2024
Group Annual Report

2024 Consolidated Financial Statements

Veritas spa

veneziana energia risorse idriche territorio ambiente servizi

Registered office

Santa Croce 489, Venice

Board of Directors

Chair

Marco Bordignon

Directors

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Francesca Longo

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Board of Statutory Auditors

Chair

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Dear Shareholders,

The Veritas spa General Meeting of June 27, 2008 directed the Veritas Group to apply voluntarily Legislative Decree 38 of February 28, 2005, as permitted by Italian law, opting to publish consolidated financial statements compliant with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS).

In accordance with the by-laws and Article 2364 of the Italian Civil Code, because the Group is required to prepare consolidated financial statements under Article 25 of Legislative Decree 127/91, the financial statements must be approved within 180 days from the end of the fiscal year.

The financial statements of the Veritas Group for the year ended December 31, 2024 show a net profit of € 12,007 thousand, compared with € 15,476 thousand for the year ended December 31, 2023.

Including the non-controlling interests, the consolidated net profit amounts to € 9,235 thousand, compared with € 15,831 thousand for 2023.

The consolidated financial statements include the financial statements of the parent company, Veritas spa, and of the companies it controls directly or indirectly through its subsidiaries, determining their financial and managerial decisions and obtaining the relative benefits.

Since 2017 the parent company has also prepared separate financial statements compliant with IFRS, under Legislative Decree 38/2005 as it pertains to public interest entities.

The following companies, in accordance with IFRS 10, are included within the scope of consolidation at December 31, 2024:

			Dec. 31, 2024	Dec. 31, 2023
consolidated companies	registered office	share capital	Group's share	
Veritas spa (parent company)	Venice	145,397,150		
Eco+Eco srl	Venice	95,120,967	72.95%	68.27%
Asvo spa	Portogruaro (Venice)	18,969,650	55.75%	55.75%
Consorzio per la gestione dei servizi comuni Fusina	Venice	50,000	88.23%	88.23%
Metalrecycling Venice srl	Venice	1,800,000	72.95%	68.27%
Depuracque servizi srl	Salzano (Venice)	223,080	100.00%	100.00%
Lecher ricerche e analisi srl	Salzano (Venice)	46,800	100.00%	100.00%
Rive srl	Venice	2,000,000	70.00%	70.00%
Euroscavi srl	Badia Polesine (Rome)	10,329	100.00%	100.00%
Ecodistretto Trasporti scarl	Venice	20,000	58.36%	54.62%
Veritas Conegliano srl	Venice	100,000	72.50%	72.50%
Sifa Scpa	Venice	30,000,000	84.33%	
Ecodistretto RE srl	Venice	24,478,000	72.95%	

In 2024 the scope of consolidation underwent the following changes with respect to the previous year:

- On January 11, 2024, Veritas completed the acquisition of a 51.16% stake in its associate Sifa scarl from the private controlling shareholder Mantovani and from some of its subsidiaries, bringing the Group's ownership to 84.33% and thus obtaining the control and the consolidation of the company within the Group from such date. The transaction also consisted of the acquisition of some financial receivables held by those entities due from Sifa. The fair value of the financial receivables was assessed by the Directors as the nominal value, and the value of the assets acquired was measured on the basis of the current recovery prospects using a multi-scenario approach;

- on September 20, 2024, Eco+Eco as a single member established Ecodistretto RE srl by first paying in the entire share capital of € 10 thousand and then, in December 2024, by increasing its share capital through a transfer of buildings for an additional € 24,468 thousand;
- on May 21, 2024, Rive srl's shareholders (Depuracque servizi and Hexa Green) resolved, subscribed to and paid in pro-rata a € 1,900 thousand share capital increase, bringing the company's new capital to € 2,000 thousand;
- To fund the investments laid out in the long-term business plan of subsidiary Eco+Eco, in November 2024 an additional share capital increase with a share premium was resolved, and subscribed to by shareholders Veritas spa (for € 19,978 thousand) and Trevisan spa (for € 293 thousand).
  As a result of that increase, the share ownership at December 31, 2024 was as follows: Veritas spa 66.88%, Asvo spa 10.89%, Bioman spa 17.41%, Agrilux srl 2.21%, Trevisan spa 0.98%, Savno srl 0.89%, Idealservice scarl 0.74%.

The following associates are not consolidated on a line-by-line basis:

associates	registered office	share capital	Group's share Dec. 31, 2024	Dec. 31, 2023
associates				
Ecolegno CM Venezia srl	Venice	50,000	29.18%	27.31%
OMD srl	Nervesa della Battaglia (Treviso)	160,000	18.24%	17.07%
Bioenergie Italiane srl (formerly Mia energia srl)	Venice	1,000,000	21.89%	33.45%
9-Tech srl	Eraclea (Venice)	256,400	22.00%	22.00%
Ri.cart srl	Istrana (Treviso)	200,000	32.83%	30.72%
Vier scarl	Venice	100,000	49.00%	49.00%
reclassified companies				
Sifa Scpa	Venice	30,000,000	84.33%	33.17%

The changes from the previous year comprise:

- the May 21, 2024 € 128 thousand share capital increase of 9-Tech srl, subscribed to and paid in pro-rata by all the shareholders (including Depuracque servizi), bringing the new share capital to € 256 thousand;
- Eco+Eco's sale on September 11, 2024 of 19% of the Bioenergie italiane srl quotas to the controlling shareholder, Finan Group spa.

Veritas spa's subscribed and paid-in share capital at December 31, 2024 was € 145,397 thousand, unchanged since the previous year.

The Group provides local public services, waste management and water treatment and distribution, in the 51 shareholder municipalities belonging to the optimal territorial ambits (OTAs) of the provinces of Venice and Treviso. The population served is approximately 915,000, equal to almost the entire metropolitan area of Venice and 18% of the residents of the Veneto region, plus some 40 million tourists who visit Venice, the surrounding areas, and the Jesolo, Eraclea, and Chioggia coastlines each year (except during the two-year Covid emergency), for a total population equivalent of more than 1 million.

Since merging with Asi in 2017, Veritas has been providing integrated water services in 36 municipalities.

Regarding the integrated waste management service, Veritas spa covers the area under the responsibility of the three companies operating before the 2007 merger (Vesta spa, Acm spa e Asp spa), to which the following municipalities have been added over time: Cavarzere, Cona, San Donà di Piave, Fossalta di Piave, Mogliano Veneto, Ceggia, Eraclea, Jesolo, Musile di Piave, Noventa di Piave, and Torre di Mosto, and since January 1, 2024 also the 11 Portogruaro municipalities previously managed by Asvo spa, following the lease of the business unit by that subsidiary to Veritas.

The year 2024 featured the ending of the macroeconomic crises that had been present in previous years, starting with the Covid-19 health emergency of 2020, although uncertainties remain especially regarding electricity and gas prices and those related to the ongoing geopolitical conflicts and instability.

The Group's important business plan continued to be implemented during 2024, and is being funded with the use of non-repayable public grants and additional forms of financing, including those incentivized by government guarantees.

Specifically, in 2024 the parent company took out three new loans backed by the Sace Futuro guarantee, totaling € 40 million, of which € 19 million was disbursed in January 2025.

Eco+Eco took out two new loans with the Sace guarantee, one from Monte dei Paschi di Siena for a nominal value of € 15 million and one from Banca Ifis for a nominal value of € 10 million.

The following table shows the Veritas Group's key performance data for 2024 and the previous year, in thousands of euros; it also shows each item as a percentage of the total net revenue for both periods.

key performance figures (in thousands of euros)	2024	%	2023	%
total net revenue	**535,722**	**100.0%**	**511,086**	**100.0%**
personnel costs	-188,818	-35.2%	-176,878	-34.6%
other operating costs and provisions	-242,053	-45.2%	-239,361	-46.8%
EBITDA	**104,851**	**19.6%**	**94,847**	**18.6%**
amortization, depreciation and impairment losses	-62,088	-11.6%	-55,656	-10.9%
provisions for risks and charges	-5,189	-1.0%	-1,879	-0.4%
operating profit	**37,574**	**7.0%**	**37,312**	**7.3%**
share of investments accounted for using the equity method		0.0%		0.0%
finance costs/(income)	-19,472	-3.6%	-16,233	-3.2%
profit before tax	**18,102**	**3.4%**	**21,079**	**4.1%**
income tax for the year	-8,867	-1.7%	-5,248	-1.0%
profit for the year from continuing operations	**9,235**	**1.7%**	**15,831**	**3.1%**
profit for the year from discontinued operations		0.0%		0.0%
consolidated profit for the year	**9,235**	**1.7%**	**15,831**	**3.1%**
profit for the year attributable to non-controlling interests	-2,772	-0.5%	356	0.1%
Group net profit	**12,007**	**2.2%**	**15,476**	**3.0%**

The total net revenue amounted to € 535.7 million, up by € 24.6 million from that of 2023 (+4.8%).

Of the total, the revenue from sales and services is € 526.2 million, up by € 31.9 million over the previous year due to greater revenues from sales and services from rates (€ +25.8 million) and from institutional services (€ +9.1 million).

The revenue from waste management services came to € 224.5 million (€ +15.8 million), and this year it regards solely Veritas because the waste management service previously handled by Asvo was leased to Veritas from January 1, 2024.

The higher amount reflects the rate increase recognized with the approval of the 2024 financial plans ("FPs"), which is 7% in total, taking into account the rate adjustments to be recovered in future FPs.

Since 2020, waste rates have been governed by the Italian Regulatory Authority for Energy, Networks and Environment (*Autorità di regolazione per energia reti e ambiente*, or "Arera"), using the waste rate method ("Mtr") for 2020-2021; however, since 2022, the revised waste rate method ("Mtr-2") has been in effect as approved with Resolution 363/R/rif of August 3, 2021, effective for 2022-2025.

In addition, the waste rate method for 2020-2021 had limited the annual rate increase (to within-cap), while the over-cap portion, which requires confirmation by Arera, produced rate adjustments that cannot be accounted for except where they have been covered by the municipalities' own funds. Nevertheless, Mtr-2 takes a new approach by allowing those generated from 2022 onwards to be included in future FPs without prior confirmation by Arera.

The 2022-2025 FPs were approved with Venice Environment Basin Council Resolution 7 of April 14, 2022, and additionally this year the Basin Council approved the updated 2024-2025 FPs with Resolution 4 of April 9, 2024.

The updating of the 2024 FP included an average rate increase of 7.46% for Veritas and of 12.52% for the former operator Asvo, now Veritas.

The parent company's revenues from the regulated water rate are € 144.5 million (€ +18.0 million from the previous year, due to the recognition of additional adjustments accrued from previous periods).

The rate for the integrated water service follows the new rate method (Mti-4) approved by Arera in December 2023 with Resolution 639/2023/R/idr, effective for 2024-2029. Consequently, with Resolution 14/2025/R/idr of January 21, 2025, Arera approved the rates applicable to Veritas for that period.

The water rate approved for 2024 is 9.95% higher than that of 2023.

The rate approval allowed for recognizing in this period € 18.2 million in revenues for prior-period adjustments recoverable in the 2025-2026 water service rates.

Nevertheless, the integrated water service rate remains one of the lowest in the country, and because of various factors beyond the rate adjustment formulas, it is not expected to rise by an appreciable amount.

Revenues from services rendered to third parties fell by € 3.0 million, and other income fell by € 7.2 million.

Personnel costs (€ 188.8 million) were higher than in 2023 (€ 176.9 million), but excluding the non-recurring items and capitalized costs the increase is € 10.2 million, or 5%. The increase is attributable primarily to an increase in the employment of temporary workers to meet seasonal demands, and to salary raises given under the renewed national collective bargaining agreements and corporate remuneration polices.

The average number of employees in terms of full-time equivalents (FTEs) is 3,483, up by 84 (13%) from the prior year.

average annual headcount (FTEs)	2024	2023	change
upper management	25.08	25.00	0.08
lower management	89.15	87.01	2.14
white-collar	1,069.85	1,036.03	33.82
blue-collar	2,299.02	2,250.55	48.47
total average headcount	**3,483.10**	**3,398.59**	**84.51**

Personnel costs corresponded to 35.2% of total net revenue, up from 34.6% in 2023.

Other operating expenses and provisions corresponded to 45.2% of total revenue, down by € 2.7 million.

Specifically, they refer to purchases of raw materials and consumables (€ 49.9 million), the cost of services (€ 172.6 million), costs for using third-party assets (€ 5.6 million), and other operating expenses (€ 14 million).

Among the external operating expenses (within "utilities"), **electricity costs** are one of the Group's largest expenses, and they are generated mostly by the water treatment plants.

This major cost item amounted to € 29.3 million in 2024 (€ 26.3 million for the parent company alone), a decrease of € 2.6 million (€ 2.7 million for Veritas) from 2023.

At Veritas, total electricity consumption increased by 17.59% in 2024 compared to 2023, due chiefly to greater use by the main pumping stations (19%) and rainwater pumping stations (16%); meanwhile, the rates rose in the second quarter until August, then fell in the third quarter and rose again near the end of the year. However, the increase did not affect the unit cost because most of the cost is associated with fixed quarterly prices set in advance, allowing mitigation of the increases in better times.

The parent company's average unit price was 22.86% lower than for the prior year, and its total expenditure was 9.29% lower, despite the ongoing geopolitical instability stemming from the Russo-Ukrainian war.

The **gross operating margin (EBITDA)** of € 104.9 million increased by 10.5% compared with the € 94.8 million of 2023.

At € 37.6 million, the **operating income (EBIT)** was 0.7% higher than in 2023 (€ 37.3 million).

The **net finance costs** of € 19.5 million are up by € 3.2 million from those of 2023.

The **profit before tax** is € 18.1 million, down from the € 21.1 million of 2023, and is 3.4% of the total net revenue.

Income tax for the year is € 8.9 million, up by € 3.6 million from 2023.

The consolidated profit for the year is € 9,235 thousand, compared with € 15,831 thousand for 2023.

The **profit for the year attributable to non-controlling interests** of € -2,772 thousand (€ 356 thousand in 2023) refers mainly to the subsidiaries Eco+Eco Srl and Asvo SpA.

The Veritas Group's key financial figures are presented below (in thousands of euros):

key financial figures (in thousands of euros)	Dec. 31, 2024	inc. %	Dec. 31, 2023	inc. %
non-current assets	939,705	112.4%	840,760	106.6%
net working capital	-103,661	-12.4%	-52,042	-6.6%
net invested capital	**836,044**	**100.0%**	**788,718**	**100.0%**
equity attributable to the Group	313,193	37.5%	302,775	38.4%
equity attributable to non-controlling interests	33,827	4.1%	31,788	4.0%
net non-current liabilities (excluding loans)	127,208	15.2%	115,850	14.7%
net financial debt	361,816	43.3%	338,305	42.9%
sources of funding	**836,044**	**100.0%**	**788,718**	**100.0%**

Non-current assets increased by € 98.9 million with respect to the previous year.

Capital expenditure in 2024 amounts to € 154.6 million, down by € 3.4 million from the previous year, as follows:

capital expenditure (in thousands of euros)	2024	2023
intangible assets	5,627	6,643
property, plant and equipment	91,239	88,268
goods for services under concession	57,717	63,038
total capital expenditure	**154,583**	**157,949**

Net working capital went from € -52.0 million at the end of 2023 to € -103.7 million.

