



EXECUTIVE SUMMARY

REPORT ON THE REMUNERATION POLICY AND ON THE REMUNERATION PAID

2025

*In implementation of Art. 123-ter of Legislative Decree 58/1998 concerning transparency
of the Remuneration of Directors of Listed Companies*

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SECTION I



Through its remuneration policy, the Acea Group seeks to attract, motivate and retain individuals who, due to their technical and managerial skills and their differing profiles in terms of gender and experience, are key to the success of the company.

The remuneration policy reflects and supports the Group's strategy and values, with its commitment to creating long-term sustainable value for all stakeholders.

The following section provides an overview of the remuneration policy applicable in 2025. Figures concerning voting by the shareholders' meeting for the approval of the most recent Remuneration Reports and the CEO *pay ratio* are also included. Details are also provided of how the remuneration policy supports mitigation of the various risk factors.

Brief overview

An overview of the 2025 remuneration policy is presented below.

Remuneration Policy 2025			
Component	Purposes and characteristics	Implementation conditions	Amounts
Fixed Remuneration	The fixed remuneration component is determined by the professional specialization and organizational role filled with relevant responsibilities, reflecting the technical, professional and management skills.	The conditions for its definition are based on checking the remuneration positioning through market benchmarks consistent with the characteristics of Acea and the roles assigned.	CEO/GM: € 775,000 per year, of which: <ul style="list-style-type: none"> • € 480,000 - GAR; • € 250,000 - remuneration for position of CEO; • € 45,000 - remuneration for director Chairperson: € 295,000 per year, of which: <ul style="list-style-type: none"> • € 250,000 - remuneration for Chairperson; • € 45,000 - remuneration for director ESRs: remuneration determined on the basis of the complexity and responsibilities of the role within the Group.
Short-Term Variable Remuneration (MBO)	The annual variable component recognizes and rewards the objectives assigned and results achieved in correlation to the annual budget objectives and is an important motivational aspect.	KPI MBO 2025: EBITDA (weight 30%); NFP (weight 25%); Net Profit (weight 25%); Composite Sustainability Objective (weight 20%).	The incentive, assigned to each beneficiary individually, is calculated as a percentage of the fixed component. CEO/GM: Target incentive level of 50% Chairperson: not provided for ESRs: Incentive level of up to 50% of the target.



Medium/Long-Term Variable Remuneration (LTIP)	<p>The Medium/Long-Term variable component ensures the alignment between the Management's interests and those of the shareholders and the retention of key figures. It is aimed at respecting the economic-financial and sustainability principles and the economic returns on shareholder investments, measuring the returns on the invested capital. The LTIP is divided into three three-year cycles, each starting from 2024, 2025 and 2026.</p>	<p>Payment of an amount in cash based on the achievement of set objectives at the end of the reference three-year period.</p> <p>KPI LTIP 2024-2026 – 2nd Cycle 2025-2027: Cumulative EPS (weight 30%); Cumulative Regulated CAPEX (weight 25%); NFP/EBITDA (weight 25%); Composite Sustainability Objective (weight 20%).</p> <p>Characteristics: Rolling monetary plan with three-year vesting period.</p>	<p>The incentive, assigned to each beneficiary individually, is calculated as a percentage of the fixed component.</p> <p>CEO/GM: target incentive levels of 60%.</p> <p>ESRs: incentive level of up to 60% of the target.</p>
Non-monetary Benefits	<p>They supplement the remuneration package in a total reward scheme through benefits primarily of a social security and welfare nature.</p>	<p>The conditions are defined in the national collective labour contracts and supplementary national agreements. The benefit plans do not include discretionary individual plans.</p>	<p>Chairperson: company car, D&O liability policy, health plans.</p> <p>CEO/GM and ESRs: D&O liability, welfare plans, insurance and health plans, company car, and accommodation and meal vouchers.</p>
Severance	<p>Remuneration in the event of termination of employment due to dismissal/revocation without just cause or non-reappointment to corporate office, aimed at protecting the interests of the Group and avoiding litigation.</p>	<p>For the CEO/GM: In the event of withdrawal from the position of CEO before the natural expiry of the term of office, in the absence of just cause, and/or termination of employment by Acea, again in the absence of just cause, the payment to the CEO/GM of a total amount equal to 30 months' worth of gross salary is applicable, to be understood as replacing the provisions of collective bargaining in the event of dismissal and to be calculated on the basis of the remuneration due both as CEO and as GM, provided that both the employment relationship and the appointment to said office are terminated at the same time.</p> <p>In the event that, at the natural expiry of the term of office, the CEO is not reappointed, they will have the right to terminate the employment relationship, within 15 days of the appointment of the new CEO, receiving a gross amount equal to 30 months' worth of salary payments, calculated taking as a reference only the remuneration due for the executive position.</p> <p>For ESRs: up to a maximum of 18 months' worth of fixed and variable remuneration as a supplementary bonus in addition to the pay-in-lieu-of-notice facility, in line with the Group Executive Exodus Management Policy.</p>	

