reference for sustainability reporting contained in the “Sustainability Reporting Guidelines Standards” of the Global Reporting Initiative (GRI) defined in 2016 and integrated with all subsequent modifications published by the organisation and in force from time to time, as well as the Electric Utilities Sector Supplement, with a Core level of application, which requires the reporting of at least one indicator for each material issue that emerges from the Materiality analysis.

As of the 2020 financial year the Dolomiti Energia Group reports on health and safety related aspects in accordance with the new version of GRI Standard 403 and Energia adopted the new GRI Standard 306 “Waste” ahead of time, reporting waste-related information according to the indications of the new standard which was updated with the aim of improving the disclosure and measurement of the environmental impacts of organisations. Where possible, also considered during the drafting of the 2020 Disclosure were the recommendations of the ESMA, which were also highlighted by Consob in terms of the impact of the pandemic on non-financial issues, such as social and personal issues, the business model and the creation of value, as well as the risks related to climate change for which a specific analysis will be performed in 2021.

The following principles of the GRI Standards were taken into account when identifying and reporting the content of the Disclosure: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, promptness, reliability and clarity.

The data and qualitative and quantitative information contained in the Disclosure refer to the Group’s performance for the year ending 31 December 2020. A comparison has also been provided with the two previous years. There have been no restatements with regard to the figures from the previous year, except where explicitly indicated.

For each topic the Disclosure provides a framework of sustainability indicators useful for guaranteeing an understanding of the Group’s activities, performances and results and the impact of these with regard to Environmental, Social, Personnel and human rights issues and the fight against corruption.

The content presented in the Disclosure has been identified as relevant, both for the Group and its stakeholders, by means of a materiality analysis: GRI Standard aspects and their relative disclosures have been selected on the basis of the issues that have emerged as material. (See “Materiality analysis” paragraph).

All the data and information refer to the companies included within the scope of consolidation used for the Consolidated Financial Statements as at 31 December 2020, unless otherwise specified. In detail, the reporting scope covers: parent company Dolomiti Energia Holding, Novareti, Dolomiti Energia Solutions,

Set Distribuzione, Depurazione Trentino Centrale (left the Group's scope of activity in 2021), Hydro Dolomiti Energia, Dolomiti Energia Trading, Dolomiti Ambiente, Dolomiti Energia, Dolomiti Energia Hydro Power, Dolomiti GNL and Dolomiti Edison Energy (consolidated with the line-by-line method as of 1 July 2020). In 2020 the company Centraline Trentine was incorporated by the newly-acquired Veneta Esercizi Elettrici which at the same time changed its name to Dolomiti Energia Hydro Power srl. Hydro Investments Dolomiti Energia Srl was incorporated in Hydro Dolomiti Energia Srl by reverse merger.

The newly-acquired Gasdotti Alpini was excluded as it is not necessary for understanding the activities of the Group, its performances and results, and the impact produced by its activities on non-financial matters.

Furthermore, the company Dolomiti GNL has no employees and the company Dolomiti Edison Energy became part of the Group's scope of consolidation only in the second half of 2020 meaning that the data regarding this company only relates to the period of 1 July 2020 - 31 December 2020. In light of this expansion of the reporting scope, the figures from the previous two years are not comparable.

The data collection process was managed by the Communication Department using a non-financial reporting system that involved the use of data collection sheets and a web-based information system. The non-financial data and information was provided, via this system, by the managers of the various company departments included in the scope of reference. The subsequent verification and approval of this data was managed by the Administration departments, by the Management Control department and by the Energy Management department of Dolomiti Energia Solutions, which runs a service for the entire Group, as well as by the relevant individual managers.

The document was subject to review by an external company, according to the criteria indicated in the "Independent Auditors' Report", which can be viewed at the bottom of the Disclosure.

The Disclosure was approved by the Board of Directors on 26 March 2021 along with the draft financial statements and the consolidated financial statements.

The Disclosure was drafted in compliance with Decree no. 254/2016 and constitutes a separate document from the Report on Operations but an integral part of the documentation relative to the 2020 Financial Statements.

