



CORPORATE SOCIAL RESPONSIBILITY REPORT 2017

Consolidated Non-Financial Statement pursuant to Italian Legislative Decree no. 254/2016

A.I.M. Vicenza S.p.A.

One-man company (subject to management and coordination by the City of Vicenza)

Registered office: Contrà Pedemuro S. Biagio 72 – Vicenza

Share capital at 31 December 2017 Euro 71,293,000 fully paid in

Vicenza Companies Register registration number 236237

Tax Identification Number and VAT no. 95007660244

Website: www.aimgruppo.it

Tel. no. (switchboard): +39.0444.394.911

Letter to Stakeholders

Our Group operates daily to guarantee the efficient, efficacious and economical management of the public utility services provided. The importance of these services for society requires specific, constant attention to be paid to the question of economic, environmental and social sustainability.

Guaranteeing continuous, secure, fair, full, innovative access to our services is our hallmark, and is intrinsically connected to the sustainable management of our everyday operations, designed to safeguard local communities and their economic activities.

This document is the fifth edition of the Corporate Social Responsibility Report. This is an instrument which we believe in and which we willingly dedicate time and resources to, with a view to the transparent reporting of company operations to our stakeholders. Specifically, we have dealt with questions of sustainability, reporting on the 10 key principles proposed by the Global Compact, which we subscribe to each year, by highlighting the link between the Group's actions and the Sustainable Development Goals (SDGs), and undertaking to utilise the Global Compact as a strategic guide for our Group's operations.

The document then goes on to summarise the Group's performance in economical-financial, environmental and social terms over the course of 2017, and also looks at the future aims characterising corporate decisions in the coming years. It points to an excellent level of performance, with 22 million Euro invested in the Group's different business units, a profit for the year of over 8.9 million Euro, and a Net Financial Position of 110 million Euro.

Since last year we have also been involved in developing the Materiality Matrix, with the aim of getting Stakeholders' views on key issues. The results are set out in the following sections of the document.

The materiality analysis carried out in 2017 represents the start of a journey that will lead to the definition of strategies and objectives that we can share with our stakeholders, to ensure the utmost transparency in terms of the results and impact of our operations.

We believe it of crucial importance to reconfirm our Group's clear commitment to guaranteeing safety right down the value chain. The safety of our employees, of the employees of our suppliers and subcontractors, but also the safety of our customers, who must also be guaranteed fair, impartial access to the services offered.

Economic, environmental and social sustainability invariably benefits from a long-term vision that enables us to pursue ambitious aims in keeping with our corporate mission and with the sustainable development of the local communities we are involved with.

We hope that your reading of this document is both enjoyable and beneficial, and that each of you manages to gather full, clear information about those areas you are interested in.

Highlights of the AIM Group

| | | |
|---|---|--|
| 71.85% Trained human resources | 35 resources belonging to protected categories | 8.15% of resources working part- time |
| 52 “School-work alternation” projects | 1.23 Kg of sorted waste per capita/day | 91.85% of human resources on permanent contracts |
| 86.78% of waste recovered in recycling centres | 74.79% of sorted waste | 6.28 hours of training per capita |
| ARERA quality standards met in full | 9.64 minutes the average waiting time at our desks | 56.94 million Euro Added Value earmarked for Stakeholders |
| 4.26 GWh Production from Biogas | 8.94 million Euro Group profit | Group investments of 22 mln Euro |

The Sustainability of the AIM Group



Methodological note

The Corporate Social Responsibility Report is an instrument clearly documenting how the Group's growth can be sustainable in economic, social and environmental terms. It is used to report to, and manage relations and communicate with, all interested parties.

The Corporate Social Responsibility Report for the period 1 January - 31 December 2017 was drawn up in accordance with the Sustainability Reporting Guidelines (version G.4) of the **Global Reporting Initiative (GRI)** and following the drafting guidelines of the **GBS Standard** (a Corporate Social Responsibility Report Study Group), in particular with regard to the layout and the financial section of the document. The AIM Group has decided to use these two standards as proof of its constant commitment to rendering the reporting process more complete and effective, by increasing the depth of analysis of the issues dealt with, and to render the present document more easily compared to previous years' versions. Furthermore, the Corporate Social Responsibility Report adopts the principles established by the **Global Compact** and the objectives of the **2030 Agenda** (17 Sustainable Development Goals).

The innovative aspect of the 2017 Corporate Social Responsibility Report is its implementation of **Italian Legislative Decree 254/2016** regarding the notification of **non-financial information** and information about diversity, aimed at ensuring an understanding of corporate business, its progress, its results and its impact on questions of the environment, society, the well-being of employees, respect for human rights, the fight against active and passive corruption; all aspects deemed of importance, bearing in mind the enterprise's business activity and characteristics. This document also constitutes the **Consolidated Non-Financial Statement** that the AIM Group is required to produce in order to meet its obligations concerning disclosure of its operations to the shareholder, not only in economic terms.

The Report drawn up thus has followed the basic postulates of the GRI G.4 standard: the materiality of information, Stakeholder engagement in organisational scenarios, the completeness of information, balanced objective debate, the comparability over time and the accuracy of information provided, the clarity of presentation and the technical reliability of information.

A list of the indicators provided for by the GRI G.4 are attached herewith, and the corresponding pages of the Corporate Social Responsibility Report in which said indicators are developed are also shown.

Since 2012, **each year** the AIM Group has drawn up its Corporate Social Responsibility Report, and has made it available also on the website www.aimgruppo.it, in the **Sustainability** section.

The document is set out as follows:

- **Corporate Identity:** specification of the mission, benchmark values, strategies and historical development of the AIM Group, its composition and services, the Stakeholders, the Group's system of governance, organisational structure and certification.
- **Social Report:** containing a description of the projects undertaken, relations with Stakeholders both within and outside of the AIM Group, and the results achieved vis-à-vis the various types of Stakeholder.
- The **Economic Scale:** where Added Value, and its distribution to the principal Stakeholders, are determined.

The document is drawn up by a **working team** of AIM personnel; the information and figures set out in the document are taken from documents officially adopted by the Company, or from reports created by personnel from the various operating areas.

In certain cases, the figures set out take account of the three-year period 2015-2017, while the income statement and balance sheet figures are taken from the approved Consolidated Financial Statements.

Materiality Analysis

The AIM Group has prepared the **materiality analysis** by comparing **the importance given by the Group and the Stakeholders** to the operations conducted and the **material issues** reported on in this Corporate Social Responsibility Report.

The most important material aspects from the Group's viewpoint have been appraised, considering them as **priorities to be appraised** carefully from the economic, social and environmental points of view, together with the importance that these aspects have for the Stakeholders.

The material aspects have been identified bearing in mind:

- the projects that the AIM Group has developed in relation to the Stakeholders, over the course of the year;
- an evaluation of those events held in the geographical area in question;
- the involvement of Stakeholders in the proposed issues;
- the key documents governing relations in regard to the services provided.

In order to get the Stakeholders' opinions on the priority issues that the company wishes to evaluate, special questionnaires have been prepared containing specific questions regarding the areas in question, relating in fact to the key issues pertaining to each of the chosen categories of investigation.

Over 300 questionnaires were sent out, and the results received have been entered in the Materiality Matrix below, after having been reformulated and compared with the company's internal assessments.

The **issues** that have emerged as **material**, and the results obtained from the Matrix, are those that the Group will focus and work on in the coming years, as it implements and updates the resulting matrix from one year to the next.

In 2017, there were shifts in the value of certain key indicators in the materiality matrix; the top-right quadrant is highlighted to show the most important areas that the company is leaving room for, and will leave room for, in relation to future levels of performance.

Many priorities have been reformulated within the framework of those issues deemed significant by Italian Legislative Decree 254/2016, and the present Report shall indicate them using symbols so as to facilitate their reading and understanding.



Environmental issues



Issues concerning the fight against active and passive



Social issues pertaining to employees and to respect for human rights

Environmental Issues

Emissions
Environmental education
Waste management
Sorted waste collection
Renewable energy
Energy efficiency



Issues concerning the fight against active and passive corruption

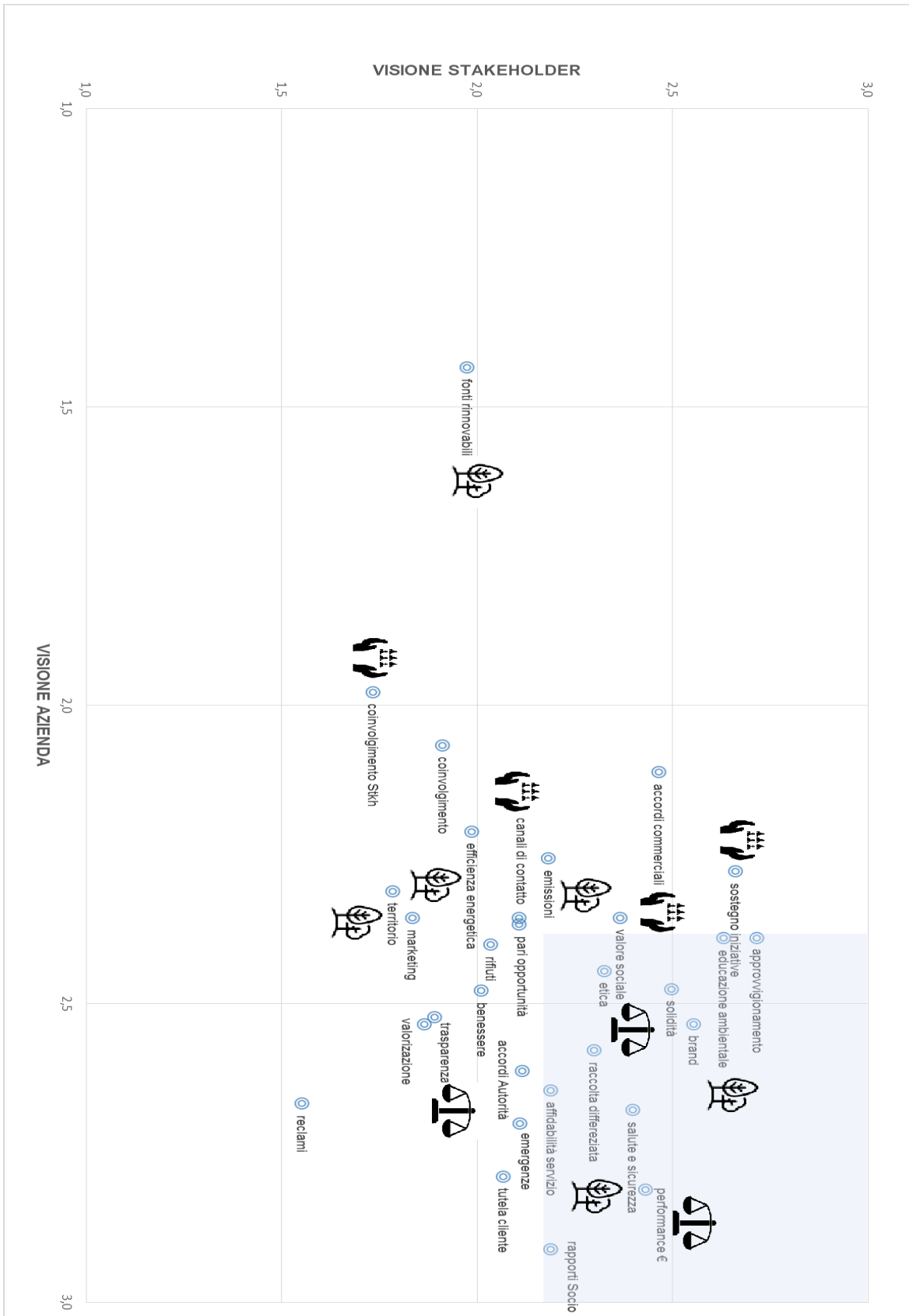
Transparency
Ethics
Economic and financial performance
Agreements with consumer associations
Agreements with the Authorities



Social issues pertaining to employees and to respect for human rights

Allocated social value
Support for projects benefiting Stakeholders
Stakeholder engagement
Well-being in the company
Optimisation of human capital
Human resource engagement
Health and safety
Equal opportunities





Compared to the previous Corporate Social Responsibility Report, the key issues established by Management have been maintained; there have been changes to the arrangement of priorities within the Matrix, due to the increased care and sensitivity utilised to obtain the evaluations of Stakeholders in our priorities.

A more accurate understanding of the dynamics of the shifts in priorities within our Matrix shall be provided next year, when the same instruments used this year shall continue to be adopted.

Our History

The following are the **most important stages in the historical development** of the AIM Group:

- **1906**: the foundation of the **Aziende Municipalizzate (Municipal Enterprises)**
- **1907**: the upgrading of the electricity and gas distribution plants and network
- **1911**: the inauguration of the electric tram in Vicenza
- **1950s**: the restart of AIM's operations following the Second World War
- **1963**: the construction of a methane gas storage facility at Monte Crocetta
- **1964**: the inauguration of the San Biagio site
- **1985**: the construction of a district heating power plant
- **1996**: the foundation of **Aziende Industriali Municipali (Special enterprise)**
- **1997**: the stipulation of service agreements governing relations between the Municipality and AIM
- **2000**: the transformation of the company into **AIM Vicenza Spa**
- **2002**: the acquisition of a 75% equity investment in SIT Società Igiene e Territorio Spa and of a 40% equity investment in Valore Ambiente Srl
- **2003**: the acquisition from Enel Spa of the **electricity distribution business unit** in the city of Vicenza
- **2003**: the foundation of AIM Vendite Srl, a company dealing with the sale of electricity and gas
- **2005**: new organisational arrangements: AIM Vicenza Spa becomes a Group Holding Company controlling the special-purpose vehicles
- **2008**: AIM Vicenza Acqua leaves the Group, and Acque Vicentine Spa is founded
- **2009**: the foundation of **AIM Servizi a Rete Srl** resulting from the merger between AIM Vicenza Energia, AIM Vicenza Gas and AIM Vicenza Telecomunicazioni
- **2009**: the foundation of **AIM Energy Srl**, previously AIM Vendite Srl, for the sale of electricity and gas in the Free Market
- **2010**: the takeover and merger of **AMCPS Srl** in **AIM Vicenza Spa**
- **2011**: the foundation of **Valore Città Amcps Srl**, a subsidiary of AIM Vicenza Spa, from the spin-off of the corresponding business unit, acquired the year before, from the Parent Company
- **2012**: the foundation of Ecoenergy Srl from AIM and Manny Energy Srl, a company selling photovoltaic plants;
- **2012**: the foundation of 2V Energy Srl, a company owned in equal shares by AIM and AGSM, the purpose of which is to cooperate in the procurement of gas and electricity
- **2013**: withdrawal from the **"In House providing"** arrangement established by the Municipality of Vicenza
- **2013**: the acquisition of a 15% equity investment in Soenergy Srl for cooperation in the procurement of gas and electricity
- **2014**: the establishment of "Rete Ambiente Veneto", the first ever network of public enterprises operating in the waste management sector. The network agreement was signed by the companies AIM Vicenza, AVA Schio, Contarina Treviso, and Ecoambiente Rovigo
- **2014**: a credit facility of 45 million Euro was stipulated with the **European Investment Bank**, to directly fund investments in the Environment, Gas, Electricity and Heat sectors for the five-year period 2014 - 2018.
- **2015**: the acquisition of a 51% equity investment in CogasPiù - a company selling gas and electricity - by AIM Energy
- **2016**: contribution of AIM Mobilità Srl's TPL business unit to SVT Srl
- **2017**: transfer of the equity investment in SVT Srl to the Municipality of Vicenza
- **2017**: issue of a Bond listed on the Irish Stock Exchange

The Group, the Companies and the Services provided

The AIM Group is a **multi-utility** group operating in the provision of local public services such as the distribution of electricity, gas and heat, environmental hygiene, parking services, and municipal property maintenance (green spaces, roads, road signs, cemeteries, council housing and public lighting), and in the sale of electricity, gas and heat, the generation of electricity and the management of plants in the environmental sector.

The AIM Group is headed by a holding company, **AIM Vicenza Spa**, 100% owned by the **Municipality of Vicenza**.

The Group is composed of the Parent Company and the following **7 subsidiaries**, all based in Vicenza, which guarantee the development of the various lines of business.

The organisational chart shows the companies that are included in the **scope of consolidation** of the AIM Group's Consolidated Financial Statements at 31/12/2017.



Managed services

Energy Services:

- the sale, distribution and purchase of natural gas
- the sale, generation, purchase and distribution of electricity
- the sale, production and distribution of heat
- the management, design and operation of the optical fibre data transmission network and of the company telephone network
- remote management service, automation, electric service and network control centre

Environmental services:

- waste collection, transport, recovery and disposal
- the sweeping, washing and cleaning of public areas
- waste disposal plant management
- waste processing and treatment
- the collection, transport, storage, treatment and disposal of hazardous, special and toxic waste

Services concerning public property:

- cemetery services
- the management of public parks and gardens
- the management and maintenance of public property
- the management of public residential buildings
- building work

Public mobility:

- parking management
- car park management services

Global Service:

- luminous road signs
- horizontal and vertical signs
- routine and extraordinary road maintenance
- ditch cleaning
- rainwater drain cleaning
- the management of green areas
- road use recovery
- repairs to damaged roads
- public lighting systems

| GROUP SERVICES | ENERGY SERVICES | ENVIRONMENTAL SERVICES | SERVICES CONCERNING PUBLIC PROPERTY | PUBLIC MOBILITY | GLOBAL SERVICE |
|-----------------------|---|------------------------|--|---|---|
| CUSTOMERS | SALE EE 88,030 GAS 128,028 DH 426 DISTRIBUTION ELECTRICITY 71,826 GAS 133,853 | 62,170 | 111,620 | 2,138,020 | 111,620 |
| MUNICIPALITIES SERVED | SALE EE ITALY GAS ITALY DH VICENZA DISTRIBUTION EE VICENZA GAS 16 MUNICIPALITIES | VICENZA | VICENZA | VICENZA | VICENZA |
| VOLUMES | SALE EE over 326.5 GWh GAS over 235.9 mln Sm ³ DH over 43 GWh - 2,529,000 m ³ DISTRIBUTION EE over 1,170 mln kWh GAS over 264.5 mln Sm ³ | 67,079 tons | 8 cemeteries 1,141,165 m ² of public parks and gardens 1,533 public residential buildings 222 municipal structures managed | 14 barrier car parks 11,643 available parking spaces | 540 km of roads 65 km of cycle lanes 340 rebuilt road signs 16,226 lighting points |

Note: EE: electricity; DH: district heating

Corporate identity

DRAFT

Mission and Values

The **AIM Group's** Mission is to “provide **integrated public utility services, striking the right balance between quality and price, by equipping the communities it serves with infrastructure for their development while generating an adequate return for shareholders**”.

In order to pursue the Group's corporate mission and the road to the integrated management of sustainability, the AIM Group has identified, through the adoption of its own **Code of Ethics**, the general principles and the rules of conduct recognised as having a **positive ethical value**.

In particular, our **Values**, representing the general principles guiding our operations, are as follows:

- **fairness, loyalty, integrity and honesty** in managing relations with counterparties and with the Group's own employees;
- the **optimisation of human resources** as the vital factor for the company's growth and business continuity;
- the **protection of privacy** in regard to instruments and methods, in order to ensure the confidentiality of information contained in databanks and personal records;
- the **protection of the corporate image** in order to safeguard the company's good reputation and credibility;
- the **quality of the services provided**, in order to constantly meet users' requirements;
- **impartiality** in relations with Stakeholders, avoiding any form of discrimination or favouritism inside or outside of the Group.

The provisions of the Code of Ethics apply to all employees and to all those who directly or indirectly establish relations with AIM Vicenza, whether permanently or temporarily, and to all collaborators, consultants, agents, attorneys or anyone else operating in the name, and on behalf, of said company.

In fact, the aforesaid persons, each within their own sphere of responsibility, and in accordance with the principles of sound, prudent management and in observance of national and EU laws, and of internal policies, plans, regulations and procedures, must contribute to the corporate Mission.

Vision and Strategies

The AIM Group, in accordance with its corporate Mission, maintains its **principal strategy** of identifying growth opportunities, through provincial-level and extra-provincial-level aggregation, with publicly-controlled enterprises operating in the local public services sector, according to a multi-business logic, and offering its expertise, know-how and financial solidity.

Furthermore, it pursues various **strategic approaches**, including that of improving relations with all Stakeholders, and of constantly adjusting the Group's business to meet the qualitative and quantitative change in the requirements of the environment in which it operates, through:

- the constant monitoring of demand (the community's needs), of supply (technological developments), and of changes in Italian and EU legislation;
- the congruous planning of investment, and of the reorganisation, improved efficiency and training of human resources.

The AIM Group's **Business Plan 2014-2018** offers the following strategic approaches, subdivided according to the corresponding business area:

- **External Growth:**
 - the implementation of joint ventures in order to optimise the sources of gas and electricity supplies;
 - the acquisition of “targeted” equity investments or small business enterprises in the local areas in question for the development of the customer base;
 - the creation and development of a business network in the waste management sector.
- **Industrial development:**
 - local development of gas network management;
 - investment in the renewal of electricity network assets;

- the upgrade and extension of the district heating network;
 - the acquisition of new customers and the development of new services;
 - plant development and participation in tender procedures in the environmental sector;
 - the development of the Electricity generation and improved energy efficiency business;
 - the development of parking services.
- **Internal reorganisation:**
 - the transfer of certain business units in order to optimise organisation;
 - creation of the Vicenza environmental centre;
 - the optimisation of logistics in the Group's various operating sites.
- **Financial reorganisation:**
 - optimisation of the Group's financial structure (on the basis of financial requirements, through the more logical structuring of short or medium/long-term credit facilities);
 - European funding and ad hoc funding, also with recourse to bond issues.

Furthermore, in developing its own business the AIM Group pursues the ten Principles set out in the **Global Compact**, and the Goals established by the **2030 Agenda**.

As far as regards the Global Compact, since 2014 the Group has adhered to this United Nations' project for the promotion of a corporate citizenship culture that encourages enterprises throughout the world to create an economic, social and environmental framework designed to **promote a sound, sustainable global economy** (www.globalcompactnetwork.org). Each year, by a specifically established deadline, the AIM Group has to submit a **COP** (Communication on Progress), whereby it maintains a transparent relationship with the Association, stating how it manages to support and safeguard the ten fundamental Principles through its own operations.

The **10 Fundamental, Universal Principles** of the Global Compact concern:

- human rights
- labour rights
- the environment
- the fight against corruption

Attached herewith is the table of reconciliation between the ten fundamental principles and the actions implemented by the AIM Group in pursuit of said principles.

The following are the objectives of the **2030 Agenda** – also known as the **Sustainable Development Goals** – to be pursued by the 193 UN member states by 2030:



Attached herewith is the table of reconciliation between the 17 global sustainable development goals and the actions implemented by the AIM Group in pursuit of some of said goals.

The Stakeholders

The AIM Group undertakes to share the value produced as a result of its business operations, with its own local area and its Stakeholders. Listening to the needs of parties both within and outside of the Group is a key aspect of the Group's business, and is designed to create and strengthen its relations with its own Stakeholders in order to guarantee adequate room for **listening** and **dialogue**.

The principles that AIM followed when mapping its Stakeholders are geared toward **transparency**, **fairness**, **social integration** and consideration for the **future generations**, through the activities managed by the various companies within the Group.

In particular, the following stakeholders have been identified as being those whom AIM must constantly deal and interact with:



In establishing corporate policies, each category of Stakeholder is broken down into homogeneous segments sharing similar interests, in order to guide managerial decisions towards meeting the specific requirements of individual groups as best as possible.

Stakeholder engagement entails diverse means of communication, listening, dialogue and partnership, all designed to meet the actual needs and expectations of Stakeholders in terms of the company's strategies, and with the aim of improving the Group's socio-economic impact.

| Stakeholders | Categories | Stakeholder engagement instruments | GC rights | Principles of conduct |
|------------------------|---|--|---|--|
| Territory | Local municipalities and citizens affected by the Company's strategic and operational actions | <ul style="list-style-type: none"> • 13 desks • 12 barrier car parks • 2 interchange car parks • 16 municipalities served by the distribution of gas • 1 municipality served by the distribution of electricity and district heating • 1 municipality served by the environmental hygiene service • 1 municipality served by local area services <ul style="list-style-type: none"> • 1 landfill • 4 recycling centres | Environment | <p>AIM, in accordance with its own mission, provides Municipalities with parking, environmental hygiene and energy distribution services, together with other services for the care of the town. AIM undertakes to establish the necessary conditions for the cultural, social and economic development of the community, and in particular for a liveable environment and for the safeguarding of the rights of future generations.</p> |
| Customers/Users | Users/customers utilising the AIM Group's services, and thus the direct beneficiaries of the Group's business | <ul style="list-style-type: none"> • 2,138,020 cars entering car parks • 62,170 users of the environmental hygiene services • 88,030 electricity customers • 128,028 gas customers • 426 customers – 11,290 equivalent apartments using the district heating service • 71,826 electricity distribution service users • 133,853 gas distribution service users • 1,533 public residential buildings • 222 managed public buildings • 8 cemeteries | Human rights Corruption | <p>AIM acts on the basis of the principles of loyalty, helpfulness, transparency and professionalism, and to this end it has adopted the Services Charter with which it has made commitments to customers regarding the manner of its operations, in order to ensure that expected quality and perceived quality are duly aligned.</p> |
| Suppliers | Individuals, companies and entities that furnish goods and services required for the Group's operations | <ul style="list-style-type: none"> • 2,647 suppliers • 1,381 suppliers from Vicenza • 113 public tenders organised (for contracts worth more than 40,000 Euro) • 13 tenders based on the principles of sustainability | Human rights Corruption Environment | <p>AIM, during the procurement of goods and services, offers equal opportunities and partnerships to all suppliers, and guarantees the loyalty and impartiality of its decisions in this regard.</p> |
| Lenders | Banks that finance the Group | Bond issue | Corruption | <p>AIM bases its relations with lenders on the</p> |

| | | | | |
|----------------------------------|--|--|-----------------------------|--|
| | | Contacts with Banca Etica Credit facilities | Human rights | greatest possible transparency and the sharing of requirements deriving from current management and from development and investment plans. |
| The Public Administration | All Entities benefiting from the taxes and duties paid by the Group and/or the providers of contributions for the carrying out of the Group's business | Municipality of Vicenza, other Municipalities, Consortia and Regulatory Authorities | Corruption | AIM undertakes to strictly comply with all laws and regulations, and to promote projects and collaborations that improve the public's perception of service provision. |
| Human resources | All persons carrying out their duties within the Group, and whose professionalism and expertise are of importance to the implementation of the Group's strategies and actions. | <ul style="list-style-type: none"> • 650 human resources • 597 people on permanent contracts • 149 women • 337 graduates and under-graduates • Turnover rate: 11.69% • 36 new resources hired • 35 resources belonging to protected categories • 53 part-time resources • 6.28 hours of training per capita for each participant • 52 work internships • 36 accidents | Human rights Labour | AIM adopts employment policies based on the rewarding of merit, professional development, and the involvement of workers' representatives in the processes of work reorganisation and of improving the efficiency of working units. |
| The Shareholder | Holders of the Group's equity in its various forms | <ul style="list-style-type: none"> • Municipality of Vicenza, sole shareholder • 1,425,860 shares • Dividends of 7,176,401 Euro paid to the Shareholder | Human rights Corruption | AIM regulates its relations with shareholders through articles of association, internal regulations, and the sharing of company plans and programmes. |
| The Community | Local citizens, the recipients of AIM Group's services | 111,620 citizens resident in the Municipality of Vicenza | Human rights Environment | AIM supports numerous projects and sponsors numerous local events. AIM enhances social integration by offering its services without any form of discrimination. AIM places a special focus on the environment and on the sustainability of the local area. |

The Governance system

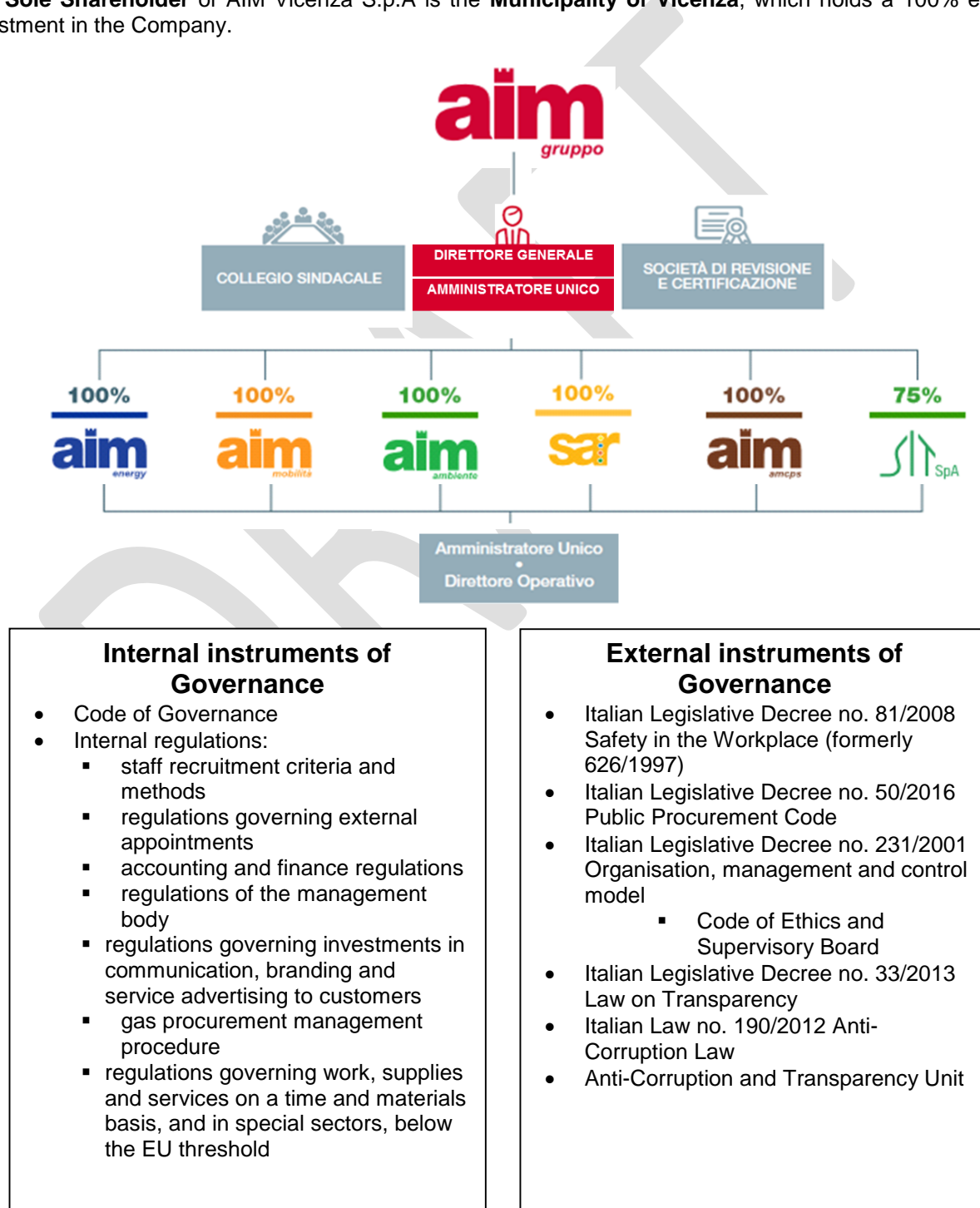
Sound governance

The AIM Group adopts a **traditional system of corporate governance**.