The medium to long-term outlook

Acea's mission is to consolidate its leading infrastructure position in the Water, Electricity and Environment regulated sectors, with increasingly more integration of ESG criteria into business decisions and a strengthened commitment to the development of its people.

The 2024-2028 Business Plan, which envisages a sharp rise in investments, strengthens the Group's role as infrastructure operator, a key player in the energy transition, decarbonisation and enhancement of the local region, from a circular economy perspective.

Specifically, Acea's Business Plan focuses on three key pillars:



Green

- Focus on regulated infrastructure while strengthening positioning and expanding into adjacent segments.
- ESG across all business units.



Diligent

- Centrality of people.
- Operational excellence with strong cost and investment discipline to support cash generation.
- Optimisation of financial structure and capital allocation.



Growth

- Increase in Capex (including innovation).
- Growth in value for shareholders (RAB / Profit / Dividends).

In particular, the Group's medium- to long-term outlook will be influenced by the macroeconomic environment, ecological transition and investment needs in the Company's reference business sectors, with a particular focus on regulated water, electricity distribution and environmental business.

The three pillars described have been set out in the four macro-objectives shown below, forming a focal point for the company's Top Management – and all the Group's people in general – in order to achieve the strategic targets outlined by Acea in the new Business Plan.



Key projects to significantly increase investments in regulated businesses will be implemented, with due regard for economic sustainability criteria, the development of Human Resources and engagement with the territory in which ACEA operates.

The expected industrial growth will develop in parallel with the technological development of cities and infrastructures and a lower environmental impact in terms of decarbonisation, an increased circular economy, the resilience of the electricity distribution grid and energy efficiency.

The Acea remuneration policy is therefore a vital lever in support of the Group's Business Plan, conceived as a factor that helps to attract and retain skills with consolidated experience in complex organisational environments to improve the company's performance and create value in the medium and long term.

In particular, the remuneration policy defines incentive systems which are reflected in the Group's strategic objectives, as shown in the following figure:

**ACEA
INDUSTRIAL PLAN
2024-2028**



MBO PLAN	EBITDA	✓	✓		
	NFP	✓	✓		
	Net profit	✓			
	Reduction of Accident Frequency Index		✓		✓
	Optimisation of sewage and water treatment	✓	✓	✓	
	Increase in remote control of MV secondary cabins	✓	✓	✓	
	Increase in plastic sent for recovery	✓	✓	✓	
LTI PLAN	Cumulative EPS	✓			
	NFP/EBITDA	✓	✓		
	Cumulative regulated CAPEX	✓	✓		
	Gender diversity in the managerial bodies				✓
	Reduction in % of water leaks	✓	✓	✓	
	Reduction in sludge produced		✓	✓	
	Increase in resilience and upgrade to LV Network	✓	✓	✓	

Sustainability and remuneration

Acea defines its sustainability model making reference to Agenda 2030 for sustainable development, adopted by the UN Assembly since 2015. This is a globally shared action plan to foster development potential and wellbeing of individuals in harmony with the environment and its resources, making it possible to guarantee shared, long-term progress.

In a market context in which there is an increasingly widespread connection between variable remuneration mechanisms and the achievement of social and environmental results, the Acea Group has confirmed its path of increasing the integration of sustainability into business activities, adopted over the years, also by strengthening of its own commitment.

This aim is also implemented through Group incentive plans, with the importance of sustainability aspects highlighted once again in 2025 – in both the short-term and long-term incentive plans – and adequately balanced with other economic and financial objectives.