Equity increased by a total of € 12.5 million over the previous year, € +9.2 million from the net profit, € -1.3 million from the annual effect of the discounting of retirement benefit obligations and adjustment of the cash flow hedge reserve, and € +4.6 million for the other changes in equity of the investees. Equity attributable to non-controlling interests rose from € 31.8 million to € 33.8 million, while the Group's net profit for the year amounted to € 12 million.

Net non-current liabilities are € 127.2 million, up by € 11.4 million from the € 115.8 million at December 31, 2023. They consist of long-term liabilities due to other parties as well as provisions, including for retirement benefit obligations.

The Group's **net financial debt** rose by € 23.5 million, from € 338.3 million to € 361.8 million. See the statement of cash flows for the details of the individual changes.

The Group has a high level of debt but a sustainable net debt/EBITDA ratio of 3.45, compared to 3.57 for the previous year.

The net debt consists of the following:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
cash and cash equivalents	**-103,270**	**-131,577**
bank overdrafts and current portion of bank loans	49,281	54,243
current portion of loans from other lenders	23,466	20,218
derivative liabilities	1,293	972
current financial payables due to shareholders	667	629
current financial payables due to associates		
current financial debt	**74,707**	**76,062**
net current financial debt	**-28,563**	**-55,515**
long-term bank loans	216,965	221,110
long-term loans from other lenders	165,676	164,580
non-current financial payables due to shareholders	7,738	8,130
non-current financial payables due to associates		
non-current financial debt	**390,379**	**393,820**
net financial debt	**361,816**	**338,305**

Definition of alternative performance measures

Alternative performance measures are non-Gaap measures used to evaluate business performance.

On October 5, 2015, the European Security and Markets Authority (ESMA) published its guidelines (Esma/2015/1415) on the criteria for the presentation of alternative performance measures, which replaced, as of July 3, 2016, the Cesr/05-178b recommendations. The guidelines were incorporated into the Italian system with Consob Communication 0092543 of December 3, 2015. In addition, on March 4, 2021 Esma published guidance on disclosure requirements under the new Prospectus Regulation (Regulation EU 2017/1129 and Commission Delegated Regulations EU 2019/980 and 2019/979), which update previous Cesr Recommendations (Esma/2013/319, as revised on March 20, 2013).

The content and meaning of the non-Gaap performance measures and other alternative performance measures used in this report are explained hereunder:

- EBITDA is the difference between operating income and expenses, gross of depreciation and amortization (already net of equipment grants), impairment losses, risk provisions and other provisions.
- The net financial debt, calculated as outlined in the main financial covenants in place at December 31, is the difference between the total financial liabilities and the short-term financial assets (in the case of the Group, the latter consist solely of cash and cash equivalents).
- Net invested capital is the sum of non-current assets and net working capital.
- Working capital is the sum of current receivables, inventories and contract work in progress, the net balance of other current assets and liabilities, and current payables, excluding the items used to determine the net financial position/(debt).

2.1.2 Risks and uncertainties

Macroeconomic risk

Macroeconomic context

The macroeconomic scenario is strongly influenced by the high levels of geopolitical uncertainty.

The outlook for global growth and trade, reflected in the macroeconomic projections for the euro area made by European Central Bank (ECB) experts in March 2025, has been revised downward due to the tariffs introduced by the United States and high uncertainty over trade policies expected to adversely affect the euro area economy, particularly for exports and investments, slowing the anticipated recovery after slightly lower-than-expected growth at the end of 2024.

After peaking at 9.4% in the third quarter of 2022, the global headline inflation declined gradually due to the restrictive monetary policies adopted by major central banks, to 5.8% at the end of 2024.

Excluding the uncertainties stemming from the U.S. trade policy and barring additional unexpected risk scenarios that could undermine the oil or natural gas supply, European inflation should continue to fall to the central banks' targets. Inflation is projected to decrease slightly in 2025, to 2.1%, and then fall further, approaching the ECB's target of 2% in 2026 and 2027, as cost pressures ease and past monetary policy decisions are transmitted to consumer prices.

While the downward trend of inflation may favor further interest rate cuts, the International Monetary Fund (IMF) stresses that central banks will need to remain vigilant and ready to adjust their monetary policies as the global economic conditions evolve, which could happen very rapidly and reverse current trends.

For Italy, the most recent Bank of Italy projections estimate a 0.5% increase in economic activity in 2024. This rate is affected, as in the rest of the euro area, by persistent weakness in the manufacturing industry and a sluggish service industry. The forecast for the next two years also shows modest GDP growth, with the government's estimate revised downward to 0.6% in 2025 and 0.8% in 2026.

Although private consumption recovered somewhat in the final quarters of 2024 on account of the positive performance of the labor market, the forecast is influenced by new economic uncertainty arising from the trade policy decisions of the new U.S. administration, and also by investment stagnancy resulting from the downsizing of residential construction incentives and slow recovery of both foreign and domestic demand, due to reduced household and business confidence.

As for Italian price trends, forecasts for 2025-2026 indicate an increase in inflation to 1.5%, attributable mainly to wages picking up, which could put upward pressure on consumer prices.

The technology sector will continue to be the real player in 2025's economy. Thanks to the growing demand for IT infrastructures, such as data centers, and the expansion of digital solutions, devices, software and services, the technology sector will most likely continue to drive economic growth in Europe.

After a turbulent 2024, Italy's manufacturing is showing signs of slight recovery in early 2025 while tourism is on a strong upswing; a boom in European visitors is expected in 2025 after a record high in 2024.

The most critical sectors include the automobile industry, which is experiencing a serious crisis, with a significant drop in car production in 2024, especially in Italy, exacerbated by the transition to electric vehicles. 2025 is expected to be another difficult year, partly because of the unknown effects of the U.S. tariffs, and the Italian market is starting the year on the same negative trend as that of 2024.

Also slow in our country is the construction industry; according to estimates by the Italian Association of Building Contractors (ANCE), a 7% decline is expected in 2025 despite a 16% increase in public works under the National Recovery and Resilience Plan (NRRP). Infrastructures, sustainable energy and digitalization projects could stimulate the industry further.

Interest rates

In 2024, the ECB benchmark rate was cut several times, going from 4.25% in June to 3.15% in December 2024.

The changes reflect the ECB's efforts to manage inflation and stabilize the euro area economy.

The disinflation process "is well underway," and most forecasts suggest that inflation will remain steady around the 2% target in the medium term. Based on the ECB's considerations and especially on the projections for 2025, interest rates could drop to 2%.

However, greater global trade tensions could adversely affect inflation, depreciate the euro by making imports more expensive, and reduce the pace of EU-area growth and investment. This could lead to less interest rate cutting by the ECB.

With respect to short-term variable interest rates, in 2024 the Euro InterBank Offer rate (“Euribor”: reference rate used in interbank transactions in the euro area) had a downward trend, with some significant fluctuations.

The parameters most used had the following performance: the 3-month Euribor fell from 3.9% in January to 2.9% in December 2024, and the 6-month Euribor from 3.86% in January to 2.67% in December 2024.

In early 2025, the 3-month Euribor fell further to 2.275% in April 2025, reflecting an accommodative monetary policy by the ECB, which continued to reduce interest rates to stimulate the economy and curb inflation.

This has had a positive impact on borrowers with variable rates, who have seen a reduction in monthly payments. However, the fluctuations throughout the year indicate some uncertainty in financial markets, with reactions to global and local economic events.

In essence, 2024 was a year of relief to those with variable-rate mortgages, but it also highlighted the importance of constantly monitoring economic conditions and ECB decisions.

With respect to fixed interest rate swap (“IRS”) interest rates, the Euro Interest Rate Swap (“Eurirs”), used to determine the interest rate on fixed-rate long-term loans, fluctuated during 2024, influenced not only by the ECB's monetary policies but also by global economic conditions leading to some uncertainty in financial markets. The parameters most used had the following performance: the 10-year IRS fell from 2.85% in January to 2.75% in December 2024, after reaching 3.10% in June 2024, and the 15-year IRS went from 2.85% in January to 2.75% in December, after also reaching 3.10% in June 2024. These rates remained at the same levels in the initial months of 2024.

All in all, 2024 was a year of change for the IRS, with significant impacts on new fixed-rate loans.

The official interest rate decreased from the 5% of 2023 to 2.5% annually beginning January 1, 2024, and remained constant throughout the year. The lower official interest rate made *ravvedimento operoso* (voluntary disclosure to correct tax errors before the deadline) less costly and affected various financial aspects, such as payment extensions and loans.

Measurement of expected credit losses

Concerning the expected losses on trade receivables, in recent years the Group had already changed its calculations to reflect payment problems caused by the Covid-19 emergency and the subsequent economic slump.

In addition to calculating expected losses through a matrix system based on track records, the Group began to analyze increases in insolvency caused by Covid-related financial restrictions.

These calculations led to an upward revision in 2024 of the historical insolvency indexes used to calculate the expected losses, with a consequential adjustment to the provision for doubtful debts.

Going-concern assumption

Given the above, including in terms of medium/long-term planning, there are no issues regarding the Group's ability to operate as a going concern.

The Group has conducted simulations to assess potential future impacts on its business plans, which confirm the going-concern assumption.

Financial management policies and objectives

The Group's financial management is geared toward helping the organization procure and manage the funds necessary to invest in public infrastructures and in the industrial activities it carries out for its community.

It takes a medium/long-term perspective, seeking an appropriate balance between the sources and uses of funding, and in the short term it makes sure there is enough liquidity to meet the cash commitments.

To achieve these objectives, financial instruments are used on both the passive and active sides of liquidity investment.

The Group's policy is not to subscribe to speculative derivative instruments but only to fixed contracts for purely hedging purposes, in order to avoid interest rate risk (through swaps) or to limit it (through caps), or to limit the changes in a defined fluctuation range (through collars).

The Group's effective average net financial position (monetary component only) in 2024 was net indebtedness of approximately € 319.5 million (€ 278.2 million in 2023), and it generated actual gross finance costs to service that debt of € 23.5 million (€ 18.9 million in 2023), for a weighted average cost of capital of 7.35% (6.79% in 2023). In 2023 that result had benefited from a one-off € 2.4 million improvement deriving from a change in the accounting treatment of amortized cost.

The external economic and financial scenario in which the Group operated in 2024 featured the simultaneous presence of contrasting situations, based on attempts to recuperate from the international economic imbalances of previous years, the containment of inflationary pressure in a context of uneven growth across areas and sectors, and the worsening of political and military instability in the global arena. In this context, which is not easy to interpret, the Group nevertheless maintained its commitments to investing in the local community and repaying its debt.

Various financing opportunities were exploited to obtain adequate levels of liquidity, using medium-term credit according to the actions envisaged in the business plans.

To support long-term investment plans, the following loans were obtained during the year:

	beneficiary	issuance	original amount	maturity
Banca Ifis	Veritas	June 14, 2024	10,000,000	June 30, 2031
Bper	Veritas	June 28, 2024	10,000,000	June 30, 2031
Banco Bpm	Veritas	Dec. 12, 2024	20,000,000	Dec. 31, 2031
Banca Ifis	Eco+Eco	June 19, 2024	10,000,000	June 30, 2031
Banca Monte dei Paschi di Siena	Eco+Eco	July 19, 2024	15,000,000	Sept. 30, 2031

The Group's credit risk profile is normal and consistent with the industry dynamics, as billing receivables are naturally fragmented, with modest average amounts collectable from a high number of users.

The default rate for waste management receivables (Tarip) has historically been around 6%, a low-to-medium rate for the sector.

After the transition to Tari, credit risk in its past and present (and therefore future) dimension is substantially borne by the municipalities, either directly or indirectly, and must be taken into account in the final formulation of the rate.

In the water sector, where default rates are historically lower, they remained at around 1.13% of turnover, consistently with the previous year's levels and in this case as well below the national industry average.

Borrowing risk

In 2024 the Group implemented an operational and financial management strategy that required a large commitment in terms of industrial investments, resulting in a further increase in net financial debt, but without significantly increasing the financial debt risk.

The EBITDA is higher as a result of the increase in revenues, which outweighed the increase in operating expenses, particularly in the personnel and other operating costs; it rose from € 94,847 thousand in 2023 to € 104,850 thousand in 2024.

The management of working capital (€ +1.3 million) positively impacted the net debt and liquidity levels.

The investing activity (€ 112.7 million) used cash flows of € 112.5 million for fixed assets (€ 114.6 million in 2023) and € 3.2 million for equity investments (€ 0.5 million in 2023), whereas it generated cash flows of € 3.0 million from assets held for sale (whereas it used cash flows of € 0.1 million in 2023).

The cash outflows for fixed assets reflect € -147.3 million for operating investments, € +33.3 million in equipment grants received, and € -1.5 million for disposals.

Debt refinancing in 2024 entailed taking out € 46 million in new long-term loans, against € 57.7 million in repayments.

The year-end net financial indebtedness increased from € 338,305 thousand in 2023 to € 361,816 thousand in 2024, including the effect of non-cash items (IFRS 16 on leases, accrued liabilities, etc.). The debt-to-EBITDA ratio remained sustainable, falling from 3.57 to 3.45.

The Group's indebtedness is always influenced by the size of the parent company's "water assets," whose carrying amount (net of the public grants that partially finance the works) is very high.

Most of these assets, particularly the water and sewage pipelines, have very long useful lives (conservatively estimated at 40 years according to Arera policies) and consequently low depreciation rates.

Since rate recovery, which remunerates this type of investment on the basis of depreciation and finance costs, takes place over a very long period of time, there is a continuous need for capital to be refinanced in the meantime, especially given the unequal duration of bank facilities and lending approaches that favor the short to medium term.

The debt in the form of bank loans (i.e. excluding bonds) has a repayment schedule broken down as follows (actual maturity):

long-term loans	2025	2026	2027	2028	2029	afterward
265,302	48,337	48,325	36,293	29,564	27,201	75,582

The parent company issued three bonds with the following characteristics:

	original amount	repayment	maturity
former Asi bond (public offering)	15,000	amortizing	2034
Veritas bond (public offering)	100,000	bullet	2027
Veritas bond (private placement)	25,000	amortizing	2038

Liquidity risk and funding risk

The maximum credit risk on the Group's other financial assets, including cash and cash equivalents, financial assets available for sale, bond notes, and certain derivative instruments, is the carrying amount of these assets in the event of the counterparty's insolvency.

The Group manages liquidity risk using a liquidity deployment planning tool. This instrument considers the maturity of the financial investments, financial assets (trade receivables and other financial assets), and the expected cash flows from operating activities.

At December 31, 2024, the Veritas Group had undrawn credit lines of approximately € 120.6 million, down from € 121.9 million at December 31, 2023.

The liquidity risk is the risk that the financial resources available may be insufficient for meeting the short-term obligations, consisting of approximately € 46.2 million on bank loans and € 2.6 million on bonds due by December 31, 2025, and for handling any decreases in working capital.

The notion remains that operational investment plans, which are ongoing in both the water and waste management sectors, are matched by rates (though not always in full) due to the regulatory mechanism of rate adjustments established with the Arera method, which generate high receivables to be recognized in the financial statements.

Although they are regulated, both of the operating segments (integrated water and waste management services), while positioning the organization as a concession operator without competition, expose future cash flows to the regulatory framework, which appears increasingly detailed and restrictive as to the timely recognition of the actual operating costs; however, since 2024 better rate increases have been obtained in addition to those implemented in 2022 and 2023, whose effects will stabilize over time and will be consistent with the investment profiles required to maintain them.