The Corporate Governance structure is represented by the rules and forms of conduct adopted by AIM and designed to guarantee the fair, efficient, and transparent working of the Company's governance bodies and control systems.

The Company's Code of Corporate Governance aims to establish the roles for the definition and implementation of corporate strategies, and to identify the corresponding powers and responsibilities, in order to preserve the Group's uniqueness.

The **Sole Shareholder** of AIM Vicenza S.p.A is the **Municipality of Vicenza**, which holds a 100% equity investment in the Company.



The Group's system of corporate governance is designed to create economic, social and environmental value for the Municipality of Vicenza and for the local community over the medium/long term, in the knowledge of the social importance of the fields in which the Group operates, and in view of the need to take account of all interests affected by the Group's business.

The articles of association provide for the following **corporate bodies**:

THE SHAREHOLDERS' MEETING

Management body:
SOLE DIRECTOR

Company control body:
THE BOARD OF STATUTORY AUDITORS

Independent control body:
AUDIT FIRM

THE SHAREHOLDERS' MEETING

The **Shareholders' Meeting** is responsible for approving the Financial Statements and for deciding on the distribution of profits, for the appointment and dismissal of the Management Body, the Control Body and the Audit Firm.

During the course of 2017, the Shareholders' Meeting met **6 times** (compared with 3 times in 2016).

THE SOLE DIRECTOR

The **Management Body** sees to all ordinary and extraordinary operations concerning the management of the company, in some cases subject to the favourable opinion of the General Manager, that are required in order to achieve the corporate purpose in accordance with the goals established by the Shareholders.

Mr. Umberto Lago, Sole Director of the Holding Company AIM Vicenza S.p.A, was appointed by deed of 26/07/2017 and shall remain in office for 3 financial years.

During the course of 2017, **709 directives/resolutions were adopted** and **308 decisions made by attorneys** were formalised by deed.

| COMPANY | SOLE DIRECTOR/ BOARD OF DIRECTORS | DATE OF APPOINTMENT |
|------------------------|---|------------------------|
| AIM Vicenza S.p.A. | Umberto Lago | 26/07/2017 |
| Servizi a Rete S.r.l. | Gildo Salton | 20/09/2017 |
| Valore Ambiente S.r.l. | Maria Menin | 31/10/2017 |
| AIM Mobilità S.r.l. | Piercarlo Pucci | 31/05/2016 |
| AIM Energy S.r.l. | Giovanni Battista Segato | 31/10/2017 |
| Valore città Amcps Srl | Stefano Cominato | 10/02/2017 |
| SIT Spa | Massimo Toniolo | 04/08/2017 |
| Cogaspiù Energie Srl | Dario Vianello (Chairman) | 10/03/2015 |
| | Fabio Candeloro (Director) | |
| | Gaetano Di Francescantonio (Director) | |
| SIA Srl | Andrea Treu (Chairman) | 28/04/2015 |
| | Ruggero Casolin (Chief Operating Officer) | |
| | Antonella Barcaro (Director) | |

The average age of the directors is **58**, and **women represent 15.38%** of the total.

THE BOARD OF STATUTORY AUDITORS

The Group's **Board of Statutory Auditors** is composed of **five standing statutory auditors**, three of whom are regular auditors and the other two are alternate statutory auditors. The statutory auditors remain in office for three financial years.

This Body is called on to supervise: compliance with the law and with the articles of association, in accordance with the principles of correct management; the process of financial reporting; the adequacy of the Company's organisational structure, internal control system and administrative-accounting system; on the statutory audit of the annual financial statements and the consolidated financial statements; the independence of the audit firm; and finally, the actual manner of implementation of the rules of corporate governance established by the Code of Corporate Governance.

AIM Vicenza Spa's current Board of Statutory Auditors, comprising **Ezio Framarin** (Chairman – standing statutory auditor), **Giuliana Liotard** (standing statutory auditor), **Arcangelo Boldrin** (standing statutory auditor), has been in office since 19 July 2017, and during the course of 2017 it met **7 times**.

The Boards of Statutory Auditors of the other investees of the AIM Group met as follows:

| COMPANY | NO. OF MEETINGS |
|---------------------------|-----------------|
| Servizi a Rete S.r.l. | 6 |
| Valore Ambiente S.r.l. | 6 |
| AIM Mobilità S.r.l. | 6 |
| AIM Energy S.r.l. | 5 |
| Valore Città Amcps S.r.l. | 6 |
| SIT Spa | 7 |
| CogasPiù Energie S.r.l. | 6 |

AUDIT FIRM

During the course of 2017, the Shareholders' Meeting, upon a grounded proposal from the Board of Statutory Auditors, and on the basis of the articles of association, assigned the audit of the due keeping of the Company's accounts and the correct reporting of operations in the accounts pursuant to Article 2409-ter of the Italian Civil Code ("Accounting control functions") to the audit firm BDO.

The appointment of the audit firm runs for nine years following the Company's qualification as a Public-Interest Entity (PIE) after the listing of the bond with the Irish Stock Exchange by Aim Vicenza S.p.A, in accordance with the provisions of Article 16, paragraph 1, of Italian Legislative Decree no. 39/2010. Thus it shall see to certifying the Financial Statements for the years 2017 to 2025.

The other two bodies provided for by the **Code of Corporate Governance** are:

THE DIRECTORS' COMMITTEE

The **Directors' Committee** is composed of the Sole Director of AIM Vicenza Spa, the Sole Directors of the special-purpose vehicles, and the General Manager of the Parent Company. It establishes the Business Plan and the policy documents, analyses any deviation from the budget, and establishes the corrective actions to be taken.

THE MANAGEMENT COMMITTEE

The **Management Committee** is composed of the General Manager and the senior or middle managers in charge of companies/divisions/services.

It meets once a month to examine issues relating to operations.

The key role is played by the Management Body of the Parent Company, AIM Vicenza Spa, which is responsible for the management, coordination and control of the companies belonging to the AIM Group.

The executive management of the business constituting the corporate purpose is entrusted to the General Manager, who is also responsible for coordinating the operational structure and the organisation of the work of the AIM Group, including the logistical aspects thereof.

Dario Vianello was appointed General Manager by deed of 26/08/2011.

The internal control and risk management system



The **Internal Control and Risk Management System** of AIM Vicenza S.p.a. applies the administrative liability management system referred to in Italian Legislative Decree no. 231/2001.

Said system consists of a series of rules, procedures and organisational structures designed to permit the identification, measurement, management and monitoring of the Group's principal corporate risks, that is, criminal offences committed in the interest, or for the benefit, of the entity itself by persons vested with representation, administration, management and control functions within the entity, or by the aforementioned persons' subordinates.

The AIM Group has adopted an organisation and control model, and at the same time has appointed the **Supervisory Board (SB)**. The model provides for the initial monitoring of the various operations exposed to the identified risks of crime, and establishes, among other things, a number of specific protocols to be observed in order to prevent those crimes referred to in Italian Legislative Decree no. 231/01 and in other legislation, including the crimes of corruption and extortion.

For example, the SB has the following functions:

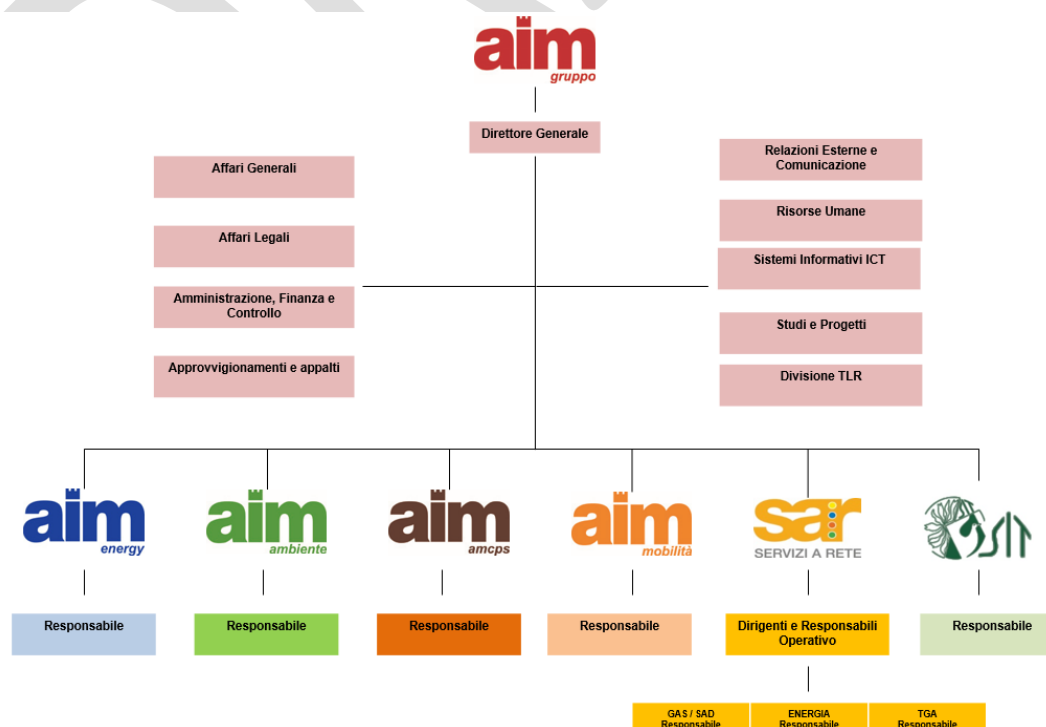
- the supervision of the effectiveness of the Model, by verifying whether actual conduct is in line with that provided for in the Model itself, through the monitoring of those areas at risk of the commission of criminal offences - both those characterising the Group's traditional business activity and those instrumental in the commission of crimes;
- the regular control of the adequacy of the Model, that is, its capacity to prevent undesired forms of conduct, and of the Group's ability to constantly meet the requirements of solidity and functionality, through the continuous monitoring of the system of controls and protocols;
- to propose adjustments to the Model in the event that the controls operated call for adjustments to be made.

The Group's companies are constantly busy maintaining the risk control model updated and effective.

The Holding Company's SB has free access to all company documents deemed of relevance, and during the course of 2017 **it met 4 times**.

THE ORGANISATIONAL STRUCTURE

The AIM Group, in order to carry out its operations, has established the following organisational structure subdivided into function, each of which is headed by a **Function Manager**.



Transparency and Anti-Corruption



To further strengthen interaction with all Stakeholders, a special section of the company website has been set up, headed “**Transparent Management**” (www.aimgruppo.it/amministrazionetrasparente) containing both economic-financial, social and governance-linked information, and up-to-date data and documents of specific interest, enabling Stakeholders to get a multi-disciplinary, integrated picture of the company.

The AIM Group possesses an internal policy designed to ensure that each administrative procedure is characterised by **transparency and accessibility**, in accordance with existing legislation, that is, with Italian Legislative Decree 33/2013 regarding the reorganisation of provisions concerning the duty to disclose and divulge transparent data and information on the part of the public administration and publicly-controlled enterprises, in regard to activity of public interest governed by national or EU law. The business activities governed include the management of public services.

Since 2017, the AIM Group has been included in the category of **listed public companies**, and the **Italian National Anti-Corruption Authority (ANAC)**, in its resolution no. 1134 of 08/11/2017, set out guidelines, deeming it opportune to “further examine the legislation applicable to listed public companies, as defined by Section 18 of Italian Legislative Decree no. 175/2016, already subject to a separate system of obligations and penalties, and thus to erase that part of the guidelines concerning listed companies, pending the results of such examination”.

As a result of the foregoing, AIM Vicenza Spa is exempted from the scope of the provisions regarding transparency under Italian Legislative Decree 33/2013, as are its direct or indirect subsidiaries or investees. The AIM Group, however, continues to disclose information regarding the management of the individual companies, in particular vis-à-vis its Stakeholders, and maintains a level of transparency that is in line with the corresponding legal forms.

The AIM Group considers transparency to be a fundamental instrument with which to **prevent corruption** and to ensure the efficiency and effectiveness of its administrative actions. The **Code of Ethics** is a document expressing a series of “**ethical-behavioural**” **principles** that the company adheres to, and which it demands be complied with by its own corporate bodies, employees, collaborators, users and suppliers, and in general by all those who have any dealings with the company.

The Holding Company AIM has introduced a series of specific organisational and managerial measures to prevent corruption, and has extended the scope of its own Organisational Model pursuant to Italian Legislative Decree 231/2001 to those crimes referred to in Italian Law 190/2012, through the adoption of a **Three-Year Corruption Prevention Plan** and of a **Three-Year Transparency and Integrity Programme**, as well as the corresponding updates to such, that constitute an Appendix to the Organisational Model itself.

The aforementioned Plan establishes the following objectives:

- to reduce the likelihood of cases of corruption;
- to increase the capacity to identify cases of corruption;
- to create an environment unfavourable to corruption.

In 2017, **231 hours of training** were provided in regard to these subjects, with the aim of creating a more extensive training programme for 2018.

Since 2015 the AIM Group has developed and implemented a series of organised actions and activities designed to prevent crimes of fraud against the State and the public administration from being committed, together with the crimes of undue inducement to give or promise benefits, extortion and corruption, in relation not only to public administrations but also to private individuals.

Observance of the laws, and the fight against corrupting behaviour, is clearly established in the Group’s Code of Conduct, is implemented in practice and in the operating methods established and adopted through company procedures, and is supported, encouraged and monitored by means of the principal instrument of prevention that AIM has created, namely the **Anti-Corruption and Transparency Unit (A.T.U.)**, which mainly:

- carries out internal controls in order to monitor company processes and to identify any critical situations or anomalies;
- specifically identifies areas potentially at risk;
- maps existing processes;
- assesses risk;

- identifies appropriate preventive measures.

The AIM Group, aware of the importance of the fight against corruption, has decided to strengthen its model of prevention on the basis of the provisions of Italian Law 190/2012 and of the Italian National Anti-Corruption Authority's guidelines on the matter.

The **Anti-Corruption and Transparency Unit** meets regularly; in 2017 it met **once** in that it was awaiting publication of the Italian National Anti-Corruption Authority's guidelines regarding implementation of legislation on the prevention of corruption and on transparency governing Public Administration's investees. Moreover, in 2017 the AIM Group did not bring any legal actions concerning unfair competition, or any antitrust actions, nor were such actions brought by any third parties against the Company itself.



Certification

The AIM Group, in pursuing the continuous improvement of the quality of services provided, and in order to limit its own environmental impact, has established a **system of certification** for its own companies based on **ISO standards**, thus organising the management of certain corporate processes on the basis of specific benchmark standards, and more specifically:

| COMPANY | REFERENCE STANDARD | NO. OF CERTIFICATE | DATE OF ISSUE | DATE OF EXPIRY |
|---------------------------|--------------------|------------------------------|---------------|----------------|
| AIM Servizi a Rete S.r.l. | ISO9001:2008 | 74204-2010-AQ-ITA-SINCERT | 01/03/2010 | 15/09/2018 |
| Valore Città Amcps S.r.l. | ISO9001:2008 | 101209-2011-AQ-ITA-ACCREDIA | 19/12/2001 | 15/09/2018 |
| AIM S.p.A. | ISO9001:2008 | 69452-2010-AQ-ITA-SINCERT | 19/06/2009 | 15/09/2018 |
| Valore Ambiente S.r.l. | ISO9001:2008 | 74209-2010-AQ-ITA-SINCERT | 01/03/2010 | 15/09/2018 |
| AIM Mobilità S.r.l. | ISO9001:2008 | 69457-2010-AQ-ITA-SINCERT | 19/06/2009 | 15/09/2018 |
| SIA S.r.l. | ISO9001:2008 | 103958-2011-AQ-ITA-ACCREDIA | 03/08/2011 | 15/09/2018 |
| AIM Energy S.r.l. | ISO9001:2008 | 69453-2010-AQ-ITA-SINCERT | 19/06/2009 | 15/09/2018 |
| Valore Ambiente S.r.l. | ISO14001:2004 | CERT-451-2002-AE-VEN-SINCERT | 20/09/2002 | 15/09/2018 |
| SIT S.p.A. | ISO9001:2008 | No. IT06/1228 ACCREDIA | 12/12/2006 | 10/07/2018 |
| SIT S.p.A. | ISO14001:2004 | No. IT060705 ACCREDIA | 10/07/2006 | 23/07/2018 |
| SIT S.p.A. | OHSAS 18001:2017 | No. IT12/0146 ACCREDIA | 31/12/2011 | 31/12/2020 |
| TRE V Ambiente S.r.l. | ISO14001:2004 | No. IT11/0532 ACCREDIA | 11/07/2011 | 15/09/2018 |

The AIM Group has obtained **certification from the certifying body (SOA)**, that is, the mandatory certification required in order to submit bids for public works contracts. This certification proves an undertaking's capacity to carry out, either directly or through subcontractors, public works subject to a starting price, for the submission of bids, of more than 150,000 Euro, and it guarantees that the undertaking meets all of the requirements established by current legislation governing public works contracts.

SOA certification is valid for five years, and is issued by enterprises authorised to operate for such purpose by the Public Contracts Supervisory Authority (*Autorità per la Vigilanza sui Contratti Pubblici* - AVCP). The following companies in the AIM Group have been granted SOA certification:

| COMPANY | REFERENCE LAW | NO. OF CERTIFICATE | DATE OF ISSUE | DATE OF EXPIRY | CATEGORY | CLASS |
|---------------------------|---------------------------------------|-----------------------------------|---------------|----------------|------------------------------|---|
| SIA S.r.l. | Consolidated Act on Tender Procedures | SOA-certificate no. 13480/16/00 | 04/12/2013 | 03/12/2018 | OG12 | V |
| AIM Servizi a Rete S.r.l. | Consolidated Act on Tender Procedures | SOA-certificate no. 14895AL/16/00 | 29/12/2015 | 28/12/2020 | OG6, OG10 | IV, V |
| Valore Città Amcps S.r.l. | Consolidated Act on Tender Procedures | SOA-certificate no. 16722/16/00 | 22/09/2015 | 21/09/2020 | OG1-2-3, OS3-6-9-10-23-24-30 | IV-III-III BIS, I-II-I-II-I-III BIS-III |

| | | | | | | |
|------------|---|--|------------|------------|-----------------------|--------------------|
| SIT S.p.A. | Consolidated Act on Tender Procedures | SOA-certificate no. 15930/16/00 | 11/10/2004 | 08/07/2018 | OG9-OG12- OS1-OS14 | IV- VI- V- VIII |
|------------|---|--|------------|------------|-----------------------|--------------------|

DRAFT

Social Responsibility Report

The Local Area

DRAFT

Car Parks and car parking services

Since 2009, AIM Mobilità S.r.l. has managed ground-level and underground car parks, and also free and pay parking areas, in the city of Vicenza.

These operations come within the scope of the “**Global Service**” concession that the parent company, AIM Vicenza S.p.A., signed with the Municipality of Vicenza on 23 November 2009, resulting in the assignment of only the parking management business to the company AIM Mobilità S.r.l.

On 25 February 2016, AIM Mobilità S.r.l. and FTV S.p.A. assigned their respective transport businesses to SVT S.r.l., the balance sheet results of which reveal the following equity investments:

a 34.66% stake held by AIM Mobilità Srl

a 65.34% stake held by FTV S.p.A.

Since 1 March 2016, as a result of the assignment of the Local Public Transport business unit to SVT S.r.l., AIM Mobilità S.r.l. has only managed the car parking service.

AIM Mobilità S.r.l. has thus continued to manage the car parking service within the Municipality of Vicenza, on behalf of AIM Vicenza S.p.A, this being a **service under concession that is part of Global Service**. Said car parking service consists of the following:

- the management of pay barrier car parks, and street-level car parks (parking spaces marked by blue lines are for pay-by-the-hour parking, while those marked by yellow lines are parking spaces for local residents);
- the control of, and the issue of fines in relation to, blue and yellow marked parking spaces;
- the maintenance and management of public mobility support systems (information panels, etc.).

Car parking spaces in the City of Vicenza are subdivided as follows:

| | 2017 | 2016 | 2015 |
|---|-------|-------|-------|
| Car parking spaces marked by yellow lines | 634 | 634 | 634 |
| Car parking spaces marked by blue lines | 6,521 | 6,521 | 6,842 |

Parking in blue-marked parking spaces in the city may be paid for not only in cash through the parking meters, but also by smartphone using the “**Easy Park**” service, after downloading the free APP, whereby payment is only due for the effective parking period. Parking fees vary depending on the area, and they get cheaper the further away from the city centre the parking space is.

Payment via APP, activated during the course of the year, accounted for **1%** of the total payment transactions made during the year.

The yellow-line parking spaces in the city are reserved exclusively for residents, subject to acquisition of the corresponding parking permit.

| | 2017 | 2016 | 2015 |
|-----------------------------|---------------|---------------|---------------|
| Barrier car parks | 4,488 | 4,488 | 4,069 |
| Total parking spaces | 11,643 | 11,643 | 11,545 |

In 2017 there are **12 large barrier car parks** and **2 interchange car parks**, as in 2016, accounting for a total of **4,448 available parking spaces**. The **shuttle bus service** enables people who use the interchange car parks to get directly into the city centre, thus reducing traffic and pollution.

| | 2017 | 2016 | 2015 |
|-----------------------------|-----------|-----------|-----------|
| Cars that entered car parks | 2,138,020 | 1,984,459 | 1,906,566 |

Cars entering car parks **increased by 7.74%** compared to 2016.

The city of Vicenza has **215 parking meters** which people can use to pay for parking their cars.

In 2017, **POS terminals were installed on 88 payment devices** (parking meters and automatic tellers), and these readers can be used to pay by credit card or debit card rather than using cash, thus offering an easy, rapid new payment method.

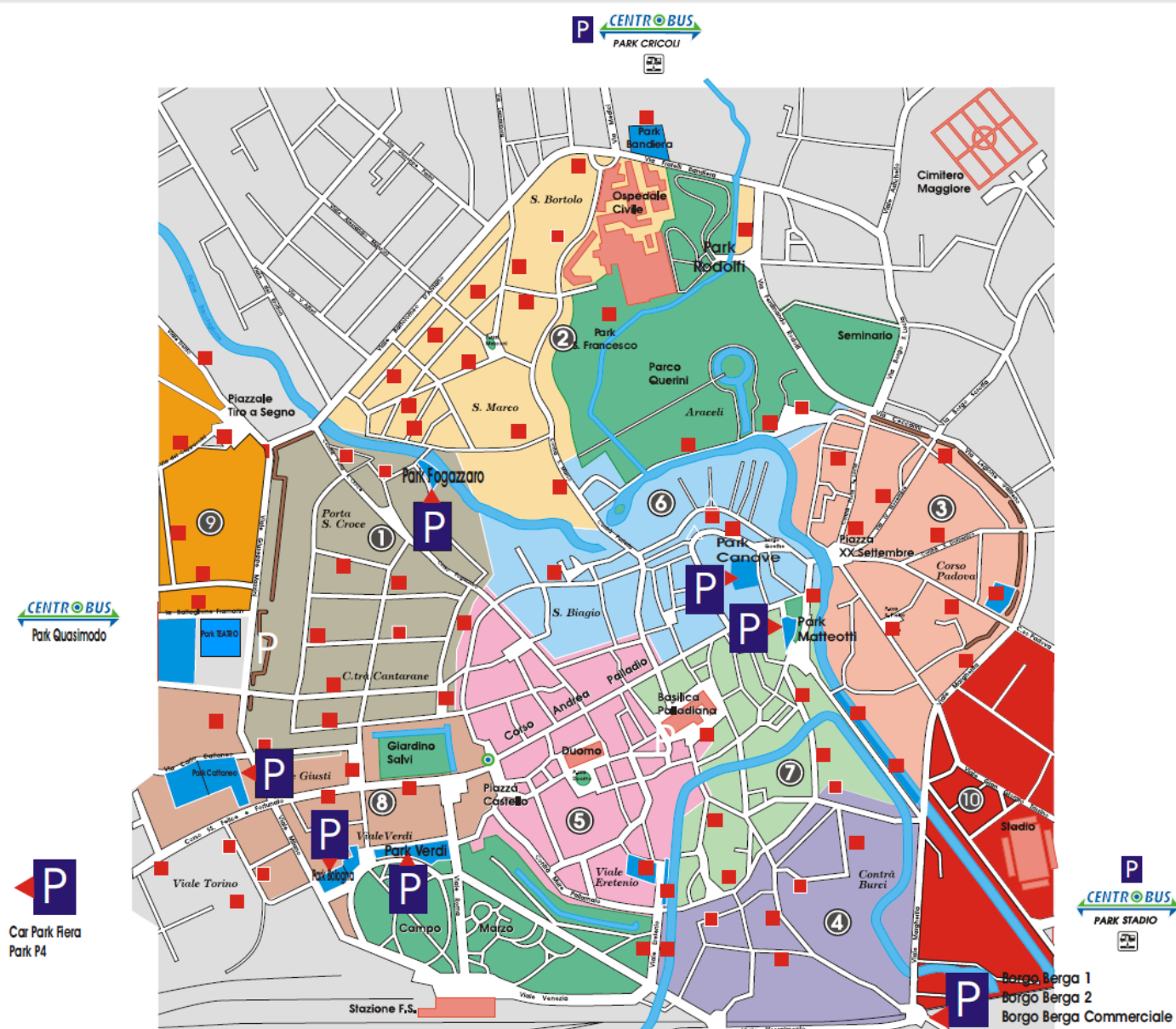
In 2017, **11% of total annual payments** for parking were made using the **POS terminals** available at the automatic tellers located in barrier car parks.

Another new feature introduced by AIM Mobilità at the city's 12 barrier car parks is the "**POSSibile**" project, designed to render the use of the city's car parks even easier and more secure.

Vicenza was the first Italian city to introduce this new "**Card in – Card out**" **contactless payment system**, which is based on the use of a credit/debit card and a smartphone providing access to and from car parks, without having to use cash and without having to get out of the car.

This completely original system, the first of its kind in Italy, can be used by all those who possess a contactless card.

In 2017, **2%** of transactions were made using this method, which shall be further promoted during the course of 2018.



Environmental services



The AIM Group, through its investees, also manages a series of environmental services.

Valore Ambiente manages Vicenza Municipality's urban health service, which comprises the cleaning of public streets and sidewalks and the collection and disposal of solid urban waste.

Since 2011 S.I.A. Srl (Società Intercomunale Ambiente), an investee of Valore Ambiente, together with Consorzio C.I.A.T., has managed the operation, construction and extension of the landfill at Grumolo delle Abbadesse. Valore Ambiente remains responsible for the economic exploitation of the biogas drawn from the first part of the landfill.

SIT Spa operates in the environmental hygiene sector, where it collects and transports urban waste, is responsible for sweeping public spaces, and provides other urban health services and ancillary services, as well as constructing and operating waste treatment and disposal facilities and landfills.

In 2017, the SIT Group consolidates line-by-line the companies TRE V AMBIENTE Srl, a commercial concern that markets environmental services, and BLUEOIL Srl, a company producing energy from vegetable oils.

Waste management is governed by Italian Legislative Decree no. 152/2006 - the Environmental Decree (Articles 177 et seq.) and by Veneto Region Law no. 52/12.

Waste management means the series of policies designed for managing the entire waste cycle:

- collection (also through sweeping)
- transport
- recovery
- disposal

Waste management is based on the following philosophy:

- prevention
- preparation for reuse
- recycling
- other forms of recovery (for example, the recovery of energy)
- disposal

Our environmental operations are distributed over various different sites:

- operating sites: Vicenza in Contrà Mure San Rocco, Ca' Perse, Strada Pelosa;
- transfer facilities: Monte Crocetta, Biron di Sopra and Casale;
- landfills: Grumolo delle Abbadesse (VI), Sandrigo (VI), Lonigo (VI) and Grosseto;
- Municipalities served by the environmental hygiene service: Vicenza, S. Bonifacio (VR), Bolzano, Vicentino (VI) and Costabissara (VI);
- treatment facilities: Sandrigo (VI) and Arzignano (VI).

The Environmental Hygiene Service in the Municipality of Vicenza

Waste Collection Service

The Municipality of Vicenza where Valore Ambiente operates covers **a total area of 80.46 km²** and **a catchment area of 111,620 inhabitants**.

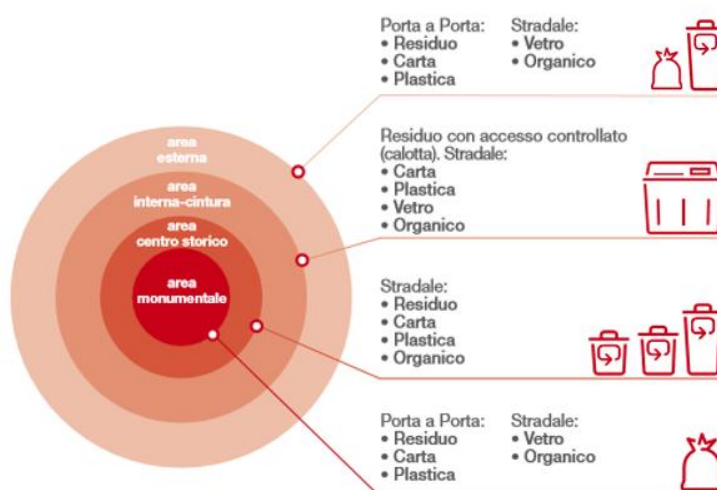
For non-domestic users, there is a special "door-to-door" system of waste collection based on the different types of waste produced.