The short-term variable incentive (MBO) scheme and the first cycle of the 2024-2026 Long-Term Incentive Plan have a composite sustainability objective, broken down into the following indicators:



2025 MBO Plan	2025-2027 Long-Term Incentive Plan
COMPOSITE SUSTAINABILITY OBJECTIVE	COMPOSITE SUSTAINABILITY OBJECTIVE
Reduction of Accident Frequency Index (excluding accidents during commutes)	Equal representation of genders in Acea managerial bodies
Optimisation of sewage and water treatment through measures aimed at strengthening and decommissioning/centralisation of plants	Reduction in % water leaks (on volumes issued) compared to the base-year value
Increase in remote control of MV secondary cabins	Reduction in production of sludge (t) compared to the base-year value
Increase in plastic sent for recovery (circular economy in the Environment segment)	Increase in resilience and upgrade to LV Network

The objectives set out in the 2024-2028 sustainability plan were developed in close alignment with the investments envisaged by the business plan. This integrated approach not only ensures that the sustainability initiatives respond to environmental and social requirements, but that they are also aligned with the long-term growth strategy. In this way, the creation of sustainable value is ensured for all stakeholders, while promoting the company's innovation and competitiveness.

Remuneration and Working Conditions

For every organisation people represent a fundamental asset to remain competitive in a changing economic and social context. Acea listens to the needs of its people and develops a People Strategy, structured into initiatives. The Acea Group strongly believes in the development of human capital as a primary business driver. The company annually monitors employee working conditions in order to ensure the remuneration policy is consistent at all levels of the organisation. On this basis, the Company adopts these core HR initiatives:

- Every year, an Equality & Care Plan is prepared that identifies objectives and associated projects for diversity and inclusion and corporate welfare.
- In 2024 the "Equality Platform" project was confirmed, a "physical and virtual space" for disseminating the culture of Equity, Diversity & Inclusion (ED&I) and designed to generate ideas. During 2024 an event was held dedicated to all participants with the aim of increasing engagement, creating connections and suggesting ED&I project ideas. The project will continue in 2025.
- Acea SpA has also achieved UNI/PdR 125:2022 certification on gender equality. The certification is valid for three years, with annual monitoring. At the same time as the certification was maintained for Acea SpA, it was extended to the following companies: Acea Ato2, Areti, Acea Ambiente, Acea Energia, and Acea Infrastructure.
- For the well-being of its employees, Acea also developed an integrated corporate welfare system, based on listening to employees and their needs and structured around six fundamental pillars: health, corporate wellness, family care, income support services, complementary social security and solidarity. Numerous initiatives were implemented to implement the pillars of welfare, such as preventive health campaigns, psycho-physical well-being support and parenthood support services,