The Disclosure supplements and completes the Report on Operations and the additional documentation.

GRI Content Index

To facilitate the browsing of the Disclosure, an analytical index of the indicators foreseen by the GRI Standards Guidelines is provided below.

A brief description is provided for each indicator together with a reference to the relevant page in this document or any notes, and an indication of any omissions.

GRI Content Index

Disclosure	Indicator description	page number/notes	omissions
GRI 102: GENERAL DISCLOSURES 2016			
COMPANY PROFILE			
102-1	Name of the organisation	134	
102-2	Activities, brands, products, and services	9; 37-48	
102-3	Location of headquarters	134	
102-4	Location of operations	37	
102-5	Ownership and legal form	10-11	
102-6	Markets served	37-48	
102-7	Scale of the organisation	9	
102-8	Number of employees by type of contract, region and gender	98-99	
102-9	Description of the supply chain	59-62	
102-10	Significant changes during the reporting period	19-10; 119-120	
102-11	Precautionary Principle or approach	20-22	
102-12	Adoption of external codes and principles in an economic, social and environmental	54; 104	
102-13	Membership of associations and national or international support organisations	63-65	
EU-1	Installed capacity	37-39	
EU-2	Net energy produced	37-39	
EU-3	Number of customers, divided by type	9; 37-43; 48	
EU-4	Length of the transmission and distribution networks	40	
STRATEGY			
102-14	Statement from Chairman	4-7	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour inside the company	23-25	
GOVERNANCE			
102-18	Governance structure	17-18	
102-23	Indicate whether the Chairman also performs an executive role	18	

Disclosure	Indicator description	page number/notes	omissions
102-36	Process for determining remuneration	101	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	28-31	
102-41	Percentage of employees covered by collective bargaining agreements	101	
102-42	Process of identification and selection of stakeholders to engage	28-30	
102-43	Approach to stakeholder engagement	28-32	
102-44	Key topics and concerns raised as a result of stakeholder engagement and relative actions	6;28-31; 51; 55; 96	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements and indication of the companies not included in the report	114	
102-46	Defining report content	28-33	
102-47	List of material topics	32-33	
102-48	Explanation of the effects of changes to the information included in the previous statements and reason for said changes	113-114	
102-49	Significant changes with respect to the previous financial statements	113-114	
102-50	Reporting period	113-114	
102-51	Publication date of most recent report	This is the fourth Consolidated Non-Financial Disclosure	
102-52	Reporting period	113	
102-53	Contact point for questions regarding the report	see cover	
102-54 / 102-55	GRI content index and claims of reporting in accordance with the GRI Standards	115-120	
102-56	External assurance	130-133	
ECONOMIC PERFORMANCE: TOPIC SPECIFIC STANDARDS			
GRI 201: ECONOMIC PERFORMANCE 2016			
GRI 103	Management approach 2016	14-15	
201-1	Direct economic value generated and distributed	15	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
GRI 103	Management approach 2016	65-67	
203-1	Development and impact of investments in infrastructure and services provided mainly for "public utility"	66-67	
GRI 204: PROCUREMENT PRACTICES 2016			
GRI 103	Management approach 2016	59-62	

Disclosure	Indicator description	page number/notes	omissions
204-1	Percentage of procurement budget spent on suppliers local related to most significant operational locations	61	
GRI 205: ANTI-CORRUPTION 2016			
GRI 103	Management approach 2016	24-25	
205-3	Confirmed incidents of corruption and actions taken		During the reporting period, no instances of corruption were reported.
ENVIRONMENTAL PERFORMANCE: TOPIC SPECIFIC STANDARDS			
GRI 302: ENERGY 2016			
GRI 103	Management approach 2016	69-70	
302-1	Energy consumption within the organisation	71-74	
302-3	Energy intensity	74	
302-4	Reduction of energy consumption	75	
GRI 303: WATER 2018			
GRI 103	Management approach 2016	89-90	
303-1	Interactions with water as a shared resource	89-90	
303-2	Management of water discharge related impacts	89-90	
303-3	Water withdrawal	90	
303-4	Water discharge	91	
303-5	Water consumption	89-92	
GRI 304: BIODIVERSITY 2016			
GRI 103	Management approach 2016	85-88	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	85-88	
304-2	Significant impacts of activities, products, and services on biodiversity within protected	85-88	
GRI 305: EMISSIONS 2016			
GRI 103	Management approach 2016	76	
305-1	Direct (Scope 1) GHG emissions	76-77	
305-2	Energy indirect (Scope 2) GHG emissions	77	
305-4	GHG emissions intensity	78	
305-5	Reduction of GHG emissions	49; 51-53; 78	
305-6	Emissions of ozone-depleting substances (ODS)		No significant emissions of ODS (ozone-depleting substances) were recorded in the reporting period as these are not present in the Group's plants
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	77	
GRI 306: WASTE 2020			
GRI 103	Management approach 2016	79-80	