Outer areas: the municipal area beyond the outer ring road (Via del Sole, Diaz, Verme, Cricoli, Quadri) comprising the outer neighbourhoods and surrounding villages.

Inner areas-boundary area: the municipal area situated between the outer ring road and the inner ring road (Viale Milano, Mazzini, d'Alviano, Rodolfi, Legione Galieno, Margherita) comprising the most densely populated neighbourhoods.

City centre area: the area inside the inner ring road.

Monumental area: the monumental zone of the city centre.



The **waste collection system** utilised by **62,170 users** of Valore Ambiente during the three-year period 2015-2017 is subdivided as follows into **different types of waste collection**:

| no. of users | 2017 | | | 2016 | | | 2015 | | |
|--|--------|---------|--------|--------|---------|--------|--------|---------|--------|
| Type of collection | Paper | Plastic | Other | Paper | Plastic | Other | Paper | Plastic | Other |
| Roadside rubbish containers/ bins | 42,487 | 42,487 | 8,996 | 42,455 | 42,455 | 9,699 | 46,512 | 45,972 | 21,327 |
| Door-to-door collection | 19,683 | 19,683 | 19,683 | 19,531 | 19,531 | 19,531 | 15,420 | 15,960 | 19,430 |
| Cylinder depository system with magnetic key operated covers | | | 33,491 | | | 32,756 | | | 21,175 |

In 2017, reorganisation of the system, with the introduction of integrated door-to-door collection, has involved nearly 90% of all customers thus far. Of these, nearly 40% are served with the “door-to-door” system of home pick-up, and extended in large part (80%) to paper and plastic waste collection.

The number of **containers** used for the **collection of solid urban waste** in the three-year period 2015-2017 was affected by the gradual increase in the number of home pick-up containers and by the concurrent reduction in the number of roadside containers due to the gradual extension of the door-to-door waste collection service.

| Types of container | 2017 | 2016 | 2015 |
|-----------------------------------|---------------|---------------|---------------|
| Unsorted waste containers | 15,976 | 15,912 | 15,769 |
| Sorted waste containers | 11,206 | 10,676 | 10,542 |
| Total number of containers | 27,182 | 26,588 | 26,311 |

67,079 tons of solid urban waste were collected in 2017, subdivided as follows:

| Type of collection | 2017 | 2016 | 2015 |
|------------------------|--------|--------|--------|
| Tons of unsorted waste | 16,908 | 19,991 | 21,867 |

| | | | |
|--------------------------------------|---------------|---------------|---------------|
| Tons of sorted waste | 50,171 | 48,630 | 46,308 |
| Total tons of waste collected | 67,079 | 68,621 | 68,175 |

In 2017, **sorted waste collection** accounted for **74.79%** of all waste, up **3.17%** compared to 2016 (70.87%). (Use of the ISPRA [Italian Institute for Environmental Protection and Research] Method provided for by Decree no. 146 of 24/06/2016).

The kilogrammes of **solid urban waste collected per inhabitant** per year are around **601**, which is equal to **1.65 kilogrammes per day** (of which **1.23 kilogrammes is sorted waste**). Compared to 2016, the share of waste collected per inhabitant has fallen by 17.97%.

The Italian Institute for Environmental Protection and Research's report on national figures for 2016 ranks the Municipality of Vicenza 17th out of the 115 municipalities surveyed, and in 4th place among the 45 provincial capitals with a population of over 100,000. The city's excellent performance was confirmed in 2017.

Furthermore, Valore Ambiente performs an additional waste treatment service on behalf of other municipalities, at the Monte Crocetta transfer plant:

| | 2017 | 2016 | 2015 |
|---|-------|------|------|
| Waste treated on behalf of other municipalities (in tons) | 1,463 | 243 | 217 |

Given the **new authorisations obtained** for the Monte Crocetta and Biron di Sopra transfer plants, in regard to bulky waste treatment, sweeping waste and the treatment of the organic fraction of solid urban waste on behalf of other municipalities, the volume of treated waste increased during 2017.

67,079 tons of waste were collected in the Municipality of Vicenza.

| Types of waste collected | 2017 | 2016 |
|--|---------------|---------------|
| Other | 15,962 | 18,906 |
| Cemetery waste | 44 | 128 |
| Bulky waste to be disposed of | 902 | 873 |
| Sweeping waste to be disposed of | | 84 |
| TOTAL UNSORTED WASTE | 16,908 | 19,991 |
| Paper | 9,026 | 9,027 |
| Glass | 4,704 | 4,511 |
| Organic | 11,493 | 10,871 |
| Garden waste | 8,019 | 8,386 |
| Plastic packaging | 5,207 | 4,879 |
| Other plastic | 202 | 176 |
| Wood | 3,295 | 3,150 |
| Metal | 819 | 660 |
| Clothing | 297 | 273 |
| Market waste | 97 | 113 |
| Vegetable oils | 22 | 19 |
| Tyres | 35 | 30 |
| Pharmaceuticals | 21 | 22 |
| Mineral oils | 10 | 9 |
| Batteries | 40 | 41 |
| | | |
| Paints and varnish | 80 | 84 |
| Toxic and flammable containers | 13 | 8 |
| Spray canisters | 4 | 4 |
| Total hazardous waste | 97 | 96 |
| Bulky waste to be recovered | 2,668 | 2,414 |
| Sweeping waste to be recovered | 1,076 | 989 |
| Household compost | 1,432 | 1,430 |
| IT waste | 20 | 21 |
| | | |
| Neon tubes | 3 | 3 |
| Appliances containing CFCs (fridges, etc.) | 146 | 149 |

| | | |
|---|---------------|---------------|
| Hazardous appliances (TVs, video equipment, etc.) | 120 | 134 |
| Electrical appliances (washing machines, ovens, etc.) | 282 | 270 |
| Total Waste Electrical and Electronic Equipment (WEEE) | 550 | 556 |
| Fire extinguishers | 2 | 2 |
| Inert waste (rubble, etc.) | 1,038 | 955 |
| TOTAL SORTED WASTE | 50,171 | 48,630 |

All sorted waste collected is sent to one of the recovery facilities, depending on the type of waste as established by the European Waste Catalogue (EWC).

Unsorted waste is sent to the Schio Waste-to-Energy Plant, which is not owned by AIM, and to the landfill at Grumolo delle Abbadesse operated by the investee S.I.A. S.r.l.

RECYCLING CENTRES

During the course of 2017, Valore Ambiente opened a **new recycling centre at San Pio X**, in addition to the three such centres already operating in the city.

The four **recycling centres** are at the service of all domestic users for the correct disposal of bulky, recyclable waste such as sheets of glass, plastic containers and objects, paper and cardboard, wood, garden waste, iron scrap and other metals, furniture, books and items of furnishing, car batteries, medicines, batteries, used clothing, nylon, polystyrene, vegetable and mineral oils, empty containers for toxic and flammable waste; furthermore, the North and West recycling centres also take in limited quantities of inert materials, electrical appliances and other durable goods, neon lamps and energy-saving light bulbs, tyres, and cartridges and toner for printers.

| Recycling centre | Waste treated 2017 | Waste treated 2016 | Waste treated 2015 |
|------------------------|--------------------|--------------------|--------------------|
| West in Via Fornaci | 4,645.78 | 4,179.55 | 3,570.74 |
| North in Via De Faveri | 3,083.06 | 2,920.93 | 2,848.26 |
| South in Via Venier | 2,074.95 | 277.30 | 225.68 |
| Pio X | 21.36 | - | - |
| Total in tons | 8,025.15 | 7,377.78 | 6,644.68 |

The recycling centres take in **11.97% of collected waste**, representing an increase (+10.98%) on the figure for 2016; **more than 86% of waste is recovered**, and only **13.22% is disposed of** as unsorted waste.

| Recycling centre | 2017 | | 2016 | | 2015 | |
|------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | % Recovery | % Disposal* | % Recovery | % Disposal | % Recovery | % Disposal |
| West in Via Fornaci | 87.40% | 12.60% | 89.14% | 10.86% | 91.27% | 8.73% |
| North in Via De Faveri | 86.35% | 13.65% | 87.53% | 12.47% | 88.99% | 11.01% |
| South in Via Venier | 82.81% | 17.19% | 84.39% | 15.61% | 83.89% | 16.11% |
| Pio X | 62.17% | 37.83% | | | | |
| Total % | 86.78% | 13.22% | 88.32% | 11.68% | 90.04% | 9.96% |

***Recovery** refers to any operation the main result of which is to permit the waste to have a useful role to play, by replacing other materials that would have been used otherwise to perform a specific function, or to prepare such waste in order that it may perform such function, inside the facility or in the economy in general.

The **waste to be recovered** is separated into the various supply chains, and is then sent to the various recovery plants on the basis of the type of waste.

****Disposal** refers to any operation regarding the destruction (incineration) or the confinement (landfill) of waste, together with the corresponding preliminary operations (treatment, grouping, initial storage).

The **waste to be disposed of**, composed of the remaining waste from the door-to-door waste collection or the cylinder depository system, or of bulky waste, passes through the Monte Crocetta recovery facility.

The adoption of the systems of door-to-door collection and nearby bin collection (cylinder depository system) has encouraged sorted waste collection, and has thus led to an increase in the flow of bulky waste, largely recoverable, to the recycling centres.

For some time now, the recycling centres, in conjunction with the social cooperative “Cooperativa Insieme” that runs said centres, have been recovering waste for its reuse. In regard to this opportunity, a **European project** has been promoted, in conjunction with said cooperative and five other Italian partners, aimed at the implementation of a model that can be reiterated at the European level, for the large-scale development of the business of the collection of reusable waste and the launch of operations for the preparation of such waste for its reuse. **This project is funded within the framework of the LIFE plan entitled “PRISCA”.**

The tons of waste treated in order to be reused are as follows:

| | 2017 | 2016 |
|---|---------------|---------------|
| Paper | 7.25 | 3.6 |
| Used clothing | 56.54 | 54.37 |
| Electronic Equipment, Electrical Appliances/Small Electrical Appliances | 38.35 | 39.34 |
| Wood, Furniture | 64.68 | 60.78 |
| Metal, Bicycles, Metal Objects | 19.30 | 15.81 |
| Glass Objects | 0.30 | 0.26 |
| Total in Tons | 186.42 | 174.16 |

LANDFILL

The Grumolo delle Abbadesse landfill, which has operated since 1999 and is currently managed by S.I.A. S.r.l., is 49% owned by Valore Ambiente, and 51% owned by the Consortium of Municipalities C.I.A.T. In the vicinity of the landfill there is a plant for the **recovery of the Biogas** produced by the old plots of farmland, under the management of Valore Ambiente, with a rated total capacity of 905 kW.

In 2017, a total of 4,260 mWh of electricity was produced, of which 3,950 was sold to GSE as renewable energy.

| | 2017 | 2016 | 2015 |
|--|--------|--------|--------|
| Gross generation of electricity in mWh | 4,260 | 5,237 | 5,133 |
| Electricity sold in mWh | 3,950 | 4,869 | 4,805 |
| % of electricity sold from that produced | 92.72% | 92.97% | 93.61% |

AIM adopts a specific method of treatment for each type of waste, to safeguard the environment.

In 2017, following the transport of the waste collected by Valore Ambiente to the facility at Monte Crocetta, 9,532 tons were sent to the **landfill at Grumolo delle Abbadesse**. 7,376 tons, on the other hand, were sent to the **Schio Waste-to-Energy Plant**.

Other Environmental Hygiene Services provided by Valore Ambiente

Washing of rubbish bins

| | |
|---|--|
| SUW (Solid Urban Waste) | 1 standard wash with water every 6 months 1 enzymatic treatment every 15 days |
| OFSUW (Organic Fraction of Solid Urban Waste) | 1 standard wash with water every 6 months |

Street Washing

| | |
|---------------------------------|---|
| City centre and monumental area | Sanitising every 15 calendar days from March to October |
| Boundary area and outskirts | Sanitising every 30 calendar days from March to October |

High-pressure water cleaning

High-pressure water cleaning is an indispensable addition to standard cleaning procedures, and is used to treat important, architecturally prestigious sites, and to rid surfaces of excreta and guano.

Mechanical sweeping

| | |
|---------------------------------|-----------------------------------|
| City centre and monumental area | Cleaning from 1 to 3 times a week |
| Boundary area and outskirts | Cleaning once every 15 days |

Manual sweeping and emptying of waste-paper bins

| | |
|--|-----------------------------------|
| Monumental area | Cleaning from 1 to 7 times a week |
| City centre, boundary area and outskirts | Cleaning from 1 to 3 times a week |

Weeding

Valore Ambiente's urban health services include the weeding three times a year, between April and September, of the roadsides, pavements and the edges of traffic islands, on behalf of the municipal administration, along the entire length of the city's road network for a distance of approximately 650 km. Instead of using weed-killer, a natural system for the elimination of weeds called '**vapodiserbo**' is employed.

In certain specific situations, Valore Ambiente uses trimmers, including electric, low-environmental impact models, to control the growth of weeds.

Collection of leaves

A seasonal service provided in autumn, to remove dead leaves from the roads and pavements. The service is performed using small and large mechanical or vacuum auto-sweepers, operated by workers who either manually, or with the aid of blowers, move the leaves from the roadsides and pavements towards the area where the sweepers are operating, and if necessary using a truck fitted with "**leaf-vacuuming**" equipment. The frequency of service provision depends on the quantity of leaves present on the ground. During those periods when fewer leaves fall, they are removed at the same time as the roads are mechanically or manually swept.

Cleaning of parks

It is the cleaning of green spaces and the **regular emptying of waste-paper bins in municipal parks and gardens**. The frequency of service provision depends on the location and use of the site; the current programme envisages service provision at least once every fifteen days, and as often as daily if necessary.

Other environmental services managed by the AIM Group

- The **Urban waste treatment and transfer plant** situated at Monte Crocetta treats the urban waste collected in the Municipality of Vicenza, together with other smaller quantities of waste from other adjacent municipalities. The plant operates a service for the optimisation of the transport of waste to disposal plants, to reduce the number of vehicles employed. During the course of 2017, the facility treated 23,175 tons of waste, 3,901 tons of which were sent for recovery and 18,643 tons were disposed of.
- **Special waste selection and sorting facility** situated in the Municipality of Sandrigo. The plant, managed by SIT S.p.A., treats special waste from productive operations together with "lightweight multi-material" from sorted waste collection (plastic and metal packaging). During the course of 2017, the plant treated 13,421.60 tons of waste, 63.23% of which was sent for recovery while the remaining part was disposed of. There is a photovoltaic plant on the roofs of the two sheds in which the waste is selected and sorted; this plant produced 145,920 kWh of electricity in 2017, of which 60,487 kWh were transferred to the grid, while the remaining quantity was used in the plant itself.
- **Plant for composting and treating the dry fraction of urban waste**, situated in Arzignano. This plant, managed by SIT S.p.A., has ceased operations. In 2017 operations started on the treatment of 693.34 tons of residual waste sent to the plant during the course of 2016, the year in which the concession for the management of the site terminated; subsequently, cleaning operations were carried out, followed by the disposal of leachate and the securing of the site.

- **Landfill** situated at Masona in the municipality of Sandrigo, that previously dealt with **non-hazardous waste, in “Post Operating” phase**. The Post-Operating phase of the landfill, which has been closed since 1995, is entrusted to SIT S.p.A. On-going operations in 2017 consisted in the supervision, environmental monitoring and maintenance of the site, in accordance with the provisions of the Authorisation granted by the Provincial Government of Vicenza. Maintenance operations in 2017 comprised the sending to disposal of 1,136.14 tons of leachate deriving from the landfill's rain-wash.
- **Landfill** situated at Fossalunga, Lonigo, that previously dealt with **non-hazardous waste, in “Post Operating” phase**. The Post-Operating phase of the landfill, which stopped taking waste in 2007, began in 2010 and is also entrusted to SIT S.p.A. On-going operations in 2017 consisted in the supervision and environmental monitoring of the site, the management of the residual biogas which in previous years had been performed by a cogenerator producing electricity, and since 2017, when there was no longer a sufficient contribution of biogas, directly by flaring. Maintenance operations resulted in the sending to disposal of 1,393.82 tons of leachate deriving from the landfill's rain-wash. An approximately 1 MW capacity photovoltaic plant, for the generation and sale of electricity, is installed on the landfill, and in 2017 this plant produced a total of 902,525 kWh of electricity.
- **Landfill for non-hazardous urban waste and SUW**, situated at Grumolo delle Abbadesse. This landfill is owned by SIA S.r.l., an investee of the consortium of municipalities C.I.A.T., and Valore Ambiente Srl, the operating partner responsible for the technical management of the landfill. The landfill treats residual urban waste and special waste similar to urban waste; in 2017 it treated 42,363.38 tons of waste, of which 1.42% was recovered and the remaining part disposed of. The landfill generated 4,258,784 mWh of energy, of which 92.92% was sold.
- **Cogeneration plant for the production of electricity from pure vegetable oil**, situated in Bolzano Vicentino. In the early months of 2017, the plant was switched off pending the lease of the business to a specialised company.
- **Plant for the treatment of leachate**, situated in Strillaie, Grosseto. Operations, which are managed by SIT Spa as part of a temporary joint venture with Tecnologie Ambientali Srl of Rimini, consist in the purification of leachate produced by the adjacent landfill (around 34,000 m³ in 2017).

SIT Spa **collects waste** in two municipalities in the Vicenza area and one in the Verona area - Bolzano Vicentino, Costabissara and San Bonifacio - which together have a population of 35,000.

11,000 users were served in 2017, and a total of 8,213.6 tons of waste was collected, broken down as follows:

| Type of collection | 2017 |
|--------------------------------------|-----------------|
| Tons of unsorted waste | 2,894.56 |
| Tons of sorted waste | 5,319.04 |
| Total tons of waste collected | 8,213.60 |

The kilograms of **solid urban waste collected per inhabitant** per year are around **235**, which is equal to **0.64 kilograms per day** (of which **0.42 kilograms is sorted waste**).

2,904.78 tons of waste, amounting to 35.37% of the total waste collected, were disposed of at the landfill. It should be pointed out that the overall percentage of sorted waste for the Municipalities served by SIT in 2017 was over **75%**, a figure that does not coincide with the foregoing in that not all the villages and hamlets' waste collection is provided by SIT (e.g. at San Bonifacio, paper and sweeping waste are collected by another operator).

Natural gas distribution service

The gas sector is governed by Italian Legislative Decree no. 164/2000 (the “Letta Decree”), which launched the deregulation of the national gas system.

The natural gas supply chain consists of the following phases:

- **procurement**
- **transport**
- **distribution**
- **storage**
- **wholesale operations**
- **retail operations**

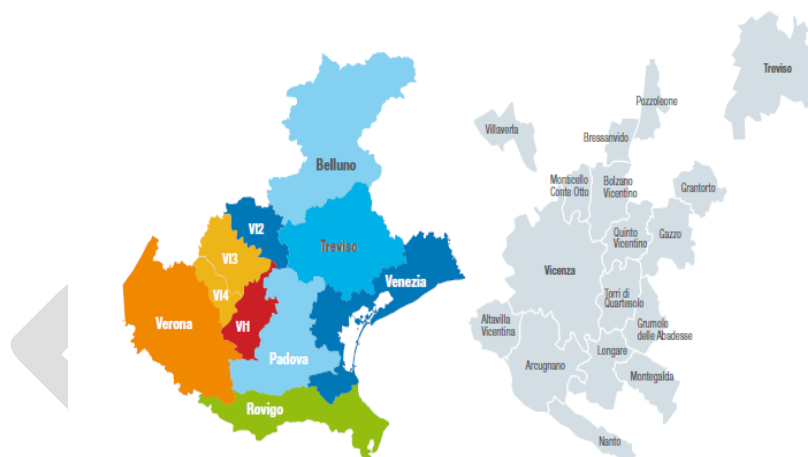


The methane gas distribution service involves transporting the raw material over the local gas pipeline network, which Servizi a Rete S.r.l. operates in Vicenza and in certain Municipalities within the Province of Vicenza, as concession holder, and in Treviso on the basis of a service agreement with AIM Vicenza S.p.A, the concession holder, for the delivery of gas to end users.

Operations consist in two phases: the pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points, followed by its transport and distribution to end users.

Sixteen municipalities are supplied with the natural gas distribution service: **Altavilla Vicentina, Arcugnano, Bolzano Vicentino, Bressanvido, Grumolo delle Abbadesse, Longare, Montegaldà, Monticello Conte Otto, Pozzoleone, Quinto Vicentino, Torri di Quartesolo, Villaverla, Gazzo, Grantorto, Vicenza and Treviso.**

Using its own infrastructure, Servizi a Rete also supplies other municipalities (Costabissara, Caldogno, Carmignano del Brenta, Thiene) where it operates the service, but only for "overruns", i.e. for those minimal groups of customers who connect to the network because of their proximity.



In the three-year period 2015-2017, the **length of the gas network** was as follows:

| | 2017 | 2016 | 2015 |
|---------------------------------|-------|-------|-------|
| Length of the gas network in km | 1,452 | 1,447 | 1,440 |
| <i>of which</i> | | | |
| Medium Pressure in km | 429 | 410 | 405 |
| Low Pressure in km | 1,023 | 1,037 | 1,035 |

The following materials were used for the gas network:

| | 2017 |
|----------------------------------|------|
| Gas network in steel - km | 786 |
| Gas network in polyethylene - km | 482 |

| | |
|-------------------------------------|--------------|
| Gas network in other materials - km | 204 |
| TOTAL GAS NETWORK | 1,472 |

The **gas introduced into the network** in the three-year period 2015-2017, in millions of cubic metres, was as follows:

| | 2017 | 2016 | 2015 |
|---|-------|-------|-------|
| Gas introduced into the network | 264.9 | 254.2 | 253.9 |
| <i>of which</i> | | | |
| Vicenza and other municipalities within the province of Vicenza | 186 | 177 | 176.6 |
| Treviso | 78.9 | 77.2 | 77.5 |



Gas, which is naturally odourless and colourless, is constantly **odorised** in the collection and metering plants, so that humans can smell it in the event of a leak or of accidental use.

In the case of the gas distribution service, the major factor potentially impacting the environment and safety is the **loss of methane gas to the atmosphere**. Notwithstanding the fact that the quantity of gas that may be lost to the atmosphere is negligible compared to the total amount introduced into the network, the containment and resolution of the problem of gas losses represent the main aim of those measures designed to guarantee the safety, quality and continuity of the service.

The principal monitoring systems distributed are **remote control systems** that monitor the distribution system's key parameters, and the **alarm systems that discourage or give warning of intentional acts**. Moreover, constant checks are made for any gas leaks from piping, together with the routine and extraordinary maintenance of the networks.

| TYPES OF METER | 2017 | | | 2016 | | |
|---|----------------|--------------|----------------|----------------|--------------|----------------|
| | ACTIVE | NON-ACTIVE | TOTAL | ACTIVE | NON-ACTIVE | TOTAL |
| Traditional meters | 126,988 | 7,123 | 134,111 | 129,933 | 7,356 | 137,289 |
| <i>of which the following numbers were installed during the year*</i> | 2,770 | | 2,770 | 4,193 | | 4,193 |
| Electronic meters | 6,667 | 113 | 6,780 | 3,503 | 100 | 3,603 |
| <i>of which the following numbers were installed during the year*</i> | 3,247 | | 3,247 | 434 | | 434 |
| Total number of meters | 133,655 | 7,236 | 140,891 | 133,436 | 7,456 | 140,892 |
| <i>of which the following numbers were installed during the year*</i> | 6,017 | | 6,017 | 4,627 | | 4,627 |

*The meters installed during the course of the year refer to replacements or new installations (219 in 2017).

During the course of 2017, 6,017 meters were installed, **53.96%** of which are electronic. The electronic meters offer the remote reading of a user's consumption of gas.

Within the **Municipality of Vicenza**, **109 new Redelivery Points** were connected up.

White Certificates (Energy Efficiency Certificates)

The promotion of **energy savings** through the system of the **White Certificates** (also known as **Energy Efficiency Certificates**) was provided for by the Ministerial Decrees of 20 July 2004 (Ministerial Decree 20/7/2004 on electricity, Ministerial Decree 20/7/2004 on gas, as amended).

The White Certificates represent an incentive established at European level, for the pursuit of

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the primary energy reduction targets set in the “20-20-20 Climate and Energy” package following the Kyoto Protocol, that is:

- reducing CO₂ emissions by 20%;
 - increasing the share of renewables in final energy consumption to 20%;
 - moving towards a 20% increase in energy efficiency;
- all by 2020.

Distributors of electricity and natural gas are expected to meet certain targets each year in terms of energy savings, measurable in Tonnes of Oil equivalent (TOE) saved; in fact, **one White Certificate is equal to a saving of one tonne of oil equivalent (TOE).**

Servizi a Rete S.r.l. is an obligated party with regard to both the **gas sector** and the **electricity sector**, and each year has always met its own set targets through its support for the modernisation, the rationalisation and the reduction in energy costs of the various sectors.

In the three-year period 2015-2017, Servizi a Rete was awarded the following **White Certificates**, subdivided into the two areas of the energy sector:

| | 2017 | 2016 | 2015 |
|--------------------|---------------|---------------|---------------|
| Gas | 18,977 | 25,961 | 21,619 |
| Electricity | 5,015 | 10,534 | 9,036 |
| Total | 23,992 | 36,495 | 29,560 |

Electricity management and distribution service

The entire supply chain of the electricity market is composed of five phases:



The Energy Division of Servizi a Rete Srl is mainly concerned with the transformation and distribution of electricity throughout the **Municipality of Vicenza**. It also manages a number of electricity generation plants, together with the public lighting service in the Municipality of Vicenza.

In the three-year period 2015-2017, the length of Servizi a Rete Srl's **low, medium and high voltage electricity networks** was as follows:

| | 2017 | 2016 | 2015 |
|----------------------------------|-----------------|-----------------|-----------------|
| High Voltage in km | 21.59 | 21.59 | 21.59 |
| Medium Voltage in km | 445.50 | 444.20 | 443.28 |
| Low Voltage in km | 643.38 | 640.82 | 639.87 |
| TOTAL ELECTRICITY NETWORK | 1,110.47 | 1,106.61 | 1,104.74 |

In 2017, the Medium Voltage network was extended by a further 1.97 km, while the Low Voltage network was extended by 7.85 km.

The following **electricity was introduced into the distribution network** in the three-year period 2015-2017:

| Electricity Capacity (mln kWh) | 2017 | 2016 | 2015 |
|---------------------------------------|-----------------|-----------------|-----------------|
| Lower than 220 kV | 495.56 | 501.61 | 496.42 |
| Greater than 220 kV | 676.06 | 653.57 | 641.63 |
| Total | 1,171.62 | 1,155.18 | 1,138.05 |

In 2017 there was a **1.42% increase** in the electricity introduced into the network.

| Number of METERS | 2017 | | | 2016 | | |
|--|---------------|-------------------|---------------|---------------|-------------------|---------------|
| | ACTIVE | NON-ACTIVE | TOTAL | ACTIVE | NON-ACTIVE | TOTAL |
| Meters present | 71,824 | 11,515 | 83,339 | 71,520 | 11,434 | 82,954 |
| <i>of which the following numbers were installed during the year</i> | 718 | | 718 | 672 | | 672 |

99.4% of the meters present in 2017 are of the **electronic** variety (82,839), while only 0.6% (500) are electromechanical.

The innovative electronic meters offer the **remote reading** of a user's consumption.

The **generation of electricity**, subdivided by source, and the **corresponding consumption of such**, in mln of kWh, over the three-year period 2015-2017, is as follows:

| SOURCE OF PRODUCTION (mln kWh) | 2017 | 2016 | 2015 |
|--|--------------|--------------|----------------------|
| Traditional - non-renewable sources: | 67.96 | 9.84 | 27.18 |
| Thermoelectric - Mincio Power Plant | 58.88 | 1.71 | 19.26 |
| Cogeneration - Cricoli Power Plant | 9.08 | 8.13 | 7.92 |
| Renewable sources: | 1.94 | 2.10 | 0.32 |
| Hydroelectric - Lobia Local Plant | 0.21 | 0.27 | 0.32 |
| Group's photovoltaic plants* | 1.73 | 1.83 | Figure not available |
| Total electricity produced | 69.90 | 11.94 | 27.50 |
| Production of Renewable Electricity as a percentage of Total Energy produced | 2.78% | 17.59% | 1.16% |
| Energy consumed** | 1.73 | 0.10 | Figure not available |
| Electricity consumed as a percentage of the total produced | 2.47% | 0.84% | Figure not available |

* No account is taken of the plant in Sant'Agostino at Valore Città Amcps' head office because the figure is not available.

** No account is taken of consumption from the Group's photovoltaic plants because the figure is not available.

The **Mincio Thermoelectric Power Plant**, jointly owned with the companies AGSM of Verona, A2A of Milan and Dolomiti Energia, is the principal source of electric power for AIM (which owns a 5% share in the plant). In 2017 there was a significant increase in the production of thermoelectric energy, because market conditions made production from such source convenient.

The **Lobia Local Hydroelectric Plant**, which is operated by Servizi a Rete, draws on a diversion from the Bacchiglione River to produce green electricity. In 2017 output fell **22.2%** from the same period in 2016. The reduced production capacity stems from the collapse in 2013 of part of the masonry structure of the Bacchiglione River intake system. That effectively limited the water flow which could be used for generation of hydroelectric power. The lower output also reflects the machinery maintenance shutdown, which is constantly increasing due to the old age of the plant.

The **saving** made was equal to **40 tonnes of oil equivalent** (TOE). This production of energy entails benefits for the environment and for air quality in the city of Vicenza, thanks to the absence of CO2 emissions. Finally, it should be pointed out that a construction is currently being designed to disconnect the Bacchiglione River from the industrial canal that feeds the hydroelectric power plant, as required by the Civil Engineering Department, in order to comply with the regional hydrogeological study; the aim of this is to reduce the capacity usable for hydroelectric purposes, while at the same time increasing the flood safety of the area to the north of Vicenza.

The electricity produced but not consumed was sold directly to the Electricity Market Operator.