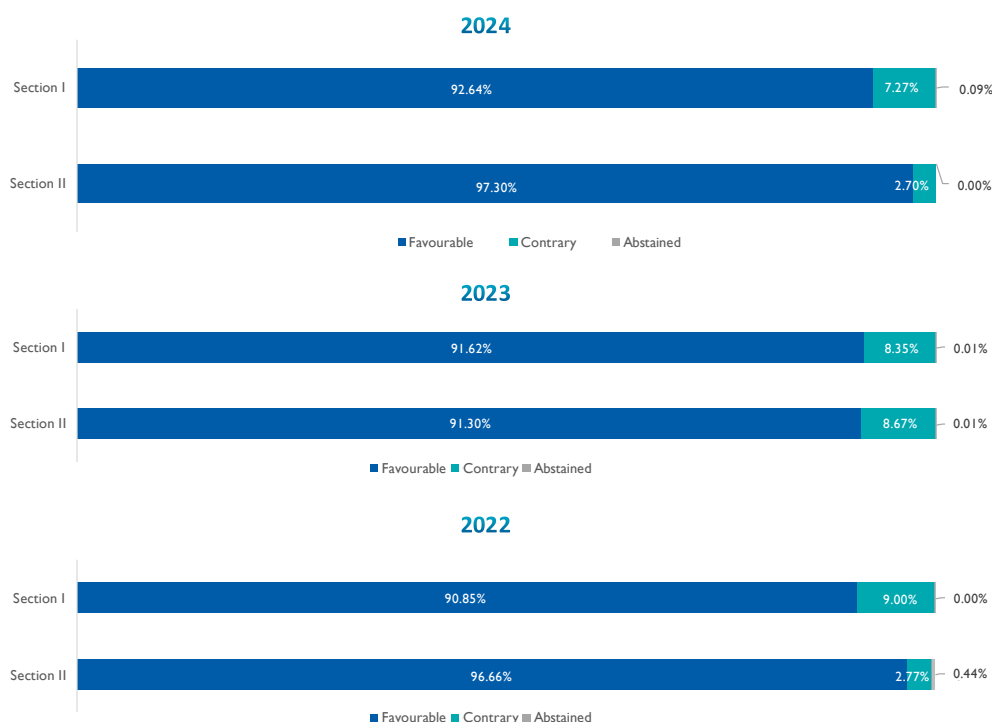


as well as income support services through the signing of various corporate agreements and participation in various solidarity initiatives.

- Furthermore, with the aim of developing further expertise and new mindsets amongst our People in 2024, following on from activities in previous years, training courses were provided both remotely and in the classroom in partnership with high-profile organisations (universities, business schools, research centres, professional firms, etc.) in management, governance and technical/digital areas.
- Finally, in 2024 the ACEA Group participated again in the Top Employer certification, which analyses the HR strategies of thousands of companies globally, and the company ranked in the top 151 Italian companies. The Top Employers certification rewards excellence in HR policies and strategies and is awarded to companies that meet the high standards of the HR Best Practices Survey. Acea has been a recipient for four consecutive years. Compared to last year, the Company has made additional improvements in the areas of Employer Branding, Diversity Equity & Inclusion, Talent Acquisition, Career and Well-being.

Results of voting by the shareholders' meeting and engagement process

According to what is provided for in the laws in force at the moment of the vote (art. 123-ter, paragraph 6 of the CLF), the shareholders' meeting held on 12 April 2024, in view of the implementation of the SHRD II, held a binding vote on Section I of the 2024 Remuneration Report and a consultative vote on Section II. Below is a comparison of the votes cast in 2022, 2023 and 2024 (Sections I and II).



Voting in the last 3 years has shown a positive trend in growth of votes in favour. The trend is a testament to the importance placed by Acea on two key and fundamental aspects related to the Report on the remuneration policy and on the remuneration paid: i) yearly analysis of the outcome of shareholders' meeting votes, with a particular focus on minority shareholders and the rationale of "no" votes; ii) constant dialogue with stakeholders (shareholders, institutional investors, proxy advisors).



Dialogue with stakeholders requires that Acea define a Remuneration Policy that implements and incorporates stakeholder indications and feedback, aligned with market best practice and with constant improvements to the disclosure provided in the Report on the remuneration policy and on the remuneration paid, while promoting transparent, clear and immediate communication of the Policy and its main features.

Specifically, during 2024 Acea conducted engagement activities with the main proxy advisors for a deep dive into the observations expressed by said advisors on the Report on the Remuneration Policy and on the Fees Paid in 2024. In addition to the engagement activities, Acea subsequently performed an analysis of market best practice, with three main goals: i) verify any gaps in terms of the information contained in the annual Report on Remuneration; ii) verify how information is presented; iii) verify the composition of the panel of peers used as a reference for the related analyses.

The fruitful engagement activities and analysis of market best practice found a series of elements that Acea has considered as areas for improvement in terms of disclosure clarity and transparency. The main changes introduced to the 2025 Report are shown below:

- improvement made to the disclosure in terms of how the Remuneration Policy contributes to the company's medium/long-term strategy through the addition of a summary statement providing a correlation between the macro-objectives of Acea's 2024-2028 Business Plan with the objectives underlying the short and long-term incentive plans;
- explanation of the criteria used to form the Peer Groups for the roles of: Chief Executive Officer and General Manager, Chairperson and Directors of the Board of Directors, and representation of the comparison companies identified;
- addition to the section on derogations to the Remuneration Policy through a longer explanation of the players involved in the procedure and of the policy elements from which it is possible to deviate.