Disclosure	Indicator description	page number/notes	omissions
306-1	Waste generation and significant waste-related impacts	79-80	
306-2	Management of significant waste-related impacts	79-80	
306-3	Waste generated	43; 81; 84	
306-4	Waste diverted from disposal	45; 82	
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GRI 307: ENVIRONMENTAL COMPLIANCE 2016			
GRI 103	Management approach 2016	68-70	
307-1	Monetary value of significant fines and total number of non-monetary	70	
GRI 308: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS 2016			
GRI 103	Management approach 2016	59-61	
308-1	New suppliers that were screened using environmental criteria	60-61	
SOCIAL PERFORMANCE SOCIALE: TOPIC SPECIFIC STANDARDS			
GRI 401: EMPLOYMENT 2016			
GRI 103	Management approach 2016	95-97	
401-1	New employee hires and employee turnover	99-100	
401-2	Benefits provided to full-time employees that are not provided	101	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
GRI 103	Management approach 2016	104-108	
403-1	Occupational health and safety management system	104	
403-2	Hazard identification, risk assessment, and incident investigation	96; 104-105	
403-3	Occupational health services	108	
403-4	Worker participation, consultation, and communication on occupational health and safety	106	
403-5	Worker training on occupational health and safety	106-107	
403-6	Promotion of worker health	105-108	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61-62	
403-8	Workers covered by an occupational health and safety management system	104; 106	Informations on occupational health and safety management system of workers who are not employees but whose work and/or workplace is controlled by the Group are not currently available. The Group is committed to collect the necessary information over the next reporting periods.

Disclosure	Indicator description	page number/notes	omissions
403-9	Work-related injuries	109-110	Informations on work-related injuries of workers who are not employees but whose work and/or workplace is controlled by the Group are not currently available. The Group is committed to collect the necessary information over the next reporting periods.
403-10	Work-related ill health	110	Informations on work-related ill health of workers who are not employees but whose work and/or workplace is controlled by the Group are not currently available. The Group is committed to collect the necessary information over the next reporting periods.
GRI 404: TRAINING AND EDUCATION 2016			
GRI 103	Management approach 2016	102-104	
404-1	Average hours of training per year per employee, per gender and per category	102-103	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
GRI 103	Management approach 2016	97-98	
405-1	Composition of governing bodies and subdivision of employees by category in relation to gender, age, membership of protected categories and other diversity indicators	18-19; 98-99	
SECTOR SPECIFIC ASPECT: ACCESSIBILITY OF SERVICE 2016			
GRI 103	Management approach 2016	55-56	
EU-26	Percentage of population not served in the electrical energy distribution area		Based on the current concession and the current ARERA regulations, the distributor is required to connect all users who request it to its network, following payment of a fee established on the basis of ARERA regulations. All city centres pertaining to the managed territory are hooked up to the grid.
EU-28	Service interruption frequency index	55	
EU-29	Average service interruption duration index	56	
GRI 417: MARKETING AND LABELLING OF PRODUCTS AND SERVICES 2016			
GRI 103	Management approach 2016	48-49	
417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information	53	

Reconciliation statement on material topics, the areas covered by Italian Legislative Decree 54/2016 and the GRI Standards