The **production of electricity from sources not belonging to the AIM Group, but connected to the Group's network**, subdivided according to source, in the 2016-2017 period, is as follows (in mln kWh):

| SOURCE | 2017 | 2016 |
|--|-------------|-------------|
| Traditional - non-renewable sources: | 0.63 | 0.74 |
| Cogeneration | 0.63 | 0.74 |
| Renewable sources: | 6.38 | 6.70 |
| Photovoltaic | 5.20 | 4.66 |
| Hydroelectric | 1.18 | 2.04 |
| Total production of electricity from sources not belonging to the AIM Group | 7.01 | 7.44 |

The number of **photovoltaic plants** connected to the network:

| | 2017 | 2016 | 2015 |
|---|-------|------|------|
| Photovoltaic plants | 1,108 | 975 | 886 |
| of which operated, but not owned, by AIM* | 18 | 18 | |

*Plants installed on schools within the Municipality of Vicenza

Public Lighting Service

The Energy Division includes the **Public Lighting** Department that manages the operation and standard maintenance of the public lighting service in the **Municipality of Vicenza**, on the basis of the **Global Service** agreement stipulated in 2009 by the Municipality of Vicenza and AIM Vicenza S.p.A.

In 2014, work began on replacing the old lighting installations with more modern, energy-saving **LED** lighting, with a view to replacing all public lighting in Vicenza, should the project submitted to this end be approved by the appointing authority.

24 extra lighting points were added in Vicenza during the course of 2017, and they now total:

| 2017 | 2016 | 2015 |
|--------|--------|--------|
| 16,226 | 16,202 | 16,181 |

93 extra energy-saving LED lights were added in Vicenza during the course of the three-year period 2015-2017:

| 2017 | 2016 | 2015 |
|-------|-------|------|
| 1,054 | 1,023 | 961 |



The LED lights have resulted in the **saving of energy** and the consequent reduction in costs, as well as lower greenhouse gas emissions, which amount, in **tons of CO₂**, to:

| 2017 | 2016 |
|------|------|
| 92 | 75.3 |

The **length of the public lighting electrical lines**, in km, is:

| 2017 | 2016 |
|------|------|
| 456 | 456 |

District heating service

Servizi a Rete manages the production of both electricity and of thermal energy, and distributes and sells thermal energy to customers connected to the district heating network in the **Municipality of Vicenza**.

The district heating service project goes back to 1980, when a market survey involving the entire city of Vicenza was conducted, regarding the consumption of thermal energy for heating and hot water purposes.

The district heating network and the power plant in Viale Circoli were built in the period 1988-1990, and the district heating service was launched in October 1990.

To meet increased heating requirements, the power plant was upgraded in 1997 with the installation of two new cogenerators, commissioned in 2000, and a new boiler in 2008, thus bringing the rated capacity of the plant to produce electrical power up to 4.5 MW, and its capacity to produce thermal power up to 29 MW.

The **thermal energy plants** are located in Viale Cricoli and in Via Monte Zebio.

In the three-year period 2015-2017, the **length of the district heating network** was as follows:

| 2017 | 2016 | 2015 |
|-------|-------|------|
| 22.53 | 22.39 | 22.3 |

In the three-year period 2015-2017, the following **energy was supplied** (in GWh):

| 2017 | 2016 | 2015 |
|-------|------|------|
| 43.06 | 42.5 | 39.6 |

In the three-year period 2015-2017, the **equivalent apartments** (apartments of 80 m²) were as follows:

| 2017 | 2016 | 2015 |
|--------|--------|--------|
| 11,290 | 11,179 | 10,125 |

28.07% of the buildings connected to the service in 2017 were of a **residential** type, while **71.93%** were of the **service-sector** type.

In the three-year period 2015-2017, the **total user volume heated** (in m³) was as follows:

| | 2017 | 2016 | 2015 |
|----------------|------------------|------------------|------------------|
| Residential | 710,000 | 708,000 | 607,000 |
| Service Sector | 1,819,000 | 1,796,000 | 1,661,000 |
| TOTAL | 2,529,000 | 2,504,000 | 2,268,000 |

The **principal buildings connected to the district heating network in Vicenza** are:

| | |
|--|---|
| The Olympic Theatre | The Youth Hostel |
| The Palazzo del Territorio complex | The Bishop's Seminary |
| Palazzo Chiericati | University |
| Court of Vicenza | The old people's home |
| The Vicenza Municipality in Piazza Biade | Part of San Bortolo Hospital |
| Palazzo Folco | State schools |
| Palazzo Nieveo | Private schools |
| Palazzo Angaran | The new hospital building in Via Cappellari |
| The Astra Theatre | |

Telecommunications and remote management service

Servizi a Rete Srl lays optical fibre networks in the **Municipality of Vicenza**.

The infrastructure is employed in the "**dark fibre**" mode by national telecommunications operators in order to provide private and business customers with broad-band FTTC and FTTH connectivity. The telecommunications network employed is generally of the **ring** variety, thus reducing any interruptions in service provision, in cases of planned maintenance operations or faults, to a minimum.

Servizi a Rete S.r.l. manages connections on the geographic network between various company offices, and on the computer systems adopted to safeguard the technological network used to monitor and control operations.

The **response service** is available for **24 hours a day, 365 days a year**.

The optical fibre laid concerns:

| | 2017 | 2016 | 2015 |
|---|------|------|------|
| Km of optical fibre laid | 221 | 209 | 209 |
| Network nodes and terminal points managed | 355 | 340 | 340 |
| Vodafone cabins | 226 | 226 | |

The principal connections to the optical fibre network in the Municipality of Vicenza regard the following complexes:

- San Bortolo Hospital in Vicenza
- I.P.A.B. Vicenza
- The University of Vicenza and Verona (Vicenza site) and the University of Padua (Vicenza site)
- Court of Vicenza
- Car parks in the city of Vicenza
- Council offices
- Provincial Government offices
- US military bases
- The Vicenza Trade Fair complex

Projects for technological innovation

With regard to the **5G network in Vicenza**, thanks to the cooperation between AIM Vicenza and TIM - Telecom Italia S.p.a., experimentation, research and development operations were conducted in relation to the Internet of Things (IoT), with the aim of encouraging the creation of a next-generation mobile phone network designed to provide Vicenza with a range of advanced services, thus rendering it a smarter city. The service is being tested for coverage of the entire city, through a new ultra-broad-band mobile infrastructure.

The **Remote Management and Automation** functional area of the AIM Group sees to:

- the supervision, 24 hours a day and 365 days a year, of key technological facilities such as the electricity, gas and water distribution networks;
- the construction and maintenance of various remote monitoring and control facilities;
- the management of radio-communications systems;
- the checking and calibration of “electronic measuring transmitters” and “measuring instruments”;
- the management of various alarms.

In 2017, it managed:

| | |
|---|--------|
| Remote-controlled technological systems | 546 |
| Reporting points | 18,615 |
| Controllable points | 5,132 |
| Measuring points | 4,671 |

The “reporting” points are devices installed in distribution and other facilities, designed to report information on the state of the facility. “Controllable” points are devices that may be remotely controlled, without the need to be on site when one or more physical operations are required.

“Measuring” points are devices installed on site, at the facilities, that establish and measure physical parameters.

The variations detected at the remote-controlled points are transmitted in real time to the central monitoring systems, where an operator constantly monitors (24/24) the optimal state of equilibrium of the distribution networks, and if necessary promptly carries out any on-site checks required.

City maintenance services

Valore Città Amcps provides numerous services, some of which are based on the intercompany framework agreement stipulated with AIM Vicenza Spa on 18 June 2010, under which Valore Città Amcps provides for the Holding Company those services it is responsible for under the **Global Service** concession stipulated.

The services provided by Valore Città Amcps mainly regard the management of **Vicenza Municipality's** assets (roads and vertical and horizontal road signage, underpasses and traffic light systems, municipal buildings, including council housing and the corresponding heating plants, municipal parks and gardens, etc.), the carrying out of construction work, and the management of cemetery services.

The management of public residential buildings



Valore Città Amcps manages, on behalf of the Municipality of Vicenza, the municipality's **public residential buildings and emergency housing units**.

| | 2017 | 2016 |
|--|--------|--------|
| Number of public residential buildings | 1,533 | 1,535 |
| Number of households present | 1,236 | 1,270 |
| Number of empty housing units | 17.40% | 16.00% |
| Number of extraordinary maintenance operations | 43 | 50 |

In maintenance operations, AIM utilises non-toxic, light, insulating materials such as aerated concrete blocks for walls (e.g. Ytong), or insulation panels in calcium silicate or natural fibres.

Furthermore, high-heat-efficiency false ceilings and doors and windows are installed in order to reduce fuel consumption, and thus CO2 emissions. The electricity supplied to municipal buildings is produced exclusively from renewable sources.

Road management

The **road management** service includes the routine and extraordinary maintenance of the road network, composed of roads owned or used by the municipality, cycle lanes and pavements and paths, public squares, bridges, ditches, storm drains, parking spaces and car parks operated by AIM Mobilità.

Routine maintenance regards the tarmacing of potholes and cracks in roads, by means of a **system of identification and geo-localisation of potholes**, the repair and maintenance of existing pavements, the repair and maintenance of roadside gutters, of sections of permanent paving, and the patching up of road and pavement surfaces.

Extraordinary maintenance, on the other hand, concerns the Municipality ordering the laying and alteration of traffic islands and pedestrian precincts, the laying of new road surfaces, the maintenance of bridges, the construction of new sections of road, and the repair of damage from vandalism or accidents.

The **road signage service** deals with the maintenance of the proper working order of vertical and horizontal road signs, luminous signs, directional and monumental signs, present within the Municipality, through routine and extraordinary maintenance operations.

Maintenance operations are classified as routine when they concern the preservation of the proper working order of road signs, such as the regular re-painting of horizontal signs, the regular control of road signs to ensure that they are clearly visible, the maintenance of luminous sign systems; maintenance operations are classified as extraordinary when they concern the installation of new signs, the replacement of signs that are no longer compliant with requirements, and the disposal of obsolete signs.

The **traffic lights management** service deals with the routine maintenance of traffic light systems, their safety and the maintenance of the service, including in urgent cases, the replacement of light bulbs, and the resolution of faults including those concerning software. More specifically, it deals with the changing of light bulbs, the repair of probes, the maintenance of pedestrian crossing buttons and alarms for the visually impaired, the programming of and adjustment to regulators, the replacement of light fittings and damaged cables, and the securing of traffic light systems.

| SERVICES MANAGED IN VICENZA | 2017 | 2016 |
|-----------------------------|------|------|
| Km of road managed | 540 | 563 |



| | | |
|--|-------|-------|
| Number of potholes reported | 2,726 | 2,950 |
| Km of cycle/pedestrian lanes managed | 65 | 59.7 |
| Number of sign repair operations | 340 | 600 |
| Number of audio-signal buttons for the visually impaired | 138 | 140 |

The management of public parks and gardens

The **parks and gardens** service regards the routine maintenance of lawns, flower beds, trees and other plants.

The parks and gardens service comprises:

- care for grassed areas and lawns: cutting, watering, reseeding and over-seeding
- care for bushes, climbers and hedges: the pruning of deadwood and reduction, weeding, replanting and watering
- care for flower beds and green spaces on roundabouts: weeding, mulching, watering, fertilisation, addition of plant varieties
- the care and management of trees: pruning of deadwood, topping, reduction, thinning, suckering, putting in and tying plants to stakes, visual monitoring of plants, instrumental monitoring, emergency watering, phytosanitary control, phytosanitary treatment
- watering service: emergency watering, watering of lawns, roundabout beds, flowers, flower beds in general
- weeding service: chemical weeding and weeding by hand
- irrigation systems service: checking the operation of systems, and turning them on and off.

| | 2017 | 2016 | 2015 |
|---|-----------|-----------|-----------|
| m ² of parks and gardens managed | 1,141,165 | 1,146,663 | 1,146,663 |

In order to counter the presence of weeds in those municipal areas under management, phytosanitary products containing the active ingredient glyphosate are not used, and modern weeding methods, such as the flaming or steaming of weeds, have been introduced.

Mowing and pruning operations are performed through the acquisition and use of new technologically advanced, high-performance equipment and machinery (chainsaws, blowers, hedge trimmers, hedge cutters, strimmers, pole pruners) that minimise the environmental impact of operations, that is, they reduce emissions and fuel and energy consumption, and considerably reduce noise levels to the benefit both of nearby residents and passers-by, and the operators themselves.

Buildings management

The **buildings service** regards the maintenance/repair, renovation and replacement of public buildings' finishes, the work required to supplement, or maintain the operation of, existing technological systems, and extraordinary maintenance operations involving the renovation or replacement of structural parts of buildings.

A total of **222 structures were managed** in 2017, as follows:

| | |
|--|----|
| Sports grounds | 13 |
| Care facilities | 5 |
| Cemeteries | 8 |
| Primary schools | 26 |
| Nursery schools | 30 |
| Middle schools | 12 |
| Kindergartens | 8 |
| Museums, libraries, historical buildings | 19 |
| Historic palaces | 12 |
| Gyms | 26 |
| Municipal parks | 52 |

| | |
|------------------|----|
| Decentralisation | 10 |
| Crematorium | 1 |

Valore Città Amcps possesses a sophisticated **remote management system with which it remotely controls the heating systems in the main public buildings**, including schools; this technology is capable of optimising consumption on the basis of outside temperatures, and can promptly report any faults or malfunctioning.

In maintenance operations, AIM utilises non-toxic, light, insulating materials such as aerated concrete blocks for walls, or insulation panels in calcium silicate or natural fibres. Furthermore, high-heat-efficiency false ceilings and doors and windows are installed in order to reduce fuel consumption, and thus CO2 emissions.

Funeral and cemetery service management

As from 1 January 2000, the Municipality of Vicenza has assigned Valore Città Amcps Srl the management of **funeral and cemetery services**.

The Company is thus responsible for the routine and extraordinary maintenance of Vicenza's cemeteries, from the structures themselves to the access roads, during the various phases of design, works management and construction.

The Company is also responsible for looking after the green spaces in the cemeteries, such as the flower beds, trees and plants, as well as votive lighting.

It also controls the operations of third parties in regard to the cemetery (the transport of coffins, the laying of tombstones, family tombs, etc.).

Valore Città Amcps manages **8 cemeteries** in the Municipality of Vicenza:

| | |
|-----------|------------|
| Maggiore | Longara |
| Casale | Polegge |
| Bertesina | Settecà |
| Maddalene | Acattolico |

Valore Città Amcps provides all of the cemetery services that the law requires the Municipality to provide, the control and coordination of the fitting, removal, preparation of tombstones and votive lighting, the cremation of bodies at the Maggiore cemetery in Vicenza, and burials.

The routine maintenance of cemeteries regards the buildings, systems, machinery, tools, land and green spaces, while extraordinary maintenance regards all cemetery properties and is carried out on the basis of specific assignments ordered by the Municipality. All graveyard maintenance services are excluded, as they are the responsibility of the concession holders.

Valore Città Amcps manages the **crematorium** at the Maggiore Cemetery in Vicenza.

| CEMETERY SERVICES | 2017 | 2016 | 2015 |
|--------------------------|-------------|-------------|-------------|
| No. of cremations | 2,358 | 2,387 | 2,169 |

Customers

DRAFT

Customers and users are key Stakeholders in the eyes of the AIM Group. In order to further customer retention, all customer relations must be based on the principles of loyalty, helpfulness, transparency and professionalism.

To this end, the AIM Group has adopted a Services Charter by means of which it has made a series of undertakings to the public, in regard to the performance of its activity, and on the basis of its UNI EN ISO 9001 certification it undertakes to constantly provide customers with services that meet their requirements and that are compliant with applicable legislation.

| | 2017 |
|--|-------------|
| Natural gas customers | 128,028 |
| Natural Gas Distribution - Users | 133,853 |
| Millions of m ³ of natural gas sold | 235.9 |
| Millions of m ³ of natural gas distributed | 264.9 |
| Municipalities served by the sale of natural gas | 2,273 |
| Municipalities served by the distribution of natural gas | 16 |
| Electricity customers | 88,030 |
| Electricity Distribution - Users | 71,826 |
| Millions of kWh of electricity sold | 326.85 |
| Millions of kWh of electricity distributed | 1,171.62 |
| Municipalities served by the sale of electricity | 2,237 |
| Municipalities served by the distribution of electricity | 1 |
| District Heating Service customers | 426 |
| GWht of heating energy sold | 43.06 |
| Municipalities served by district heating | 1 |
| Environmental hygiene customers - users | 62,170 |
| Waste collected - tons | 67,079 |
| Municipalities served by the Environmental hygiene service | 1 |

The AIM Group, through its investees, guarantees **its customers equal rights, equal treatment and non-discrimination**. The Group is increasingly committed to rendering information about its services simple and readily available. These are the key underlying principles that the Group follows in order to ensure that customer relations are long-lasting, through the adoption of a variety of channels of communication with customers.

For years now, the Group has undertaken to comply with general and specific quality standards, and to constantly improve the services provided through technological, organisational and procedural solutions designed to further the effectiveness and efficiency of its operations.

In recent years, the Group has become increasingly concerned with promoting and supporting projects for improving energy efficiency, increasing the separate collection of waste, teaching the public about the correct use of waste and energy, and in doing so has tried to divulge the importance of the safeguarding of the local environment and of the correct use of resources, through its relations with its own key Stakeholder, the Customer.

Relations with energy service customers

AIM Energy and CogasPiù Energie are the AIM Group's commercial companies, and they operate in the sale of electricity and natural gas to various types of customer.

In the three-year period 2015-2017 AIM served the following number of customers:

| | 2017 | 2016 | 2015 |
|------------------------|----------------|----------------|----------------|
| Electrical power | 88,030 | 82,512 | 75,381 |
| Natural gas | 128,028 | 125,603 | 98,369 |
| Total Customers | 216,058 | 208,115 | 173,750 |

81.35% of Electrical Power customers are of the residential type, representing a **net increase of 6.69%** over the figure for 2016.

93.01% of Natural Gas customers are of the residential type, representing a **net increase of 1.93%** over the figure for 2016.

AIM Energy's marketing campaign is designed not only to strengthen its own identity in the Veneto region, but also to further reinforce its presence in other Italian regions, such as Lombardy where last year it began a **joint project with a marketing agency** operating in Milan, Monza and the Brianza area. The activity of CogasPiù Energie is also aimed at bolstering its own identity in the Region of Abruzzo and, through **23 sales agencies**, in many regions of Italy.



Geographical distribution of customers

| ENERGY CUSTOMERS | ELECTRICAL POWER | NATURAL GAS |
|--|------------------|-------------|
| Veneto region | 84.96% | 72.83% |
| Other regions | 15.04% | 27.17% |
| municipalities served | 2,237 | 2,273 |
| Vicenza's position in the Veneto region | 95.26% | 87.92% |

In 2017, the sales undertakings of the AIM Group issued **more than 980,000 bills** for the sale of electricity and natural gas, with a positive trend in regard to the consolidated service of electronic billing, through **STOPCARTA** and **Vi@Mail**, whereby paper bills are eliminated and customers have easy access to past bills through a convenient digital archive, constantly accessible also by means of an APP for smartphones. In 2017, **more than 16,800 customers** subscribed to this service.

More than 86,500 electronic bills were issued in 2017, **8.80%** of all bills issued.

Means of payment

The AIM Group offers its customers various options for the payment of its bills.

The two commercial companies permit the payment of bills **through the customer area of their respective websites** www.aimenergy.it and www.cogaspiu.it, by means of credit card as well as through the following channels:

| Types of payment made | 2017 |
|--------------------------------------|------------------|
| SEPA direct debit | 51.45% |
| Pre-printed postal payment slips | 47.50% |
| Collection orders and bank transfers | 1.05% |
| Bills paid directly at desks | More than 43,500 |
| Bills paid online | More than 9,500 |

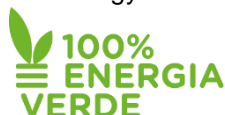
More than 66,000 payment reminders were sent out, as provided for by the internal credit management protocol, to **more than 32,000 customers**. In 2017 AIM **sealed 4,373 electricity meters and 2,246 gas meters**.

AIM promotes sustainable energy consumption

In 2017, AIM Energy launched its new campaign focused on sustainability, through sales to customers on the Free Market of certified green energy only, produced from renewable sources, without any additional cost to the customer.



The offers promoting green energy are identifiable by the following logo, guaranteeing respect for the environment.



Access to services



The AIM Group operates in the best interests of its customers and the public, and facilitates access to its own services for less well-off families, through the development of a variety of agreements.

The **“Social Bonus”**, included in the energy bill, is offered to those citizens who meet special requirements, as per the ARERA provision.

The trend of disbursement of the Social Bonus from 2015 to 2017 was as follows:

| Disbursement of the Social Bonus | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|
| Gas Bonus | € 316,444.63 | € 370,645.79 | € 423,486.63 |
| Electricity Bonus | € 202,341.27 | € 178,613.53 | € 179,397.79 |
| Contracts that benefited from the Bonus | 7,126 | 5,182 | 5,785 |

The **Gas Bonus** is a discount on the gas bill, introduced by the Government and implemented by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) with the cooperation of the nation’s municipalities, to guarantee a saving for those families who find themselves in specific difficult circumstances. The Bonus is envisaged for:

- families in financial difficulties
- Families with an Equivalent Economic Situation Indicator of no more than 7,500 Euro
- large families with more than 3 dependent children and an Equivalent Economic Situation Indicator of no more than 20,000 Euro.

Also the **Electricity Bonus** is a discount on the electricity bill, introduced by the Government and implemented by AEEGSI with the cooperation of the nation’s municipalities, to guarantee a saving for those families who find themselves in specific difficult circumstances. The Bonus is envisaged for:

- families in financial difficulties
- families with an Equivalent Economic Situation Indicator of no more than 7,500 Euro
- large families with more than 3 dependent children and an Equivalent Economic Situation Indicator of no more than 20,000 Euro
- in cases of physical disability and serious illness
- in cases where a serious illness requires the utilisation of electrically-powered, life-saving medical appliances.

Another form of welfare support for poorer families in the Municipality of Vicenza is that offered by the **cooperation with the charitable organisation “Caritas”**, through the creation of a fund for the association Diakonia Onlus, the operating wing of Caritas, for those families in temporary financial difficulties, intended to cover part of the cost of gas and electricity.

The AIM Group, which has renewed this agreement for the past six years now, in 2017 disbursed **12,448.83 Euro**, a sum that was used in 135 local situations of social and economic difficulty.

AIM Energy also provides for **special repayment plans for families in socio-economic difficulties** resident in the Municipality of Vicenza. An annual agreement is stipulated with the latter to help with the payment, in instalments, of gas and electricity bills.

Furthermore, special educational/informational projects have been agreed on with the Municipality of Vicenza, designed to inform people about the correct use of electricity so as to avoid unnecessary waste. In 2017, agreements were stipulated with **64 resident families**.

Other forms of help provided to more “sensitive” customers include:

- facilitated access to the desks and to the car parks for customers with physical disabilities
- the translation of bills in foreign languages for customers from other nations
- website navigation in other languages

Commercial and promotional activities

Knowing the expectations of the Customer, the main stakeholder of the AIM Group, offering punctual and innovative services, proposing them to the greatest number of people at favourable conditions, enhancing their communication and facilitating their accessibility are the corporate responsibility objectives that the Group undertakes to achieve with concrete initiatives and offers.

The Group's commercial companies offer diversified energy offers and tariff plans, suited to the needs of the various types of customer, comprising households and companies.

The offers provide benefits in terms of savings through discounts, support services, energy bonuses, electronic billing, online desk, billing based on real consumption and, to customers that are more attentive to the sustainability issue, also the sale of electricity produced from certified renewable sources with social awareness campaigns.

In 2017 AIM Energy and CogasPiù Energie introduced **two new promotional campaigns**, such as:

- **Natale120**: it rewarded customers who chose AIM Energy with 120 Euro in store credit that can be spent at a major local retailer;
- **IperSpesa**: it rewarded new gas or electricity customers with 25 Euro per commodity in store credit that can be used at a major local retailer.

Furthermore, in 2017 AIM Energy created the "**Servizio Energia Base**" brand in order to comply with **Brand Unbundling** provisions.

The campaign, aimed at illustrating the difference between protected market and free market, promoted the offers and services developed by AIM Energy in the free market, with a view to **brand loyalty** and **brand reputation consolidation**.

For the sale of electricity, AIM Energy and CogasPiù Energie continued to promote **green energy** in 2017 in order to serve end customers in the free market with the supply of electricity produced entirely from certified renewable sources, or with certifications (Guarantees of Origin) that attest to the green source of production. The end customers are therefore guaranteed **100% renewable energy** with no additional costs or contractual changes. Other active commercial offers are: **Energia Più** with which a 10% discount is applied to the selling price of electricity; **Idea Fissa Luce** on the other hand allows the customer to set the price of the commodity for a whole year, while **Sempre Luce** allows the customer to save with a 10% discount on the energy price set by ARERA, and **Business Light** offers a discount on the electricity market price for small and medium-sized businesses.

For the sale of natural gas, the **Easy Winter** promotion is active, which involves sending monthly bills from November to April, and on a bimonthly basis for the remaining months of the year. This billing method allows the payment of the winter bills, those in which most of the consumption is concentrated, to be spread out. On top of this is the advantage of reporting self-reading, obtaining a 5 Euro discount each, and paying only for the actual consumption. **Idea Fissa Gas** allows to set the price of natural gas for a year and obtain a further discount through self-readings. **Solido Risparmio** grants up to 80 m³ of natural gas free of charge for customers with consumption greater than or equal to 1,000 m³ and who pay by bank account or otherwise of 60 m³ in case of payment by postal payment slips. **Ben Spesa** offers customers 50 Euro in store credit that can be used at a major local retailer. Another active promotional offer is **Sconto Vero** which offers a discount to the billing of the customer's real consumption for the supply of natural gas.

Among other active commercial campaigns in 2017 is also **Porta un Amico**, through which the customer who invites a friend to sign a contract for the supply of electricity and natural gas in the free market with AIM Energy receives 30 Euro in store credit that can be used at a major local retailer.

Agreements

The Group's commercial companies entertain relations based on an effective collaboration with the representatives of the various consumer associations operating in the territory concerned.

As mentioned, in 2017 AIM confirmed the agreement with Caritas Diocesana in Vicenza, providing the association Diakonia Onlus with a fund needed to help the less fortunate families of the City of Vicenza.

For several years an agreement has been in place with the **Christian Association of Italian workers (ACLI)** of Vicenza, which provides exclusive discounts to members in relation to the supply of natural gas and electricity, as well as the agreement in the supply of information on energy consumption to raise citizens' awareness of the correct use of energy.

Desks

In 2017, the AIM Group made available, for energy services, **9 sales desks**, of which **7 are located in the Veneto region, 1 in Abruzzo and 1 in Lazio**. Furthermore, CogasPiù Energie makes **23 sales agencies** available throughout Italy, specifically in the regions of Abruzzo, Molise, Lazio, Puglia and Lombardy.

In all relationships with customers, the AIM Group ensures compliance with the Privacy Code in the management of personal data (Legislative Decree 196/2003).

In the 9 physical desks open to the public, customers can find numerous information leaflets concerning the self-reading service, consumer education campaigns and the many promotions active in the electricity and natural gas market.



The desks received and served **59,351 users** in 2017, broken down as follows by type of paperwork:

| Desk service | Tickets issued at the desk | Average Waiting Time |
|-------------------|----------------------------|----------------------|
| information desk | 12,128 | 10.9 min |
| payments desk | 24,991 | 8.4 min |
| contracts desk | 11,340 | 12.8 min |
| Sportello Snello* | 5,504 | 6 min |
| base energy desk | 27 | 17 min |
| Total** | 53,990 | 9.64 min |

* only at the desk in Vicenza, in Contrà Pedemuro San Biagio, 72.

** not taking into account the desk open for the Natale120 promotion alone, no. of files 5,504.

Sportello Snello

The "Sportello Snello" service allows customers to **speed up the completion of paperwork** through the autonomous compilation of the forms collected in a **kit** and distributed in specific areas equipped with a photocopier and advice from our collaborators. Once completed, the file is delivered to the competent desk that in turn forwards it to the back-office service for it to be checked and closed. Since 2016, the service has also been active on the **aimenergy.it website** in the customer area section, where kits are available that the customer can independently fill out from home and send by email, or deliver them directly to the desk if preferred.

Over the course of 2017, **43,555 Sportello Snello files** were handled, showing strong growth **compared to 2016**.

| | 2017 | 2016 | 2015 |
|-------------------------------|--------|--------|--------|
| Sportello Snello files | 43,555 | 16,816 | 13,180 |

The increase in the number of files handled in 2017 is due to a more precise reporting of the files handled through the Sportello Snello Desk and also to the inclusion of new kits to be completed independently.

Call Centre

AIM Energy and CogasPiù Energie provide a call centre service through the numbers:

800 226 226

085 9062595

for different types of information, managing almost entirely the services that are also provided at physical desks. The toll-free number is active Monday-Friday from 8 a.m. to 8 p.m., and on Saturdays from 8 a.m. to 1 p.m.

During 2017, **133,383 calls** were received with a percentage of **successful calls of 90.27%**.

During 2017, **the average call centre waiting time was 93.58 seconds**.

Contact channels with customers

The communication and dialogue with customers are essential for the AIM Group, which manages numerous services of great importance for people's quality of life. For this reason, in addition to the traditional means of communication used for years, AIM has been investing in the widespread use of digital channels.

The data for 2017 related to the **contact channels used by the AIM Group to maintain relations with its customers** are:

| | 2017 |
|---|-------------|
| no. of Likes on Facebook | 5,220 |
| no. of followers on Twitter | 460 |
| no. of visitors on LinkedIn | 206 |
| no. of followers on Google+ | 48 |
| no. of views on Youtube | 3,902 |
| no. of App users | 27,067 |
| no. of visitors on websites | 118,188 |
| no. of subscribers on the Customer area of websites* | 42,831 |

* www.aimenergy.it and www.cogaspiu.it

AIM Energy and CogasPiù Energie **smartphone applications** provide many features such as:

- list of contracts
- list of itemised bills and a downloadable document
- payment status
- option to pay by credit card
- self-reading
- push notifications (deadlines, payments and self-reading reminders)
- contact details
- news

The websites available to customers have been designed to make navigation more user-friendly, more interactive and informative.