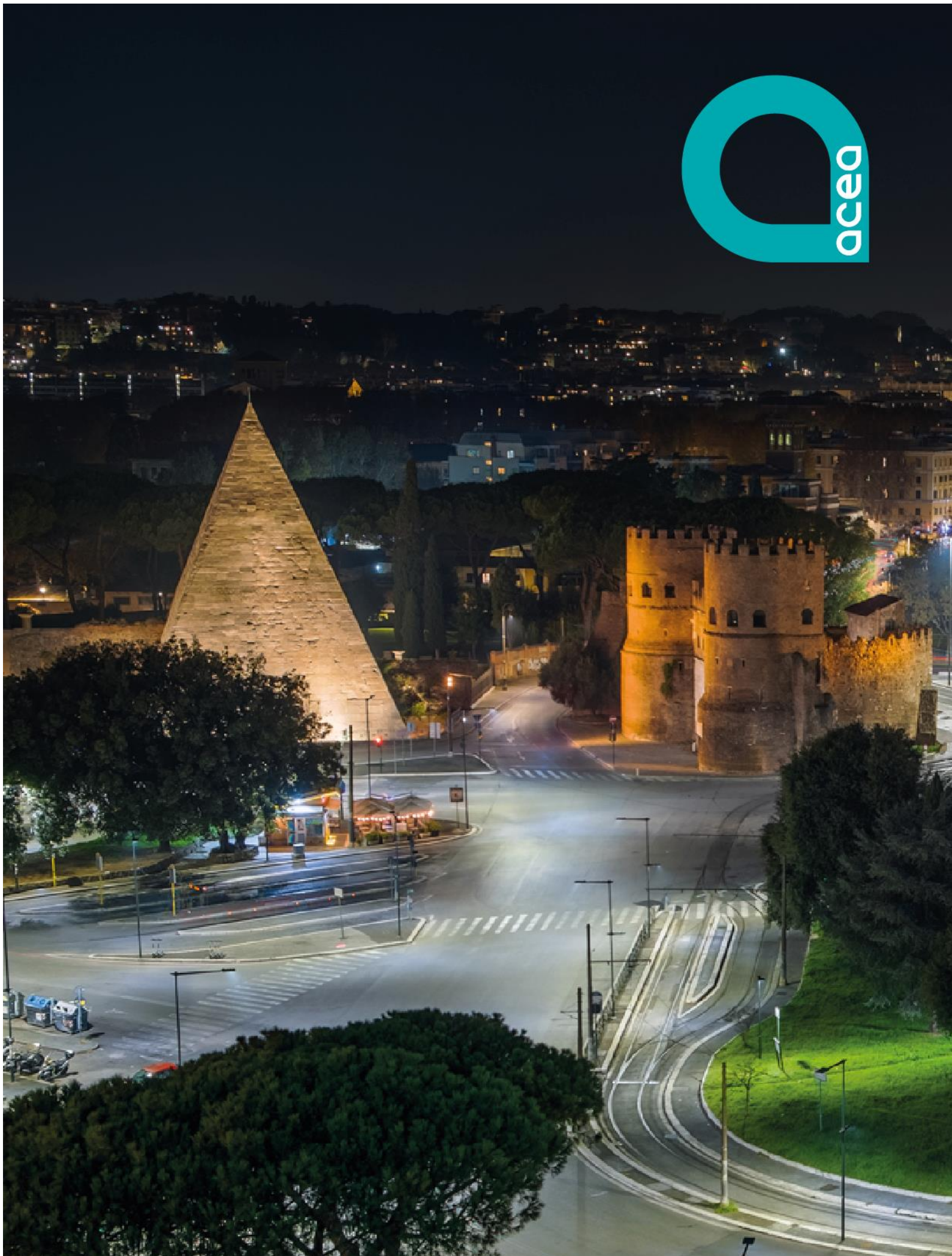
Correlation between remuneration, risk profile and company performance

The remuneration systems adopted in the interest of all of the stakeholders are in line with the long-term strategy, linked to the company objectives and structured so as to avoid incentives that may lead to conflicts of interest and the excessive undertaking of risks. The risk mitigation elements provided in the variable incentive systems are shown in the table below, which distinguishes between the short-term incentives and the long-term incentives:

Risk mitigation elements	Variable short-term remuneration	Variable long-term remuneration
Definition of objectives consistently with the Strategic Plan	✓	✓
Provision of a cap for the variable remuneration of the Chief Executive Officer	✓	✓
Differentiation between economic and financial and sustainability performance objectives	✓	✓
Definition of Group indicators and/or specific Industrial Area indicators	✓	✓
Existence of claw back mechanisms	✓	✓
Provision of minimum value thresholds for each objective (with linear interpolation) guaranteeing payment only if a specific performance level is achieved	✓	✓

Having said this, the Company's Remuneration Policy is based on an evaluation of a "moderate" risk profile; this evaluation derives especially from considering the sector to which the company belongs (regulated), in which the margins from free market activities constitute a non-preponderant part.