In 2024, the Italian GDP grew by 0.7% with moderate quarterly fluctuations. This increase was supported primarily by the net foreign demand, while domestic demand had a negative impact, with the third and fourth quarters having essentially flat growth.

ISTAT certified that in the first quarter of 2025, Italian GDP grew by 0.3% quarter-on-quarter, an acceleration from the 0.2% of the fourth quarter of 2024.

However, a still modest 0.4% GDP increase is predicted for 2025. According to the Bank of

Italy, this increase is driven mainly by domestic demand, with positive contributions from investments and household consumption.

In the general macroeconomic scenario, the 2025 Italian economy shows signs of moderate growth and stability, despite some persisting challenges.

The unemployment rate, which stood at 6.2% in December 2024, dropped further to 5.9% in early 2025, is expected to remain stable while down slightly from previous years thanks to active labor market policies and employment incentives.

In 2024, consumer spending in Italy had moderate growth. During the year, household consumption increased by 0.6%. This increase was supported by a recovery in purchasing power, thanks to the containment of inflation and a resilient labor market.

The National Recovery and Resilience Plan continues to play an important role for short/medium-term growth across Europe and is expected to contribute considerably to Italy's GDP growth, with a 3.6% impact estimated by the Ministry of Economy and Finance by the end of 2026, while in 2025 it is expected to account for 83% of the country's overall economic growth.

Italy's consumer price inflation rate is expected to climb from 1.3% year-on-year in December 2024 to 2.1% in 2025, driven mainly by rising costs in various product categories, especially energy.

In 2025, interest rates on loans in Italy and Europe are expected to adjust downward in response to European Central Bank policies. In March 2025, the ECB lowered interest rates by 25 basis points, bringing the deposit rate to 2.50%, the main refinancing rate to 2.65% and the marginal lending rate to 2.90%.

Markets expect further reductions throughout the year to reflect the ECB's goal of stabilizing inflation and supporting economic growth, but they will depend greatly on how the global geopolitical crisis evolves, particularly the effects of the tariff war started by the U.S.

Lower interest rates should translate into a lower cost of borrowing for households and businesses, boosting private consumption and investment in the euro area

The world economy is predicted to expand by 2.8% in 2025.

This rate is similar to that of 2024, and reflects a climate of persistent uncertainty, with trade tensions, high debt, and geopolitical risks.

VAT dispute - waste management tax (Tia)

Ruling 5078/2016 of the joint sections of the Court of Civil Cassation, filed on March 15, 2016, provided the definitive interpretation as to whether VAT applies to the waste management rate ("Tia1") established by Article 49 of Legislative Decree 22/1997.

The ruling, considering the absence of a bilateral relationship between the service and the payment received by the service provider, defines Tia1 as a tax levy and consequently outside the scope of VAT.

The case in question is long-standing and complex.

Legislative Decree 22/1997 (the Ronchi Decree) replaced the old municipal waste collection tax (Tarsu) with the "tariffa igiene ambientale" (Tia or Tia1). According to an initial interpretation, backed up by circulars from the Italian revenue agency, this charge was equated with consideration for a service provided, and was therefore subject to VAT.

However, as a result of Constitutional Court ruling 238/2009 declaring Tia to be a tax, case law established that VAT was not applicable.

In the meantime, Legislative Decree 152/2006 introduced the "tariffa integrata ambientale" ("Tia2") which, in lawmakers' intentions, was to replace Tia1.

Moreover, Article 14, paragraph 33 of Decree Law 78/2010 had established that Tia2 was not a tax.

Lastly, Circular 3/2010 of the Ministry of Finance, by equating Tia2 with Tia1, reasserted that VAT should be charged on both rates.

Despite this clear position by the tax authorities, the case law consensus on both the merits and the rule of law refuted the premise of Ministerial Circular 3/2010 which equated Tia1 with Tia2, with the result that Tia1, at least at the case law level, continued to be considered a tax.

Veritas, like all other waste management companies associated with Federambiente-Utilitalia, had not changed the stance it adopted in 2009 when the Constitutional Court issued its ruling, and had suspended VAT refunds to users pending an explicit legislative change to that effect, especially considering that the VAT in question was not in Veritas' hands since as a neutral tax it had always been paid to the revenue agency.

Moreover, in 2012, the Italian Revenue Agency replied to a formal inquiry by Veritas confirming that Tia was indeed subject to VAT, reaffirming the interpretation of the Finance Ministry's controversial Circular 3/2010.

There was now an institutional conflict: while the tax authorities affirmed that charging VAT was correct, case law argued the exact opposite.

With the clarity of the 2016 joint-section ruling of the Court of Cassation, it can no longer be denied that Tia1 is outside the scope of VAT.

The estimated amount of VAT charged by Veritas on Tia1 amounts to approximately € 84 million over the years, divided almost equally between domestic and non-domestic users.

At any rate, the risk to Veritas is limited, given that:

- VAT is a neutral tax for commercial businesses like Veritas;
- it is inconceivable to expect Veritas to refund the VAT charged to users on Tia1 if the government does not first determine how it is to be returned (multiple years, millions of invoices, hundreds of thousands of users, strong demographic dynamics, etc.);
- at the financial level, Veritas has paid these sums to the Italian revenue agency and does not have the money in hand;
- the neutral nature of VAT means that business users have deducted the charges from their own VAT payments, which by analogy could be interpreted as undue;

- again because of VAT neutrality, there is no rule as to whether the organization should take into account the effect of non-deductibile VAT on purchases by the waste management department, as this cost was supposed to be an additional component to be charged back to the user precisely through Tia1;
- if Tia1 is a tax, then Veritas should have invoiced the municipalities rather than the users, and the municipalities, not being able to deduct the VAT, should have added the non-deductible VAT to the Tia1 tax to be charged in turn to the users; the end user would, therefore, still have been required to pay the VAT (either as part of the tax or shown separately on the invoice);
- in denying Veritas's claims to recover VAT on Tia1 that had been refunded to users pursuant to litigation, the Italian Revenue Agency has so far been consistently unsuccessful against the appeals Veritas has filed (Veritas most recently prevailed in Ruling 348/2022 by the Veneto Regional Tax Commission, which the Italian Revenue Agency has not taken to the Court of Cassation).

It should also be noted that for both settled and pending lawsuits demanding that Veritas refund VAT to users, the Italian Revenue Agency would no longer have any grounds to deny the reimbursement to Veritas of the VAT refunds it has already granted; therefore, the only risk (already provided for in the financial statements) is having to cover the opponent's legal expenses.

In addition, because Tia1 was in effect until 2012 (when it was replaced by Tares and later by Tari), the 10-year statue of limitations has now expired on the chance to file for VAT refunds.

Having Tia1 declared to be a tax with *ex ante* effect made it possible, in 2016, to recover as income the provision against default risk accumulated in previous years, as it shifted the risk of default to the taxing municipality (the Venice Basin Council also expressed this view in Note 585 of November 11, 2016).

As things stand, however, although years have passed since the Court of Cassation ruling of March 2016, the institutional entities (central government, Ministry of the Economy, or Revenue Agency) have taken no specific, official position on the question of VAT on Tia1 except for a few (now dated) answers to Parliamentary questions.

Furthermore, the European Commission replied to a specific query by Veritas in August 2021 that the pure and simple refund of unduly levied VAT results in unjust enrichment of the user and, in parallel, in an undue loss for the State treasury.

Ultimately, with Ruling 260 of March 20, 2025, the Venice Court of First Instance sentenced the Revenue Agency, which had opposed the VAT refund claims filed by Veritas after reimbursing the users, to pay the amount claimed and to reimburse the legal costs to Veritas, while pointing out to the Revenue Agency the untenability of their case, including in relation to the Agency's possible tax responsibility.

Concerning the subsequent forms of the waste management rate, i.e. Tia2 under Legislative Decree 152/2006, the charge pursuant to Article 14 paragraphs 29-32 of Decree-Law 201/2011 ("Tares fee"), and the rate per Article 1 paragraph 668 of Law 147/2013 ("punctual Tari" or "Tarip"), in June 2016 the company submitted a further query to the Revenue Agency asking whether it was still correct to charge VAT on these rates, given the reasons underlying the Court of Cassation's ruling that Tia1 is a tax.

The Revenue Agency replied in September 2016, confirming that VAT does apply to these rate forms.

Concerning Tia2 pursuant to Legislative Decree 152/2006, the joint sections of the Court of Cassation, in Rulings 8631/2020 and 8632/2020 of May 7, 2020, affirmed that this is a private business fee subject to VAT, highlighting, among other things, its differences from Tia1 (thus contradicting much of the previous case law opinion that had equated the two charges from a tax point of view).

Lastly, Ruling 11290/2021 of April 29, 2021, again by the joint sections of the Court of Cassation, affirmed that the "punctual Tari" is also a private business charge subject to VAT.

Transactions with related parties

Related party transactions are described in detail in Note 45 to the consolidated financial statements.

Status of assignments

The parent company manages various local public services in the municipal territories of its local shareholders. Some of these, like the integrated water service and the waste management service, have by law a supra-municipal scope covering the "bacino territoriale ottimale e omogeneo" (optimal territorial ambit or "OTA").

Regarding the integrated water service, the General Meeting of the Venice Lagoon Authority (now the Basin Council) has issued various measures recognizing Veritas spa as an "in-house" company according to the characteristics defined by the European Union; the Venice Environment Authority has provided the same recognition for the integrated waste management service with Resolution 6 of June 30, 2008.

In its resolution of July 30, 2008, protocol 806, the Venice Lagoon Authority confirmed "that the duration of the assignment of the integrated water service to Veritas spa is established until December 31, 2018."

As for the integrated waste management service, the Municipality of Venice, one of the local shareholder entities, stated in Resolution 121 of 1999 that the duration of the assignment was to be 20 years (thus until the end of 2019).

The municipal resolutions of the local shareholders that merged Acm SpA, Vesta SpA, and Asp SpA in 2007, in confirming that the new company resulting from the merger, Veritas spa, would continue to provide the services entrusted to the merged companies, did not change the expiration dates of these assignments.

On July 11, 2016, an agreement was signed for provision of the integrated water service in the Venice Lagoon optimal territorial ambit (protocol 1276 of July 12, 2016), amending the previous agreement dated October 19, 2004 (protocol 976/2004), whose duration was maintained until December 31, 2018.

On July 16, 2018, the Venice Lagoon Basin Council requested that Veritas spa be registered in the ANAC list of in-house assignees under Article 192 of Legislative Decree 50 of April 18, 2016. Accordingly, ANAC registered the company with an order signed on February 15, 2022.

On December 20, 2018, the Venice Lagoon Basin Council and Veritas spa signed an agreement for the provision of the integrated water service in the Venice Lagoon optimal territorial ambit (file 44421, repertory 141026 of notary Francesco Candiani of Venice) with a duration until December 31, 2038, extendable by discretion of the Basin Council for a period of six months under the same conditions, without prejudice to any different terms that may be permitted or imposed by law.

On the subject of waste, most of the shareholder municipalities of Veritas spa have passed resolutions pursuant to Article 34 of Decree Law 179/2012 confirming, among other things, that the services currently performed by Veritas spa and Group companies will continue until June 26, 2038, save for different durations that may result from imminent legislation and without prejudice to any spin-off measures that may be imposed by future legislation and the application of current laws.

On November 24, 2014 the Venice Environment Basin Council was established with the signing of the "Convention for the establishment and operation of the Venice Environment Basin Council concerning the integrated municipal waste management service in the Venice basin" by the representatives of all 44 municipalities of the Venice metropolitan area and the municipality of Mogliano Veneto. The Basin Council's takeover of the activities and legal relationships of Ato Venice Environment (in liquidation) was finalized with Basin Committee Resolution 3 of April 27, 2015.

With Basin Assembly Resolution 11 of December 17, 2015, the Venice Environment Basin Council expressed its intention to align the different expirations of the waste management assignments resolved by the municipalities served by Veritas, leaving the decision to subsequent assemblies.

Resolution 3 of the Venice Environment Basin Assembly of May 25, 2016 approved the definitive alignment of the expiration dates of the integrated waste management assignments in the municipalities served to June 2038, as already resolved by a broad majority of the municipalities themselves (36 out of 45) and soon to be resolved by the other eight municipalities whose assignments were expiring in 2016 or would have expired before 2038, and by the municipality of Mira, which by Resolution 115 of December 23, 2013 had set an expiration date of December 31, 2038 for its service.

Resolutions 18, 19 and 20 of the Venice Environment Basin Council of October 27, 2017 approved the direct assignment to Veritas spa of the municipal waste service in the municipalities of San Donà di Piave, Meolo and Quarto d'Altino, respectively, for fifteen years, from January 1, 2018 to December 31, 2032, according to the in-house providing model.

In February 2019, the Basin Council took the initial steps for aligning the expiration date of the in-house assignment in the municipality of Venice. With Assembly Resolution 12 of November 15, 2019, the Basin Council approved the Report pursuant to Article 34 of Decree Law 179/2012 which defines and explains the choice of the in-house model for the assignment to Veritas spa of the municipal waste service in the municipality of Venice, aligned the expiration date of Venice's in-house waste management assignment to 2038 along with the relative service contract outline, and postponed to a subsequent measure the alignment of the expiration date for the two municipalities of Scorzè and Fossalta di Piave.

On July 2, 2018, the Venice Environment Basin Council requested that Veritas spa be registered in the ANAC list of in-house assignees under Article 192 of Legislative Decree 50 of April 18, 2016.

With the Venice City Council Resolution 79 of December 18, 2019, regarding "Veritas spa – Recognition of the alignment of the expiration date of the in-house assignment to 2038 and of the Venice Environment Basin Council 's approval of the related service contract with the operator and the assignment of services supplementing the municipal waste management service or connected with environmental protection matters", the municipality of Venice recognized the alignment of the expiration date of the in-house assignment to Veritas spa of the municipal waste service to 2038 and the Venice Environment Basin Council's approval of the related service contract with the operator. It also approved an in-house assignment to Veritas spa of the garbage tax ("Tari") collection and management service until June 26, 2038 and an in-house assignment to Veritas of the high tide footbridge laying service until June 26, 2038, finalized with the completion of the ANAC registration process of Veritas spa's in-house awarding bodies, pursuant to Legislative Decree 50/2016, Article 192, on February 15, 2022; in addition, with Resolution 79/2019, the Municipality of Venice assigned to Veritas spa the drain cleaning service and the special waste disposal and polluted sites reclamation activities until a new assignment is awarded.

The Venice Environment Basin Council, with Institutional Committee Resolution 7 of February 13, 2020, approved the new service contract model in place of the model approved by Basin Assembly Resolution 12 of November 15, 2019, to be signed between the Basin

Council, the Municipality of Venice, and the operator Veritas.

With its General Meeting resolution 10 of November 30, 2021, the Venice Environment Basin Council approved the service contract models for municipalities using the Tarip and Tari systems. However, with Arera Resolution 385/2023/R/rif of August 3, 2023, a single "*Service contract model regulating transactions between the awarding entities and municipal waste service operators*" was approved for which a single contractual text was prepared to be signed by the Basin Council and Veritas spa operator as regards the general part, accompanied by a technical specifications allowing to regulate special aspects for each municipality, ultimately approved with Venice Environment Basin Council Resolution 11/2024, signed by the parties on August 12, 2024.