Material topics identified	Topic-specific GRI reference standards	Areas of Italian Legislative Decree 254/2016	Impact scope	
			Impacts inside the Group	Impacts outside the Group
Ethics and integrity in managing the business	General Disclosure (GRI 102-12, 102-16) Environmental compliance (GRI 307)	Company Environment Personnel Human Rights Anti-Corruption Supply chain	All Group companies within the reporting scope	Customers Community Institutions Competitor Environment Investors Risorse umane Suppliers Shareholders Media
Corporate welfare and occupational health and safety	Occupational health and safety (GRI 403)	Personnel Human Rights Supply chain	All Group companies within the reporting scope	Human resources
Management of emergencies and business continuity	Material Aspect not directly connected with a Topic-Specific GRI Standard, for which the management approach adopted and the relative indicators are reported in the document	Company Environment Turnover rate	All Group companies within the reporting scope	Community Customers Media Environment
Efficient and sustainable use of water	Water (GRI 303)	Environment	All Group companies within the reporting scope	Environment Community
Combating corruption	Anti-corruption (GRI 205)	Anti-corruption	All Group companies within the reporting scope	Community Suppliers Competitor Investors Institutions
Accessibility, efficiency and reliability of the service	Efficiency of the system (G4-EU12) Availability of the service (G4-EU26, G4-EU28, G4-EU29)	Company	All Group companies within the reporting scope	Customers Community
Innovation, quality, safety of the service and listening to and satisfying the customer	General Disclosure (GRI 102-43)	Company	All Group companies within the reporting scope	Customers Community
Reduction of energy consumption and greenhouse gas emissions	Group (GRI 302) Emissions (GRI 305)	Environment	All Group companies within the reporting scope	Community Customers Environment
Mitigation of exposure to risks and development of business opportunities	Material Aspect not directly connected with a Topic-Specific GRI Standard, for which the management approach adopted and the relative indicators are reported in the document	Personnel Human Rights Supply chain Environment Anti-corruption Company	All Group companies within the reporting scope	Community Customers Investors Risorse umane Suppliers Shareholders
Technological innovation, energy efficiency, renewable energies and district heating	Group (GRI 302) Emissions (GRI 305)	Environment Company	All Group companies within the reporting scope	Community Customers Environment Investors
Reduction of waste and adoption of responsible disposal	Waste (GRI 306)	Environment	All Group companies within the reporting scope	Community Customers Environment

Operations deep-rooted throughout the territory	Economic performance (GRI 201)	Company	All Group companies within the reporting scope	Customers Community
Relations with the community and local institutions	General Disclosure (GRI 102-13) Economic performance (GRI 201) Indirect economic impacts (GRI 203)	Company	All Group companies within the reporting scope	All Stakeholders
Wellbeing, conciliation between lifestyle and work and protection of employments	Employment (GRI 401)	Personnel Human Rights	All Group companies within the reporting scope	Human resources
Quality and costs of the waste collection services and urban renewal	Material Aspect not directly connected with a Topic-Specific GRI Standard, for which the management approach adopted and the relative indicators	Environment	Dolomiti Ambiente	Customers Company Community
Support for the community and non-profit sector	Indirect economic impacts (GRI 203)	Company	All Group companies within the reporting scope	Community Institutions
Selection, management and control of suppliers and contractors according to fairness, transparency and social sustainability and environmental criteria	Procurement practices (GRI 204) Environmental assessment of suppliers (GRI 308)	Human Rights Supply chain Environment Anti-corruption	All Group companies within the reporting scope	Suppliers Community
Transparent, clear and honest communication and marketing practices	Marketing and labelling of products and services (GRI 417)	Company	All Group companies within the reporting scope	Customers Community Media
Promotion of sustainability in governance and relations with the financial community	Diversity and equal opportunity (GRI 405)	Personnel Human Rights Supply Chain Environment Anti-corruption Company	All Group companies within the reporting scope	Community Investors Shareholders
Staff training and development	Training and education (GRI 404)	Personnel	All Group companies within the reporting scope	Human resources Customers
Raising awareness on the sustainable use of resources	Material Aspect not directly connected with a Topic-Specific GRI Standard, for which the management approach adopted and the relative indicators are reported in the document	Environment	All Group companies within the reporting scope	Community Environment
Biodiversity and protection of natural assets	Water (GRI 303) Biodiversity (GRI 304)	Environment	All Group companies within the reporting scope	Community Environment