Through the websites it is possible to receive information about the sales company, view the active commercial promotions, request any type of information and learn about the latest news. In the special Customer area it is possible, after registration, to check bills, consumption, payment status, self-readings, requests for electronic billing, new contract subscriptions and changes to one's commercial offer, as well as make payments.

In 2017, over **800 online contracts** were signed from the AIM Energy website through the Customer Area.

Customer Satisfaction Survey on Gas and Electricity sale services

The knowledge of citizens and customers' needs is the basis from which the AIM Group starts to continuously expand the quality of its services, analysing the data that are periodically collected through customer satisfaction surveys.

The customer satisfaction survey, carried out in 2017, was conducted by an independent research company through interviews, telephone calls and visits to desks and shows overall very satisfactory results.

It was carried out by breaking down the customer base into residential and business customers and the results gathered are as follows:

| | RESIDENTIAL CUSTOMERS | BUSINESS CUSTOMERS |
|---|--------------------------|-----------------------|
| Overall satisfaction with the service offered | 8 | 7.85 |
| Average retention value | 8.23 | 8.18 |

Values from 0 to 10

In summary, the overall assessment shows that both residential and business customers have shown a good level of satisfaction with the service offered and highlights the excellent image and reputation enjoyed by AIM Energy, especially in its historical reference context.

Customers positively evaluate the multiple contact channels with the company and the ease of interaction with the same company, showing appreciation for the work done in terms of optimisation and continuous improvement of the user experience to which AIM Energy is particularly attentive.

All these elements contribute to increasing customer retention, with customers who state their conviction to remain loyal to AIM Energy in the coming years as well.

Customer support

In order to improve the quality of the service, AIM provides customers with a **Customer Relations department** that handles customer requests with care and punctuality, including those that can be classified as Complaints. The objective of the ongoing monitoring of complaints by the AIM Group is to identify critical issues and define and implement corrective actions.

In particular, the department handles, through a specific system, the written requests of customers, replying in a maximum of **8 calendar days** in 2017, which is **fully within the maximum limits set by ARERA** (a maximum of 40 calendar days for complaints and billing adjustment requests and a maximum of 30 days for information requests).

The customer - who finds the email address reclami@aimenergy.it or info@cogaspiu.it in the bill, to which reference should be made in the event of any reports, automatically receives information on the method and timing of the reply.

In addition, a complaint form or other written report can be found at AIM's customer service desk. In 2016, a page for the direct submission of reports was activated in the restricted access area of the website www.aimenergy.it.

The reports received from the different channels are:

- 1,493 requests from the emails reclami@aimenergy.it and info@cogaspiu.it
- 1,000 requests from the format available in the AIM Energy Customer Area
- 146 requests were received from the AIM Group protocol

In particular, the following were submitted:

- no. 1,071 complaints, with an answer in 100% of cases within the 40 days required by regulations;
- no. 1,563 information requests answered in 100% of cases within the 30 days required by regulations;
- no. 5 double billing reports.

For gas and electricity services, **2,639 requests** were received (including complaints, requests for information, written requests for billing adjustments and double billing requests), of which only **40.58% were considered complaints**.

In 2017, the AIM Group did not record any violations regarding discriminatory practices towards customers or privacy breaches.

The Customer Relations Department also manages the requests relating to the TARI tax, which came to **231** in 2017.

In order to better verify the quality of the service rendered, AIM Energy launched an innovative **satisfaction and gratitude analysis** that keeps track of the thank-you notes received from customers who contacted the Customer Relations Department through a complaint or a request for information.

In 2017, out of 2,561 files received from AIM Energy channels **308 "Thank-you notes"** came in, equal to **12.03%**.

Quality in the electricity and natural gas distribution service

The AIM Group, through its subsidiary Servizi a Rete - Electricity and Natural Gas Division, manages the electricity grid of the Municipality of Vicenza and the natural gas network in the city and in other 12 municipalities in the province of Vicenza, as well as two other municipalities of the province of Padua and in the municipality of Treviso.

For the **distribution of electricity**, with Resolution 646/2015/R/eel, which came into force on 1 January 2016, AEEGSI approved the "Integrated Output-Based Regulation of Electric Power Distribution and Metering Services" for the period 2016-2023. The AIM Group annually reports all indicators requested by the Authority, and these were fully satisfied in 2017. Compliance with commercial quality standards is constantly monitored through the use of dedicated software that can transmit alerts at the same time as every anomaly that is recorded and may generate an order for automatic compensation to be paid. In 2017 Servizi a Rete served **over 71,000 users** on a 1,110.47 km network.

| USERS SERVED | 2017 | 2016 | 2015 |
|--------------|---------------|---------------|---------------|
| Domestic | 54,021 | 53,785 | 53,756 |
| Non-domestic | 17,805 | 17,735 | 17,768 |
| Total | 71,826 | 71,520 | 71,524 |

Below are some indicators that measure the quality of the service and which can have an impact on end customers.

The specific commercial quality standards for electricity were 100% complied with.



| ARERA quality standards | 2017 | 2016 |
|--|-------|-------|
| Average number of interruptions | | |
| scheduled | 0.25 | 0.08 |
| without notice | 1.07 | 1.22 |
| Average duration of interruptions - min/user | | |
| scheduled | 28.12 | 9.79 |
| without notice | 18.29 | 22.32 |
| Electrical losses* | 6.06% | 6.06% |

*overall in MV/LV transformers and lines.

For the **distribution of natural gas**, Servizi a Rete manages gas transport through local pipeline networks, for delivery to end users through two phases: the pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points, followed by its transport and distribution to end users.

Gas distribution activities are carried out by the AIM Group according to the rules of functional unbundling envisaged for vertically integrated companies in the sector, in compliance with the principles of economy and profitability and the confidentiality of company data for the purpose of promoting competition, efficiency and adequate quality levels in the service provided.

Overall, in 2017 Servizi a Rete, for the division relating to the distribution of natural gas, managed **133,853 users**, introducing more than 264 million cubic meters of natural gas into the network.

| USERS SERVED | 2017 | 2016 | 2015 |
|---------------------|---------|---------|---------|
| no. of users served | 133,853 | 133,578 | 133,527 |

The natural gas distribution service makes reference to the commercial quality parameters set by ARERA.

In 2017, the **minimum times and levels required by the Gas Distribution Service Quality Regulation (RQDG)** were **widely complied with**.

| ARERA quality standards | Maximum time expected by ARERA | 2017 | 2016 |
|--|--------------------------------|-------|-------|
| Estimation for simple works | 15 business days | ✓ | ✓ |
| Estimation for complex works | 30 business days | ✓ | ✓ |
| Execution of simple works | 10 business days | ✓ | ✓ |
| Supply activation | 10 business days | ✓ | ✓ |
| Supply deactivation | 5 business days | ✓ | ✓ |
| Reactivation following deactivation due to lack of payment | 2 business days | ✓ | ✓ |
| Gas losses | no. | 263 | 250 |
| Gas network interruptions | no. | 405 | 418 |
| Gas network interruptions | users | 1,070 | 1,101 |

The **interruptions in the gas supply service** take place mainly during the execution of renewal works on the network, upon switching of user connections from the old to the new pipeline. They are divided into **scheduled interruptions**, if the works are scheduled in advance and citizens can be promptly notified of the interruption, and **interruptions without notice**, usually in case of breakdowns with immediate operations, or those for which it is not possible to notify all customers involved at least one day prior to the interruption.

To limit the duration of the interruptions as much as possible, Servizi a Rete intervenes with the timely scheduling and rationalisation of operations.

In all cases in which it is technically feasible, however, **Servizi a Rete informs the users involved in the interruptions in advance** through the affixing of information posters and, in some specific cases, through telephone contact.

The safety of the network is key. The inspection of the networks, an effective emergency response service and the right concentration of the **level of odourisation** are basic elements for the correct management of the gas distribution system, which is supported by the continuous **modernisation of the networks**.

ARERA envisages obligations for gas distribution companies in relation to network safety, including the inspection of high, low and medium pressure networks with the aim of greater control over losses. It also imposes minimum levels of odourisation for the protection of people and property from damage resulting from accidents caused by the distributed gas.

In 2017 Servizi a Rete - Gas Distribution carried out **202 call-outs for odourisation checks**.

The Electric Power, Gas and Water System Authority (Resolution 574/14) establishes that gas distribution companies are required to comply with safety service obligations, including those concerning the frequency of network inspections.

The current regulation provides for a differentiation of the obligation depending on the type of network and operating pressure, requiring compliance with the following criteria:

1. 100% inspection of high and medium pressure networks: 3 years
2. 100% inspection of low pressure networks: 4 years
3. 100% inspection of HP/MP and LP networks in materials other than cathodically protected steel, polyethylene, re-cast iron and cast iron with joints not in hemp and lead: 1 year.

The scheduled inspection of the gas networks also leads to greater control over losses.

The initiatives taken by the company to reduce gas losses in the network are focused on the search for leaks, preventive maintenance of the gas pipes and the replacement of the grey cast iron network with hemp and lead joint.

In 2017, **86.14% of the network was in steel and polyethylene**.

The Group has a **Gas Emergency Service, active 24 hours a day, 365 days a year**, which is activated following reports of potentially dangerous situations related to:

- gas losses from the distribution network, from user connection systems, from metering units
- gas supply interruption
- gas supply irregularity
- damage to the distribution network, user connection systems and metering units, in the absence of losses
- gas loss downstream of the redelivery point and on any part of the user connection system that is not managed or owned by the distribution company even by those who do not own the pick-up point itself.

Relations with environmental service customers

Through the company Valore Ambiente, the AIM Group manages the urban health service of the Municipality of Vicenza for a total of over 62,000 users served.

| | 2017 | 2016 | 2015 |
|--------------------|---------------|---------------|---------------|
| Domestic users | 54,354 | 54,154 | 54,067 |
| Non-domestic users | 7,816 | 7,832 | 7,865 |
| Total | 62,170 | 61,986 | 61,932 |

Valore Ambiente is available with a desk for the delivery and pick-up of magnetic keys to open cylinder depository systems, bins for door-to-door collection of residual waste, paper, plastic, garden waste, composter delivery and general information requests in Contrà Mure S. Rocco, 25.

Open Monday to Saturday from 8.00 am to 1.00 pm.

A second desk is open in Contrà Pedemuro San Biagio 78 for information on the waste tax (TARI) and payment-related queries. Open Monday, Tuesday and Thursday from 8 am to 12 pm and from 2 pm to 3.30 pm. Friday from 8 am to 3.30 pm and Wednesday and Saturday from 8 am to 12 pm.

Valore Ambiente also provides a switchboard on 0444 394012 and an SMS service on 348 2760310, as well as the email address infoporta.porta@aimvicenza.it for the waste collection service.

Furthermore, Valore Ambiente makes available to all domestic users **4 recycling centres** for the correct disposal of **bulky and recyclable waste** with the following telephone numbers and opening times:

North Recycling Centre

Via De Faveri, 7 (near Strada Postumia) tel. 0444 514649

Monday to Friday, from 2 pm to 7 pm - Saturday from 9 am to 6 pm (winter) and from 9 am to 7 pm (summer)

West Recycling Centre

Via delle Fornaci, 5 (near Via del Mercato Nuovo) tel. 0444 560507

Monday to Friday, from 2 pm to 7 pm, Saturday from 9 am to 6 pm (winter) and from 9 am to 7 pm (summer)

South Recycling Centre

Via Venier, 47 (near Riviera Berica, località Longara) tel. 0444 240803

Tuesday to Friday, from 2 pm to 5 pm - Saturday from 10 am to 5 pm

S. Pio X Recycling Centre

Via Adolfo Giuriato (San Pio X, past the municipal swimming pools) tel. 0444 397431

Tuesday to Friday, from 2 pm to 5 pm – Saturday from 10 am to 5 pm

The company's commitment to promoting responsible behaviour in the management of waste and resources, respecting the environment and citizens, has continued over the years.

There are many initiatives promoted and developed in 2017 to **raise citizens' awareness of collection and more effective consumption**.

Valore Ambiente, in order to meet the demand for more information to **foreign citizens** living in the city, has distributed and included on the website www.aimambiente.it 9 guides on waste collection in as many foreign languages (French, Spanish, English, Arabic, Serbian, Romanian, Ukrainian, Bengali, Chinese).

In order to prevent the dumping of waste on the ground, Valore Ambiente has strengthened its **supervision** through video surveillance systems on a police car and provided, for more than 200 hours, a resource on the street to carry out **training** at strategic points of the city of Vicenza. Over 900 people have been contacted for mutual listening and dialogue.

Valore Ambiente began to conduct an **additional lay-by cleaning service** on Monday mornings to remove any dumped waste.

It **developed and implemented the service for door-to-door paper and plastic collection lines** for commercial users, recreational places such as sports facilities in the city, local festivals and events.

A **collection** service has been set up **for special waste in the city's neighbourhoods**, through a structure that provides for the controlled delivery of small waste that users, who habitually adopt the door-to-door service, hardly hand over to recycling centres: used clothing, batteries, expired pharmaceuticals, neon tubes...

Other initiatives carried out for citizens in 2017

the **extraordinary street cleaning service** with towing that, in the first week of each month, provides for the simultaneous washing and sweeping of the road and the pavement, as well as the external washing of any bins, in addition to the routine street cleaning and hygiene services that are already carried out throughout the city.

Two important communication tools have been made available to users: a reminder hanger and a convenient free SMS messaging service that notifies in advance in which streets the washing service will take place and what roads need to be vacated.

The **free distribution** by Valore Ambiente, for the **campaign for the collection of waste cooking oil**, of a 3-litre container, equipped with a sieve and airtight cap, for the collection of domestic oil, which can then be emptied at one of the 3 urban recycling centres.

The company sought to invest energy and resources in service and practicality, bringing collection points closer to users. Therefore, in collaboration with some supermarkets and businesses, ten green containers were placed in ten strategic points in the city, with a capacity of 500 litres each, equipped with special systems designed to prevent the leakage of liquid.

Another service dedicated to users is the **collection of garden waste at home**.

The collection of garden waste is a service offered to users free of charge. In 2017, the number of users served came to 2,155.

Valore Ambiente provides the **toll-free number 800 748 746**, from Tuesday to Friday, from 8.30 am to 12.30 pm and from 3.00 pm to 7.00 pm, to reserve the **collection of bulky waste at home**. The service is **free**, is reserved to domestic users, and envisages a call-out per quarter, for a maximum of 5 pieces at a time and 20 pieces throughout the year. In 2017 Valore Ambiente received **3,186 calls for collections** from households.

Valore Ambiente, in collaboration with the Municipal Administration, provides a **collection and disposal service for waste containing asbestos** (e.g. Eternit) from households in the municipal area.

Customer Satisfaction Survey on environmental services offered in the Municipality of Vicenza

The knowledge of citizens and customers' needs is the basis from which the AIM Group starts to continuously expand the quality of its services, analysing the data that are periodically collected (usually every two years) through customer satisfaction surveys.

The customer satisfaction survey, carried out in 2017, was conducted by an independent research company through interviews, telephone calls and visits and shows overall very satisfactory results.

It was carried out by breaking down the customer base into city centre domestic, business and domestic with cylinder depository system and door-to-door system.

The results are as follows:

| | CITY CENTRE DOMESTIC CUSTOMERS | BUSINESS CUSTOMERS | DOOR-TO-DOOR AND CYLINDER DEPOSITORY SYSTEM DOMESTIC CUSTOMERS |
|---|--------------------------------------|-----------------------|---|
| Overall satisfaction with the service offered | 7.49 | 97 (7.40) | 96.6 |

| | | | |
|--|--|-------------|-------------|
| Valore Ambiente's commitments on the issue of sorted waste collection and environmental protection | | 92.5 (6.74) | 93.8 (8.05) |
|--|--|-------------|-------------|

Values from 0 to 10 or stated in cents.

In summary, the overall assessment shows that customers expressed a good level of satisfaction with the service offered in the Municipality of Vicenza. The ever-improving activity of Valore Ambiente for the protection of the local territory is firmly established; this results in a high degree of satisfaction on the part of citizens and users. The data processed by the research are analysed to continuously improve the offer according to citizens' needs.

Relations with parking service customers

For the **parking service**, AIM provides **2 physical desks**:

- at the head office of AIM Mobilità, in Via Fusinieri, 83/H Vicenza. Open from Monday to Thursday from 8.00 am to 12.00 pm; on Tuesdays from 2.00 pm to 3.30 pm and on Fridays from 8.00 am to 3.30 pm. Telephone: +39 800 394 909
- at the **Verdi Park**, in the city centre of Vicenza, equipped with a video surveillance service of the main car parks and manned 24 hours a day. Tel. 0444 320868

AIM Mobilità, a company of the AIM Group, manages the car parks of the Municipality of Vicenza.

At the entrance to the city, AIM Mobilità manages, on behalf of Società Vicentina Trasporti, the new operator of the urban and suburban public transport service of the Province of Vicenza, also **2 large barrier interchange car parks** that allow, through the **high-frequency CentroBus service**, to reach the city centre in a few minutes. In this case, during the shuttle bus service times, parking is free and customers only pay for the transport service.

For those entering the car parks with camper vans, trucks, vans or buses, the system envisages a ticket for the use of the shuttle bus up to 5 people, and allows a stay of up to 24 hours including the **"camper service"**.

There are **9 barrier car parks** in the city centre that allow quick and convenient access to the city, also through the innovative system that allows to see the free parking spaces in real time and the free car park that is nearest to where the customer is. The user has the possibility to choose whether to pay for the daily ticket or to sign a subscription with AIM Mobilità, with issue of the **AIM Card**.

Disabled users, at the Verdi Park, can park for free for up to 48 hours at the 8 stalls reserved for them, by displaying their disability permit.

For the **Vicenza Trade Fair area**, AIM Mobilità manages **two barrier car parks** with over 800 parking spaces.

The city centre of Vicenza is within the Limited Traffic Zone and a camera system controls all accesses 24 hours a day. Vehicles without authorisation are subject to administrative sanctions.

The parking system on **blue lines** is designed to favour fast and rotating parking. Parking fees vary depending on the area, and they get cheaper the further away from the city centre the parking space is. **Sostafacile** is the innovative service that allows the user to pay, through a special smartphone app or by sending a text message, for the effective parking period.

City residents can instead park on the **yellow-line** parking spaces reserved for them, following the purchase of the respective parking permit.

For these types of parking, users can prepare, update or renew a subscription through the physical desk in Vicenza or with the innovative **Pass** service, a virtual desk, accessible 24 hours a day throughout the year, which provides the option to make payment by credit card or PayPal.

In order to promote the use of non-polluting vehicles, the Vicenza car parks, through municipal ordinance no. 68327/13, allow **free parking** on blue-line spaces and car parks with controlled access to **vehicles powered exclusively by electricity**, upon display of a dedicated window sticker by the owners of these vehicles and the **AIM Card** with the indications of the type of vehicle. Another dedicated service is the **use of electric vehicle charging stations** available in barrier car parks. New in 2017 is the activation of **two new electric vehicle charging stations** in Piazza Matteotti and Viale Verdi, which will supply electricity free of charge.

In 2017, **1,360 electric cars entered the barrier car parks of the Municipality.**

For **hybrid vehicles**, on the other hand, a **reduced fee** is offered on blue stalls, through the Sostafacile service with the code dedicated to this type of vehicle and on parking areas with access controlled via AIM Card.

Relations with citizens for city services

The desks made available by Valore Città Amcps Srl are:

- "House desk" for council housing in via Sant'Agostino, 152. Open Monday to Friday from 10 am to 12 pm. Thursdays from 10 am to 12 pm and from 2.30 pm to 4 pm
- breakdown and maintenance desk in via Sant'Agostino, 152. Open Monday, Tuesday and Wednesday from 8 am to 10 am and from 2 pm to 3 pm. Thursday and Friday from 8 am to 10 am. Tel. 0444 955667
- Public land occupation desk in Sant'Agostino, 152. Open Monday to Friday from 10 am to 12 pm and on Thursday from 2.30 pm to 4 pm. Tel. 0444 955509
- Cemetery desk at the Maggiore Cemetery in viale del Cimitero, 14 in Vicenza. Tel. 0444 305275. Open Monday to Friday from 8.15 am to 12.15 pm and Tuesday and Thursday from 2 pm to 5 pm, Saturday from 9 am to 12 pm.

The AIM Group has always provided operational and logistic support for the **Civil Protection of the Municipality of Vicenza.**

The Company indeed provides manpower and means to intervene in case of danger and disasters.

In the event of snowfall, the snow emergency number **0444 955660** is activated and it is possible to purchase bags of salt from the company's warehouse in Viale S. Agostino.

In the event of a flood forecast, **Valore Città Amcps** provides sandbags for the areas at risk, free of charge, at its head office in Viale S. Agostino or at the distribution points located in the city, in pre-defined strategic areas.

The AIM Group, for **emergencies and breakdowns related to electricity, public lighting, telecommunications, district heating and potholes**, has activated the **toll-free number 800 394 888**, active 24 hours a day and 365 days a year, for the securing of potentially dangerous situations pertaining to the activities carried out by Valore Città Amcps.

| RESPONSE SERVICE | 2017 | 2016 |
|-------------------------------|------|------|
| no. of operations carried out | 383 | 363 |

Valore Città Amcps, for the **road and pavement maintenance service**, ensures routine maintenance guaranteeing a round-the-clock emergency service. Thus, it periodically checks the conditions reporting the need for extraordinary maintenance to the Municipality of Vicenza.

For the **cemetery service**, understood as assistance, information and complaints to citizens and companies for the routine and extraordinary maintenance of the cemeteries of Vicenza, from the structures themselves to the access roads, during the various phases of design, works management and construction, the maintenance of green areas in these spaces, such as flower beds, trees and plants, as well as votive lighting. It also controls the operations of third parties in regard to the cemetery (the transport of coffins, the laying of tombstones, family tombs).

There are **8 managed cemeteries**: Maggiore in the city, Bertesina, Casale, Longara, Maddalene, Poggio, Settecà and "acattolico".

In 2017, the desk served **4,188** citizens for requests for information and paperwork to be carried out.

For **public residential buildings and emergency housing units** Valore Città Amcps takes care of the administrative and technical part by providing a desk where tenants can report any breakdowns or maintenance operations to be carried out.

In 2017, the desk served **3,477** citizens for requests for information or reports.

For the management of **the heating service to municipal buildings**, Valore Città Amcps carries out the maintenance and operation of the heating systems of the City structures. These are mainly school buildings, municipal offices, sports facilities, libraries, museums and welfare offices.

The aim of the service is to ensure the safety of such facilities, guaranteeing environmental comfort and reducing waste, by acting on combustion efficiency and their operation. Plant management is carried out through a computerised system (remote management).

Another **service** offered by Valore Città Amcps is the **routine maintenance of municipal property**, municipal non-residential buildings and other public assets.

Valore Città Amcps takes care **of the management of public green spaces** in the city of Vicenza taking care of flowerbeds, trees, parks and the green areas annexed to sports facilities and public buildings. Routine maintenance is scheduled during the year and the tree health status is also checked.

To submit a **report or a request for operation** it is sufficient to send the form available on www.aimAmcps.it/it/segnalazioni_e_richieste. In 2017, **7,628** reports were submitted.

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Suppliers

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Supplier Relations

The suppliers of the AIM Group Companies occupy a strategic position in achieving the Group's growth and sustainability objectives.

The AIM Group Companies are subject, in the various sectors, to the regulations governing public procurement contracts, the acquisition of assets and the assignment of services and the execution of works to third parties, the main legislative reference of which is the **Public Contracts Code**.

The selection of Suppliers is therefore carried out in compliance with the principles enshrined in **the EU Treaty for the protection of competition**, as well as the general principles of sound governance, effectiveness, efficiency and economy, aimed at ensuring that acquisitions and awards of contract are carried out with transparency and at the best conditions.

The internal rules of awards of contract and performance are also inspired by the legislative principles of proportionality, rotation, non-discrimination and equal treatment between economic operators.

The AIM Group, through its Tenders Portal, manages a centralised **Supplier Register**, which allows online registration and subsequent qualification during the tender phase of the economic operators concerned.

The economic operators to be consulted are identified on the basis of information regarding compliance with requirements related to general qualification, professional ethics, characteristics of economic-financial and technical-organisational qualification, and in particular, recently, minimum environmental requirements.

For some types of supplies and services, the AIM Group Companies require candidates, within reason and where permitted, to possess **specific technical, organisational and economic-financial skills**, as objective as possible and always proportionate to the nature and the subject of the contracts, as well as, more and more frequently, to prove the **fulfilment of the quality standards** issued on the basis of the European standards of the UNI EN ISO 9000 series and others.

All suppliers and contractors are required to comply with environmental and safety standards, to protect work conditions, and finally to **adhere to the Code of Ethics approved by the Group** and the management model pursuant to Italian Law No. 231/2001.

The AIM Group is implementing the dissemination and promotion of **sustainable issues and criteria** related to procurement and contracts, especially for specific types of purchases and for the performance of works, including through the application of **CAMs**, the **Minimum Environmental Criteria** required for a contract to be identified as "green" according to the guidelines of the PAN-GPP, National Green Procurement Action Plan.

In 2017, the Group Companies supported numerous collaborations for the development of sustainable information campaigns targeted at local trade associations interested in the various CAMs.

The **tenders** conducted in 2017, **containing sustainable criteria**, came to **13** for a total value of over 2.8 million Euro.

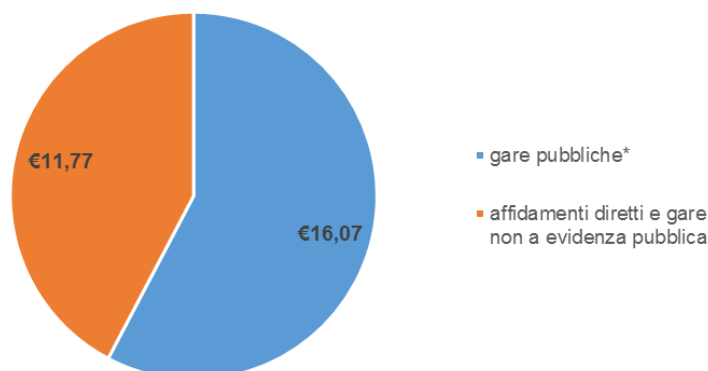
The AIM Group considers it important to spread knowledge and use of **environmental certifications**, not only referred to products and services but also within the scope of other processes and projects, a requirement that is now consolidating in many tenders, through ISO 9000, ISO 14000, OHSAS and other certifications.

The Group aims, in conclusion, to build a transparent, proactive and cooperative relationship with suppliers, involving them in the compliance with the quality, environmental and safety standards adopted by the Group.

In 2017 the AIM Group Companies placed orders with a value of **27,836,394.15 Euro** through **Public Tender** or **Direct award of contract/non-public tenders**.

Totale ordini 2017 (euro 27,86 mln)

*understood as public tenders with a value of over 40,000 Euro

**Public tenders**

The criteria for the selection of economic operators normally concern:

- a) professional competence requirements
- b) economic and financial standing
- c) technical and professional skills

The awarding of tenders mainly takes place with the criterion of the **most economically advantageous tender**, in order to evaluate, according to different parameters based on the type and characteristics of the award, economic, qualitative, social, environmental, ethical and safety aspects.

The Group Companies undertake to inform the supplier in a correct and timely manner regarding the characteristics of the contracts, the payment methods and times in compliance with current regulations and internal accounting procedures, contents and contractual clauses in general.

The AIM Group guarantees its suppliers that the performance of the contract is carried out in a manner consistent with the principles of equality, fairness, diligence and good faith in compliance with current legislation, the contracts signed and internal company procedures.

The professional and technical suitability of contractors or subcontractors in relation to works, services and supplies to be awarded either under a tender or by works contract or manpower supply contract is scrupulously verified, providing contractors with detailed information on specific risks in the environment in which they are intended to operate and on the preventive and emergency measures taken in relation to their activities.

Where applicable, the Companies prepare the **risk assessment document** which indicates the measures taken to eliminate or minimise the risks from interference; they draft the interference risk assessment document which includes an evaluation of the standard risks related to the type of work that could potentially derive from the performance of the contract.

The companies cooperate in the implementation of the measures designed to prevent and protect from risks on the work site that have an impact on the work activity subject to contract, coordinate the operations aimed at the protection from and prevention of the risks to which the workers are exposed, thereby exchanging information, in order to eliminate risks due to interference between the activities of the different companies involved in the performance of the overall work (Articles 14 and 26 of Legislative Decree 81/2008).

The electronic Supplier Register is available on the portal <http://gareonline.aimvicenza.it/portale/index.php> and can be accessed by all economic operators wishing to collaborate with the AIM Group.

The Group Companies, through AIM Vicenza Spa, in particular, use the specific and innovative electronic Portal for a more prompt and functional management of the procedures for the acquisition of goods, services and for the assignment of works.

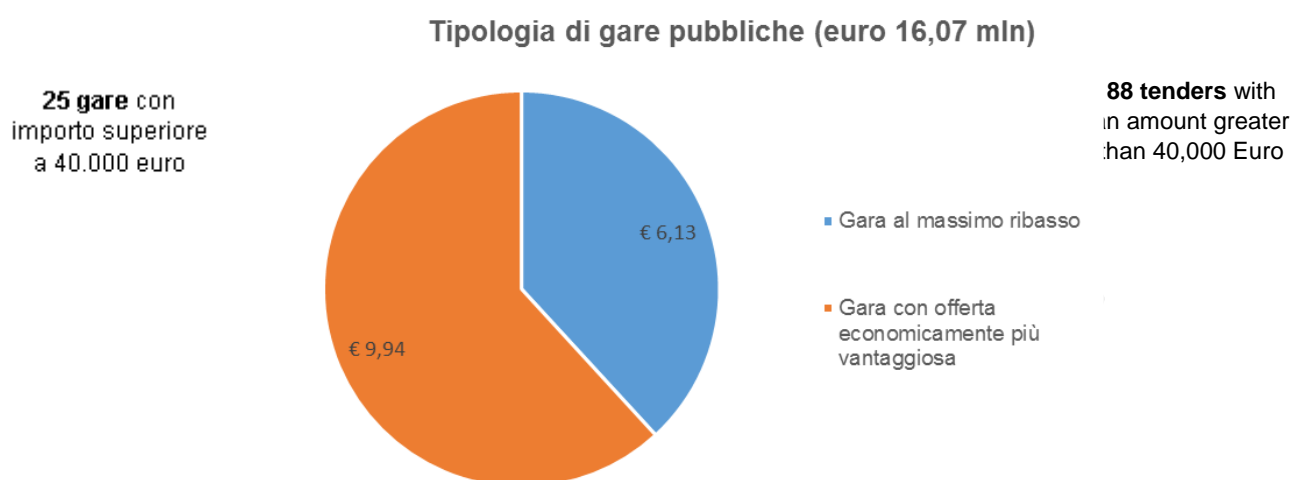
Thus, communication between AIM Vicenza Spa and companies is more straightforward and access to tender procedures is made easier.

