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2015

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**SUSTAINABILITY REPORT**  
Highlights of sustainability data

Acea Group



# LETTER TO THE STAKEHOLDERS



The Acea Group 2015 *Sustainability Report*, which is the 18<sup>th</sup> annual report of its kind to be published, provides stakeholders with an overview of the company, its activities and the results obtained in terms of the sustainable creation of shared value. The Report was drawn up on the basis of *Global Reporting Initiative Guidelines* (GRI-G4), with the highest level of compliance. The document focuses on the most relevant themes for the company and stakeholders, established in an analysis on “materiality” and by setting up *multistakeholder* focus groups.

The main purpose of the *Sustainability Report* is to provide as many stakeholders with as much information as possible. Corporate assets, stakeholder relations, environmental, social and governance performance are described and quantified. This information goes to supplement the economic-financial framework of the *Statutory financial statements*.

The *Sustainability Plan*, currently being updated, specifies the company's commitments and represents an incentive for continuous improvement. The analysis of the results obtained and the review phase in fact, highlight areas in which we can improve, and the good practices to valorise.

This year at an international level, there were three key elements of sustainability: the UN *Sustainable Development Goals*, COP21 and the *Laudato si'* En-

cyclical Letter of the Holy Father Francis. These documents, regardless of their origin, represent a common commitment to sustainable development. They highlight the responsibilities and above all, the opportunities those favouring a proactive approach should seize. Acea has chosen this approach. The Group has already implemented a process of evolutionary development called *Acea2.0*. It's a *business transformation* project that focuses on corporate culture and management models, with the aim of promoting innovation and creating value for stakeholders. Acea in fact, while operating in regulated sectors where there is a partial monopoly, intends to pursue goals based on a logic of competitiveness and reward.

This year's sustainability report can be interpreted in terms of the ongoing change, which has an impact on relations with all stakeholders. Acea is investing in personal involvement and initiatives for transversal engagement as an alternative to the traditional hierarchy. The *Workforce management* project, in which everyone in the company is involved, aims to increase the efficiency of operations throughout the territory. Customer service orientation is another cornerstone of the programme, with the evolution of the *Customer Relationship Management* (CRM) system and the challenging goals of performance in terms of quality of services provided. In the supply chain, Acea is establishing long-term and strategic relations with its business partners, guaranteeing the collaboration

of well-organized and reliable operators. Thanks to this input, last year the first Single Procurement Contracts were drawn up for the maintenance of waterworks and electricity networks.

The benefits of technological innovation and sustainable business management, continuing in the direction we started in recent years, have also been acknowledged at an international level. Acea was awarded the RSE prize for the "Technology, research and innovation category", at the fourth edition of the Top Utility Award. The Carbon Disclosure Project gave the company a score of 99 B (out of a maximum possible score of 100 A), appraising Acea's CO<sub>2</sub> emission reduction policy.

Furthermore, Acea welcomes the opportunities represented by the development of Smart Cities, where the interconnection of service networks can lead to product and process innovation. For 2015, the Italian Authority for Electricity, Gas and Water (AEEGSI) granted an extension to the smart grid pilot project experimentation and the RoMA (*Resilience enhancement of Metropolitan Area*) project, jointly financed by the MIUR as part of the actions to support *Smart Cities and Communities*, in consideration of the results obtained.

Acea has implemented numerous territorial initiatives including "Acea per Roma" (Acea for Rome) and the "Water Houses" public drinking water dispenser installation plan, as part of a corporate citizenship and stakeholder engagement strategy. In the first "Acea per Roma" initiative, Acea asked citizens to propose urban renewal and inclusion project ideas of their own. The response was impressive: around 800 proposals were received, with numerous citizens from the suburban districts of Rome participating, with a resulting 55 projects authorized for funding. The second initiative pursues social, environmental and economic goals for the benefit of the entire community. The new high-tech long-spouted fountains,

nick-named "nasoni" (big noses) providing citizens with refrigerated (natural or fizzy) water, are installed in busy places where people tend to gather. Throughout the year, 12 Water Houses in Rome and another 12 in the province of Rome supplied 2.8 million litres of drinking water, the equivalent of 71 tons of plastic bottles less to be disposed of and approximately 100 tons less of CO<sub>2</sub> discharged into the atmosphere. The plan continues.