Attachments

Waste

Distribution of waste collected in Trento and Rovereto (tonnes)

	2019	2018	2019	2018
	COLLECTED IN ROVERETO		COLLECTED IN TRENTO	
Paper and cardboard	2,749	2,770	9,113	9,348
Glass	1,436	1,383	4,744	4,697
Green waste	1,202	1,186	3,294	2,953
Organic waste	4,281	4,224	14,401	14,283
Metal packaging	-	-	18	14
Multi-material *	1,542	1,538	5,147	5,275
Bulky objects	626	530	1,378	1,509
Wood	938	800	2,419	2,287
Inert	1,060	923	2,505	2,425
Electronic	305	308	788	754
Metal	240	206	697	663
Other (Batteries, medicines, etc. **)	121	119	365	371
Used clothing	132	77	448	388
Residual	3,129	3,133	8,495	8,798
Sweeping	562	530	1,101	1,191
TOTAL	18,322	17,726	54,911	54,956

* includes CER 200139 plastic and plastic packaging

** includes other hazardous municipal waste and other non-hazardous municipal waste

*** The difference compared with the figures indicated for 2018 is due to the rounding up/down of the values.

kg per capita in Trento and Rovereto

	2019	2018	2019	2018
	KG PER CAPITA ROVERETO		KG PER CAPITA TRENTO	
Paper and cardboard	67.5	68.3	75.2	77.4
Glass	35.3	34.1	39.1	38.9
Green waste	29.5	29.3	27.2	24.5
Organic waste	105.1	104.2	118.8	118.3
Metal packaging	0.0	-	0.2	0.1
Multi-material *	37.9	37.9	42.5	43.7
Bulky objects	15.4	13.1	11.4	12.5
Wood	23.0	19.7	20.0	18.9
Inert	26.0	22.8	20.7	20.1
Electronic	7.5	7.6	6.5	6.2
Metal	5.9	5.1	5.8	5.5
Other (Batteries, medicines, etc. **)	3.0	2.9	3.0	3.1
Used clothing	3.3	1.9	3.7	3.2
Residual	76.8	77.3	70.1	72.9
Sweeping	13.8	13.1	9.1	9.9
TOTAL	449.7	437.3	453.0	456.2

* includes CER 200139 plastic and plastic packaging

** includes other hazardous municipal waste and other non-hazardous municipal waste

Waste produced internally*, by type and method of disposal

		2019**	2018
Hazardous waste	t	127.22	368.3
Non-hazardous waste	t	2,634.63	3,236.1
TOTAL	t	2,761.80	3,604.4
WASTE PRODUCED (by disposal method)			
Recycling	t	4.57	ND
Recovery (including energy recovery)	t	1,140.78	2,006.7
Landfill	t	10.40	ND
Other (specify in note)	t	1,606.04	ND

* The data do not include Dolomiti Energia Trading and Dolomiti Gnl.

** The 2019 figure was calculated using different methods than in previous years and is therefore not always comparable.

Water

Water withdrawal

		2019
SURFACE WATER (TOT)	1,000 m3	16,847,005.65
≤1.000 mg/L total dissolved solids	1,000 m3	16,847,005.65
>1.000 mg/L total dissolved solids	1,000 m3	0
UNDERGROUND WATER	1,000 m3	30,834.84
≤1.000 mg/L total dissolved solids	1,000 m3	30,834.84
>1.000 mg/L total dissolved solids	1,000 m3	0
PROCESS WATER (TOT)	1,000 m3	7,394.01
≤1.000 mg/L total dissolved solids	1,000 m3	4,571.01
>1.000 mg/L total dissolved solids	1,000 m3	2,823.00
WATER FROM SUPPLY SERVICES (TOT)	1,000 m3	26,245.02
≤1.000 mg/L total dissolved solids	1,000 m3	36.02
>1.000 mg/L total dissolved solids	1,000 m3	26,209.00
TOTAL WATER WITHDRAWAL		16,911,479.52