The registration system of economic operators within the Portal, and their subsequent profiling, contributes to expanding the list of potential suppliers, as well as making the supply of goods and services and the assignment of works more open and competitive.

Registering suppliers are assigned unique and confidential credentials, which allow access to the Portal and the respective files.

The number of public tenders conducted by the Group in 2017 came to 113* for a total awarded value of over 16 million Euro.

*tenders starting from an amount greater than 40,000 Euro



Purchases on the territory

In 2017, the AIM Group issued 2,737 orders to **2,647 suppliers** for a total value of **27,836,394.15 Euro**.

| DESCRIPTION | 2017 | %* |
|-----------------------------|-------|--------|
| Suppliers (no.) | 2,647 | |
| of which from Veneto (no.) | 1,880 | 71.02% |
| of which from Vicenza (no.) | 1,381 | 52.17% |

*percentages of the total number of suppliers

| DESCRIPTION | 2017 | %* |
|-------------------------------------|------------|--------|
| Value of orders to suppliers (Euro) | 27,836,394 | |
| of which from Veneto (Euro) | 18,196,204 | 65.37% |
| of which from Vicenza (Euro) | 10,669,693 | 38.33% |

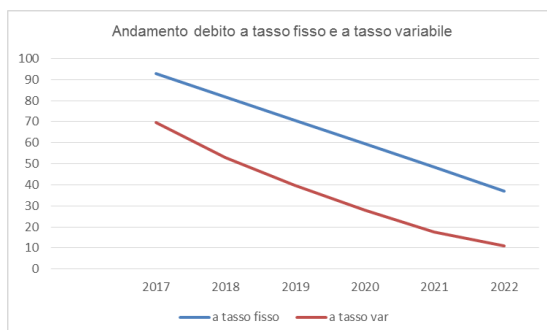
*percentages of the total number of suppliers

Lenders

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The Group pursues a policy aimed at the utmost transparency and fairness in communications with lenders, maintaining a balanced diversification and distribution of debt.

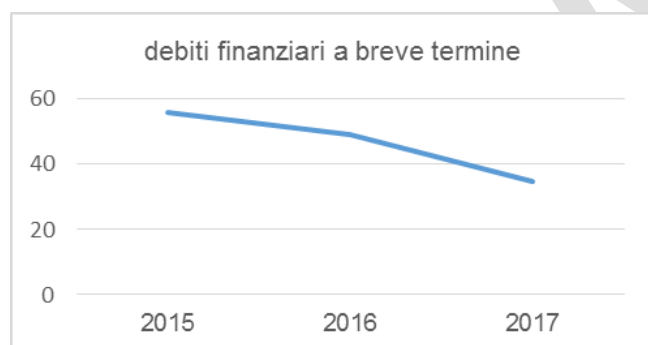
The financial management objective is to guarantee the Group an adequate current and future balance between investments and capital use on the one hand and sources of financing on the other hand and, for the latter, negotiate sustainable conditions, both in terms of repayment plan and rate type and extent.



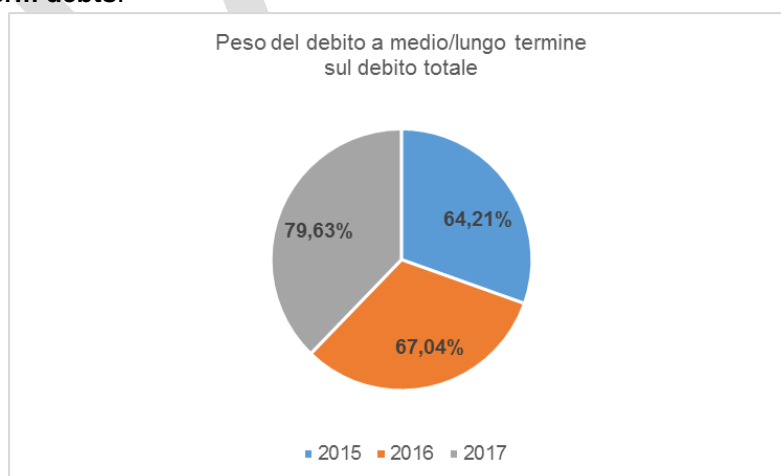
For the performance of its activities, the AIM Group resorts to self-financing, as well as to short-term debt capital (to be repaid within the following year) and long-term debt (to be repaid beyond the following year).

The debt capital structure at 31 December 2017 stood at 170.02 million, up 14.32%.

| EUR million | 2017 | 2016 | 2015 |
|-------------------------------------|--------|--------|--------|
| short-term financial payables | 34.63 | 49.02 | 56.06 |
| medium/long-term financial payables | 135.39 | 99.70 | 100.57 |
| Total financial debt structure | 170.02 | 148.72 | 156.63 |



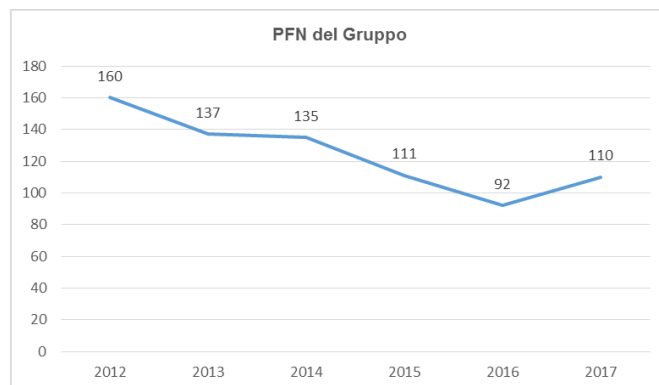
The Group's financial structure shows an **increase mainly due to the Bond issue** and **over 79% consist of medium/long-term debts**.



The credit facilities are not concentrated on a single lender but are distributed among the leading Italian banks with which the Group has entertained consolidated relations for years.

The **Net Financial Position** amounts to **110 million Euro**, up compared to 2016.

The overall position was substantially unchanged net of the accounts settled with the City of Vicenza, which is typically done at the end of the year.



The AIM Group is among the first Italian companies operating in the local public services sector which the **European Investment Bank** has involved in the new loan programme called "**Medium Sized Utilities Programme Loan**", intended to support companies' medium-term development plans.

The important banking institute, based in Luxembourg, has approved a credit line of **45 million Euro**, to directly finance **investments in the environment, gas, electricity and heat sectors planned in the five-year period 2014-2018**, period in which the AIM Group is called upon to face the challenges of the free market resulting from the withdrawal from the in-house arrangement, especially in the distribution of methane gas, but also in the business units relating to the management of company assets and the environment.

The **financial expenses accrued on debt capital** in 2017 also **fell by 4.71%** and amounted to over 5 million.

The AIM Group, for over 5 years, has entertained relations with the **Banca Etica** credit institution which recognised the Company's corporate and environmental requirements, thereby allowing the opening of some credit facilities aimed at the company's economic-corporate sustainability.

In September 2017, AIM Vicenza completed the process of **issuing an unsecured bond** amounting to 50 million Euro through listing on the regulated market of the **Irish Stock Exchange (ISE)**, one of the reference trading venues at the European level for the corporate bond market.

The **unrated private placement** was fully subscribed by **institutional investors**. The bonds will have a duration of 7 years, expiring in 2024, and an annual coupon of 1.984%.

The principal will be repaid according to an amortisation schedule divided into constant annual principal amounts.

The proceeds from the issue will be used to fund the important investment programme, in the various business areas, envisaged by the Business Plan approved by the Municipality of Vicenza and will allow, through a diversification of the sources of financing, to continue the Group's financial consolidation process pursued in recent years.

Among others, complex operations will be carried out on the electricity networks and part of the financial resources will contribute towards the upcoming tenders for the award of the methane gas distribution service. The operations planned in the environmental sector are not of secondary importance, among which the construction of a major centre in eastern Vicenza stands out.

Public Administration

DRAFT

Relations with the reference local authorities

The AIM Group pursues the objectives set by the reference public institutions and collaborates effectively with their bodies in the regulation and control of local public services.

The company pursues these objectives by combining them with its mission and with the need for the organisational and managerial autonomy typical of any economic operator.

The AIM Group regularly pays the **contributions** and **registration fees** due to entities and institutions.

As laid down by its Code of Ethics, "the Company does not grant contributions or benefits of any kind to political parties, movements, committees and political and trade union organisations, to their representatives and candidates, which may, in some way, be linked to the company's intention to favour them, except those that may be due according to specific regulations and agreements".

Among the contributions paid, the following Euro amounts are noted:

| | 2017 | 2016 |
|---|---------------|---------------|
| Regulatory authority (ARERA, AATo, ...) | Over 69,000 | Over 63,000 |
| Confederation bodies and membership fees (Utilitalia, industry associations, Confservizi, ...) | Over 189,000 | Over 92,000 |
| Provincial entities (TARI) | Over 930,000 | Over 950,000 |
| Regional entities | Over 3.80 mln | Over 3.64 mln |

The Institutions represent a privileged partner with whom to collaborate in the implementation of initiatives designed to generate positive effects on the social and economic fabric of the territory and on the citizens' quality of life, including by virtue of the essential nature of the services provided by the Group and their impact on the communities.

The AIM Group interacts with the various institutional players in compliance with the principles and rules set out in the Group's **Code of Ethics**, which dedicates Article 4 to relations with political institutions and trade unions, establishing that:

- In "**relations with reference local authorities**" the company pursues the objectives set by the reference public institutions and collaborates effectively with their respective bodies in charge of regulating and controlling local public services. The Group combines these objectives with its mission and with the need for the organisational and managerial autonomy typical of any economic operator.
- In "**relations with public administrations**" the AIM Group's corporate bodies must conduct themselves with the utmost fairness and integrity vis-à-vis the Public Administration. Therefore, there are no logics of conditioning the counterparty decisions, expressed or implemented in any form, aimed at influencing decisions in favour of the Company or requesting or obtaining favourable treatment. It is also forbidden to accept requests from Public Administration personnel aiming to subordinate decisions and acts in favour of AIM Vicenza to awards of whatsoever nature.
During business negotiations, requests or business relations with the Public Administration no actions proposing employment and/or business opportunities which may provide benefits, for oneself or others, to employees of the Public Administration or their relatives or in-laws, must be undertaken directly or indirectly.
Relations with Public Administrations are maintained by delegated corporate representatives. All the documentation summarising the procedures through which the AIM Group entered into negotiation or administrative contact with Public Administrations must be duly collected and filed. Upon the occurrence of episodes of this kind, or of more or less explicit attempts, it is required to promptly inform the Supervisory Board.
- The Group maintains the utmost transparency and independence in "**relations with political and trade union organisations**".

The relationship with the institutions is defined by a complex organisational model that assigns specific tasks and duties to the various company Functions. The Sole Director of AIM Vicenza Spa is responsible for the legal representation and the definition of institutional strategies, according to the guidelines given by the

shareholders; the General Manager takes all measures aimed at implementing the guidelines set by the corporate bodies.

The Group's operating companies, in concert with the parent company, manage the "technical-specialist" aspects of the managed services - gas, energy, district heating, environmental hygiene, parking and management of public property - including through consultation with the various administrative, regulatory and control bodies.

The AIM Group also maintains relations with **trade associations** by participating and **actively collaborating** in benchmarking against other companies and to promote regulatory and technological updates:

- **Utilitalia**, a federation that brings together companies operating in public water, environment, electricity and gas services, representing them at national and European institutions. It offers assistance, updating and training services as well as consultancy on contractual, regulatory, management, tax and legal aspects. Contributions paid in 2017 amounted to **over 69,000 Euro**.
- **Confservizi**, business trade union that represents, promotes and protects companies and entities that manage public administration services. **15,000 Euro** were paid in 2017.
- **Confindustria**, the leading organisation representing manufacturing and service companies in Italy with the task of contributing, together with political institutions and economic, social and cultural organisations, to the country's economic growth and social progress. Contributions paid in 2017 amounted to **over 15,000 Euro**.

The tax burden incurred by the AIM Group in the three-year period 2015-2017 was as follows:

| Taxes and duties €/000 | 2017 | 2016 | 2015 |
|---------------------------------------|--------------|--------------|--------------|
| Direct income tax for the year | 5,319 | 6,743 | 6,151 |
| IRES and IRAP | 5,319 | 6,743 | 6,151 |
| Indirect taxes and duties: | 676 | 771 | 884 |
| Other taxes | 624 | 710 | 776 |
| Vehicle ownership taxes | 52 | 61 | 108 |
| Total | 5,995 | 7,514 | 7,035 |

In addition, in 2017 the AIM Group paid **over 25 million Euro** in terms of **excise duties** relating to the natural gas and electricity sector charged to users in the billing phase.

The AIM Group is attentive to compliance with rules and regulations and **has no significant litigation proceedings against the Public Administration**.

The AIM Group Companies, for the functioning of the **Italian Regulatory Authority for Electricity, Gas and Water (ARERA)**, disbursed in the three-year period 2015-2017:

| Regulatory authority | 2017 | 2016 | 2015 |
|-----------------------------|-------------|-------------|-------------|
| ARERA contributions | Over 69,000 | Over 63,000 | Over 82,000 |

ARERA is an independent body established by Law 481/1995, which protects consumer interests and the promotion of competition, efficiency and the distribution of services through regulation and control activities. It also performs an advisory role vis-à-vis the Parliament and the Government to which it can submit reports and proposals.

The **economic benefits**, deriving from the Public Administration, received by the AIM Group in the three-year period 2015-2017 by way of **contributions**, amounted to Euro:

| Contributions received from the Public Administration | 2017 | 2016 | 2015 |
|--|------------------|------------------|------------------|
| Contributions from the Veneto Region | - | 1.53 mln | 9.298 mln |
| Contributions from the Province | - | 151,740 | 750,000 |
| Contributions from Cassa Conguaglio Settore Elettrico | 9.65 mln | 8.60 mln | 4.41 mln |
| Other contributions | 362,470 | 458,240 | 537,000 |
| Total | 10.01 mln | 10.74 mln | 14.99 mln |

As a result of the sale of the local public transport business unit, the AIM Group did not receive contributions from the Veneto Region and the Province of Vicenza in 2017.

Human Resources

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Human resources are an **essential business asset**. Their development represents a fundamental factor for the performance of the activity and for the achievement of the AIM Group's objectives. The **human resource optimisation principle** is also one of the guiding values, as indicated in the Code of Ethics.

Headcount and Characteristics



Employees:

| | 2017 | 2016 | 2015 |
|-----------------|------|------|------|
| Employees | 650 | 654 | 898 |
| <i>of which</i> | | | |
| permanent | 597 | 619 | 866 |
| temporary | 53 | 35 | 32 |

91.85% of the Group's personnel are employed under **permanent contracts**.

The breakdown of personnel by **age** and **type of contract** is as follows:

| AGE GROUP | of which Temporary | of which Permanent | Total |
|----------------------|--------------------|--------------------|------------|
| up to 29 years | 6 | 16 | 22 |
| From 30 to 49 years | 30 | 259 | 289 |
| 50 years and beyond | 17 | 322 | 339 |
| Overall Total | 53 | 597 | 650 |

The breakdown by **age** of human resources shows, in particular, a greater presence in **the age group included between 50 and beyond, equal to 52.15%** of personnel, of which **94.99%** is under a **permanent contract**.

The **temporary contract** is more evident for the **age group included between 30 and 49 years**.

To better describe our resources, below is their breakdown by **job title, age and gender** in 2017:

| JOB TITLE | AGE GROUP | GENDER | | TOTAL |
|---|---------------------|------------|------------|------------|
| | | F | M | |
| senior managers | Up to 29 years | 0 | 0 | |
| | from 30 to 49 years | 0 | 3 | |
| | 50 years and beyond | 0 | 6 | |
| total senior managers | | 0 | 9 | 9 |
| white collar and middle managers | up to 29 years | 16 | 3 | |
| | from 30 to 49 years | 75 | 80 | |
| | 50 years and beyond | 53 | 99 | |
| total white collar and middle managers | | 144 | 182 | 326 |
| blue collar | up to 29 years | 0 | 3 | |
| | from 30 to 49 years | 4 | 127 | |
| | 50 years and beyond | 1 | 180 | |
| total blue collar | | 5 | 310 | 315 |
| Overall Total | | 149 | 501 | 650 |

The Group's workforce breaks down as follows: **1.39% of Senior Managers, 50.15% middle managers and white collar workers** and **48.46% blue collar workers**. The breakdown of the **female presence** within the Group indicates that women are **22.92%** of the company's population, of which 96.64% is qualified as a white collar worker/middle manager. **53.02% of women** are in the **30 to 49 age group**. There are no women at managerial level.

Personnel seniority, relating to 650 total resources in 2017, is as follows:

| PERSONNEL SENIORITY | 2017 | % | 2016 | % |
|----------------------|------------|-------------|------------|-------------|
| above 25 | 189 | 29.08% | 199 | 30.43% |
| from 16 to 25 | 204 | 31.38% | 190 | 29.05% |
| from 6 to 15 | 168 | 25.85% | 175 | 26.76% |
| less than 6 | 89 | 13.69% | 90 | 13.76% |
| Overall Total | 650 | 100% | 654 | 100% |

Below is a more detailed highlight of the resources according to **job title**, **seniority** and **gender**.

| JOB TITLE | PERSONNEL SENIORITY BRACKET | F | M | TOTAL | % |
|----------------------------------|-----------------------------|------------|------------|------------|-------------|
| senior managers | above 25 | 0 | 1 | 1 | 0.15% |
| | from 16 to 25 | 0 | 3 | 3 | 0.46% |
| | from 6 to 15 | 0 | 3 | 3 | 0.46% |
| | less than 6 | 0 | 2 | 2 | 0.31% |
| Total | | 0 | 9 | 9 | |
| white collar and middle managers | above 25 | 32 | 65 | 97 | 14.92% |
| | from 16 to 25 | 35 | 59 | 94 | 14.46% |
| | from 6 to 15 | 54 | 39 | 93 | 14.31% |
| | less than 6 | 23 | 19 | 42 | 6.46% |
| Total | | 144 | 182 | 326 | |
| blue collar | above 25 | 0 | 91 | 91 | 14% |
| | from 16 to 25 | 1 | 106 | 107 | 16.46% |
| | from 6 to 15 | 4 | 68 | 72 | 11.08% |
| | less than 6 | 0 | 45 | 45 | 6.92% |
| Total | | 5 | 310 | 315 | |
| Overall Total | | 149 | 501 | 650 | 100% |

The breakdown by **seniority** of human resources shows, in particular, a greater presence in the seniority bracket **from 16 to 25 years**, equal to **31.38%** of personnel comprising for the most part the category of **blue collar workers**.

The personnel breakdown in the three-year period 2015-2017 **by educational qualification** is as follows:

| | 2017 | 2016 | 2015 | % 2017 | % 17/16 | 2017 of which temporary | 2017 of which permanent |
|--|------------|------------|------------|--------|---------|-------------------------|-------------------------|
| University degree | 78 | 81 | 74 | 12.00% | -3.70% | 9 | 69 |
| High School degree | 259 | 258 | 322 | 39.85% | +0.39% | 14 | 245 |
| Professional qualification certificate | 63 | 65 | 87 | 9.69% | -3.08% | 5 | 58 |
| Middle school diploma | 241 | 243 | 411 | 37.08% | -0.82% | 22 | 219 |
| Primary school diploma | 9 | 7 | 4 | 1.38% | +28.57% | 3 | 6 |
| TOTALS | 650 | 654 | 898 | | | 53 | 597 |

The breakdown **by educational qualification** shows that **76.93%** of the personnel has a **high school degree** or a **middle school diploma**. **12%** has a **university degree**.

The personnel **turnover rate** (rotation rate), obtained from the ratio of the sum of people joining and leaving the company in the year to the total number of employees, shows the following trend:

| | Personnel | Turnover rate |
|--------------------------------|------------|---------------|
| Personnel at 01/01/2015 | 903 | 3.99% |
| Joining | 44 | |
| Leaving | 49 | |
| Personnel at 31/12/2015 | 898 | 10.36% |
| Joining | 21 | |
| Leaving | 37 | |
| Leaving business unit | 228 | |
| Personnel at 31/12/2016 | 654 | 8.87%* |
| Joining | 36 | |
| Leaving | 40 | |
| Personnel at 31/12/2017 | 650 | 11.69% |

*not considering employees leaving the business unit

Recruitment

Recruitment Policy

The recruitment of new employees of the parent company and its investees takes place according to the **principles** of:

- adequate publicity of the recruitment;
- methods that guarantee impartiality and ensure cost-effectiveness and speed of completion;
- respect for equal opportunities between female workers and male workers.

The **request for new positions** is made **public** through the publication **on the Group's website www.aimgruppo.it** in the **"Work with us"** section.

The **Evaluation Committee** is made up of the Company's Director or one or two of his delegates, the direct superior of the candidate in the recruitment phase and the Human Resources Manager or his delegate; the Company's Directors as well as the personnel who hold political offices or union positions may not hold the role of members of the Evaluation Committee.

The Evaluation Committee **preliminarily verifies whether the candidates meet the requirements** for admission, taking into consideration the documentation submitted by the candidates themselves.

Screening of the CVs received is based on the **objective and transparent recruitment requirements and criteria established in the recruitment notice**, taking into account the organisational position that the candidate is called to fill.

These requirements/criteria derive from the combination of the following elements:

- educational/training background;
- professional experience;
- technical and practical skills.

The Committee proceeds with one or more **individual interviews**, following which the final ranking will be drawn up.

Based on the number of successful candidates and/or the professional skills sought, the Committee will also proceed with one or more psycho-aptitude tests (written and/or practical tests), selecting a final shortlist of candidates, which will be submitted to a further individual interview, at the end of which the final ranking will be drawn up.

At the end of the recruitment process, the Evaluation Committee draws up a document that summarises the recruitment processes adopted, indicating a **final ranking based on the criteria followed**, proposing the hiring of the candidate(s).

In the event of withdrawal of the chosen candidate(s), the next candidate will be hired with a sliding of the ranking until the last of the candidates deemed suitable.

The CVs received at the office, after a period of two years, will be destroyed, according to the provisions of the current legislation on privacy.

The company reserves the right to propose forms of part-time or full-time employment depending on the company's needs.

The form of employment is specified at the time the recruitment notice is published.

Forms of permanent employment are preferred, in order to favour the stable employment of personnel; however, we reserve the right to request employment according to temporary forms, where business needs require it.

The duration of any temporary employment is indicated at the time the recruitment notice is published.

Hiring takes place with an individual employment contract, in line with the national collective agreements (of a private nature) applied by the Company depending on the category to which it belongs.

A total of **36 people** were hired in 2017.

| AGE | NUMBER | F | M | WHITE COLLAR WORKERS | BLUE COLLAR WORKERS |
|---------------------|-----------|-----------|-----------|----------------------------|---------------------------|
| up to 29 years | 5 | | | | |
| from 30 to 49 years | 17 | | | | |
| 50 years and beyond | 14 | | | | |
| TOTAL | 36 | 10 | 26 | 14 | 22 |

Terminations

A total of **40 people** terminated employment in 2017.

| AGE | NUMBER | F | M | SENIOR MANAGERS | WHITE COLLAR WORKERS | BLUE COLLAR WORKERS |
|---------------------|-----------|----------|-----------|--------------------|----------------------------|---------------------------|
| up to 29 years | 2 | | | | | |
| from 30 to 49 years | 15 | | | | | |
| 50 years and beyond | 23 | | | | | |
| TOTAL | 40 | 7 | 33 | 1 | 18 | 21 |

The main **reason** for the **termination of employment** is attributable to:

- 18 retirements (45%);
- 8 voluntary resignations (20%);
- 2 dismissals for justified reason (5%);
- 2 transitions between Group companies (5%);
- 10 temporary contracts expired (25%).

Disciplinary measures

In 2017, the AIM Group companies issued **36 disciplinary measures** against their employees.

The **Personnel belonging to protected categories** operating in the AIM Group are as follows:

| | 2017 | 2016 | 2015 |
|----------------------|------|------|------|
| Protected categories | 35 | 34 | 34 |

| | | | |
|----------------------|-------|-------|-------|
| % of total employees | 5.38% | 5.20% | 3.79% |
|----------------------|-------|-------|-------|

The 37 resources are 14 women and 21 men, who hold the following positions:

- 22 white collar workers/middle managers
- 13 blue collar workers

The residence of the **650** employees of the AIM Group in the three-year period 2015-2017 is broken down as follows:

| | 2017 | 2016 | 2015 | % 2017 |
|-------------------------|------|------|------|--------|
| Municipality of Vicenza | 243 | 230 | 312 | 37.38% |
| Province of Vicenza | 335 | 350 | 516 | 51.54% |
| outside the Province | 72 | 74 | 70 | 11.08% |

88.92% of AIM employees reside in the Municipality of Vicenza or in other municipalities of the same province.

Part Time

In order to better **reconcile private life and work**, the Group implements flexible working hours that allow many employees to perform their job with working hours that can be compatible with their daily private life needs.

In the AIM Group, **53 employees** take advantage of reduced working hours as broken down below by job and gender:

| Job title | F | M |
|------------------------------|-----------|----------|
| White collar/middle managers | 45 | 1 |
| Blue collar | 0 | 7 |
| Total | 45 | 8 |

The percentage of employees who take advantage of **part time** is **8.15%** of which **84.91%** are female. **Women** who take advantage of part time are **30.20%** of the total number of women in the AIM Group.

Corporate welfare

In 2017, certain AIM Group companies signed, together with the Trade Union Organisations and, where present, the single company union representative, an agreement establishing the Performance Bonus for the two-year period 2017/2018.

The possibility of **converting, in whole or in part, the amount of the Performance Bonus into forms of welfare** is envisaged.

Among the "Flexible Benefits" that the AIM Group makes available to beneficiaries are: fuel vouchers, food vouchers, shopping vouchers, health packages, travel packages, cinema, theatre, gym and swimming pool season tickets, educational and training expenses, other care costs, etc.

AIM Group companies make available an individual budget to beneficiaries, equal to the portion of the envisaged Performance Bonus, to be paid via the forms described above. The choice of conversion of the Bonus into Welfare benefits can be performed by beneficiaries by logging on to the **Welfaremeet portal**. Failure to choose conversion into one of the proposed benefits will result in full payment of the Bonus in the salary, with reduced taxation.

Advances on employee severance indemnities for personnel needs

The **employee severance indemnities** that the Group **advanced** to its personnel in 2017, to meet their needs, amounted to **21,801.10 Euro (91,971.32 Euro in 2016)**.

Training

In the three-year period 2015-2017, AIM Group companies developed the following **training courses** for their personnel:

| Training | 2017 | 2016 | 2015 |
|--|-------|-------|-------|
| Number of courses | 178 | 193 | 219 |
| Total number of hours | 9,370 | 8,864 | 9,410 |
| Number of participants in all editions | 1,493 | 1,519 | 2,189 |
| Number of participants | 467 | 553 | 807 |

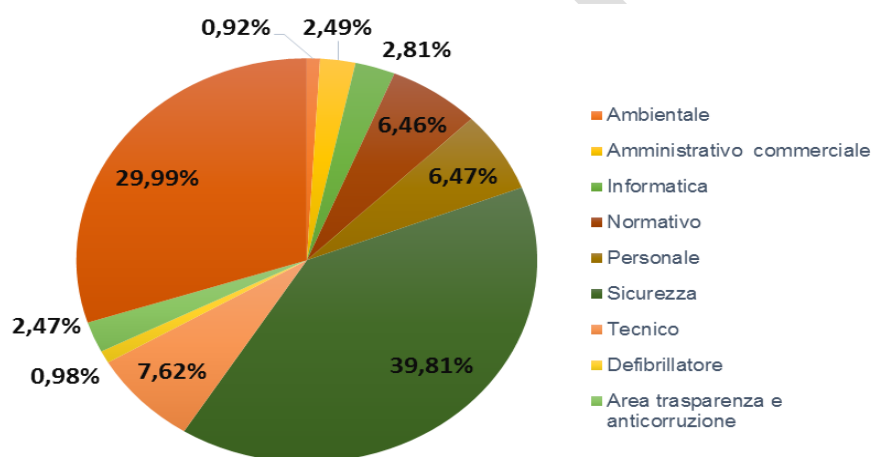
Training hours in 2017 increased by 5.71% despite a decrease in the number of courses and participants.

In 2017, the per capita training hours per participant amounted to 6.28.

71.85% of employees took part in at least one training course during the year.

The Group **invested 291,137 Euro** for personnel training.

Training hours in 2017 were divided as follows into **thematic areas**:



Human resources trained were divided as follows by gender and job:

| | M | F |
|------------------------------|------------|-----------|
| Senior managers | 8 | 0 |
| Middle managers/white collar | 379 | 60 |
| Blue collar | 16 | 4 |
| Total | 403 | 64 |

The male gender trained accounts for **86.30%** of the overall total, of which mostly **middle managers and white collar workers**.

Courses delivered internally and externally

For training its employees, the AIM Group organises courses inside the company or in training centres in the vicinity of the company head office.

Number of courses delivered internally: **93**

Number of courses delivered externally: **85**

Total number of training hours delivered internally: **8,195**
 Total number of training hours delivered externally: **1,175**

Total hours of employee training on Transparency and Anti-corruption aspects: **231**
 % of specific training on total training hours: **89.81%**

Specific training is that delivered to workers based on the job performed; generic training, on the other hand, is training delivered indiscriminately to all workers in accordance with applicable legislation.

Total number of specific training hours: **8,415**
 Total number of generic training hours: **955**

Number of courses with specific training on total courses: **88.20%**
 Number of specific training courses: **157**
 Number of generic training courses: **21**

Training internships

During 2017, the AIM Group collaborated with the High Schools and Universities, giving the opportunity to **52 students**, for a total of **303 weeks**, to be able to test the scholastic/university knowledge acquired in the field, through the implementation of both paid and unpaid internships.