In short, there have been several changes in the scenario of reference in which the company operates that could have an impact on Acea's lines of development. These include the provisions of the Italian Stability Law on the consolidation of companies providing local public services, the approval of the Green Economy annex and the publication of the new 2015-2019 Strategic Framework for regulated water, electricity and gas sectors. There are aspects that refer to sustainable development in each of these elements, and it is important for companies operating in these sectors to contribute to the same.

On the same theme, EU Directive 95/2014, currently being implemented, will soon make the reporting of extra-financial information in corporate documents obligatory. The *Corporate Governance Code of Listed Companies*, updated in July 2015, as part of the rules of good corporate governance, introduced sustainability risk assessment by the Board of Directors.

Last but not least, Acea as a Founding Promotor, adhered voluntarily to the Global Compact Network Italy, the body established to contribute to the development of the UN Global Compact initiative in Italy. This is proof of our commitment to the universal principles of human rights, work, the environment and the fight against corruption, letting the company identify the elements that correspond to an *advanced* level of *Communication on Progress* in its operations, as required by the "Global Pact".

The Chief Executive Officer  
Alberto Irace



The Chairman  
Catia Tomasetti



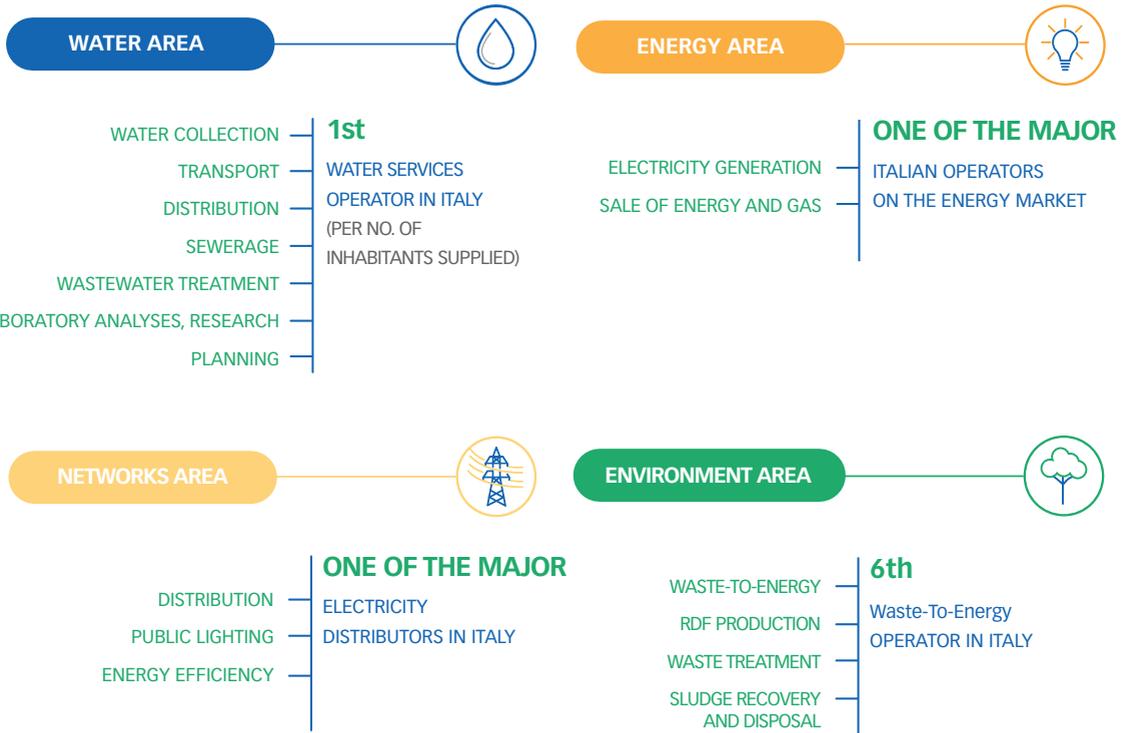
# ACEA'S IDENTITY

ACEA IS ONE OF THE MAJOR ITALIAN MULTIUTILITY OPERATORS, AND HAS BEEN PROVIDING ELECTRICITY NETWORK SERVICES, ENVIRONMENTAL AND INTEGRATED WATER SERVICES FOR OVER A CENTURY.

The company launched its business in the territory of Rome, and has become the main operator in the electricity and water sectors. Now, Acea has extended its sphere of influence to the rest of Central-Southern Italy, with an interest in the operational management of other local public service enterprises.

The Group pursues its activities in meticulous and sustainable economic-financial operations, on the basis of the principles of corporate responsibility, promoting the sustainable development of the territories and widespread progress shared with the stakeholders of reference.