Thanks to an improvement of our reporting system, data on water withdrawals and discharges have been reported per the GRI 303 standard: the 2018 version of Water and Water Discharges, which is mandatory for reports from January 2021, but for which the Global Reporting Initiative encourages early adoption. In addition, it should be noted that GRI 306 reporting on water discharges: Water effluents and waste 2016, (Information Note 306-1) has been updated and can be found in GRI 303: Water and water discharges 2018

Water discharges

		2019
WATER DISCHARGES, BY DESTINATION		
TOTAL WATER DISCHARGES	Megaliters	4,055.66
of which surface water	Megaliters	0.81
Of which in sewers	Megaliters	4,054.85
WATER DISCHARGES, BY TYPE		
TOTAL WATER DISCHARGES	Megaliters	4,036.45
Fresh water (≤1.000 mg/L total dissolved solids)	Megaliters	0
Other water (>1.000 mg/L total dissolved solids)	Megaliters	4,036.45

Volumes of water used by source of origin

	u.m.	2018
FOR CONSUMPTION IN COMPANY FACILITIES*****		
water from aqueduct (industrial and residential)	m ³	5,765
TOTAL VOLUME OF REUSED WATER		5,765
FOR WATER CYCLE ACTIVITY AND ENVIRONMENTAL FACILITIES		
groundwater (well or spring water)	m ³	22,923,826
TOTAL VOLUME OF REUSED WATER		22,923,826
FOR COGENERATION		
water from aqueduct (industrial and residential)	m ³	49,095
groundwater (from wells)	m ³	6,509
TOTAL VOLUME OF REUSED WATER	m³	55,604
FOR HYDROELECTRIC PRODUCTION		
Surface waters (from rivers and lakes)**	m ³	16,033,484,117
groundwater (well water)*		453,548
TOTAL VOLUME OF REUSED WATER		16,033,937,665
FOR MUNICIPAL SANITATION****		
water from aqueduct (industrial and residential)	m ³	26,198
TOTAL VOLUME OF REUSED WATER	m³	26,198

* The figure refers to the cooling wells that serve the plants of Bussolengo and Chievo.

** The figure refers to the volumes used by the Hydro Dolomiti Energia and Dolomiti Energia Holding plants.

*** The figure in the 2017 NFD of 12,138,726,881 did not include the well water used.

**** The figure refers to the operating site of Dolomiti Ambiente Srl in Trento (west circular) and was measured by a water meter placed at the entrance of the water supply. Of these 7,405 m³ are used for the washing production process and are measured by a special meter placed at the entrance to the washing system. The data of the other operating sites of the company are not considered relevant. These are the collected and measurable figures, note that for the street sweeping and washing further water is drawn for the city hydrants.

***** For 2017, the consumption of the Trento via Fersina and Rovereto via Manzoni premises was included. Consumption for 2018 includes all water meters attributable to Dolomiti Energia Holding. Given the extent of the reporting scope, 2017 and 2018 data are not comparable" ..

Water discharges, waste water (quantity discharged)*

		2018
from municipal sanitation (discharged into the public sewerage system)	m ³	8880
from the water cycle and environmental facilities (discharged into the public sewerage system and, to a lesser extent, in septic tanks)*	m ³	22,923,826

* The total cubic metres that reach at the treatment plant are calculated as a percentage (90%) of the volume of water injected into the Aqueduct network (the total of the municipalities served by Novareti), net of losses, which are estimated by analysing the night minimums, at 15%. The clean waste water is not treated and goes directly to the surface waterways.