The Venice Environment Basin Council, with General Meeting Resolution 8 of June 13, 2023, approved the reports drawn up pursuant to Legislative Decree 201/2022, Articles 14 and 17, which define and explain the in-house providing model for assigning to Veritas spa the municipal waste service in the municipalities of Fossalta di Piave and Scorzè, and approved the alignment of the relevant deadlines to June 26, 2038.

The Venice Environment Basin Council, with General Meeting Resolution 11 of July 26, 2024, approved the reports drawn up pursuant to Legislative Decree 201/2022, Articles 14 and 17, which approve the continuation of the in-house providing model assigning to Veritas spa the municipal waste service for all 45 municipalities in the Venice basin, confirm the single deadline of June 26, 2038 decided upon, and align the assignment to the same date for the municipalities of Cavarzere, Meolo, Quarto D'Altino and San Donà di Piave.

As noted, with Resolution 11/2024, the Venice Environment Basin Council also approved the service contract for the regulation of the municipal waste management service in the Venice Basin, prepared in accordance with Arera Resolution 385/2023/R/ref.

On August 12, 2024, the Venice Environment Basin Council and Veritas spa signed the contract for the regulation of the municipal waste management service in the Venice Environment Basin.

In 2015 most of Veritas' local shareholders approved plans for the rationalization of the investee companies and corporate shareholdings in implementation of Article 1, paragraph 611 of Law 190/2014 (2015 Stability Law); Veritas, in line with the plan approved by the local shareholders, by resolution of the ordinary general meeting of June 26, 2015 approved the *2013-2016 rationalization and management plan for Veritas spa investees*.

Veritas' Board of Directors approved a revision of this plan on March 17, 2016, previously approved by the Coordination and Control Committee on the same date. In its updated version, the plan called for the merger into Veritas spa of the companies Asi spa (at the time operator of the integrated water service in the municipalities of Caorle, Ceggia, Cessalto, Eraclea, Fossalta di Piave, Jesolo, Musile di Piave, Noventa di Piave, San Donà di Piave, Torre di Mosto, and Zenson di Piave) and Alisea SpA (at the time operator of the integrated waste cycle in the municipalities of Ceggia, Eraclea, Fossalta di Piave, Jesolo, Musile di Piave, Noventa di Piave, and Torre di Mosto).

Consistently with the regulatory provisions in force and the guidelines of the competent Basin Councils, Asi spa, Alisea spa and Veritas spa drew up merger plans allowing the above services to be handled by a single operator for each area or territorial basin. Asi spa was merged into Veritas in 2017, followed by Alisea in 2018.

The merger of Asvo spa into Veritas spa is currently underway. With index deed 8442, file 5439 of November 14, 2023 of the notary Andrea Todeschini Premuda, Asvo spa leased to Veritas spa its business unit dealing with the integrated municipal waste service commencing on January 1, 2024.

Asvo spa is the in-house assignee of the waste management service for the eleven shareholder municipalities, which are also shareholders of Veritas.

As concerns waste treatment, in the Fusina area, the subsidiary Eco+Eco srl manages the integrated waste treatment and recycling center for residual municipal waste for the Venice Environment basin, which includes the municipalities that use the Veritas Group for municipal waste collection, transport, and treatment. This is also a logistics station for transferring, sorting and shredding many of the separately collected fractions of waste.

Eco+Eco srl selects and treats materials deriving from sorted waste collection (glass, paper, plastic, metals, etc.) for recycling, and deals with collection and logistics/transport in relation to the materials to be selected. It treats the materials assigned by the Group and those collected separately by other operators in the area for subsequent delivery and treatment, mainly within supply chain consortia.

In 2015 the Municipality of Venice granted Veritas a 20-year renewal of its cemetery services contract, valid until September 30, 2035.

The parent company also manages cemetery services in the municipality of Spinea (until June 30, 2025) and Dolo (until June 30, 2027).

In June 2020, under a contract valid through 2046, Veritas began to manage the crematorium of the Conegliano cemetery built by the associate Veritas Conegliano. Its contract for the management of the Spinea cemetery crematorium expires in 2038.

Veritas spa's concession for the management of public restrooms, again in the Municipality of Venice, is extended year by year and currently expires on December 31, 2025.

As for the operation of the fish market in the municipality of Venice, the new regulations of the granting body are pending, due in part to modified legislation in the sector and the local conditions in which it is performed. In any case, financially speaking, this is a marginal activity.

Veritas operates the public lighting and heat management service for the municipality of Chioggia, under a contract valid through 2030.

It also handles public lighting for the municipalities of Fossalta di Portogruaro (through 2029) and Fiesso d'Artico (through 2027), and heat management for Fossalta di Portogruaro under a contract expiring on March 31, 2027.

Asvo spa has been the in-house provider of cemetery services for the municipalities of Portogruaro (since 2018) and San Michele al Tagliamento and Fossalta di Portogruaro (since 2019). Since 2019 it has maintained the public green areas of the municipality of Portogruaro and since 2020 those of San Michele al Tagliamento and Fossalta di Portogruaro. The cemetery services in the municipalities of Cinto Caomaggiore and San Stino di Livenza were discontinued in 2024.

The Depuracque group, a subsidiary since July 2018, operates in the management, transport, and disposal of hazardous and non-hazardous waste, environmental remediation, effluent and waste water treatment, chemical analysis, and environmental consulting through interaction with Veritas spa and various group companies.

The Environmental Code

Of relevance to the integrated water and waste management services are the rules contained in Legislative Decree 152/2006 (the *Environmental Code*).

Regarding the integrated water service, note should be taken of the Environmental Code's Article 147, as modified by subsequent legislation.

According to that article, "Water services are organized based on the optimal territorial ambits defined by the regions in implementation of Law 36 of January 5, 1994. The regions that have not identified an ambit's governing body shall do so by the deadline of December 31, 2014. Once that deadline has elapsed, Article 8 of Law 131 of June 5, 2003 shall apply. The local authorities falling within the same optimal ambit must participate in the ambit's governing body, identified by the competent region for each such ambit, which shall take over the responsibilities for water resource management including the planning of the water infrastructures referred to in Article 143, paragraph 1."

Article 149 *bis* of the Environmental Code, added by way of Decree Law 133, Article 7(1)(d) of September 12, 2014 that was converted with amendments into Law 164 of November 11, 2014 and amended by Law 190, Article 1(615) of December 23, 2014, expressly recognizes the possibility to assign the integrated water service directly to in-house companies.

Regarding the integrated waste management service, Article 200 of the Environmental Code states that "The management of municipal waste is organized on the basis of optimal territorial ambits, hereinafter also referred to as OTAs, delimited by the regional plan referred to in Article 199, in compliance with the guidelines pursuant to Article 195(1)(m)(n)(o) and according to the following criteria:

a) creation of an integrated waste management service to solve the problem of fragmentation;
b) achievement of adequate operational size, based on physical, demographic and technical parameters and political-administrative subdivisions;
c) adequate evaluation of the road and rail communication system to optimize transport within the OTA;
d) valorization of common needs and similarities in waste generation and management;
e) survey of waste management facilities already built and in operation;
f) consideration of the previous boundaries so that the new OTAs deviate from them based only on a well-founded need for effectiveness, efficiency and economy.

According to Article 202 of the Environment Code, the waste management service has to be organized in compliance with "EU principles and provisions, following the regulations in force with respect to the assignment of local public services...".

In 2020, several legislative decrees were issued to incorporate the EU circular economy measures, which amended six directives on waste and landfills; in particular, Legislative Decree 116/2020 introduced significant changes to Legislative Decree 152/2016, concerning, among other matters, the definition of "municipal waste."

With this in mind, in 2021 Veritas spa took a series of initiatives to address these regulatory changes, including a form of communication/publicity aimed at informing stakeholders of the chance to make this choice by June 30 and attain a redefinition of taxable surface area for the following year.

Legislative Decree 213 of December 23, 2022 was issued, containing additional and corrective measures to Legislative Decree 116/2020, implementing Directive (EU) 2018/851, which modified Directive 2008/98/EC on waste, and Directive (EU) 2018/852 which modified Directive 1994/62/EC on packaging and packaging waste.

European legislation

The legitimacy of assigning public services to in-house companies was confirmed by Directive (EU) 23 of February 26, 2014 on the awarding of concession contracts and by Directive (EU) 24 of February 26, 2014 on public procurement.

Directive 23/2014/EU, Article 17 entitled "Concessions between entities within the public sector", point 1 states that

"A concession awarded by a contracting authority or a contracting entity as referred to in point (a) of

Article 7(1) to a legal person governed by private or public law shall fall outside the scope of this Directive where all of the following conditions are fulfilled:

a) *the contracting authority or contracting entity exercises over the legal person concerned a control which is similar to that which it exercises over its own departments;*

b) *more than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or contracting entity or by other legal persons controlled by that contracting authority or contracting entity; and*

c) *there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person."*

and at point 3:

"Contracting authorities or contracting entities as referred to in point (a) of Article 7(1) exercise joint control over a legal person where all of the following conditions are fulfilled:

i. *the decision-making bodies of the controlled legal person are composed of representatives of all participating contracting authorities or contracting entities. Individual representatives may represent several or all of the participating contracting authorities or contracting entities;*

ii. *those contracting authorities or contracting entities are able to jointly exert decisive influence over the strategic objectives and significant decisions of the controlled legal person; and*

iii. *the controlled legal person does not pursue any interests which are contrary to those of the controlling contracting authorities or contracting entities"*

Public Contracts Code

The EU directives were incorporated into Italian law with Legislative Decree 50 of April 18, 2016 (the Public Contracts Code), as later amended and now repealed by the new Public Contracts Code pursuant to Legislative Decree 36 of March 31, 2023. The new Public Contracts Code pursuant to Legislative Decree 36/2023 was issued to adhere more closely to European regulations for public contracts.

The repealed Legislative Decree 50/2016, Article 5 previously in force, as amended by Article 6, paragraph 1 of Legislative Decree 56 of April 19, 2017, described the requirements for in-house assignments.

More specifically, Article 192 ("special rules for in-house assignments") of the repealed Legislative Decree 50/2016, as amended by Legislative Decree 56/2017, in effect since May 20, 2017, states that:

1. *A list of contracting authorities and contracting entities operating through a direct assignment to their in-house companies, as referred to in Article 5, shall be established at ANAC to ensure adequate publicity and transparency in public contracts. Inclusion in the list occurs upon application after the requirements have been verified following the procedures and criteria the Authority defines in its code. The Authority for collecting the information and verifying the requirements above operates through computerized procedures, including links, based on appropriate agreements, with the relevant systems in use by other public entities and other entities operating in the field of public contracts. The application for registration enables contracting authorities and contracting entities to assign contracts to the entity directly under their responsibility. This is without prejudice to the obligation to publish the acts connected with the direct awarding itself following paragraph 3.*

2. *To award a contract concerning services available on the market under competitive tendering, contracting authorities shall first assess the economic appropriateness of the offer of in-house entities, having regard to the subject matter and value of the service, stating the reasons for not having recourse to the market, as well as the benefits for the community of the form of management chosen, also regarding the objectives of universality and sociality, efficiency, cost-effectiveness and quality of the service, and the best use of public resources.*

3. *On the buyer's profile in the Transparent Administration section, all acts related to the awarding of public contracts and concession contracts between entities within the public sector, where not secreted under Article 162, shall be published and updated in the open-data format following the provisions of Legislative Decree 33 of March 14, 2013.*

The Venice Lagoon and Venice Environment Basin Councils, in relation to the services managed by Veritas spa, submitted to the National Anti-corruption Authority (ANAC) an application to have Veritas spa registered on the list of contracting authorities and entities operating through direct assignment to in-house companies under Article 192, paragraph 1 of Legislative Decree 50/2016, producing the documentation necessary to demonstrate satisfaction of the in-house criteria.

ANAC approved the application for Veritas spa on February 15, 2022.

The relevant part of Legislative Decree 36/2023 did not reproduce the instructions contained in Legislative Decree 50/2006, Article 192, previously in force.

According to Legislative Decree 36/2023, Article 7, entitled *Principle of administrative self-organization*:

1. *Public entities autonomously organize the self-execution of works or the supply of goods through self-production, outsourcing and cooperation in compliance with the provisions of the code and European Union law.*

2. *The contracting authorities and granting entities may directly assign works, services or supplies to in-house companies, in compliance with the principles referred to in Articles 1, 2 and 3. The*

contracting authorities and granting entities shall adopt a reasoned measure for each assignment in which they account for the advantages for the community, the related external effects and the economic congruity of the service, including in relation to the pursuit of the objectives of universality, sociability, efficiency, cost-effectiveness, quality of the service, speed of the procedure and rational use of public resources. In the case of instrumental services, the measure is considered sufficiently motivated if it takes into account the advantages in terms of cost-effectiveness, speed, or pursuit of strategic interests. The cost-effective advantages can also emerge through comparison with the reference standards of Consip SpA and other central purchasing entities, with the official parameters developed by other national or foreign regional entities or, failing that, with market standards.

3. *The in-house awarding of services of general economic services at a local level is governed by Legislative Decree 201 of December 23, 2022.*

Attachment I.1, Article 3, paragraph 1, letter e) defines an in-house assignment in the Public Contracts Code:

e)*«in-house assignment», the direct assignment of a procurement or concession contract to a legal person governed by public law or private law as defined in Article 2, paragraph 1 letter o), of the Consolidated Law on Publicly Owned Companies, referred to in Legislative Decree 175 of August 19, 2016, under the conditions stated in Directive 24/2014/EU, Article 12, paragraphs 1, 2 and 3, Directive 23/2014/EU, Article 17, paragraphs 1, 2 and 3, and, for special sectors, Directive 24/2014/EU, Article 28, paragraphs 1, 2 and 3.*

Consolidated Law on Publicly Owned Companies

On September 23, 2016, Legislative Decree 175 of August 19, 2016 (the Consolidated Law on Publicly Owned Companies) came into force implementing Article 18 of Law 124 of August 7, 2015 on the reorganization of public entities (otherwise known as the Madia Law), and was subsequently amended by Legislative Decree 100 of June 16, 2017, Law 205 of December 27, 2017, and Law 145 of December 30, 2018. It regulates "*the establishment of companies by public entities, as well as the acquisition, maintenance and management of shareholdings by such administrations, in companies with total or partial public ownership, whether direct or indirect*".

Concerning the subjective scope of Legislative Decree 175/2016 as amended, Article 1, paragraph 5 reads: "*5. The provisions of this decree apply, only where expressly envisaged, to listed companies as defined in Art. 2(1)(p), as well as to companies controlled by them,*" whereas Article 2(1)(p) defines listed companies as "*publicly owned companies that issue shares listed on regulated markets; and companies that have issued, as of December 31, 2015, financial instruments other than shares that are listed on regulated markets*".

In addition, Article 26, paragraph 5-bis - added by Decree Law 113, Article 10, paragraph 1 of August 9, 2024, converted, with amendments, by Law 143 of October 7, 2024 - provides that: "*5 bis. Companies issuing financial instruments, other than shares, listed on regulated markets, subject to the regulations set forth in Article 1, paragraph 5, and paragraph 5 of this Article, shall continue to apply the provisions contained in the same paragraphs as a result of the extension of the financial instrument or subsequent issues in substantial continuity.*"

The parent company falls within the definition of a listed company under the aforementioned regulatory provision since, in November 2014, it issued financial instruments consisting of notes listed on regulated markets,after starting the related process at the beginning of the same year, assuming the status of a public interest entity (PIE) pursuant to Leg. Decree 39/2010, Article 16, paragraph 1, and since it issued, in continuity with the previous ones, notes targeted to institutional investors, listed on a regulated market in December 2020. In view of this, Legislative Decree 175/2016 as amended applies to the parent company only when it is expressly contemplated, and therefore when there is no express provision for applicability, the consolidated law does not apply.