## CORE GROUP BUSINESS ACTIVITIES





PalaTiziano Sports' Hall in Rome

# ACEA AND SUSTAINABILITY

THE 2015 SUSTAINABILITY REPORT DESCRIBES THE **FINANCIAL, SOCIAL AND ENVIRONMENTAL PERFORMANCE** OF THE ACEA GROUP. THIS IS THE 18TH REPORT PUBLISHED ANNUALLY TO PROVIDE STAKEHOLDERS WITH ALL THE INFORMATION REQUIRED IN A TRANSPARENT AND BALANCED WAY.

The contents of the *Sustainability Report* have been defined on the basis of *GRI-G4 Guidelines* and the results of materiality analyses, establishing **the most relevant themes for company and stakeholders alike**. For reporting purposes, the **legal nature of a company** listed on the Stock Exchange, **relations between the holding**

**and other Group companies, the business areas** (energy, water and environment), the **Utility mission, the Country** (Italy) **in which its business is mainly conducted** and the **type of stakeholders** with whom Acea interacts, were taken into consideration.

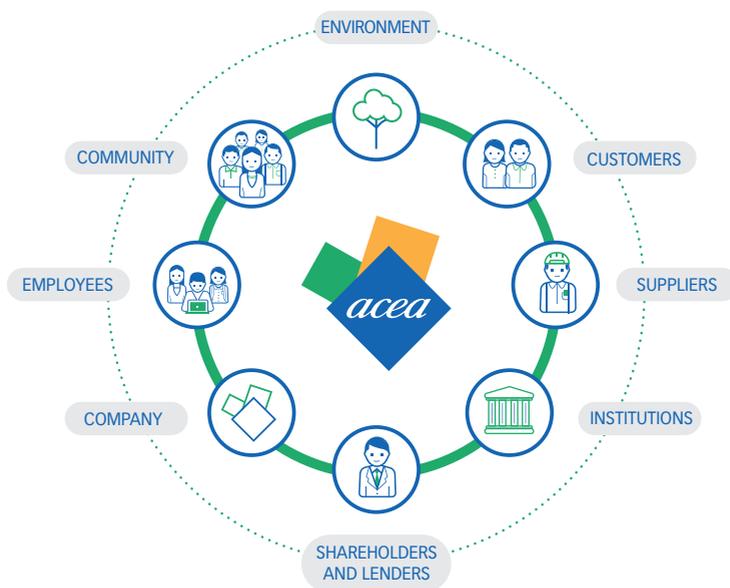


**ACEA HAS ADHERED TO THE GLOBAL COMPACT INITIATIVE SINCE 2007**

ACEA PROMOTES STAKEHOLDER ENGAGEMENT, MAKING THE MOST OF AVAILABLE OPPORTUNITIES TO **CREATE SHARED VALUE**, IN COHERENCE WITH ITS CODE OF ETHICS.

The identification of the various stakeholders and the management of interactions with the company are continuous and dynamic activities, which derive **both from corporate impetus and goals, as well as external requirements**.

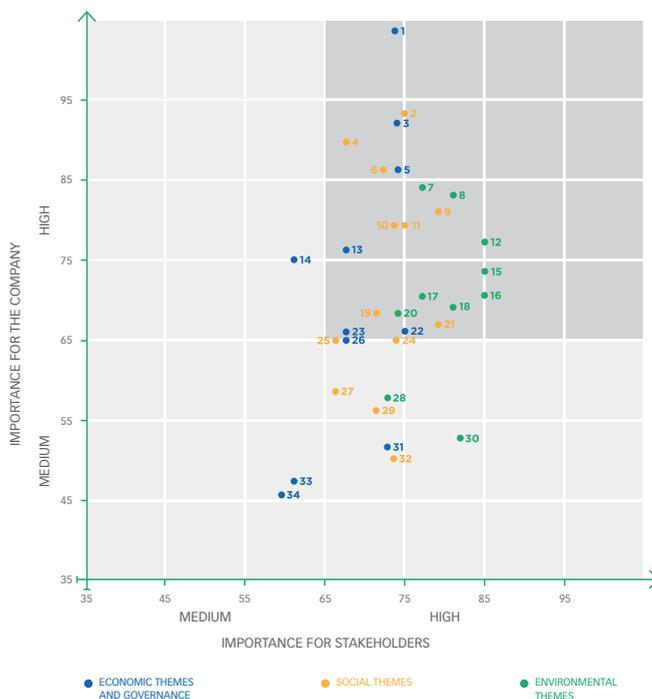
The resulting collaboration is important both in terms of company development and to consolidate Acea's legitimate capacity to operate in the eyes of its stakeholders.