This means that the Company is exposed to limited market risks and, conversely, more exposed to regulatory risks. Taking into account the "moderate" risk profile, Acea has elected to not allocate highly volatile financial instruments, such as option rights or other similar instruments, for example. The long-term variable component is therefore constituted exclusively by a monetary type plan.



SECTION II



Section II is composed of three separate parts:

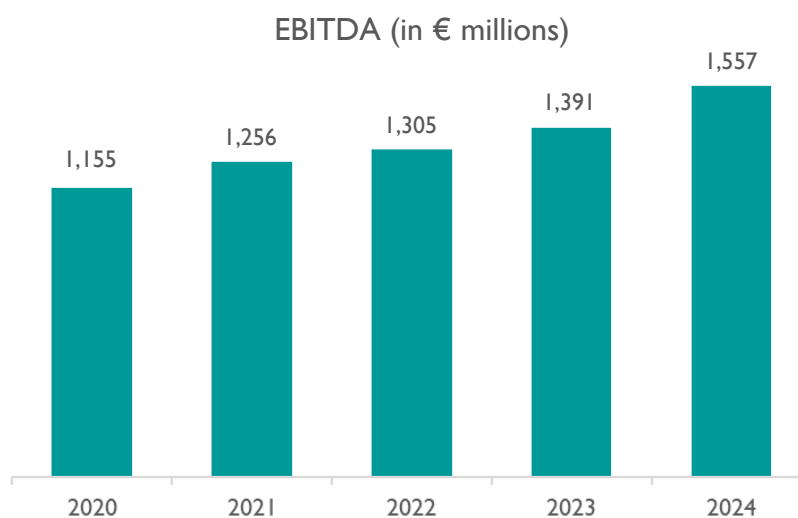
1. The first part of Section II presents the implementing framework of the Remuneration Policy as presented to the 2024 Shareholders' Meeting, the company's results, with a particular focus on the achievement of the objectives established in the plans, and the balance between the various components that comprise the remuneration package paid to the Chief Executive Officer and the Executives with Strategic Responsibilities.
2. The second part describes the items comprising the remuneration of the members of the Board of Directors (Chairperson, Chief Executive Officers, non-executive members and members of the Committees within the Board), the Board of Statutory Auditors and the Executives with Strategic Responsibilities, giving proof of their compliance with the remuneration policy approved by the Shareholders' Meeting.
3. The third part analyses the remuneration paid out in 2024, in compliance with the tables contained in the Issuer Regulations (Appendix 3A - Table 7-bis), for the members of the administration and control bodies, in individual terms, and for the Executives with Strategic Responsibilities, in aggregate terms.

These components of remuneration (fixed and variable components and non-monetary benefits) have been paid according to a criterion of competence, in relation to the effective period spent in the role and consistently with the reference Remuneration Policy. Furthermore, they are in line with the Remuneration Policy last approved by the Shareholders' Meeting on 12 April 2024 and the resolutions of the Board of Directors during the business year in question.

Executive summary – Section II

Results, context and application of the 2024 Remuneration Policy

It is noted that EBITDA increased 11.9% in 2024, and 34.8% compared to the 2020 figure.





Figures for comparison and CEO pay ratio

In line with the previous year, market best practices and the Issuer Regulations, the following table contains the alternative CEO pay ratio, calculated as the relationship between remuneration issued during each financial year to the Chief Executive Officer and General Manager and the average fixed remuneration of Acea Group¹ employees.

The following figure compares the change in remuneration paid to the Chief Executive Officer and General Manager and the change in gross average annual remuneration to employees over a five-year period (2020-2024).