In any case, the Consolidated Law on Publicly Owned Companies does not appear to contain any provisions that could directly affect the duration of existing assignments.

Article 2(c) defines similar control as a situation in which a public entity exercises control over a company similar to that exercised over its own services, with a decisive influence on both the strategic objectives and on the significant decisions of the company controlled. The control may also be exercised by a different legal person controlled in the same manner by the participating authority.

Article 2(d) defines similar joint control as a situation in which the authority exercises control jointly with other authorities over a company similar to that exercised over their own services. The above situation occurs when the conditions of Legislative Decree 50, Article 5, paragraph 5 of April 18, 2016 are present.

Article 2(o) defines in-house companies as companies over which an authority exercises similar control or more than one authority exercises similar joint control, in which private capital ownership occurs in the forms contemplated in Article 16, paragraph 1, and that meet the requisite of the prevailing activity as per Article 16, paragraph 3.

Paragraph 1 of Article 16 states that in-house companies shall receive directly assigned public contracts from the authorities that control them, or from each of the authorities exercising joint control over them, only in the absence of private investors, except where required by law and in a form that does not entail control or veto power or the exercise of a dominant influence.

Paragraph 3 requires the articles of association to state that more than 80% of the turnover must be made in the performance of the tasks assigned to the company by the public entity or entities, while paragraph 3 bis provides that production in addition to the predominant activity is permitted only on the condition that it allows for economies of scale or other productive efficiency gains in the performance of the company's core business.

Lastly, paragraph 7 requires compliance with the *Public Contracts Code* for the purchase of works, goods and services.

Consolidated Law on Local Public Services

Legislative Decree 201 of December 23, 2022 (*New rules for local public services of economic importance*) came into effect on December 31, 2022, in implementation of Article 8 of the annual law on markets and competition (Law 118 of August 5, 2022), which authorized the government to set new rules for economically important local public services including the form of a consolidated law.

Of particular note are the definitions contained in that decree at Article 2(c)(d), which defines local public services of economic importance as *"services provided or providable for economic consideration across a market, which would not be carried out without public intervention or would be carried out under different conditions in terms of physical and economic accessibility, continuity, non-discrimination, quality and safety, which are provided for by law or which local public entities, within the scope of their responsibilities, deem to be necessary to ensure satisfaction of the needs of the local communities, so as to guarantee uniform development and social cohesion,"* and networked public services as *"local services of general economic interest that can be organized through structural networks or functional connections among the sites of production or provision of the service, under the regulation of an independent authority"*.

Article 14 of Legislative Decree 201/2022 identifies the different forms of local public service from which the contracting entity can choose, including assignment to an in-house company, within the constraints of EU law and according to the procedures set forth in Article 17. For the purposes of choosing the form of service and defining the contractual relationship, the local entity and the other competent entities must take various elements into account, including the results of any previous provider of the same service.

Before beginning the assignment process, a report is written describing the outcomes of the assessment and the reasons for choosing the particular form of service; in the case of networked public services, the certified financial plan must be attached to the report.

Article 17 of Legislative Decree 201/2022, on the subject of assignments to in-house companies, requires that if the amount of such an assignment exceeds the EU limit, the local entities and the other competent entities must pass a resolution granting the assignment on the basis of a qualified rationale that expressly states the reasons for not resorting to the market. This reflects the principle of delegation pursuant to Article 8, paragraph 2(g) of Law 118/2022, which requires the local entity to justify its reasons for any assignments exceeding the threshold.

Regarding the duration of assignments, Article 19 of Legislative Decree 201/2022 states that they cannot exceed the amount of time needed to amortize the planned investments and that the assignment of non-networked local public services to in-house companies cannot have a duration exceeding five years, unless the assigning entity explains the reasons for a longer duration in the resolution approving the assignment.

As for periodic checks of the local public service, Article 30 of Legislative Decree 201/2022 requires municipalities or groupings with populations of more than 5,000 to conduct routine performance reviews of the local public services assigned within their territories, the results of which are presented in a report to be updated annually at the same time as the entity reviews its investee companies in accordance with Article 20 of Legislative Decree 175/2016.

2.1.3 Significant events during the year

The significant events with the potential to influence business performance are reported hereunder.

Water service regulation and rates

In 2024, the period (2024-2029) regulated by the Mti-4 method (Resolution 639/2023/R/idr of December 28, 2023) came into effect.

With Resolution 10 of December 17, 2024, the Venice Lagoon Basin Council approved the regulatory scheme for such period, determining the rates applicable for 2024-2025 and the estimated rates for 2026-2029, subject to updating every two years.

This scheme was approved, with amendments, with Arera Resolution 14/2025/R/idr of January 21, 2025. The modifications Arera made to the Basin Council's resolution were limited to the individual components of the guaranteed revenue constraint ("Vrg"), while the total Vrg and theta indexes were confirmed with the Basin Council's resolution.

The approval included a 9.9% increase for the 2024 rate compared to the prior year.

The approval also recognized rate adjustments of € 18.2 million regarding previous years, in additional to those already accounted for, which will be recovered with the 2025-2026 rates.

Arera is awaiting the definition of the technical quality regulation incentive mechanism (RQTI) for 2022-2023, which envisions rewards and penalties for the achievement or non-achievement of technical quality objectives based on six specific measures. Veritas has already conservatively accounted for a risk provision of € 0.6 million for penalties with respect to objectives that it is already reasonably certain to not have met.

Waste management service rates

Arera Resolution 363/R/rif of August 3, 2021 approved the new waste rate method (Mtr-2) for the 2022-2025 regulatory period, which replaced the previous Mtr waste rate method in effect for 2020-2021.

The 2022-2025 financial plans with the new method were approved with Venice Environment Basin Council Resolution 7 of April 14, 2022. Subsequently, the 2024 and 2025 financial plans were updated, and approved by the Basin Council with Resolution 4 of April 9, 2024. Therefore, in 2024 the rates and fees of the service were applied specifically based on Resolution 4.

The Mtr-2 method allowed including in future FPs, without Arera's prior investigation, the portions of the over-CAP costs excluded from the financial plans for the purpose of the next rate package, and this allowed the company to already recognize the revenue from those portions in the year in which they were earned, thus generating a receivable for rate adjustments.

Concerning the national Authority's investigations for the approval of the 2020-2021 FPs, determined with the old Mtr method, and the 2022-2025 FPs determined with the Mtr-2 method, and thus the confirmation of the over-Cap adjustments present in the 2020 and 2021 FPs, as they were added as components of the 2022-2025 FPs by the Basin Council, Arera approved with Resolution 147/2023/R/rif of April 4, 2023 the FPs of the municipality of Venice, it approved with Resolution 187/2023/R/rif of May 4, 2023 the FPs of the municipalities of Jesolo, Martellago and Spinea, and it approved with Resolution 315/2023/R/rif of July 13, 2023 the FPs of the municipalities of Mira, Mirano, Mogliano Veneto and San Donà di Piave.

In such approvals the Authority did not recognize the 2020 and 2021 over-Cap components added to the 2022-2025 FPs by the Basin Council, but it maintained the same total amount of the FPs (and thus Veritas' revenue), replacing those components with other ones that can be recognized from a regulatory perspective.

On January 1, 2024, the equalization system in the municipal waste sector (Arera Resolution 386/R/rif of Aug. 3, 2023) came into effect, which envisaged two surcharges (UR1 and UR2 components) to be added to the application of both Tarip and Tari.

The equalization systems, whereby components are charged to users and then paid to the Energy and Environmental Services Fund (CSEA) by the operator, are essentially neutral for the operator even in the case of Tari application, given that what is paid to Csea by the operator will still have to be reimbursed by the municipalities that collected the Tari tax.

Lastly, with respect to the regulation of rates for facilities, which concern the Jesolo landfill for the parent company and the waste-to-energy plants for Eco+Eco, regulated by Mtr-2, in April 2024 the Veneto Region first approved the rates for the previous years 2022 and 2023, and then in December 2024 it approved the update for the years 2024 and 2025.

Equity investments and acquisitions

In 2024 the shareholder municipalities continued to rationalize their investments as resolved pursuant to the "Consolidated Law on investee companies" (Legislative Decree 175/2016).

Effective January 1, 2024, the subsidiary Asvo leased to Veritas the waste management service business unit for the 11 municipalities previously managed by Asvo, covering the Portogruaro area of the province of Venice.

The lease term, initially contemplated as 2024 only, was extended in November 2024 to cover 2025 as well.

In January 2024, Veritas' acquisition of a 51.16% stake held by the private controlling shareholder of Sifa scpa was finalized, resulting in the acquisition of control and consolidation of the company within the Group; the Group's stake increased to 84.33% of the share capital.

In April 2024, Eco+Eco srl sold its entire 10% stake in Sibelco Green Solutions srl to the controlling shareholder Sibelco Italia spa.

In May 2024, Depuracque servizi, together with non-controlling shareholder Hexa Green, resolved, subscribed to and paid in pro-rata a share capital increase for Rive srl, bringing the company's new capital to € 2 million;

Also in May 2024, Depuracque servizi, together with the other non-controlling shareholder Hexa Green, resolved, subscribed to and paid in pro-rata a share capital increase for the associate 9-Tech srl, bringing the company's new capital to € 256 thousand;

In September 2024, Eco+Eco srl as a single member established Ecodistretto RE srl by first paying in the entire share capital of € 10 thousand and then, in December 2024, increasing its share capital through a transfer of buildings for an additional € 24,468 thousand; This was a precursor to the Group's disposal of some real estate holdings, as described in Note 2.1.4 on the business outlook.

Also in September 2024, Eco+Eco srl sold a 19% stake in Bioenergie Italiane srl to the controlling shareholder, Finan Group spa.

In November 2024 Veritas subscribed to a share capital increase resolved by Eco+Eco Srl to meet the financial commitments of the business plan whose investments were in progress; as a result of the € 20 million subscription, Veritas' interest in Eco+Eco is now 66.88% of the share capital (previously 61.09%); the capital increase was paid by offsetting with financial receivables for the same amount.

The investee companies continue to play a fundamental role in contributing to the Group's industrial and market management, by providing it with the necessary strategic flexibility in conducting its business activities.

Other events

On January 1, 2024, the integrated water service carried out in the port areas, previously the prerogative of the Port Authority, became part of Arera's regulatory scope, thus with Veritas applying ordinary water rates to port users.

Also on January 1, 2024, the parent company began managing the waste management service in the 11 municipalities of the Portogruaro area of the Province of Venice, pursuant to the lease of the business unit from the subsidiary Asvo; at the same time, four of these municipalities (Annone Veneto, Cinto Caomaggiore, San Stino di Livenza, and Teglio Veneto) introduced the Tarip punctual rate system, as opposed to the previous Tari tax system.

With regard to financing, during 2024 three new loans totaling € 40 million backed by Sace Futuro guarantees were taken out by the parent company, of which € 19 million was disbursed in January 2025, and two loans totaling € 25 million backed by Sace guarantees were taken out by the subsidiary Eco+Eco.

Government regulations

Once again this year, there were changes in government regulations that required constant efforts of interpretation and compliance, specifically with regard to:

- the *EU taxonomy for sustainable investments*. As part of the European Union's action plan to finance sustainable growth, it published Regulation (EU) 2020/852 (EU Taxonomy Regulation), aiming to create a single classification system for sustainable activities based on six environmental objectives: climate change mitigation, climate change adaptation, sustainable use of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The taxonomy imposes a new reporting obligation on companies already required to publish non-financial statements ("NFS"), which are now asked to include information on how and to what extent their businesses are associated with economic activities considered to be environmentally sustainable by presenting various key indicators (share of turnover, share of investments, and share of costs). The new reporting obligation for 2021 - 2023 was phased in gradually, both in terms of the scope of activities considered environmentally sustainable and in terms of the level of disclosure required in non-financial statements, but in 2024 the technical screening criteria for the key indicators defined as eligible fully entered into force, so now such activities are identified as “aligned” or “non-aligned” with the sustainability characteristics.

- *Directive EU 2022/2464 – the Corporate Sustainability Reporting Directive*. The CSRD aims to create within the European Union a reporting framework that improves the content and quality of the information regarding environmental, social, and governance (ESG) aspects in order to satisfy the growing disclosure demands evidenced by the various types of stakeholders (investors, banks, customers, etc.) in terms of completeness, reliability and transparency. The CSRD constitutes an update of *Non-Financial Reporting* (Directive 2014/95/EU and Legislative Decree 254/2016), and the obligation falls within the European Union's action plan to finance sustainable growth. The CSRD became effective on January 1, 2024 for entities like Veritas that already prepare the *Non-Financial Statement* ("NFS"); to this end, in 2023 the European Financial Reporting Advisory Group (EFRAG) issued European Sustainability Reporting Standards (ESRS) supplementing/replacing the Global Reporting Initiative (GRI) standards previously adopted to prepare the NFS, and then the

Italian regulations under Legislative Decree 125/2004 were adopted. One of the main developments of the CSRD and ESRS is the double materiality principle: identification and assessment of the impacts that the undertaking's activities can generate on the environment and on persons (impact materiality) and assessment of the implications that ESG management has within the organization (financial materiality). The CSRD information will be mandatorily published in the Report on Operations accompanying the consolidated financial statements. Veritas' adoption of the regulations has generated important internal organizational impacts, mainly concerning the retrieval of the vast information required by these new regulations.

- *European Union Directive 2022/2555 - Network and Information Security (NIS2*). The directive is an important update to the European Union's network and information security framework. NIS2 adds new features to the previous NIS directive, such as the elimination of the distinction between essential service operators and digital service providers, and the extension of security obligations to new critical sectors. In addition, it requires a multi-risk approach and the timely reporting of material incidents to the relevant authorities. The directive covers 18 critical sectors, including drinking water, wastewater and waste management. Companies must implement appropriate security measures to protect their information systems. This includes risk assessment and management, timely notification of incidents, supply chain security, and ongoing staff training. Companies must establish security governance to ensure compliance with the directive. This may include the appointment of security officers and the adoption of specific policies and procedures.

2.1.4 Business outlook

The first few months of 2025 continue to feature uncertainties deriving from geopolitical crises affecting the macroeconomic environment.

The Group is monitoring the impact of these scenarios, particularly on the measurement of expected credit losses, with a special focus on billing.

With respect to environmental regulations, in April 2025 Arera issued a consultation document for the third regulatory period, 2026-2029 (Mtr-3). It also published the initial guidelines for accounting unbundling in the waste sector and introduced a "social waste bonus" for domestic users in conditions of financial hardship, financed with a new equalization component (UR3).

Arera approved the 2024-2029 water rates under the new Mti-4 rate method with Resolution 14/2025/R/idr of January 21, 2025.

The streamlining of the investees is progressing in 2025.

In particular, the process of merging Asvo into Veritas, which began with Asvo's lease of the waste management business unit to Veritas, is underway, with a future absorption merger of Asvo assumed to take place in the short/medium term.