# RELEVANT THEMES FOR COMPANY AND STAKEHOLDERS

FROM THE END OF 2014 TO THE FIRST TWO MONTHS OF 2015, ACEA IMPLEMENTED A PROCESS TO IDENTIFY THEMES OF MAJOR IMPORTANCE (SO-CALLED "MATERIAL THEMES") WHICH LED TO THE DEFINITION OF THE "MATRIX OF MATERIALITY".

- ECONOMIC THEMES AND GOVERNANCE
- SOCIAL THEMES
- ENVIRONMENTAL THEMES



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| <ul style="list-style-type: none"> <li>1 CREATION OF ECONOMIC-FINANCIAL VALUE</li> <li>2 HEALTH AND SAFETY AT WORK</li> <li>3 OBSERVANCE OF RULES AND COMPLIANCE</li> <li>4 STUDY AND APPLICATION OF NEW TECHNOLOGIES FOR THE IMPROVEMENT AND EVOLUTION OF SERVICES</li> <li>5 PROMOTION OF ETHICS AND INTEGRITY IN CORPORATE CONDUCT</li> <li>6 DEVELOPMENT AND VALORISATION OF HUMAN RESOURCES</li> <li>7 SAFEGUARD OF TERRITORY AND MITIGATION OF EMISSIONS: CLIMATE CHANGE, QUALITY OF THE AIR</li> <li>8 EFFICIENT ENERGY USE (ENERGY CONSUMPTION AND SAVINGS)</li> <li>9 IMPROVING SERVICE QUALITY</li> <li>10 IMPROVING METHODS AND CHANNELS OF CONTACT WITH CUSTOMERS</li> <li>11 EMPLOYMENT DEVELOPMENT AND PROTECTION OF LABOUR</li> <li>12 UPGRADING WATER TREATMENT, SEWAGE WORKS AND SLUDGE DISPOSAL</li> <li>13 RISK MITIGATION AND DEVELOPMENT OF BUSINESS OPPORTUNITIES</li> <li>14 BUILDING AND CONSOLIDATING THE COMPANY REPUTATION</li> <li>15 PROTECTING DRINKING WATER QUALITY</li> <li>16 REDUCTION OF WATER LOSSES</li> <li>17 DEVELOPMENT OF INVESTMENTS FOR THE REDUCTION OF ENVIRONMENTAL IMPACT</li> <li>18 EFFICIENT WATER USE (CONSUMPTION AND SAVINGS)</li> <li>19 SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN AND SELECTION/EVALUATION OF SUPPLIERS ON THE BASIS OF ESG (ENVIRONMENTAL AND SOCIAL) CRITERIA</li> </ul> | <ul style="list-style-type: none"> <li>20 WASTE-TO-ENERGY DEVELOPMENT AND INTEGRATED WASTE MANAGEMENT</li> <li>21 CONSUMER PROTECTION</li> <li>22 CONTRIBUTION TO THE DEVELOPMENT OF THE ECONOMIC BASE</li> <li>23 TOP MANAGEMENT REMUNERATION AND EVALUATION</li> <li>24 EVALUATION AND VALORISATION OF THE IMPACT OF CORPORATE ACTIVITIES ON THE COMMUNITY</li> <li>25 MANAGEMENT OF CORPORATE DIVERSITY AND WELFARE</li> <li>26 INTRODUCTION OF ELEMENTS OF SUSTAINABILITY IN CORPORATE GOVERNANCE</li> <li>27 INITIATIVES PROMOTING AWARENESS IN THE COMMUNITY AND THE RESPONSIBLE USE OF RESOURCES</li> <li>28 FAUNA AND FLORA PROTECTION</li> <li>29 OBSERVANCE OF SUPPLIER PAYMENT TIMES</li> <li>30 DEVELOPMENT OF THE PRODUCTION OF ENERGY FROM RENEWABLE SOURCES</li> <li>31 STAKEHOLDER ENGAGEMENT</li> <li>32 PROTECTION OF HUMAN RIGHTS</li> <li>33 DEVELOPMENT OF PARTNERSHIPS WITH PUBLIC AND PRIVATE ENTITIES</li> <li>34 VALORISATION OF ESG ELEMENTS (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) IN RELATIONS WITH THE FINANCIAL WORLD</li> </ul> |
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# RELATIONS WITH STAKEHOLDER