Position	2024	2023	2022	2021	2020
Chief Executive Officer and General Manager	1,276,690	1,251,096	1,083,485	775,938	2,240,529
ACEA employees					
Number of employees	5,246	5,214	5,168	4,988	4,907
Annual gross average remuneration (€)	45,962	43,579	42,272	41,404	40,735
Average GAR increase	5.5%	3.1%	2.1%	1.6%	1.7%
CEO pay ratio	28x	29x	26x	19x	55x

2024 Results

Short-Term Incentive Plan

The following table indicates the level of achievement of each objective:

KPIs	WEIGHT AS %	Target	Overall	% Achieved
EBITDA	30%	1,459	1,557	140%
NFP	25%	5,094	4,954	140%
NET PROFIT post minorities	25%	311	332	140%
COMPOSITE SUSTAINABILITY OBJECTIVE⁽²⁾	20%			
PEOPLE: Reduction of Accident Frequency Index	5%	5.44	5.31	130.6%
WATER: Optimisation of sewage and water treatment through measures aimed at strengthening and decommissioning/centralisation of plants	5%	3	4	140%
NETWORKS: Increase in remote control of MV secondary cabins	5%	71%	76.70%	140%
ENVIRONMENT: Increase in MWh produced from biogas (environmental area renewable source)	5%	+6%	5.76%	98.4%

On proposal by the Appointments and Remuneration Committee, the Board of Directors thus verified that the Group objectives had been achieved by 137.45%.

¹ The following companies are included within the scope of the Group: ACEA SPA, ARETI SPA, ACEA ACQUA SPA, ACEA ATO2 SPA, ACEA ATO5 SPA, ACEA MOLISE SRL, GE.SE.SA. SPA, ACEA INFRASTRUCTURE SPA, ACEA AMBIENTE SRL, ORVIETO AMBIENTE SRL, AQUASER S.R.L., ACEA PRODUZIONE SPA, ECOGENA SRL, ACEA ENERGIA SPA, and ACEA INNOVATION S.R.L.

² The figure related to the Environment objective has been adjusted to manage an external event that could not have been foreseen by the Company's management team.

Long-Term Incentive Plan

The table below indicates the level of achievement of each objective in the second cycle of the 2022-2024 Long-Term Incentive Plan, as verified by the Board of Directors by recommendation of the Appointments and Remuneration Committee:

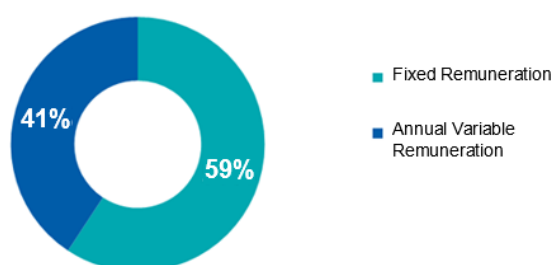
KPIs	Weight as %	Target	Overall	Achievement % of fixed
(Cumulative) EPS	40%	4.89	4.25	0%
NFP/EBITDA	25%	3.0	3.2	0%
NFP/NP (Pre Minorities)	25%	10.1	13.27	0%
SUSTAINABILITY	10%			
Cumulated percentage change to IRI = (post-intervention value/pre-intervention value)	2%	-70%	-70.0%	40.0%
% reduction in volume of water lost compared to the base -year value (2019)	2%	32%	27.0%	30.0%
% reduction in production of dewatered/dried sludge compared to the base-year value (2019)	2%	45.7%	36.2%	0%
Reduction of CO2 emission intensity index at Acea Produzione (gCO2/kWh produced, and reduction as a percentage compared to the 2019 figure: 89 gCO2/kWh)	2%	55	91.00	0%
Reduction in injury -related indices (Acea Group severity index on average 2022-24 ≤ 2021) (using the same scope as the 2021 NFS)	2%	-7.5%	20%	0%

On proposal by the Appointments and Remuneration Committee, the Board of Directors thus verified that the total payout was 1.40%. This percentage, calculated on the basis of individual objectives using linear interpolation between the minimum (30%), target (40%) and maximum (50%) values, refers to the pay-out in relation to the fixed component of remuneration.

Balancing of remuneration package

The components effectively paid to the Chief Executive Officer and the Executives with Strategic Responsibilities in percentages, are shown below.

ACTUAL PAY MIX - CEO



ACTUAL PAY MIX - ESRs