A Group transaction is also in progress to sell some real estate holdings, still not well defined, in order to recover financial resources, estimated as € 60-70 million, to be used to fund the investment plan being implemented by Eco+Eco. The transaction is expected to be finalized by the end of 2025.

In 2025 Eco+Eco will continue to integrate the organizations of the two companies merged in November 2022 and will start up numerous investment projects whose technological aspects and respective approval processes were handled in previous years. Among these, the most significant are the L2 line, which will probably be completed and tested in the fourth quarter of 2025, and plastic recycling, with the new Mpo and Mpr lines launched in 2024 and now being tested. The residual reprocessing line, completed in 2024, will also become fully operational during 2025. Construction of the washing and recycling plant is nearly complete at the former Alcoa area; it will begin operating in the second quarter of 2025. For this, a commercial-industrial partnership agreement has already been signed for the development of the polyolefin-based post-consumer plastic recycling chain. In 2024, the revamping of the CSS1 (sorting and storage) plant commenced, which will produce economic benefits by reducing the cost of waste transportation within the facility and by boosting revenue from the sale of the fractions to be directed to material reuse processes, including at the new plastic lines of the Ricicla site. During 2025, the construction of the paper recovery and recycling plant located in the former Alcoa area will be completed, and the plant will begin operating in 2026. Lastly, a new secondary sorting center, located in the former Alcoa area, is being studied; it is expected to be completed in 2026 and start operating in 2027.
The Board of Directors of Metalrecycling Venice srl promptly complied with the legal obligations for losses exceeding one third of share capital, and then, at the General Meeting of April 2025, the sole shareholder Eco+Eco srl reduced the share capital due to losses and subsequently subscribed to a capital increase of € 5 million, in part by offsetting receivables due to the company. The new share capital is 5,869 thousand.

Metalrecycling Venice srl's 2025-2027 business plan contains as its main actions the recovery of margins and cash inflows through the reorganization and implementation of heightened control systems; and the rescheduling of the financial payables due to Eco+Eco srl and Veritas spa for the full amount of € 5.3 million, with the stipulation of a new repayment plan providing for the repayment of the principal in 10 years and the sale of real estate assets decided upon in 2024 for an estimated amount of € 3.6 million, presumably within the first 9 months of the year.

Since 2025, the waste management service carried out by the parent company for the municipalities of Martellago, Pianiga and Concordia Sagittaria has been carried out with the Tarip punctual rate system, instead of the Tari tax system.

On the matter of the VAT litigation concerning Tia, with Ruling 260 of March 20, 2025, the Court of First Instance of Venice ruled against the Revenue Agency, which had opposed the VAT refund claims submitted by Veritas after reimbursing the users. The Court ordered the Agency to pay the amounts demanded in the claims and to reimburse Veritas for the legal expenses, while pointing out to the Revenue Agency the untenability of its position, including in relation to potential liability for damages to the public treasury.

2.1.5 Group sustainability report

General Information

General basis for preparation [BP-1]

The *Group Sustainability Report* ("Report") of the Veritas Group ("Group") has been prepared on a consolidated basis pursuant to Legislative Decree 125/2024 implementing Directive 2022/2464/EU (Corporate Sustainability Reporting Directive or "CSRD") and is an integral part of the Report on Operations included in the Group's Annual Report.

The scope of reporting is the same as in the consolidated financial statements and refers to all fully consolidated companies.

This report has been prepared in accordance with the *European Sustainability Reporting Standards* ("ESRS") developed by the European Financial Reporting Advisory Group ("EFRAG"), with reference to fiscal year 2024 (January 1 to December 31, 2024). In assessing the materiality of impacts, risks, and opportunities, aspects related to the upstream and downstream value chain have been considered where opportune and are appropriately reported within the Report. Information related to the value chain is also included in the sections on the policies, actions and targets set by the Group, and was also used to calculate the E1-6 gross Scope 3 GHG emissions metrics.

In disclosing the information regarding its strategy, plans, and actions, the Group has not omitted any classified or sensitive information regarding intellectual property, know-how, or innovation results, and the Group has not used the exemption available under Directive 2013/34/EU Articles 19a(3) and 29a(3), since all the consolidated companies are based in Italy, an EU Member State that does not allow such exemption.

Disclosures in relation to specific circumstances [BP-2]

With respect to the time horizons adopted, the short-term, medium-term and long-term periods defined are consistent with ESRS 1. The long-term period is understood as the time horizon exceeding five years, until 2038, when the current credit facilities end.

In order to present accurately the performance and guarantee the reliability of the information reported, the use of estimates is limited, and those used are based on the best available methodologies and are appropriately disclosed herein. The main areas of estimates subject to uncertainty regard the value chain information used to calculate Scope 3 emissions reported in the section on *E1-6 gross Scope 1, 2, 3 greenhouse gas ("GHG") emissions and total GHG emissions*. Measuring Scope 3 emissions is complex due to uncertainty in the estimation methodology for this category of emissions, especially in cases where primary data is unavailable.

Under the transitional provisions of ESRS 1, the Group is not required to provide comparative information in the first year of reporting. Nevertheless, when information reported in the *2023 Non-Financial Statement* is directly comparable, it is included herein, and it does not present any changes or errors.

The Veritas Group has a disclosure obligation with reference to Article 8 of the EU Regulation 2020/852 on Taxonomy, reported in the area dedicated to European Taxonomy - "Disclosure of Sustainable Activities under EU Regulation 2020/852" - within section 2 on environmental information.

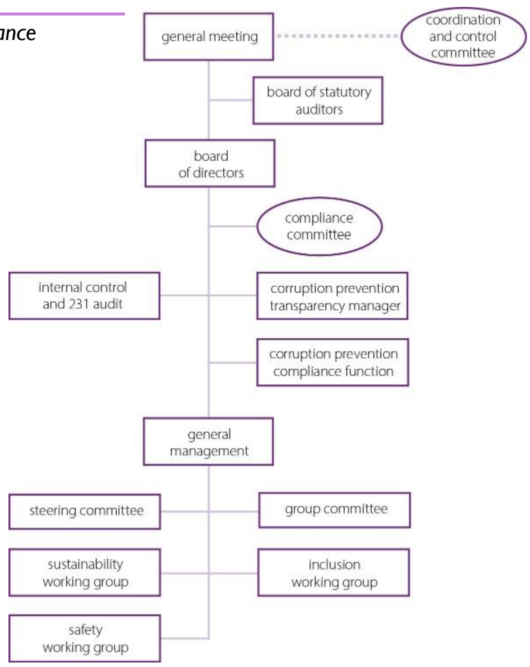
In accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), the Veritas Group is required to provide specific environmental information within a special section dedicated to the European Taxonomy. In this context, the Group discloses information regarding the percentage of revenues, capital expenditures (Capex) and operating expenses (Opex) related to activities that can contribute to the environmental objectives set by the regulation (*Taxonomy-Eligible activities*), as well as the share of these activities that make a substantial contribution to climate change mitigation and the promotion of a circular economy (*Taxonomy-Aligned activities*).

The role of the administrative, management and supervisory bodies [GOV-1].

The main goal of the Veritas Group's governance is the delivery of excellent environmental public services at the lowest possible cost.

The Veritas Group aims to create value for its shareholders and for the local community through development and innovation in its various areas of expertise, with a view to sustainability and a circular economy.

Environmental, Social, and Governance management composition



Composition of governance bodies, roles and responsibilities

- *Chairman* legal representative entrusted with managing the board of directors and relations between shareholders and local entities. Presides over relations with Utilitalia and other entities. Appointed with a majority vote at the General Meeting. The Chairman is not an employee of Veritas.
- *Coordination and Control Committee for the exercise of comparable control* established on the basis of Article 6 of the agreement pursuant to Article 30 of Legislative Decree 267 of 2000 and Article 40 of the parent company's bylaws; it allows the shareholders to exercise similar control over the company and make decisions on corporate cost containment policies and strategies.

- The *General Meeting* is responsible for adopting the most important decisions for the life of the company, such as the appointment and dismissal of members of the board of directors and the board of statutory auditors, approval of the budget and the allocation of profits to benefit the investments, shareholder plans, amendments to the bylaws, and the issuance of bonds. The shareholders are the 51 municipalities in the territory served: all the municipalities in the City of Venice and seven municipalities in the province of Treviso. The controlling shareholder is the Municipality of Venice. When voting, each municipality counts as one vote. The parent company's shareholding structure is publicly available in the consolidated financial statements and on the corporate website on the transparency page.
- The *Board of Directors (BoD)* in office at December 31, 2024 consists of nine members. It is entrusted with the management of the organization, the execution of corporate strategies, and the determination of the business plan, which contains the sustainability goals. It is the body responsible for decision-making and management of the organization's impacts on the economy, the environment and people. It consists of a chairman and eight directors.

  The board of directors is appointed, by a majority vote, at the General Meeting and has a term of three fiscal years. The members of the board of directors are all non-executive and independent. The Board members' remuneration and performance evaluations are established at the General Meeting, as stated in Veritas' bylaws. The documents on their appointments with the respective remuneration, performance-based pay, and expense reimbursements are publicly available on the parent company's website on the transparency page referring to policy-making bodies. The same page presents other positions and remuneration at public and private entities and publicly financed positions, declarations and certifications contemplated Law 441/1982, Articles 2, 3 and 4, and the declarations of incompatibility and/or incompatibility contemplated by Law 190/2012 and Leg. Decree 39/2013.

  A policy, formulated at a General Meeting, is in effect within the Group to use predominantly employees on the administrative bodies of the subsidiaries in which the Group expresses designations, partly for the purpose organizational efficiency and effectiveness. The Board of Directors consists of 5 men (56%) and 4 women (44%), 44% aged between 30 and 50 and 56% over 50, and the average ratio of male to female board members is 1.25. To date, there is no representation of employees or other workers on the Board of Directors.

Veritas Board of Directors composition at December 31, 2024

	men	%	women	%	total	%
independent non-executive members	5	56%	4	44%	9	100%

age	number
members < 30 years old	0
members between the ages of 31 and 50	4
members over 50 years old	5
average age	**52**

The members of Veritas' Board of Directors have proven expertise in the sector and in finance, economics, law, science and sustainability (ESG). In addition, the inclusion within the Board of Directors of persons with different backgrounds, educations and professional experience creates an integration of contributions related to the local area in which the Group operates. The table below summarizes the responsibilities held by the board members.

Veritas Board of Directors members at December 31, 2024

name	role	skills and role in committees	scope of experience and skills
Mark Bordignon	BoD Chairman	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Coordination with local entities (Riviera Brenta and Miranese municipalities, City of Venice) – Activities related to rationalization, development and coordination of investee companies – Rebalancing equity distribution among local shareholder entities – Legal representation – External relations – External relations with Utilitalia Federation – External relations with other associated entities or third parties – Remuneration committee activities – Administration and finance activities	Finance, risk management, ESG
Michael Bison	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – PFAS, landfills, beaches and coastal tourism – Issues connected specifically to the Municipality of Jesolo in relation to the implementation of new infrastructure and services – External relations	Trade, productive activities public administration
Sara Da Lio	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Supporting activities for real estate management – Supporting activities on architectural designs for new buildings and/or rationalization of real estate and plant assets – External relations – Activities related to corporate wellbeing, work-life balance, smart working, and workplace well-being training and information – Education award	Design and construction management, inclusion, gender equality, ESG
Silvia De Pieri	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Maintenance of relations with local institutions in the Asi spa shareholder municipalities and for service issues related to the specific local area represented – Activities pertaining to the protection of occupational health and safety (health surveillance - safety committees)	Prevention and protection in the workplace; Leg. Decree 231/01; ESG
Beatrice Filippi	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Customer satisfaction surveys – External relations – Activities in the areas of internal and external communication, information campaigns and marketing – Relations with local entities	Marketing and communications, ESG
Francesca Longo	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Coordination with local entities (Chioggia Cavarzere Cona) – Issues related to specificity of the Sottomarina and Isola Verde coastline in relation to the seasonal influx of tourists and service issues related to the specificity of the Chioggia area – Anti-corruption and transparency supporting activities, specifically corruption prevention and transparency manager replacement for absences as per the three-year plan for corruption prevention and transparency, paragraph 4.1 – External relations	Legal; local expertise
Pier Giorgio Ometto	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Coordination with local entities – Activities regarding Veritas' cemetery services and related facilities – External relations – Coordination with Veritas Conegliano srl and with construction of new crematorium altar in the municipality of Venice through PPP	Legal, local expertise
Luke Schiavon	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Relations with local entities (Riviera del Brenta and Miranese municipalities) – Supporting activities for legal matters – External relations	Legal, local expertise
Emiliano Teso	BoD member	– Specific acts pursuant to BoD resolutions (deeds, purchases, sales, other obligations) – Relations with local entities – External relations – Activities regarding Asvo merger	Integrated water, sustainability, ESG services

Board members have direct sustainability competencies, including knowledge of the environmental regulations, sustainable management practices and risk assessment, and during 2024 the Board members were involved in multiple training activities for such competencies. The sustainability competencies are closely related to the organization's material impacts, risks, and opportunities. They enable the Board members to effectively evaluate the implications of business decisions, identify opportunities for improvement, and implement strategies that promote long-term sustainability.

Board of Statutory Auditors

This Board is responsible for supervising compliance with the law and the bylaws, and the compliance with the principles of fair management in the performance of business activities; the adequacy of the organizational and internal control structures; the independence of the independent auditing firm; and how the corporate governance rules are effectively implemented.

The Board of Statutory Auditors is appointed, by majority vote, at the General Meeting for a term of three fiscal years. The remuneration of the members of the Board of Statutory Auditors is determined at the General Meeting. The documents on their appointments with the respective remuneration are publicly available on the parent company's website on the transparency page. Declarations of incompatibility or incompatibility can also be found on the same page.

Veritas Board of Statutory Auditors at December 31, 2024

	men	%	women	%	total	%
Board of Statutory Auditors members	3	60%	2	40%	5	100%

age	number
< 30 years old	0
between the ages of 31 and 50	2
over 50 years old	3
average age	**55**

Board of Statutory Auditors members at December 31, 2024

name	role	scope of experience and skills
Maria Giovanna Ronconi	Chair of the Board of Statutory Auditors	Business administration, ESG
Andrea Burlini	Statutory Auditor	Economics, governance (Leg. Decree 231/01 and anti-corruption)
Maurizio Interdonato	Statutpory Auditor	Finance, sustainability, ESG

Compliance Committee

The Compliance Committee consists of a chairman and two other members, and is responsible for supervising the adequacy of the *Organizational Model* and the application of the *Code of Ethics*.

The Compliance Committee is appointed by way of an expression of interest through which the persons interested submit their applications. Once the candidates have been evaluated, the Board of Directors appoints the members and Chairman and sets the remuneration. The appointment documents containing the remuneration are publicly available on the parent company's website on the transparency page.

Veritas Compliance Committee at December 31, 2024

	men	%	women	%	total	%
Compliance Committee members	2	67%	1	33%	3	100%

age	number
< 30 years old	0
between the ages of 31 and 50	2
over 50 years old	3
average age	**54**

Governance at the managerial level

In order to properly implement the Group's guidelines and strategies set by the Board of Directors, a "matrix" operational structure has been identified across several corporate organizational functions, so that the most suitable vertical competencies can be activated as needed. In this context, intercompany Committees and working groups have been set up that are responsible for verifying that sustainability is concretely integrated into the Group's business.