## CUSTOMERS AND COMMUNITY

**18,700**  
PERSONS

FEEDBACK FROM CUSTOMER  
SATISFACTION SURVEYS

**6,553**  
LED LIGHTING POINTS

INSTALLED IN ROME

**25**  
"WATER HOUSES"

13 IN ROME AND 12 IN PROVINCE OF ROME  
2.8 MILLION LITRES SUPPLIED



## SUPPLIERS

**906**  
MILLION EUROS

VALUE OF 2015  
CONTRACTS

OVER **3,000**  
CONTRACTS DRAWN UP

WITH 1,450 SUPPLIERS

**1,052**  
REQUESTS APPROVED

REGISTRATION WITH ROLLS/  
QUALIFICATION SYSTEM  
689 QUALIFIED OPERATORS



## SHAREHOLDERS AND LENDERS

**106.5**  
MILLION EUROS

OF DIVIDENDS

**170**  
INVESTORS

MET BY INVESTOR  
RELATIONS

**111.3**  
MILLION EUROS

FINANCIAL COSTS

**262,467**  
CUSTOMERS RECEIVED

AT THE COUNTERS  
OF THE HEAD OFFICE

**ACEA PER ROMA**  
FEEDBACK CAMPAIGN

800 PROPOSALS RECEIVED  
55 PROJECTS FUNDED



## HUMAN RESOURCES

**36.4** HOURS  
OF TRAINING PER PERSON

FOR EMPLOYEES

**99.5%**  
EMPLOYEES

WITH OPEN-ENDED  
CONTRACTS

**24.2%**  
PERCENTAGE OF WOMEN

IN CORPORATE  
GOVERNANCE BODIES



## THE COMPANY AND INSTITUTIONS

ABOUT **64** MILLION  
EUROS IN INNOVATION

AND 20 RESEARCH PROJECTS  
UNDERWAY

ABOUT **429** MILLION  
EUROS IN INVESTMENTS

+34% COMPARED TO 2014

**29**  
AGREEMENTS

WITH RESEARCH CENTRES,  
TRAINING ORGANISATIONS  
AND TRADE ASSOCIATIONS

# ENVIRONMENTAL RELATIONS



## WATER

Water Area

**1,317** Mm<sup>3</sup>

DRINKING WATER VOLUMES FED INTO NETWORK (GROUP)

**1,167,959**

NO. TESTS ON DRINKING WATER (GROUP)

**49,800** km

NETWORK MANAGED SERVING THE GROUP'S DRINKING WATER SYSTEM



## ENERGY

Distribution

**29,000** km

ROME AND FORMELLO DISTRIBUTION NETWORK

**11,200** GWh

ELECTRICITY DISTRIBUTED IN ITALY IN 2015

**42%**

INDEX OF TERRITORIAL PROTECTION

UNDERGROUND HV NETWORK/TOTAL HV NETWORK



## ENVIRONMENT

Waste management

**340,000** t

WASTE PROCESSED IN WASTE TO ENERGY PLANTS

**307** GWh

ENERGY PRODUCED IN SAN VITTORE DEL LAZIO AND TERNI PLANTS

## Sludge

**151,200 t**

TOTAL SLUDGE PRODUCED  
BY ACEA ATO 2 AND ACEA ATO 5

**110,000 t**

SLUDGE RECYCLED FOR AGRICULTURAL  
SECTOR AND COMPOSTING  
BY ACEA ATO 2 AND ACEA ATO 5

APPROXIMATELY 73% OF THE TOTAL

## Production

**783 GWh**

TOTAL ENERGY  
PRODUCED

**613 GWh**

ENERGY PRODUCED  
FROM RENEWABLE SOURCES

**80 GWh**

THERMAL ENERGY PRODUCED BY TOR  
DI VALLE PLANT SUPPLYING POWER  
TO **36,900 INHABITANTS** OF SOUTH  
ROME WITH DHS

SAN VITTORE DEL LAZIO

**13.5 MWh/h**

ENERGY PRODUCED (MWh) PER WTE OPERATING HOURS

TERNI

**10 MWh/h**

SAN VITTORE DEL LAZIO

**2.7 t/h**

WASTE PRODUCED (t) PER WTE OPERATING HOURS

TERNI

**2.0 t/h**



[WWW.ACEA.IT](http://WWW.ACEA.IT)

**ACEA SPA**

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Piazzale Ostiense, 2  
00154 Rome, Italy