In particular, 36 students participated in the innovative teaching method implemented by the AIM Group called "**School-Work Alternation**", which provides, through specific projects in line with their study plan, a first significant contact with the employment world.

Incentive system

Incentive payments are linked to the achievement of profitability, quality and production effectiveness objectives of the individual companies and of the AIM Group, in the presence of positive results.

By profitability, quality and production effectiveness objectives is meant the orientation towards implementation of the development and rationalisation guidelines contained in the Business Plan, as defined and articulated in the budgets of each individual Company.

The indispensable elements for payment or otherwise of the incentive are achievement of a profit in the financial statements of the Company and consolidated financial statements of the Group. Once the condition has been fulfilled, payment of the incentive will depend on the achievement of the profitability, quality and production effectiveness objectives of each Company, Division or Service, for 90% of the amount established per capita for the 2017 incentive.

The incentive will therefore be correlated as follows:

- 45% with the Profitability parameter;
- 45% with the Production Effectiveness and Quality parameter and, in particular, with the results obtained in the implementation of projects or objectives;
- the remaining 10% will be allocated to individual workers according to the assessments made by their respective managers based on the objective criteria agreed and submitted to the approval of the Senior Managers of the individual Companies, Divisions or Services and validated by the Parent Company. Managers have been trained, in specific sessions with external experts, in order to make application of the assessment criteria as homogeneous as possible.

For payment of the latter component of the incentive, the criteria are:

- effectiveness and continuity of collaboration;
- technical operational support in achieving company objectives;
- results achieved;
- initiative;
- proactivity.

Industrial Relations

The **National Collective Bargaining Agreements (CCNL)** applied in the AIM Group and the labour relations governed by each agreement are as follows:

| CCNL | 2017 | 2016 | 2015 |
|------------------------------------|------------|------------|------------|
| Utilitalia Gas-Water CCNL | 227 | 225 | 235 |
| Electricity Sector CCNL | 176 | 186 | 195 |
| Public transport - LPT CCNL | 5 | 5 | 245 |
| Tertiary and Services CCNL | 39 | 38 | 24 |
| Utilitalia Environment CCNL | 128 | 127 | 128 |
| FISE - Environment CCNL | 64 | 61 | 60 |
| Senior Managers - Confservizi CCNL | 9 | 10 | 11 |
| Building - Industry CCNL | 2 | 2 | |
| Total | 650 | 654 | 898 |

In AIM Group Companies, as required by the National Collective Bargaining Agreements, the **negotiating delegations** have been set up, consisting of, on the part of the company, the management and the Head of the Human Resources Department, and, on the part of the trade unions, of the single company union representative, where present, and of representatives of the relevant Trade Union Organisations.

The Companies inform the trade unions about the documents of general validity, concerning labour relations, organisation of the departments and human resources management. Depending on the subject matter, the Companies convene the entire trade union delegation.

The **trade union membership rate** in the AIM Group in 2017, calculated considering the number of personnel having joined the union compared to the total number of employees, was equal to **41.85%**; during 2017, **25 union meetings were held**.

| | 2017 | 2016 |
|---|--------|--------|
| Union membership rate % | 41.85% | 42.87% |
| Number of union meetings | 25 | 32 |
| Hours of union meetings | 1,206 | 749 |
| Hours of absence per capita for strikes | 0.06% | 2.68% |

Social Activities

In the AIM Group, social activities are entrusted to internal Recreation Centres, which periodically organise, outside working hours, **trips, excursions and activities** of various kinds for employees and their family members and stipulate **agreements** with a number of sports/cultural organisations to guarantee facilities for its members.

The **Centres** currently set up are self-governed and functionally and administratively autonomous and cater for the employees, respectively, of AIM Spa, Servizi a Rete and AIM Energy, the employees of VALORE CITTA' AMCPs and employees of AIM Mobilità.

The AIM Group has created its own **sports group** that organises sports initiatives, activities and competitions in which both employees and people external to the Group can participate. The activity of this group can be consulted on the website www.aimgruppospportivodilettantistico.it

Moreover, AIM traditionally celebrates **May Day** by organising a **day out for employees and former employees of the AIM Group**.

In addition, in 2017 some **AIM employees raised funds** to support the activities of local voluntary associations, in particular:

| INITIATIVES IMPLEMENTED BY AIM RESOURCES | VOLUNTEER ASSOCIATIONS SUPPORTED | FUNDS RAISED |
|--|----------------------------------|--------------|
|--|----------------------------------|--------------|

| | | |
|------------------------------------|--|----------------|
| Easter lottery and fundraising | Città della Speranza (City of Hope) | € 869 |
| Sale of Christmas and Easter cakes | Associazione Donatori Midollo Osseo (Bone Marrow Donors Association) (ADMO) | € 906 |
| Sale of Christmas teddy bears | Associazione Italiana Sclerosi Multipla (Italian Multiple Sclerosis Association) (AISM) | € 315 |
| TOTAL | | € 2,090 |

Absenteeism

The **absenteeism rate**, broken down by nature, recorded in 2017 by the AIM Group, in the sense of the ratio of days not worked to the number of days workable by all employees, was as follows:

| GROUP ABSENTEEISM RATE | % |
|---|----------------|
| Illness | 3.22% |
| Injury | 0.65% |
| Maternity | 1.07% |
| Strike | 0.06% |
| Blood donation | 0.12% |
| Other | 2.36%* |
| Total Group Absenteeism Rate (excluding Holiday) | 7.49%** |

* Other means the hours used for union meetings, union service leave, polling station leave, bereavement leave, etc.

** The Group's total absenteeism rate does not include holidays and generic leave of AIM Group human resources.

The **retention rate** in 2017 was **100%**.

Accidents

| GROUP ACCIDENTS | 2017 | 2016 |
|---|-------------|-------------|
| Accidents in the workplace | 31 | 30 |
| Accidents while commuting | 5 | 3 |
| Total accidents | 36 | 33 |
| Total days of absence due to accidents | 1,007 | 1,024 |
| <i>of which days of absence for commuting accidents</i> | 121 | 260 |

Commuting accidents refer to accidents involving employees that take place while commuting from home to the workplace, whose causes depend mainly on factors that cannot be managed by AIM Group companies. As regards **accidents in the workplace**, in order to prevent them and minimise their number, AIM Group companies carry out the following activities, in line with legislative requirements regarding safety in the workplace:

- information on risks in the workplace;
- health surveillance (periodic examinations);
- preparation of risk assessment documents;
- preparation of internal emergency plans;
- provision of personal protective equipment (accident prevention equipment);
- health and safety training.

The main **accident indicators** of the AIM Group are as follows:

(the calculations used for the indicators refer to overall accidents with commuting and 0 days accidents)

| ACCIDENT INDICATORS | 2017 | 2016 |
|----------------------------|-------------|-------------|
| Severity * | 0.98 | 0.93 |
| Frequency ** | 35.12 | 28.93 |
| Incidence *** | 57.75 | 48.25 |

| | | |
|----------------------|--------------|--------------|
| Duration **** | 27.97 | 32.30 |
|----------------------|--------------|--------------|

* (total days of absence/total hours worked)*1,000

** (total accidents/hours worked)*1,000,000

*** (total accidents/average number of employees)*1,000

****(total days of absence/no. of accidents)

The accident incidence indicator shows a small increase due to the increase in commuting accidents and similarly there is an increase in the frequency indicator.

The accident duration indicator decreased compared to 2016, indicating a lower severity of individual episodes, while the severity indicator increased slightly.

Meetings are scheduled during the year involving the Management, the Health and Safety Department, the Company Doctor and workers' safety representatives to manage actual or potential problems related to workers' health and safety.

Among the human resources employed by the Group, it is believed that the jobs most exposed to high incidence and high risk of specific occupational diseases are those related to construction, road and urban health activities.

In 2017, the AIM Group signed a trade union agreement to protect workplace safety concerning adoption of the "man on the ground" system for isolated or solo workers.

Personnel Costs

The costs that AIM incurs for its employees mainly take into consideration:

- both immediate (personnel remuneration and miscellaneous expenses) and deferred (severance indemnities) direct remuneration;
- indirect remuneration (social security contributions borne by AIM Group companies);
- remuneration for non-employee personnel.

In the performance of their activities, in addition to employees, AIM Group companies make recourse to the professional services of the **Board of Directors** and the **Board of Statutory Auditors** (non-employee personnel), the former with management and the latter with control functions.

These **personnel costs**, reclassified, were as follows in the three-year period 2015 – 2017(€/000):

| Personnel Costs | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|
| Employees | 34,216 | 36,819 | 45,999 |
| Wages and salaries | 23,048 | 24,891 | 31,373 |
| Employee severance indemnities | 1,525 | 1,795 | 2,245 |
| Employee pensions and similar obligations | 247 | 247 | 302 |
| Miscellaneous services for employees | 1,706 | 1,368 | 1,771 |
| Other personnel costs | 237 | 389 | 245 |
| Total direct remuneration | 26,765 | 28,690 | 35,936 |
| Social security contributions | 7,451 | 8,129 | 10,063 |
| Total indirect remuneration | 7,451 | 8,129 | 10,063 |
| Non-employee personnel | 474 | 472 | 547 |
| Board of Directors fee | 275 | 287 | 237 |
| Board of Statutory Auditors fee | 199 | 185 | 220 |
| Total personnel costs | 34,690 | 37,291 | 46,546 |

These costs are a significant indicator of the contribution of the AIM Group to employment in the **local area (Vicenza and province)** in which **88.92%** of its employees reside.

| AVERAGE PERSONNEL REMUNERATION | | |
|---------------------------------------|---------------|-------------|
| JOB TITLE | GENDER | |
| | WOMEN | MEN |
| Senior managers | - | € 98,249.65 |
| Middle managers and white collar | € 32,406.02 | € 38,401.42 |
| Blue collar | € 24,356.09 | € 28,990.71 |

The company guarantees equality of remuneration between males and females with the same conditions. The above values show a gap justified by the greater length of service of men compared to women, as can be seen from the previous table showing the seniority data.

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The Shareholder

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The sole shareholder of AIM Vicenza Spa is the **Municipality of Vicenza** which owns **100% of the share capital**.

The Company, vis-a-vis its shareholder, ensures **the effective participation** of all members of corporate bodies in the shareholders' meeting through timely information on the items on the agenda, in order to establish a fruitful dialogue among the Shareholder, the Board of Directors and the Board of Statutory Auditors; in addition, the AIM Group seeks maximum transparency in both corporate disclosures and personal relationships.

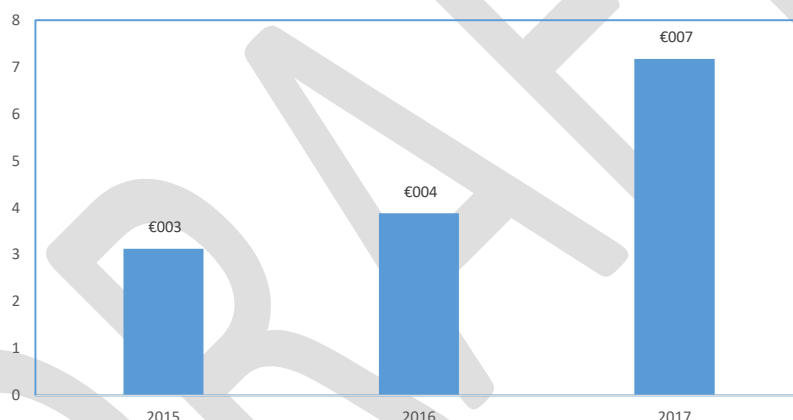
The relationship, from a corporate point of view, consists of **the statutory shareholders' meetings and those envisaged by the articles of association**.

The company has concluded contracts called "**service contracts**" with the Municipality of Vicenza for performance of the activities subject to concessions and/or administrative authorisations.

Share capital

The share capital of AIM Vicenza Spa amounts to **€ 71,293,000** and consists of **1,425,860 ordinary shares**, worth € 50.00 each, owned entirely by the Municipality of Vicenza.

In 2017, the AIM Group paid **dividends** to the Municipality of Vicenza of **910,000 Euro referring to the profits allocated from the 2015 financial statements**. In addition, reserves of 6,266,401 Euro were distributed in 2017.



The Community

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The Environmental commitment of the AIM Group



Direct and indirect energy consumption

The Group's **direct energy consumption** refers to the use of fuel for the production of electricity and heat in the Group's plants (cogeneration plant, boilers, landfill) as well as non-renewable primary energy flows not directly connected with energy production (e.g. heating, transport fuels used in performing company activities).

Indirect energy consumption, i.e. the electricity that the Group purchases and consumes, refers to the Group's production sites and plants. The electricity used by the energy production plants is partly self-produced and the related values are included in the direct fuel consumption.

All the Group's electricity was purchased by the investee AIM Energy and is entirely green energy, i.e. deriving from renewable sources.

2017 saw the following figures:

| | 2017 | |
|---|---------------------------------------|---------------|
| Consumption from energy sources for production uses | | |
| Biogas engines – Grumolo delle Abbadesse | Purchase of electricity – kWh | 5,255.00 |
| | Self-consumption of electricity – kWh | 300,844.50 |
| Cogeneration plant - Cricoli | Purchase of natural gas – Scm | 6,471,406.00 |
| | Purchase of electricity – kWh | 1,594,233.00 |
| Lobia hvdroelectric power plant | Purchase of natural gas – Scm | 11,765,375.00 |

| | 2017 | |
|--|-------------------------------|--------------|
| Consumption from energy sources not for production uses | | |
| Public Lighting | Purchase of electricity – kWh | 8,268,876.00 |
| Company sites | Purchase of natural gas – Scm | 148,109.97 |
| | Purchase of electricity – kWh | 1,141,619.00 |
| Electric car charging stations | Purchase of electricity – kWh | 6,055.00 |
| Car park management (parking meters, cameras, signs, etc.) | Purchase of electricity – kWh | 876,926.00 |
| Fuel consumption for the Group's vehicles | | |
| Group vehicles | Petrol - Litres | 80,334.58 |
| Group vehicles | Diesel - Litres | 769,056.41 |
| Group vehicles | Methane - Litres | 4,587.00 |

Waste production

Correct management of the waste produced in the performance of its activities is a concrete example of the Group's attention to the protection of the local area.

The production of waste derives in particular from operations, routine and extraordinary maintenance and production carried out in the various Group sites.

The management of waste and its disposal takes place in compliance with current legislation.

In all the Group's sites, sorted waste collection systems have been installed, aimed at increasing recycling. With regard to disposal methods, most of the waste produced is treated and recovered.

In 2017, a total of **1,616,491 Kg*** of waste was produced by the Group.

*waste deriving from the activity in company sites, not constituting urban waste. Special waste collected separately from urban waste.

Company vehicle fleet

The company vehicle fleet is subject to particular attention by the Group, which is committed to reducing atmospheric emissions deriving from road traffic, through the systematic renewal of the most polluting vehicles.

In 2017, the Group's vehicle fleet consisted of:

| Fuel used by company vehicles | 2017 |
|-------------------------------|------------|
| Petrol | 157 |
| Diesel | 364 |
| Petrol and Diesel | 28 |
| Methane | 9 |
| Electric | 10 |
| Total company vehicles | 568 |

Vehicles using **traditional fuels** account for over **96% of the company fleet**, but as from 2016, the Group is adopting a **policy of disposing of the most polluting vehicles** and **purchasing vehicles powered by alternative fuels** with a lower environmental impact.

Biodiversity protection

The AIM Group operates in an area rich in Biodiversity, also due to the fact that the services provided are many and varied in terms of type and location, and therefore all personnel undertake daily to safeguard the environment in which they operate, be it a protected or urbanised area, implementing control and monitoring actions.

Before implementing new projects and maintenance activities of a certain importance, which could give rise to environmental impacts in particular areas, the Group submits the intervention to more specialised assessments for the safeguard of the area affected by the service.

The Group's electricity generation activities, in particular for the Lobia local Power Plant, have an impact on water resources - the Bacchiglione River - from which water is taken and in which it is subsequently discharged, and all the activity is managed in compliance with the concession issued by the competent Authorities and with current legislation.

In particular, the safeguard of the restocking of the fry is of interest to AIM; this is a regulatory requirement for operators of run-of-the-river hydroelectric plants, since the dam can be an obstacle to the reproduction of freshwater fish which run up and down the river.

Therefore, the Veneto Region requires the signing of a contract with its agency Veneto Agricoltura for restocking the rivers with newborn fish ("fry"), produced on farms and then released upstream of the dam and in tributaries, according to a defined criterion.

For the other waste production and management activities carried out by the Group, there is no environmental hazard since the areas of the sites are not of the protected type. The Grumolo delle Abbadesse landfill is managed in harmony with the vegetational climate of its location, also as regards the **biogas** plant.

For the natural gas and electricity distribution service, there is no impact on biodiversity, other than the utmost attention to the materials and equipment used to manage the network to guarantee there is no environmental impact.



The social commitment of the AIM Group

The AIM Group has been serving the city and the Vicenza area for over 110 years. It has always been attentive to socio-economic and environmental changes, committed to the responsible management of natural resources, to the improvement of its results, to the use of increasingly efficient and low environmental impact technologies and to communication respectful of and attentive to the needs of the Vicenza community.

In 2017, the External Relations and Communication Department produced over 80 press releases that generated over 120 television broadcasts and nearly 700 articles in the local and national press. The Department manages relations with the third sector associations that have always made Vicenza one of the cities and provinces most rich in volunteer opportunities.

2017 was characterised by an attentive promotion of initiatives that generated social integration, fairness and development sustainability.

The AIM Group in fact contributed to the socio-cultural growth of people and the local community, ensuring opportunities for getting together, strengthening the identity of places and people, implementing proactive policies for the local area and increasing its visibility, competitiveness and attractiveness.

2017 saw the participation of the AIM Group in the 34th Annual Meeting of ANCI, the association of Italian municipalities that met from 11 to 13 October at the Vicenza Trade Fair Area, with the theme "City dot zero. Imagine tomorrow, govern today". For three days Vicenza was the capital of local government officials from all over Italy, who welcomed the President of the Republic Sergio Mattarella and numerous other guests and members of the political, industrial and communication world.

During the year, the AIM Group also **sponsored numerous events of national importance** for an amount **exceeding 280,000 Euro**, such as the Biblical Festival, the Municipal Theatre season and cultural and sport associations that carry out their valuable social activity in the Vicenza area.

The impact on the Community of the AIM Group

| INITIATIVES (thousands of Euros) | 2017 |
|------------------------------------|--------------|
| social support | 1,495 |
| educational for children | 45 |
| cultural | 187 |
| sport | 18 |
| environmental awareness | 32 |
| Total sponsorships provided | 1,777 |

Social support

VALORE CITTA' AMCPs HELPING THOSE AFFECTED BY THE EARTHQUAKE IN NORCIA

Valore Città Amcps, with a convoy of 4 trucks, delivered 4 x 4.5 and 6 m long, 2.40 m deep and 2.75 m high containers to the Civil Protection Agency of Norcia. The structures were used as a warehouse and storage for the materials and equipment that were previously situated inside the municipal gym. In this way, the sports structure was freed and restored for the activities of the students and inhabitants of Norcia.

ELECTRICITY AND GAS SOCIAL BONUS

AIM Energy provided the Electricity and Gas social bonus introduced by AEEGSI (now ARERA) in collaboration with the Municipality of Vicenza to help families in financial difficulties and large families with the cost of gas and electricity.

ASYLUM SEEKER PROJECT

The AIM Group coordinated the activities and work of over 200 asylum seekers who were employed in sweeping the streets and green areas of the city and in the maintenance of public parks with the assistance of Valore Ambiente and Valore Città Amcps personnel.

AIM-CARITAS AGREEMENT

The collaboration between the AIM Group and Caritas Vicenza continues: for the sixth time an agreement, in which AIM makes available to the association Diakonia Onlus (operating unit of the diocesan Caritas) 20 thousand Euros for individuals and families in momentary financial difficulties, was renewed. The agreement promotes a service that is aimed at people and families who cannot meet their economic and financial commitments with regard to basic necessities and services, such as electricity and gas, due to unemployment, job instability or reduction of their income. The purpose of the intervention is to renegotiate the debt with AIM companies, making the instalments sustainable, as part of a personalised tutoring, first of all with regard to awareness of one's spending capacity. The agreement is open to those with an electricity or gas contract with AIM Energy. Among the requirements of the agreement is also the fact that people in financial difficulty can benefit from the support and repayment plan in exchange for the commitment to reconsider their consumption styles and habits, thus increasing energy savings. AIM will prepare a handbook or identify training courses in order to make users more aware of the correct use of the services provided, so as to encourage the saving of energy resources.

Activities with students

SOCIAL DAY

More than 160 students from the high schools of Vicenza were involved in voluntary activities during the annual Social Day event, designed to raise funds for solidarity and development cooperation projects. Helping them was also Valore Ambiente which provided the necessary material and support and coordinated a dozen or so asylum seekers in the cleaning of some of the green areas of the city. In particular, students from the Fogazzaro, Canova, Boscardin, Quadri, Rossi and Lioy high schools with the collaboration of the Insieme and Tangram social cooperatives and the Inter-School Committee of the Social Day consisting of about thirty students were involved. Valore Ambiente helped about fifteen students from the Fogazzaro High School and nine asylum seekers in cleaning the Fornaci park.

SCHOOL-WORK ALTERNATION AT CANOVA

Within the scope of the school project that promotes school-work alternation, Valore Ambiente collaborated with the Canova Institute for Surveyors in a project whose objective was the improvement of sorted waste collection and identification of the related communication campaign. The Company was in fact involved in the simulation of a start-up for the design and creation of containers for sorted waste collection made of cardboard and, as part of this simulation, the planning of a series of thematic meetings related to the implementation of this process. This project is expected to lead to the production of about 500 cardboard containers for the separate collection of paper and plastic that will be distributed in the school.

LIOY PROJECT

"Hands up for sorted waste collection!" is the slogan chosen by class 3 AS of the Lioy High School of Vicenza which set out to analyse and reorganise the collection of waste in its school, in collaboration with Valore Ambiente. The objective of the project, which took place from 15 May to 1 June, was to introduce a more rigorous system of sorted waste collection in the school, in order to reduce the ecological and economic impact due to the incorrect disposal of waste by students.

VISITS TO THE MONTE CROCETTA TRANSFER PLANT

As part of the "Hands up for sorted waste collection!" project, visits were made to the Valore Ambiente transfer plant in Monte Crocetta, in order to directly verify the evolution of the urban waste treatment system implemented at the plant, according to the development of sorted waste collection and of the forms of material recovery, also downstream of sorted waste collection itself. The visit then continued to the Grumolo delle Abbadesse landfill, managed by S.I.A., Società Intercomunale Ambiente: here the methods of construction of the plant, the safety devices and the related monitoring and control plan were illustrated. The students were accompanied inside the area and were able to observe how a landfill is organised on an industrial scale.

ROSSI HIGH SCHOOL PROJECT

The collaboration with the Rossi High School in the field of ecology and reuse of materials was again renewed in 2017: Valore Ambiente organised three workshops for the first and second classes, dedicated to repairing and re-using bicycles, to disassembling the components of a computer, with the relative separation of the various materials, and to the mapping and reorganisation of sorted waste collection in the school. During the workshops, the approx. 150 students involved were supported by two specialised operators who used manual work as a teaching tool for education in the reuse and recycling and exploitation of goods. These workshops are linked to the national awareness-building campaign on the reuse of objects and the dissemination of the 'Reusebox', an initiative promoted in Vicenza by Valore Ambiente, in collaboration with the Insieme cooperative.

SCHOOLS AND MUNICIPAL THEATRE PROJECT

In order to improve awareness in schools of environmental sustainability, Valore Ambiente took part in the project promoted by the Municipal Theatre of Vicenza aimed at promoting education in theatrical communication. The phases included a workshop conducted by specialised professionals assisted by the class teacher, aimed at producing a small theatrical event with the preparation of the show "EMOTICON: The country of my emotions", which then went on stage at the Municipal Theatre.

AIM ENERGY CAMP

AIM Energy supported the summer camps called "AIM Energy Camp" for children and teenagers aged 6 to 13 years who took part in many interesting sports activities, including football, basketball, tennis, gymnastics, volleyball, rugby, athletics, fencing, hip-hop, baseball, handball, wrestling, tai-chi and ultimate frisbee. The initiative was also enhanced by the participation of the "Piccoli punti" association which carried out training on the prevention of skin diseases caused by the sun.

Cultural initiatives

There were numerous cultural initiatives in which the AIM Group, also with its companies, was among the partners and main supporters of the following initiatives:

"Viva Verdi" summer concert: an evening dedicated to Classical Opera, organised by the City of Vicenza in Piazza dei Signori with the support of AIM Energy that provided its customers the opportunity to sit "in the front row" during the show;

"Biblical Festival" which involved the dioceses of Vicenza, Padua, Verona, Rovigo, Vittorio Veneto and Trent. The event attracted thousands of people over 11 days in meetings, workshops, exhibitions and biblical dialogues on the theme "Happy is he who has the way in his heart";

"Treviso Plays Jazz", event held in the city centre of Treviso with concerts, meetings and workshops. AIM Energy was able to make available to the numerous customers of Treviso free tickets to participate in the festival;

the theatrical season of the **"Municipal Theatre of Vicenza"** increasingly appreciated and rich in cultural initiatives and events for the citizens of Vicenza;

the **"Che impresa (What a company)"** exhibition: AIM took part in the original format that brought together eleven internationally renowned illustrators, with the aim of involving children in the narration of the products and services of the companies that have made and will make the Vicenza area great. The exhibition itinerary was designed "for children": illustrations, content and guided tours were designed to be enjoyed by children, the real protagonists of the event;

"la Rua (the Wheel)": on 8 September, for the patron saint's day of Madonna di Monte Berico, Valore Città Amcps created the magnificent setting of the Rua, rebuilt by the Company of Viale sant'Agostino in 2007 based on a drawing by Francesco Muttoni. La Rua is 21 metres high, weighs 20,000 kg plus 10,000 of ballast. The supporting structure is made of steel and weighs over 16 tons. La Rua is covered in wood and embellished with 14 life-size statues and other decorative elements, made of plastic, plaster or wood. It was created by 30 company employees;

AIM supported the photo exhibition **"SOS decay, views of Vicenza and its surrounding area"** organised by Italia Nostra and dedicated to raising awareness and education of the new generations on protection of the landscape and the historic-artistic heritage of our area;

the AIM Group was also sponsor of the successful exhibition **"Van Gogh: between wheat and sky"** which took place from October 2017 to April 2018 in Basilica Palladiana and which attracted thousands of tourists from all over Italy and foreign countries to the city. The AIM intervention facilitated the improvement of the service area of the Salone delle Zatterie, ensuring visitors easier access to the exhibition.

2017 ROCK FESTIVALS

Not only music and entertainment at rock festivals but also caring for the environment, thanks to attentive sorted waste collection that saved some organisers more than 60%.

In fact, the initiative promoted this year as part of the 2017 Rock Festivals was very successful: Valore Ambiente, in line with its industrial strategy which envisages financial investments for the promotion of a culture and sensitivity attentive to recycling, bore the costs of sorted waste collection, asking the organisers to make a financial contribution only for the disposal of unsorted waste.

Sports initiatives

Also sport, as a moment of social aggregation and inclusion, was at the centre of attention of the AIM Group and in particular of AIM Energy, which in 2017 supported the AIM Amateur Sports Group and in particular the second edition of **"Ultra & Wild Trail"** a footrace in the hills of Malo and Monte di Malo that has attracted the participation of over 900 athletes. Also the second edition of AIM Energy Trail, therefore, was a great moment of celebration and friendship in the name of nature and passion for authentic sport, the hard version but always so full of satisfaction and real emotions.

In 2017, AIM Energy and Cogaspiù Energie Srl supported other sports initiatives and events such as the **Vicenza International Tennis Championships**, the sports season of the **Vicenza Women's Basketball Team**, the **Via dei Berici**, the **Vicenza Rugby Association** and **Sword Club**, **Ortona volleyball**, **Chieti Basketball** and the **Ortona Rally**.

Environmental awareness building

M'ILLUMINO DI MENO (I'LL LIGHT UP LESS)

Also this year the AIM Group took part in the initiative to raise awareness on energy savings promoted by Radio Due by switching off the lights in one of the city's most significant monuments for an hour.

20TH ANNIVERSARY OF THE WEST RECYCLING CENTRE

Great success, in the month of November, for the twentieth anniversary of the West Recycling Centre in Vicenza, in Via Delle Fornaci 5. From 11 am to 7 pm it was a continuous and joyful series of visits and entertainment for the celebrations entitled "We have been thinking about today for 20 years", with workshops and stands on reuse and recycling for adults and children. The initiative, supported by Valore Ambiente and promoted by the Insieme Cooperative that manages the recycling centre, was part of the European Week for Waste Reduction.

CHILDREN AND FAMILY

Valore Ambiente took part in the fourth edition of Children and Family, the event, entirely dedicated to the world of children and the family, which, on Saturday 28 and Sunday 29 October, attracted over 20 thousand visitors, about 10 thousand more than last year, to the Vicenza Trade Fair Area. Three halls, 5 thousand square metres of area occupied by 160 exhibitors, a hundred or so areas reserved for workshops and games. At the entrance to the second hall, that dedicated to teaching and education, there was also a large and diversified stand animated by Valore Ambiente, in collaboration with the operators of the Ecotopia cooperative, experts in recreational and educational activities in schools. In the two days of attendance at the fair, several hundred children passed through the various points of interest of the stand while the adults were involved in providing information on the activities carried out by Valore Ambiente and the many methods for the collection and correct disposal of waste.

INAUGURATION OF THE SAN PIO X RECYCLING CENTRE

The new city recycling centre in San Pio X, the fourth, which will join the other three already operating in the city, was inaugurated. The identified site covers an area of approximately 530 square metres. The structure is equipped to collect 12 different types of recyclable and reusable materials such as paper and cardboard, wood, garden waste, bulky waste, clothing, mineral and food oils, batteries, fire extinguishers, packaging and various containers, thus providing citizens with a place to dispose of special waste. The site is managed by the Elica social cooperative of Longare.

CONTAINERS FOR SORTED WASTE COLLECTION IN PARKS

Valore Ambiente placed a special container in each of the eight protected parks of District 3 for the separate collection of paper, glass, plastic and wet waste. The initiative stems from a proposal presented by the District in the context of the Participatory Budget project promoted by the Municipality of Vicenza, in order to allow the many users who frequent the parks to separate their waste and to educate them in terms of responsibility and respect for the environment.