Steering committees, coordinated by the general manager, coordinate among the different departments or companies of the Group. The main committees and groups that have a role on sustainability issues are set forth below.

- *Steering Committee*
  This is the highest governing body of the organization and is appointed and chaired by the general manager. It promotes, discusses and coordinates the overall governance strategies of the organization.
- *Group Committee*
  This is chaired by the Veritas CEO and is composed of the executives and managers with specific positions in the Veritas Group. It promotes and coordinates the overall governance strategies of the Group.
- *Safety working group*
  The Group takes care of all aspects related to workers' health and safety, disseminates the relevant information, and constantly interfaces with the workers' safety representatives to share the relevant decisions.
- *Inclusion working group*
  This working group aims to promote a culture of inclusion within the organization, focusing in part on diversity stemming from the reduced ability to interact with the surrounding environment (disabilities). It is concerned with spreading a culture of merit and, consequently, the opportunity for growth within everyone's reach.
- *Sustainability working group*
  The sustainability group is responsible for dealing with all matters regarding ESG issues and bringing insight to the other working groups as needed.
  The Group is delegated by the Board of Directors to supervise the double materiality assessment and related impacts, risks and opportunities.

Information flows on sustainability issues

The Board of Directors, which plays a crucial role in defining and handling impacts, risks and opportunities, guides the transformation and evolution of the Group's processes and activities to reflect sustainability principles.

Through its governance model, the Board of Directors defines the oversight of controls, risks, key performance indicators (KPI) and ESG data and their significance in making strategic decisions and achieving the goals of the business.

Thus, the top management:

- determines, assesses and communicates risks and opportunities that may affect the organization's strategic goals;
- monitors the implementation of the strategy;
- has a key responsibility in implementing the organization's transition to sustainability;
- oversees internal reporting to the board, ensuring high quality standards of the documents intended for the stakeholders.

Being aware of sustainability-related impacts, risks, and opportunities for the organization helps to ensure that efforts made to transition to sustainability are significant and calibrated to the organization. Such awareness is important for appropriately targeting the actions.

The Board of Directors is supported by various corporate levels described above that facilitate the flow of information and supervision and control of corporate activities regarding the impacts, risks and opportunities. In addition, the general manager reports semi-annually on corporate issues including sustainability matters, bringing a summary of all the activities carried out by management to the Board of Directors. In addition to this reporting, at least once per year the Compliance Committee informs the Board of the results of the audits conducted and reviews carried out by the 231 Organizational Model and anti-corruption audit teams. All decisions about the strategic plan's inclusion and people management activities are also brought to the Board's attention. By attending Board of Director meetings, the Board of Statutory Auditors receives the same information on the sustainability matters.

Information on the impacts, risks and opportunities is one of the multiple sources used in the strategy development, adaptation and supervision process. During the reporting period, the impacts, risks, and opportunities were considered in the development of strategies, policies, and objectives for the various business and Group functions. For more information regarding the Group's material impacts, risks, and opportunities, see the section on material impacts, risks, and opportunities and their interaction with the strategy and business model (SBM-3)..

In 2024, the Board of Directors approved the *Sustainability Plan, a* document that defines the Group's strategic guidelines to be followed in implementing and monitoring the objectives set out in the *Business Plan*. The goal of the *Plan* is to incorporate sustainability into the corporate strategy and business models, and to ensure that this goal is supported by appropriate governance.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

The Group's sustainability governance is based on a structured framework of responsibilities, procedures and internal tools that ensure the active involvement of all administrative, management and control bodies, as defined in GOV-1. This involvement ranges from the definition and assessment of material impacts, risks and opportunities, as defined in the section on SBM-3 herein, to communication with stakeholders, to the development of Group strategies.

In this context, the various corporate boards take on specific roles - of guidance, validation or approval - ensuring informed and integrated participation in decisions on sustainability, a topic incorporated into the Group's governance processes and strategic management.

Integration of sustainability-related performance in incentive schemes [GOV-3]

The reward system directs the organization's behaviors toward strategic goals, in line with the current *Business Plan*.

All Veritas Group employees are entitled to a variable remuneration component, subject to achieving a balanced budget. The variable component takes the form of a performance bonus for blue-collar and white-collar workers and MBO for executives, middle managers, and lower managers. The performance bonus is conditional not only on achieving a balanced budget (40% of the total), but also on achieving the industry and collective targets, customer satisfaction, and Arera technical quality parameters.

In addition to achieving a balanced budget, customer satisfaction and Arera's technical quality parameters, all levels of management are also assigned individual and/or shared goals relating to corporate strategy and *Business Plan* initiatives. These targets cover issues such as anti-corruption, environmental impacts (e.g. CO2 emissions), and management costs, and are related to sustainability issues. Hence, 60% the variable remuneration of managers is related to sustainability metrics. Currently, the Group is being structured to identify quantitative GHG emission reduction targets for different areas; currently, the remuneration system takes into account the targets set in the *Business Plan* approved by the Board of Directors. The targets are approved by the Remuneration Committee, which also updates the conditions of the incentive schemes.

Statement on sustainability due diligence [GOV-4]

As part of its commitment to responsible business management, the Group has initiated a process to identify and assess actual and potential negative impacts related to environmental, social and governance (ESG) dimensions throughout the entire value chain. In preparing the *Sustainability Report*, the Veritas Group reviewed the information related to its due diligence practices. The Group's *Sustainability Plan* is a first step to manage due diligence.

The table below presents the sections of the report that illustrate the main initiatives and actions taken, which represent a first concrete step toward building an organic system for managing current or potential ESG impacts. The activities implemented form the basis on which a more structured and integrated strategy can be developed in the future.

key elements of due diligence	paragraphs in the sustainability statement
(a) Integrate due diligence into the governance, strategy and business model	– Role of administrative, management and supervisory bodies [GOV-1] – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2] – Strategy, business model and value chain [SBM-1] – Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]
(b) Involve stakeholders at all key stages of due diligence	– Interests and views of stakeholders [SBM-2]. – Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]. – Processes for engaging own workforce and employee representatives about impacts [S1-2] – Processes for engaging consumers and end users about impacts [S4-2].
(c) Identify and assess negative impacts	– Strategy, business model and value chain [SBM-1] – Interests and views of stakeholders [SBM-2]. – Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3] – Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1].
(d) Take action to address the negative impacts	– Risk management and internal controls over sustainability reporting [GOV-5]. – ESRS policies E1, E2, E3, E5, S1, S4, G1 – ESRS Actions E1, E2, E3, E5, S1, S4, G1 – Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3] – Processes to remediate negative impacts and channels for own workers to raise concerns [S4-3]
(e) Monitor the effectiveness of actions and communicate	– ESRS targets E1, E2, E3, E5, S1, S4, G1 – ESRS metrics E1, E2, E3, E5, S1, S4, G1

Risk management and internal controls over sustainability reporting [GOV-5].

Sustainability reporting is of strategic importance for the Veritas Group, not only with respect to the total transparency of its actions towards stakeholders, but also as a strategic tool for monitoring and setting objectives, in the short, medium and long term, regarding impacts, risks and opportunities related to sustainability issues.

An internal control and risk management system for consolidated sustainability reporting ensures that the information subject to such reporting is reliable and accurate, reflects as truthfully as possible the actions and performance of the Group, and complies with current regulations.

As early as 2019, the Group has had a procedure for preparing the consolidated non-financial statement in accordance with Leg. Decree 254/2016, and during 2024, in accordance with the Corporate Sustainability Reporting Directive (CSRD) and in response to the requirements of the ESRS, the basis was formed for the establishment of an internal control system on *Group sustainability reporting*. This system consists of the set of internal procedures and tools adopted by the Group to ensure the proper use of sustainability standards and the reliability, accuracy and trustworthiness of the information included in the Sustainability Report.

The procedure for preparing the Sustainability Report has been updated to ensure that the reported information complies with the regulatory requirements set forth in Directive 2022/2464/EU (CSRD), implemented in Italy by Leg. Decree 125/2024, and the ESRS reporting standards issued by Efrag. The procedure identifies and regulates the following sub-processes:

1. *Definition of the scope of consolidation subject to reporting*: annually, the accounting and financial reporting department prepares and submits to the head of sustainability, environment and safety a prospectus with the Group's structure, which is used to define the scope of sustainability reporting, ensuring consistency with financial reporting; once approved, it is shared with all departments involved in the sustainability reporting process.
2. *Establishment of the closure schedule*: the sustainability, environment and safety manager, in coordination with the accounting and financial reporting department, establishes annually the timeline for data collection and the preparation of the sustainability report, sharing a draft schedule with the accounting manager for review and approval, and once approved, the schedule is forwarded to all relevant corporate departments.
3. *Definition and approval of the double materiality assessment*: the double materiality assessment, coordinated by the sustainability, environment and safety department in collaboration with Veritas' general manager, identifies and prioritizes material sustainability aspects for the Group on an annual basis, and the results are shared with the sustainability working group, the Veritas general manager, the Group Committee, and the Board of Directors for formal approval.
4. *Definition of data managers and reporting requirements:* annually, based on the results of the double materiality assessment, the sustainability, environment and safety department prepares the list of reporting requirements and begins the collection process; the list is shared with the human resources department to identify the data managers responsible for collecting and approving sustainability data.
5. *Data collection process*: all data are required within the deadlines set consistently with the closing dates. Prior to submission, the data are reviewed and approved by the general manager of the Group companies or the relevant department director. The sustainability, environment and safety department monitors the process, ensuring compliance with ESRS standards, the double materiality assessment, the schedule of activities, and the CSRD requirements.

6. *Preparation and approval of draft sustainability report*: the sustainability, environment and safety department combines the data approved by the function heads to prepare the draft sustainability report, including the information required by the *Taxonomy Regulation*. The draft is reviewed by the offices responsible for the submitted data, by the sustainability, environment and safety department for consistency, and by the accounting and financial reporting manager for consistency with the financial data.
7. *Approval and publication of the Sustainability Report:* prior to approval by the Board of Directors, the Sustainability Report is reviewed and approved by the general manager. After approval by the Board of Directors, it is made available to the Board of Statutory Auditors and the independent auditors, and then is published on the Veritas website and filed with the Registrar of Companies.

Also identified within the procedure are all existing corporate policies and procedures governing the process of monitoring and collecting the data used in preparing the information contained in the sustainability report.

In addition, the Veritas Group has begun a process to identify the main risks associated with the sustainability reporting process and the related controls put into place to manage the mapped risks, with the preparation of a *Risk and Control Matrix* (RCM). The associated risks and controls and those responsible for implementing the controls are described in the RCM for each stage of the reporting process. The main risks are incomplete, inconsistent, and inaccurate information due to incorrect and/or incomplete identification of the reporting requirements, and errors in the data collection process or in defining the reporting boundary.

The Board of Directors is regularly informed about the developments in the sustainability reporting process, the controls that the organization puts into place, and the results thereof, through periodic communication.

Strategy, business model and value chain [SBM-1]

The Veritas Group operates in the segments of the integrated water cycle, integrated waste cycle, recovery and treatment of municipal and special waste, local public utilities, and energy services. Veritas, the parent company, is a publicly-owned multi-utility company. The Group, which had 3,586 employees at December 31, 2024, is headquartered in Mestre Venice and operates in 51 municipalities in the Venice metropolitan area and the province of Treviso, in northern Italy. In 45 of these, the Group supplies environmental services (waste management and urban sanitation), while it provides water services (aqueduct, sewerage and purification management) in 36 municipalities. In addition, in 12 municipalities the Group supplies some collective urban services.

Within the area described, the Veritas Group operates with five main plants (Eco+Eco valorizza, Eco+Eco ricicla, Metalrecycling, Rive, and Depuracque) and has among its most significant physical assets 36 municipal wastewater treatment plants with different capacities, 1 industrial sewage treatment plant, 39 collection centers and ecomobile services in 19 municipalities, 9 main branches, 5 landfills, 37 cemeteries and 3 crematoriums, 4 drinking water treatment plants, 14 main corporate offices, as well as the Group's water plants.

Below is a more detailed description of the services offered.

- *Waste management services*
  Waste management services include sorted waste collection, the collection of municipal waste (household waste, including bulky waste, and from green areas such as gardens, parks and cemetery areas), the collection of hazardous municipal waste (expired medicines, batteries, etc.), street sweeping and cleaning, beach cleaning in coastal municipalities, and other activities required by municipalities under their respective municipal regulations. The collection methods are organized to facilitate and assist waste

sorting by some 870,000 residents and by the many tourists who visit the area each year. The Group manages the waste management service by integrating it with an industrial recycling and energy recovery activity. Overall, the waste management system, as it is structured today, is an excellent expression of the circular economy, in which materials are constantly reused, remaining as long as possible within the economic cycle. Through the sorted waste chains, on average 97% of waste is treated in the area's plants and then put back on the market as a secondary raw material, returning to the production cycle. Even the residual unsorted waste is used to produce a secondary solid fuel (SSF). To meet the need for transparency for users and local authorities, the Veritas Group has tracked the waste supply chains. This means that the sorted waste and materials collected are tracked, followed, measured and recorded from when they are delivered until they are treated and reused. To date, the certified supply chains are for glass, plastics, metals, organic waste, greenery and brushwood, wood, paper and residual urban waste, bulky waste, and sweepings.

- *Integrated water service*
  Water is a renewable but not an inexhaustible resource. For this reason, it must be used rationally and sustainably. The Veritas Group manages its integrated water service in a manner that ensures excellent quality water, balanced and equitable use, and full compliance with regulations. The Group pursues the goal of improving the reliability and efficiency of this service while maintaining a large focus on the environmental impact and cost efficiency. The Group carries out the withdrawal, purification, treatment and distribution of water for civil and industrial use and the collection, pumping, transportation and purification of domestic and industrial wastewater. Particularly strategic is the possibility to reuse water in the Porto Marghera area.

- *Collective municipal services*
  The Veritas Group performs many user-oriented activities to meet collective needs. These include the operation of the wholesale fish market in Venice, environmental reclamation, the provision of footbridges in the event of high tide and snow, the integrated management of cemetery and crematorium services, the supply of heating, the operation of public lighting (for some municipalities), and the management of public restrooms. Moreover, the Group manages utilities at the Port of Venice (networks and supply of water, gas and electricity).

Sustainability strategy

The Veritas Group aims to create value for its shareholders and for the local community through development and innovation in its various areas of expertise, with a view to sustainability and a circular economy. The Group's strategy is reflected in the objectives of the Group's *2019-2026 Business Plan* (*"the Plan"*), approved by the Board of Directors in 2021 and revised in early 2025, which seeks to combine value creation and sustainability, particularly with reference to sustainability and the circular economy, which are now identified as priorities by the United Nations and the European Union.

The strategies of the *Plan* are divided into six guidelines: public governance, consolidation of core services, continuous rationalization and efficiency, selective development, people development, and user centeredness; specific lines of action are identified for each strategic challenge.

The six strategic guidelines for 2019-2026

1	**Public governance** Retention of public control and elements of distinction and inseparability of the organization
2	**Continuous rationalization and efficiency** Cost optimization by working to improve efficiency
3	**Selective development** Pursuit of growth opportunities through policies of mergers and acquisitions in the province, and of partnerships with entities operating in the same or neighboring areas or in the same sectors of specific interest
4	**Consolidation of services** Initiatives to strengthen industrial and service activities (environmental, water) for which the Veritas Group is also already important compared to the competition.
5	**People development and skills enhancement** Initiatives to support personal growth by fostering the acquisition of professional skills and specializations. Enhancement of diversity as an opportunity for corporate growth.
6	**Involvement of suppliers to improve ESG performance** Working together to measure and reduce carbon emissions along the value chain by including sustainability criteria in supplier evaluations. Training employees on supply chain sustainability issues.