Accidents

Accidents

		MEN		WOMEN		TOTAL	
		2019	2018	2019	2018	2019	2018
NUMBER OF ACCIDENTS		29	37	4	5	33	42
ON THE WORKPLACE		27	33	3	4	30	37
Trento	no.	20	29	3	3	23	32
Rovereto	no.	7	4	0	1	7	5
Other locations (Verona + Vimercate)	no.	0	0	0	0	0	0
IN TRANSIT		2	4	1	1	3	5
Trento	no.	2	3	1	1	3	4
Rovereto	no.	0	1	0	0	0	1
Other locations (Verona + Vimercate)	no.	0	0	0	0	0	0
ABSENCES DUE TO ACCIDENTS**		713	1,393	214	190	927	1,583
At work	days	669	1,214	206	168	905	1,382
On the road	days	14	179	8	22	22	201

* The 2017 figure was recalculated according to the new methods described below and is therefore different from that indicated in the 2017 NFD

** Absences due to accidents were calculated by adding the days of absence for accidents occurring in the year they occurred calculated up to 31/12 and the days of absence for accidents that occurred in the previous year and ended in the reference year (for the part of the reference year only).

The data on occupational diseases have been obtained from the HR department and apply to occupational diseases recognized by INAIL.

Hours worked

		2019	2018
Trento	hours	1,672,575	1,643,389
Rovereto	hours	435,049	423,931
Other locations (Verona + Vimercate)	hours	58,410	58,567
TOTAL NUMBER OF HOURS WORKED (estimated)*		2,166,034	2,125,887

* Also for 2019, as data on hours worked broken down by gender (M/F) were not readily available, the data provided by the HR function aggregated for each INAIL insurance position were used. Occupational disease rate (ODR): (total number of cases of occupational diseases/total hours worked) * 200,000 – Calculation method recommended by GRI. The rates also include commuting accidents.

Injury rates

		2019	2018
Severity indicator**	hours	0,42	0,74
Frequency index**	hours	13,90	19,76

* The 2017 figure was recalculated according to the new methods described below and is therefore different from that indicated in the 2017 NFD.

** Rate of working days lost (Severity index): (total number of days lost due to accidents/total hours worked)*1,000 Accident rate (frequency index): ((total number of accidents)/total number of hours worked)*1,000,000

Independent auditors' report





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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
 Dolomiti Energia Holding S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2020 consolidated non-financial report of the Dolomiti Energia Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report and approved by the board of directors on 26 March 2021 (the "Report").

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Dolomiti Energia Holding S.p.A. (the "parent") for the Report

The directors are responsible for the preparation of a Report in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards") and the sector supplement "*Electric Utilities Sector Supplement*" (Core application level), which they have identified as the reporting standards.

The directors are also responsible, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of a Report that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the Report, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the Group's business, performance, results and the impacts it generates.



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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the Report, the group's policies for the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, in accordance with the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG S.p.A. applies International Standard on Quality Control 1 (ISQC (Italia) 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion on the compliance of the Report with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 (revised), and, therefore, it does not offer assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures we performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the disclosures presented in the Report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the Report, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied;
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree;
3. Comparing the financial disclosures presented in the Report with those included in the group's consolidated financial statements;
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;



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- the group's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the Decree.

Moreover, we checked the above against the disclosures presented in the Report and carried out the procedures described in point 5.a);

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the Report.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Dolomiti Energia S.p.A., Set Distribuzione S.p.A., Hydro Dolomiti Energia S.r.l. and of Novareti S.p.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the Report.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the Report and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and selected procedures to check the correct aggregation of data in the quantitative information;
- with regard to Rovereto plants, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, we inquired their management and obtained documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusions

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2020 consolidated non-financial report of the Dolomiti Energia Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards and the sector supplement "*Electric Utilities Sector Supplement*" (Core application level).

Verona, 14 April 2021

KPMG S.p.A.

(signed on the original)

Massimo Rossignoli
 Director of Audit

The attached report of the independent auditors and the NFS to which it refers are compliant with those filed at the registered office of Dolomiti Energia Holding Spa and, after the date of the report, KPMG Spa did not carry out any audit work aimed at updating its contents.

Editorial coordination
Communication Dolomiti Energia Holding

We wish to thank all of our colleagues
who worked on producing this document

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