FESTAMBIENTE

Valore Ambiente and AIM Energy were the sponsors of Festambiente 2017, an event held in Campo Marzo from 28 June to 2 July. The theme was "regeneration": i.e. obtain something new from what has so far been considered waste. Valore Ambiente took part with two gazebos, proposing to the numerous visitors workshops and activities on recycling and reuse of waste.

NEW PICTOGRAMS FOR ROAD COLLECTION CONTAINERS

Valore Ambiente replaced all the pictograms on over 2000 structures, such as bottle banks, bins and containers. With this intervention, Valore Ambiente intends to standardise and modernise the symbols of the stickers that indicate the material to be inserted, thus improving understanding and facilitating all operations related to sorted waste collection. The new pictograms, in fact, were designed and defined with the collaboration of a specialised communication agency, and are more stylised and even more clear, visible also from a distance or with poor lighting. Not only that, but in each sticker a code (QR code) has been inserted that, once focussed on with the smartphone, links to the page of the Valore Ambiente website that explains which materials can be inserted in that structure and which not.

SECOND WASTE FORUM

Valore Ambiente took part in the second edition of the Waste Forum, organised by Legambiente Veneto and open to 576 municipalities in the region. In the annual 2017 Best Recycling Municipalities Dossier, Vicenza was mentioned for its excellent activity, coming top of the ranking of the seven regional capital cities.

Valore Ambiente launched an intense communication campaign on **educating not to dump waste**, to raise awareness and inform citizens on the convenient system for collecting and disposing of bulky waste with the campaign "MI RIFIUTO" (I REFUSE, a play on words with "refuse" also in the sense of waste).

To raise awareness and improve sorted waste collection, on the website www.aimambiente.it, very popular is the service "**Where should I throw it away?**" in which the user, having entered his/her address, can obtain all the necessary information on where to dispose of the waste.

The Financial Dimension

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The corporate social responsibility report, in its financial dimension, aims to illustrate the production and distribution of the financial effect of the company's activity to the benefit of all its financial and social stakeholders, using the result of the **added value**.

The added value can therefore be analysed from two points of view:

- that of the wealth produced by the AIM Group (production of added value);
- that concerning its distribution among the stakeholders involved in the activities of the AIM Group (distribution of added value).

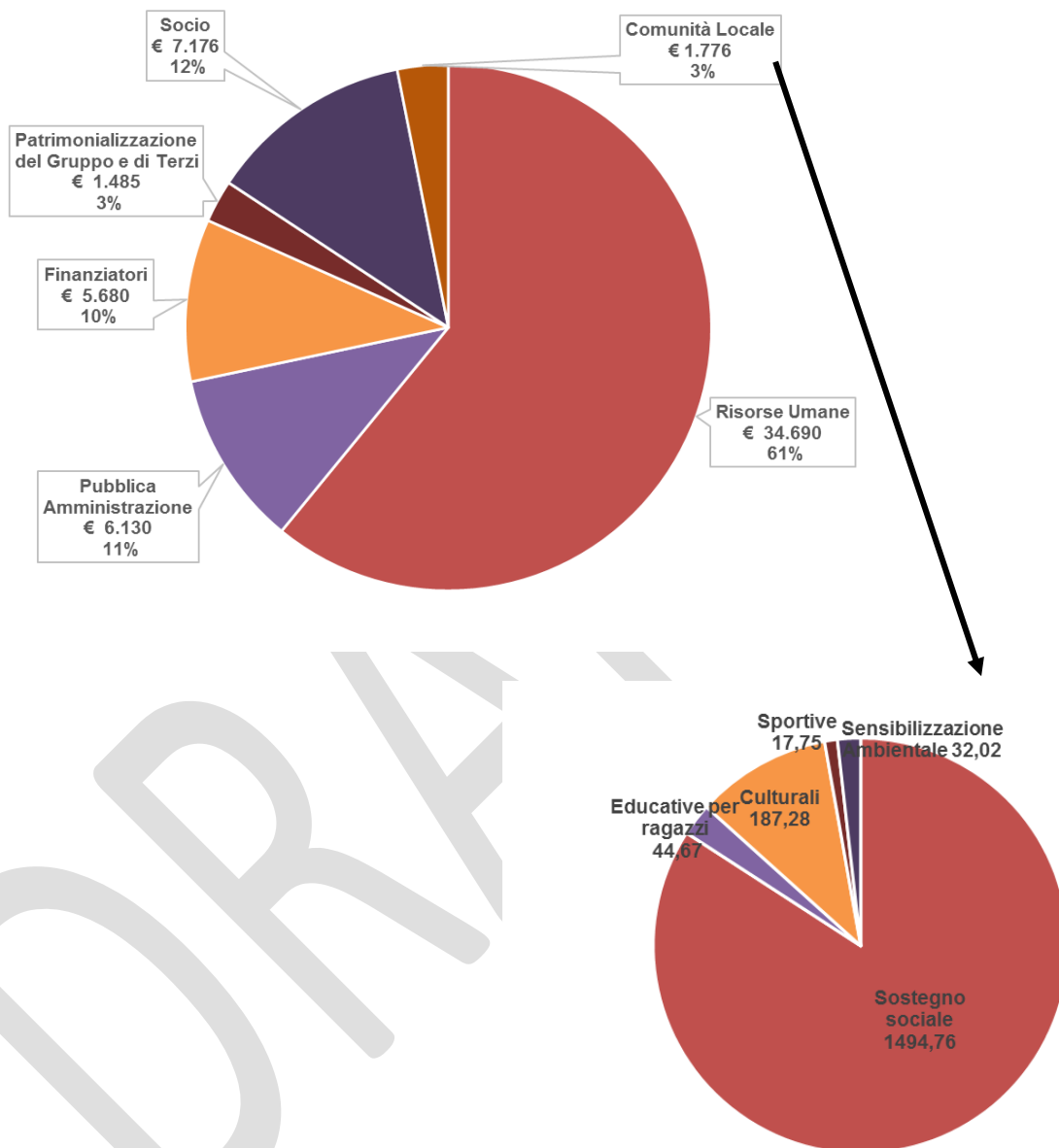
In order to reach the results shown in the added value tables, AIM reclassified the income statement prepared as part of the financial statements.

The reclassification of values followed the principles established by the Corporate Social Responsibility Report Study Group (GBS).

Determination of Added Value

| DETERMINATION OF GLOBAL ADDED VALUE (€/000) | 2017 |
|---|----------------|
| A) Value of production | 257,547 |
| Revenue from sales and services | 234,627 |
| - revenue adjustments | - 3,306 |
| Changes in inventories of work in progress, semi-finished and finished products (and merchandise) | - 106 |
| Change in contract work in progress | |
| Other revenue and income | 4,154 |
| Grants related to income | 11,860 |
| Revenue from typical production | 247,228 |
| Additions to internally produced non-current assets | 10,319 |
| B) Intermediate cost of production | 177,933 |
| Consumption of raw materials and/or consumables | 84,674 |
| Services | 75,051 |
| Leases and rentals | 4,603 |
| Provisions for liabilities | 313 |
| Other provisions | 1,592 |
| Other operating costs | 11,701 |
| Gross characteristic added value | 79,614 |
| C) Ancillary and non-recurring components | 1,393 |
| Ancillary revenue | 1,788 |
| Ancillary costs | - 167 |
| Ancillary operations balance | 1,621 |
| Non-recurring revenue | 995 |
| Non-recurring costs | - 1,222 |
| Non-recurring component balance | - 228 |
| Gross global added value | 81,008 |
| - Depreciation/amortisation of operations for homogeneous groups of goods | - 24,070 |
| Net global added value | 56,938 |

Allocation and distribution of Added Value to Stakeholders



The amount of Added Value distributed to **Personnel** is equal to **61%** and consists of wages and salaries, for both employees and collaborators; **11%** was distributed to the **Public Administration** through the payment of direct and indirect taxes; **10%** to **Lenders** through financial expenses paid to credit institutions; **12%** to the **Shareholder** in the form of dividends and reserves; for the **Group's capitalisation**, **3%** was allocated and, finally, **3%** was disbursed to the **Local Community**, mainly through contributions to social, cultural and sporting initiatives and to consumption and environmental education.

61% of the net global **Added Value** generated by the AIM Group in 2017 is **distributed to personnel**. Considering that **88.92% of AIM Group employees live in the municipality of Vicenza or in other municipalities in the province of Vicenza**, a full 30,846 million in wages and salaries paid by the AIM Group contribute to the economic growth of the territory.

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INFO on the AIM GROUP CORPORATE SOCIAL RESPONSIBILITY REPORT
[http://www.aimgruppo.it/tipologia/bilancio-sociale/
sostenibilita@aimvicenza.it](http://www.aimgruppo.it/tipologia/bilancio-sociale/sostenibilita@aimvicenza.it)

Appendix 1. GRI.4

G.4 GRI indicator reconciliation table

| Indicator | | Level of application | Page/Notes |
|--|--|----------------------|---|
| GENERAL STANDARD DISCLOSURE | | | |
| Strategy and analysis | | | |
| G4-1 | Letter to Stakeholders | | 4 |
| G4-2 | Key impacts, risks and opportunities | | 7, 8, 13,14 |
| Organisational profile | | | |
| G4-3 | Organisation name | | 1, 10 |
| G4-4 | Services provided | | 10, 11 |
| G4-5 | Location of company headquarters | | 1 |
| G4-6 | Countries of operation | | 1, 11, 26, 28, 34, 35, 36, 39, 40, 41, 42, 44 |
| G4-7 | Ownership structure | | 11 |
| G4-8 | Markets served | | 12 |
| G4-9 | Scale of the organisation | | 21 |
| G4-10 | Employees by type of contract, gender, region, level | | 71, 72, 73 |
| G4-11 | Employees covered by collective bargaining agreements | | 77, 78 |
| G4-12 | Supply chain of the organisation | | 60, 61, 62 |
| G4-13 | Changes during the year in the organisation or in the supply chain | | 9, 61 |
| G4.14 | Precautionary approach (Risk Management) | | 18, 19, 20, 21 |
| G4-15 | Adoption of external charters, codes and principles in the economic, social and environmental fields | | 13, 18, 21, 23, 35, 53, 54, 61, 68, 75, 77 |
| G4-16 | Membership of industry associations | | 49, 77 |
| Material aspects and boundaries | | | |
| G4-17 | List of companies included in the Consolidated Financial Statements and of those not considered in the Sustainability Report | | 10 |
| G4-18 | Process for defining the report content and the aspect boundaries | | 6, 10 |
| G4.19 | Material aspects identified in the process for defining report content | | 7, 8 |
| G4.20 | Aspect boundary within the organisation for each material aspect | | 7, 8 |
| G4.21 | Aspect boundary outside the organisation for each material aspect | | 7, 8 |
| G4-22 | Any restatements with respect to this Sustainability Report | | 6 |
| G4.23 | Any restatements with respect to the material aspects of the previous Sustainability Report | | 7, 8 |
| Stakeholder engagement | | | |
| G4-24 | Group Stakeholders | | 15, 16, 17 |
| G4-25 | Identification process | | 16, 17 |
| G4-26 | Stakeholder engagement activities | | 16, 17, 86, 87, 88, 89, 90 |
| G4-27 | Key topics raised through Stakeholder Engagement and related actions | | 16, 17 |
| Report profile | | | |
| G4-28 | Reporting period | | 6 |
| G4-29 | Date of most recent previous report | | 6 |
| G4-30 | Reporting cycle | | 6 |

| | | |
|-----------------------------|--|---|
| G4-31 | Contacts and addresses for information on the financial statements | 94 |
| G4-32 | GRI content index | 95, 96, 97, 98, 99, 100 |
| G4-33 | External assurance | |
| Governance | | |
| G4-34 | Governance structure | 18, 19, 20, 21 |
| G4.35 | Process for delegating authority for economic, environmental and social topics | There are no specific delegations of powers |
| G4-36 | Internal positions with responsibility for economic, environmental and social topics | 18, 19 There are responsibilities for economic topics |
| G4.37 | Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics | |
| G4-38 | Composition of the highest governance body and its committees | 18, 19, 20, 21 |
| G4-39 | Report whether the Chair of the highest governance body is also an executive officer | 18, 19, 20 |
| G4-40 | Nomination and selection processes for the highest governance body and its committees | 18, 19, 20 |
| G4.41 | Conflicts of interest | Directors submit the declaration of absence of cause for non-conferral and incompatibility at the time of taking office. Page 3 Code of Ethics connected to page 11 |
| G4.42 | Highest governance body's roles in the definition of value or mission statements, strategies and goals related to economic, environmental and social impacts | |
| G4.43 | Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics | 22, 23 |
| G4.44 | Process for evaluation of the highest governance body's performance | 80 |
| G4.45 | Management of economic, environmental and social impacts, risks, and opportunities | 13, 14 |
| G4.46 | Review of the effectiveness of risk management processes for economic, environmental and social topics | 22, 23 |
| G4.47 | Frequency of the highest governance body's review of risk management | 22, 23 |
| G4-48 | Approval and review of the Sustainability Report | |
| G4.49 | Process for communicating critical concerns to the highest governance body | 20, 21, 22, 23 |
| G4-50 | Critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them | 20, 21, 22, 23 |
| G4.51 | Remuneration policies for the highest governance body and senior executives | 80 |
| G4.52 | Process for determining remuneration | 77, 80 |
| G4.53 | Stakeholder engagement on remuneration policies | 77, 80 |
| G4.54 | Ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees | 80 Only average pay by level highlighted |
| G4.55 | Percentage increase in the ratio referred to in G4-54 | |
| Ethics and integrity | | |
| G4-56 | Mission, values, codes of conduct and principles | 6, 13, 14 |
| G4-57 | Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to integrity | 13, 14, 20, 21, 22, 23 |

| | | |
|-------|---|------------|
| G4-58 | Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to integrity | 20, 22, 23 |
|-------|---|------------|

SPECIFIC STANDARD DISCLOSURES

| | | |
|----------------------------------|---|--|
| Economic performance | | |
| G4-DMA | Economic performance | |
| G4-EC1 | Direct economic value generated and distributed | 92, 93 |
| G4-EC2 | Economic and financial implications due to climate change | |
| G4-EC3 | Coverage of defined benefit plan obligations | 75, 77 |
| G4-EC4 | Financial assistance received from the government and subsidies received | 67, 68, 69 |
| G4-DMA | Market presence | |
| G4-EC5 | Ratios of standard entry level wage compared to local minimum wage | |
| G4-EC6 | Proportion of senior management hired from the local community | |
| G4-DMA | Indirect economic impacts | |
| G4-EC7 | Development and impact of infrastructure investments and services with impacts on communities | 26, 28, 33, 34, 36, 39, 40, 41, 45, 55, 56, 57, 58, 59 |
| G4-EC8 | Significant indirect economic impacts, including the extent of impacts | |
| G4-DMA | Procurement | |
| G4-EC9 | Proportion of spending on local suppliers | 61, 62 |
| G4-DMA | Availability and reliability | |
| Environmental performance | | |
| G4.DMA | RESEARCH AND DEVELOPMENT | |
| G4.DMA | RAW MATERIALS | |
| G4.EN1 | Materials used by weight or volume | 84, 85 |
| G4.EN2 | Percentage of materials used that are recycled input materials | 30, 31, 32, 33 |
| G4-DMA | Energy | |
| G4.EN3 | Direct energy consumption (within the organisation) | 84 |
| G4.EN4 | Energy consumption outside of the organisation (indirect) | 84 |
| G4.EN5 | Energy intensity | |
| G4-EN6 | Reduction of energy consumption | 36, 37, 38, 39, 40, 42 |
| G4-EN7 | Products and services for energy efficiency or based on renewable energy | 33, 37, 39, 40, 43, 48 |
| G4.DMA | WATER | |
| G4-DMA | BIODIVERSITY | |
| G4.EN11 | Operational sites situated in protected areas and areas of high biodiversity | 85 |
| G4.EN12 | Description on biodiversity impacts | 85 |
| G4.EN13 | Habitats protected or restored | |
| G4.EN14 | Protected species with habitats in areas affected by the organisation's operations | |
| G4-DMA | Emissions | |
| G4-EN15 | Direct GHG emissions (Scope 1) | 37, 39, 40 |

| | | | |
|---------------------------|--|--|---|
| G4.EN16 | Indirect GHG emissions (Scope 2) | | |
| G4.EN17 | Other indirect GHG emissions (Scope 3) | | |
| G4.EN18 | GHG Emissions intensity | | |
| G4-EN19 | Reduction of GHG emissions | | 37, 39, 40, 43, 48 |
| G4.EN20 | Emissions of ozone-depleting substances (ODS) | | |
| G4.EN21 | Other air emissions | | |
| G4-DMA | Effluents and waste | | |
| G4.EN22 | Water discharge | | |
| G4-EN23 | Waste produced | | 29.84 |
| G4.EN24 | Significant spills | | |
| G4-EN25 | Hazardous waste | | 30 |
| G4.EN26 | Impacts on biodiversity deriving from water discharges | | |
| G4-DMA | Products and services | | |
| G4-EN27 | Extent of impact mitigation of environmental impacts of products and services | | 42, 43, 48, 55, 56, 57, 60, 85 |
| G4.EN28 | Products sold and their packaging material | | |
| G4.DMA | COMPLIANCE | | |
| G4.EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | | |
| G4-DMA | Transport | | |
| G4-EN30 | Significant environmental impacts of transporting products and members of the workforce | | 85 |
| G4-DMA | Environmental expenditures | | |
| G4-EN31 | Environmental protection expenditures and investments | | |
| G4.DMA | SUPPLIER ENVIRONMENTAL ASSESSMENT | | |
| G4.EN32 | Percentage of new suppliers that were screened using environmental criteria | | 61, 62 |
| G4.EN33 | Negative environmental impacts in the supply chain | | |
| G4-DMA | Environmental Grievance Mechanisms | | |
| G4-EN34 | Total number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | | |
| Social performance | | | |
| G4-DMA | Employment | | |
| G4-LA1 | Number of employees, new employee hires and turnover | | 71, 72, 73 |
| G4-LA2 | Employee benefits | | 75, 77 Evidence of the incentive scheme and Welfare |
| G4-LA3 | Return to work rate after parental leave | | 79 |
| G4-DMA | Labour/Management Relations | | |
| G4. LA4 | Minimum notice periods regarding significant operational changes | | |
| G4-DMA | Occupational Health and Safety | | |
| G4-LA5 | Description of joint management-worker health and safety committees | | 80, 81 |
| G4- LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. | | 80 |

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|---------------------|--|--|--|
| G4. LA7 | Workers with high incidence or high risk of diseases related to their occupation | | 80, 81 |
| G4- LA8 | Health and safety topics covered in formal agreements with trade unions | | 80, 81 |
| G4-DMA | Training and Education | | |
| G4- LA9 | Hours of training per employee by gender, and by employee category | | 75, 76, 77 |
| G4- LA10 | Programmes for skills management and lifelong learning for employees | | 76, 77 |
| G4-LA11 | Performance and career development reviews | | 77 |
| G4-DMA | Diversity and Equal opportunity | | |
| G4-LA12 | Composition of governance bodies and breakdown of employees by indicators of diversity | | 19, 20, 21, 71, 72 |
| G4-DMA | Equal Remuneration for Women and Men | | |
| G4-LA13 | Ratio of basic salary and remuneration of women to men | | 80 |
| G4-DMA | Supplier Assessment for Labour Practices | | |
| G4. LA14 | Percentage of new suppliers that were screened using labour practices criteria | | |
| G4. LA15 | Significant actual and potential negative impacts for labour practices in the supply chain and actions taken | | |
| G4-DMA | Labour Practices Grievance Mechanisms | | |
| G4-LA16 | Number of grievances about labour practices | | 74 |
| Human rights | | | |
| G4-DMA | Investment | | |
| G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | | |
| G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | | 75, 76, 77 |
| G4-DMA | Non-discrimination | | |
| G4-HR3 | Total number of incidents of discrimination and corrective actions taken | | No episodes of discrimination reported |
| G4.DMA | FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | | |
| G4.HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | | |
| G4-DMA | Child labour | | |
| G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour | | |
| G4-DMA | Forced or compulsory labour | | |
| G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour | | |
| G4-DMA | Security measures | | |
| G4-HR7 | Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations | | |
| G4-DMA | Indigenous Rights | | |

| | | | |
|----------------|--|--|--|
| G4-HR8 | Total number of incidents of violations involving rights of indigenous peoples and actions taken | | |
| G4-DMA | Assessment | | |
| G4.HR9 | Total number and percentage of operations that have been subject to human rights reviews and/or impact assessments | | |
| FG.DMA | SUPPLIER HUMAN RIGHTS ASSESSMENT | | |
| G4.HR10 | Percentage of new suppliers that were screened using human rights criteria | | |
| G4.HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken | | |
| G4-DMA | Human Rights Grievance Mechanisms | | |
| G4-HR12 | Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms. | | |
| Society | | | |
| G4-DMA | Local Communities | | |
| G4-SO1 | Operations with implemented local community engagement, impact assessments, and development programmes | | 86, 87, 88, 89, 90 |
| G4-SO2 | Operations with significant actual or potential negative impacts on local communities | | |
| G4-DMA | Disasters and emergencies | | |
| G4-DMA | Anti-corruption | | |
| G4-SO3 | Operations assessed for risks related to corruption | | 21, 22, 23 |
| G4-SO4 | Communication and training on anti-corruption policies and procedures | | 22, 75, 76 |
| G4-SO5 | Incidents of corruption and actions taken | | 22, 23 |
| G4-DMA | Public Policy | | |
| G4-SO6 | Political contributions and related instructions | | 67, 68, 69 |
| G4-DMA | Anti-competitive Behaviour | | |
| G4-SO7 | Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes | | |
| G4.DMA | COMPLIANCE | | |
| G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | | |
| G4.DMA | SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY | | |
| G4-SO9 | New suppliers that were screened using criteria for impacts on society | | |
| G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | | |
| G4-DMA | Grievance Mechanisms for Impacts on Society | | |
| G4-SO11 | Grievances about impacts on society | | |
| G4-DMA | Customer Health and Safety | | |
| G4.PR1 | Percentage of significant product/service categories for which health and safety impacts are assessed for improvement | | 46, 47, 48, 49, 50, 51, 55, 57, 58, 59 |
| G4-PR2 | Incidents of non-compliance of products and services | | |
| G4-DMA | Product and Service Labelling | | |
| G4.PR3 | Type of product and service information required by the organisation's procedures, and percentage of significant products and service categories subject to such information requirements. | | 53, 54 |

| | | | |
|-------------------|---|--|----------------|
| G4.PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product/service information and labelling, by type of outcomes. | | |
| G4.PR5 | Results of surveys measuring customer satisfaction | | 51, 52, 56, 57 |
| G4-DMA | Marketing Communications | | |
| G4.PR6 | Sale of banned or disputed products | | |
| G4.PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes. | | |
| G4-DMA | Customer Privacy | | |
| G4.PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | | |
| Compliance | | | |
| G4-DMA | Compliance | | |
| G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | | |
| G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | | |

Appendix 2. Global Compact and reconciliation table

TABLE OF RECONCILIATION WITH THE GLOBAL COMPACT

The following is a reconciliation scheme that highlights the correlation between the Global Compact principles and the activities carried out by the AIM Group in 2017.

| The ten principles | 2016 Sustainability Report | Page |
|---|---|--|
| Human Rights Principles 1, 2 - Businesses should support and respect the protection of internationally proclaimed human rights within their respective spheres of influence, and make sure that they are not, albeit indirectly, complicit in human rights abuses. | <p>The respect of human rights is explicitly mentioned in the AIM Group Code of Ethics and in the contractual relationships with suppliers. All suppliers are required to adhere to and comply with the Code of Ethics, international labour requirements and the declaration of non-employment of personnel of the minimum age required by law.</p> <ul style="list-style-type: none"> - Employees accident rates changed only slightly - implementation of cultural and sporting initiatives to encourage the aggregation of workers in the Group through recreational centres - agreement with Caritas and the Municipality for poor users - financing of initiatives aimed at the community - management of 1,533 council houses | <p>14, 19, 23, 41, 43 48, 49, 50, 60, 61, 68, 78, 79, 81, 86, 87, 88, 89</p> |

Labour

Principles 3, 4, 5, 6 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

- periodic meetings with Consumer Associations

- The Gas-Water, Electricity, Public Transport, Commerce, Federambiente, FISE, Senior Managers and Chemical Workers National Collective Bargaining Agreements are applied and union rights are guaranteed for all workers

- a total of 9,370 hours of training were conducted through 178 courses

- "school-work alternation" projects were created with high school students, high school leavers and university students

22, 73,
75, 76, 77,
78, 79, 80

- a transparent and impartial recruitment policy has been pursued while respecting equal opportunities

- part time granted to 8.15% of employees

Environment

Principles 7, 8, 9 - Businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.

- 19 vehicles available with low environmental impact

- participated in "Car-Free Days" promoted by the city administration

- 31 new, energy-saving LED lights were installed

- interventions were made to reduce energy consumption with the purchase of 23,992 white certificates

29, 32, 36,
38, 39, 40, 85,
88

- 1108 photovoltaic plants are active in the Group's electricity grid

- the percentage of sorted waste exceeds 74.79%

- 4,260 GWh of energy from biogas was produced.

Anti-Corruption

Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.

- A three-year transparency and integrity programme was set up

- 231 hours of training dedicated to issues on the Code of Ethics, Model 231, transparency and anti-corruption conducted

23, 24,
62, 78, 79,

- procedures were established for the awarding of works and procurement of supplies and services on a time and materials basis

- attention was paid to transparency in relations with the Public Administration. (Legislative Decree 231/2001)
- anti-corruption and transparency unit operational
- "Transparent Administration" section on the Group's website

Appendix 3. Sustainable Development Goals and reconciliation table

SDGs and RECONCILIATION TABLE

| GLOBAL GOALS | |
|---------------------------------|--|
| GOALS | Impact of the AIM Group activity |
| 1. End poverty in all its forms | Integration of asylum seekers in the city of Vicenza |
| | Agreement with Caritas Diakonia for discounts on gas and electricity bills |
| | Bonuses and discounts on electricity and gas bills to guarantee essential services to all customers |
| | Customer focus |
| | Agreements with the Municipality of Vicenza for aid to poor families |
| 2. End hunger | Agreements with Caritas and the Municipality for poor users |
| | Emergency management plan thanks to which AIM guarantees support to the competent authorities in matters of civil protection and public safety |
| 3. Good health and well-being | Support for the Piccoli Punti Non-Profit Foundation Padua |
| | Construction site management |
| | Occupational health and safety |
| | Support for the Città della Speranza Foundation |
| 4. Quality education | Educational interventions and projects with schools on environmental and social issues |
| | Personnel training |
| | Offer of "school-work" projects for students, undergraduates and graduates. |
| 5. Gender equality | Ensure equality of rights between men and women. There were no episodes of discrimination. |
| | Diversity |
| 6. Clean water and sanitation | Sustainable use of water resources: Lobia local hydroelectric power plant |
| 7. Clean energy | Reduction of energy consumption with the production of 23,992 white certificates |
| | 31 new, energy-saving LED lights installed |
| | Participation in "Car-free days" |
| | Over 1000 photovoltaic plants in operation |

| | |
|--|---|
| | The percentage of sorted waste exceeds 74% |
| | 4,260 GWh of energy from biogas was produced |
| | Sale of electricity produced from "Green Energy" renewable sources |
| | 92 tons of CO2 emissions avoided |
| 8. Decent work and economic growth | 8.15% of personnel with part time contracts |
| | 650 employees in total 91.85% with permanent contracts |
| | Performance evaluation model |
| | Industrial relations |
| | Human Rights |
| | Training provided to 71.85% of employees. A total of 9,370 hours of training conducted through 178 courses |
| | Transparent and impartial recruitment policy pursued while respecting equal opportunities |
| | Activities with impact on the local area |
| 9. Innovation and infrastructure | AIM Energy APP: used by 27,067 customers |
| | "Where should I throw it away?" waste guide on www.valoreambiente.it |
| | www.aimgruppo.it website under construction |
| | Cylinder depository systems with limited access |
| | Electronic meters installed: 3247 gas 718 electricity |
| | Car park in the city with 4,833 parking spaces |
| | Increase in users heated in the city |
| | Car park payment through smartphone, APP and POS |
| | Interchange car parks managed with shuttle bus service |
| 10. Reduce inequality | Gas-Water, Electricity, Public Transport, Commerce, Federambiente, FISE, Senior Managers and Chemical Workers National Collective Bargaining Agreements are applied and union rights are guaranteed for all workers |
| | Human Rights |
| | 35 employees belonging to protected categories |
| 11. Sustainable cities and communities | Public residential buildings managed: 1,533 |
| | Square metres of public parks managed: 1,141,165 |
| | Roads managed: 540 km |
| | Public buildings managed: 222 |
| | Parking spaces in the city |
| | LED lights: +31 |
| | Geothermal well - district heating |
| 12. Responsible consumption | Training activities promoted with schools to raise awareness in the community on energy saving and recycling issues |
| | Information evenings on energy saving and sorted waste collection issues and information in disposal centres |
| | Sale of green energy from sustainable production |
| | District heating from geothermal well |
| | Biogas from Landfill |
| | Reuse project in recycling centres through cooperatives |
| | Valore Ambiente website with "Where should I throw it away?" waste guide |
| | Service efficiency and reliability |

| | |
|--------------------------------|---|
| 13. Climate action | Sorted waste collection management |
| | Energy efficiency, renewables and district heating |
| | Emissions |
| 14. Life below water | |
| 15. Life on land | |
| 16. Peace and justice | 231 hours of training delivered on the Code of Ethics, Model 231/2001, transparency and anti-corruption |
| | Values and regulations for supplier selection |
| | Three-year transparency and integrity programme |
| | Attention to transparency in relations with the Public Administration (Legislative Decree 231/2000) |
| | Anti-corruption and transparency unit operational |
| | "Transparent Administration" section set up on the AIM Group's website |
| | Supervisory Board operational |
| | Anti-corruption and transparency unit |
| | Partnerships with Trade Associations, Municipality of Vicenza, Industry Associations |
| 17. Partnerships for the goals | Dialogue with public bodies |
| | Development of local communities |