Through the management of its industrial and utility services, the Veritas Group makes an active contribution toward achieving the Sustainable Development Goals (SDGs) of the 2030 Agenda. The achievement of the SDGs is closely influenced by progress in the area of local public services, in which the entities involved play a fundamental role with respect to involving individuals and the entire community. Through its activities, the Veritas Group contributes to 12 macro goals.

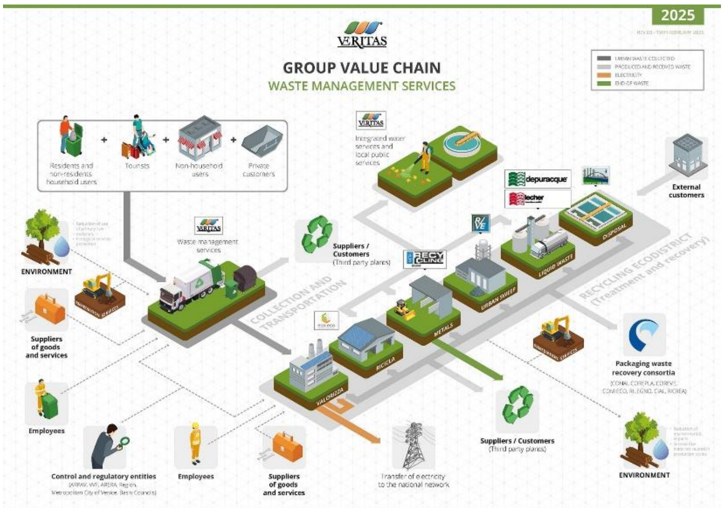
The sustainability objectives and actions defined in the *Business Plan* cover all the services supplied and concern the Group's planned investments and activities, for each geographic area, that will contribute to the pursuit of the *2030 Agenda* objectives, including those regarding the European taxonomy and Arera regulation. The *Plan* is approved by the shareholders of the parent company, who are the mayors of the municipalities served, representing their residents.

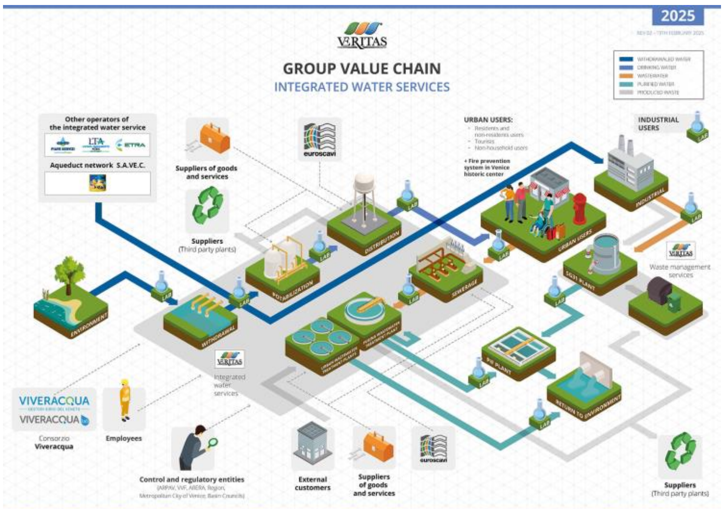
Veritas Group's contribution to the 2030 Agenda

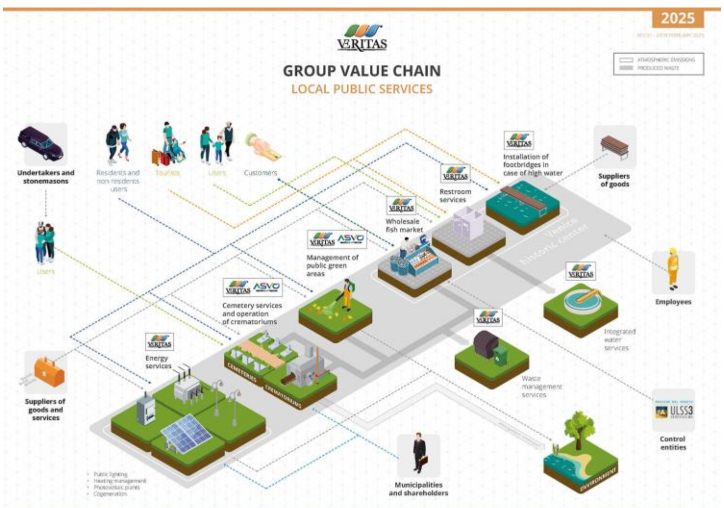
Value chain

In line with the services supplied, three Veritas Group value chains have been identified: one value chain for waste management services, one for the integrated water service, and one for local public services. The Group's value chains involve a widespread system of activities, resources and relationships geared toward the creation of shared value that extend both upstream and downstream and that represent the entire process through which the Group plans, delivers and manages its services - from the procurement of resources to delivery, post-service management and by-product use.

The value chain for waste management services is represented by several Group companies, in addition to the parent company, which provides services for residents and some private customers and manages closed landfills and one landfill still active. They include the companies established in the "recycling ecodistrict" represented by Eco+Eco, Metalrecycling, Rive, Sifa and Depuracque and Lecher, which are located in the Salzano area and treat wastewater. The upstream value chain is made up of the environment in which the Group operates, where reclamation services can intervene to return parts of the area to be used, including for the installation of Group facilities; the users/customers who produce waste; and the suppliers of goods and services that contribute on one hand to the supply of some parts of the service and on the other to maintenance and other activities, to guarantee the continuity of the operation of plant and equipment, including some services provided by the parent company to the other companies. Lastly, the control and regulatory entities that set the monitoring rules and verify the adherence to them are in the value chain. The people who work for the companies identified in the value chain are essential for the existence of the services. Downstream, the value chain is represented by the environment, suppliers and end consumers for the disposal and final treatment of waste, waste recovery consortia, the energy manager for the sale of energy from secondary solid fuel (SSF), and the remediation service that returns damaged areas to the territory. The operations are waste collection, transportation, sorting, treatment and recovery, and disposal.







The value chain of the integrated water service is represented by several Group companies. In addition to the parent company, which serves the residents and some private customers, upstream are the environment; other operators of the integrated water service and aqueduct network in the Veneto region, as water suppliers; Euroscavi, a Group company that offers relining services for aqueduct and sewerage networks; users, including industrial users, and customers who use the water and sewage services; and the suppliers of goods and services that contribute on one hand to the supply of some parts of the service and on the other to maintenance and other activities, to guarantee the continuity of the operation of plant and equipment, including some services provided by the parent company to the other companies. The control and regulatory entities that set the monitoring rules and verify the adherence to them are part of the value chain. The people who work for the companies identified in the value chain are essential element for the existence of the services. Downstream in the value chain are the environment, suppliers and end consumers for the disposal and treatment of waste produced by plants and services. The operations consist of drinking water and industrial water withdrawal and distribution, wastewater collection and treatment, and laboratory analysis.

The main local public services, of a collective nature, provided by the Group are: cemetery services, operation of crematoriums, energy services (public lighting, heating management, photovoltaic plants, cogeneration), management of public green areas, management of the wholesale fish market of the city of Venice, restroom services, installation of footbridges in case of high water. The value chain is represented upstream by residents and non-residents, users and customers according to the type of service supplied, such as undertakers and stonemasons in the case of cemetery services.

In addition, municipalities and shareholders are also upstream in the Group's value chain if they use services, for example of public lighting or public green services. The upstream chain is also represented by suppliers of goods and services that supply certain parts of services and activities such as maintenance that ensure the operational continuity of plant and equipment (for cremation or illumination). The control and regulatory entities, which set the monitoring rules and verify the adherence to them, are part of the value chain. The people who work for the companies identified in the value chain are essential for the existence of the services. Downstream in the value chain are the environment, suppliers and end customers for the disposal and treatment of waste produced by plants and services.
Value chain mapping is the result of a process that combines internal knowledge and sources, making possible a comprehensive and strategic view of business operations and the interconnections between the various actors in the chain itself, both upstream and downstream.

The Group offers a range of services intended to benefit its stakeholders in order to respond effectively and efficiently to market demands and to meet the demands of the various stakeholders. Specifically, the Group ensures effective and efficient public services with full transparency based on respect for people and for the requirements, including contractual requirements in the case of businesses, ensuring profit and the ability to adapt to evolving market situations and regulations.

Interests and views of stakeholders [SBM-2].

The Veritas Group believes that stakeholder engagement is crucial to an organization's performance. Today's challenges make it urgent to engage in dialogue with stakeholders on new topics and in new ways. Traditional forms of engagement, such as shareholder engagement, voting participation, and employee dialogue and negotiation, have long been institutionalized through policies, rules, and regulations. It is through these approaches that the Group companies have been accountable to their stakeholders, involving them in the organization's processes.

The Group's actions are driven by principles of transparency, ethics and respect for the stakeholders' interests, the principle of legality, international standards of behavior and human rights; based on these principles, the activities of the various Group companies are determined.

The Veritas Group has identified its stakeholders according to the following rational:

- *responsibility* - legal, financial and operational in the form of regulations, contracts, policies, etc;
- *influence* - stakeholders with power to influence or make decisions;

- *proximity/closeness* - stakeholders with which the organization interacts the most, including internal stakeholders with whom there are established relationships and on whom it depends for day-to-day operations;
- *dependence* - directly or indirectly dependent on the organization's activities and operations, both in business/financial terms and in terms of regional or local infrastructure;
- *representativeness* - through rules or by custom and culture, they can legitimately make themselves the spokesperson of a request;
- *political and strategic intent* - those who deal with them directly or indirectly because of their policies and choices, including those who can provide insight into emerging issues and risks.

In addition, the Group's stakeholders have been identified on the basis of two main categories: those who are or could be affected, positively or negatively, by the organization's activities and business relationships (affected stakeholders) and those who benefit from financial reporting and sustainability statements (users of sustainability statements).

The stakeholder engagement strategies are category-specific and are identified with the aim of assisting the Group in fully understanding the challenges it faces in developing and achieving its goals, and in assessing its ability to respond effectively to the stakeholders.

The Group takes into consideration the outcome of stakeholder engagement by continuously assessing the stakeholders' views and interests and integrating them into strategic and operational decisions. Periodically, as a result of subsequent engagement processes, the organization may revise the map of its key stakeholders, as well as its engagement strategies, goals and objectives, and related business plans. When the engagement process has fully developed, the organization includes stakeholders in the assessment and re-mapping of key stakeholders.

With this in mind, the administrative, management, and supervisory bodies are regularly informed of the results of the engagement activities, including on sustainability topics, and sometimes participate in stakeholder engagement events with institutional figures or shareholders.

The following is a list of the Group's key stakeholders, the key topics related to them, the methods of involvement and the rationale according to which they were identified. The methods of involvement and the key topics of the stakeholder categories reported are those defined in the *stakeholder engagement plan*, which contains planned and unplanned internal and external communication actions, published on the parent company's website in the "stakeholder engagement" section.

main parties involved	key topics	methods of engagement	rationale
Shareholders affected stakeholders/users of sustainability statements	Earnings, business system based on best practices	Corporate website, events, bulletins, General Meetings, annual reports, financial statements	Responsibility – influence – dependence – political and strategic intent
Board of Directors BoD affected stakeholders/users of sustainability statements	Constant growth of the organization, work continuity, collaborative staff, internal climate, enhancement of employee work, incentives, remuneration, work/life balance (e.g. remote working), equal opportunities, safety and healthiness of the working environment and of the persons, funding for safety obligations, technological innovation, communication, wellbeing, supplementary healthcare services and supplementary pensions, care for families. Respect for the surrounding environment; quality of service offered to customers; compliance with regulations and laws (environmental and safety) .	Regular Board meetings, communications, webinars, workshops	Responsibility – influence
Compliance Committee CC affected stakeholders/users of sustainability statements	Involvement in aspects concerning safety and health in the workplace (risks, emergencies, accidents, criminal proceedings, reports of control bodies, etc.); the environment (prevention of environmental crimes); verification of the *Organization and Management Model* pursuant to Legislative Decree 231/01.	Periodic meetings of the Committee, internal audits, audit reports, webinars, workshops	Responsibility
Management, employees and family members affected stakeholders/users of sustainability statements	Work continuity, internal climate, enhancement of own work, incentives, remuneration, work/life balance, equal opportunities, safety and healthiness of the work environment and of the persons, technological innovation, respect for the surrounding environment, communication, wellbeing, supplementary health services and supplementary pensions, care for families.	Emails, telegrams, corporate intranet, corporate noticeboards, webinars, General Meetings, events	Proximity/closeness dependence – – representativeness
Workers' safety representatives affected stakeholders	Involvement and prior consultation by Management in decisions relating to safety aspects (risk assessment, implementation and verification of prevention in the organization or production unit; organization of training and process, technical and organizational changes, etc.).	Emails, telegrams, corporate intranet, press releases, security audits, training	Proximity/closeness – representativeness
Designated doctor affected stakeholders	Consultation by management when updating risk assessment documents for process, technical and organizational changes, etc.). Management of information received from the employer regarding the nature of risks; the organization of work, planning and implementation of preventive and protective measures; description of production plants and processes; data referred to in paragraph 1, letter r) of art. 18 of Legislative Decree 81/2008 and those relating to work-related ill health; measures adopted by supervisory bodies.	Emails, telegrams, corporate intranet, press releases, medical visits, training	Responsibility
Prevention and Protection Service Managers (Rspp) affected stakeholders	Collaborative relationship with workers and the prevention and protection service. Management of information received from the employer regarding the nature of risks; the organization of work, planning and implementation of preventive and protective measures; description of production plants and processes; data referred to in paragraph 1, letter r) of art. 18 of Legislative Decree 81/2008 and those relating to work-related ill health; measures adopted by supervisory bodies.	Emails, telegrams, corporate intranet, press releases, security audits, training	Proximity/closeness
Trade union representation affected stakeholders	Involvement in case of changes that impact the related employment contracts (shifts, reduction of hours, bonuses, etc.) and in the elections of trade union representatives guarantee of professional growth and improvement of health and safety in the workplace.	Press releases, company website, e -mails, telegrams	Proximity/closeness – representativeness – political and strategic intent
Users, business and institutional customers, consumer associations, trade unions affected stakeholders/users of sustainability statements	Service quality and continuity, observance of contractual agreements in terms of both service and regulatory compliance (particularly environmental and safety regulations), assistance during the phases of the contractual relationship, rates, transparency, service reliability, external communication and information, proper management of entrances and proper assistance during the downloading phases by the designated internal staff.	Corporate website, Linkedin, press releases, emails, events, customer service	Influence – dependence – representativeness
Financiers, banks, public entities affected stakeholders/users of sustainability statements	Relationship continuity, long-term financial solidity, compliance with covenants and ESG	Press releases, financial statements, corporate website	Influence
Insurance affected stakeholders/users of sustainability statements	Compliance with applicable regulations and adequacy of insurance policies; containment of residual risks; timely information on new or emerging risks.	Press releases, financial statements, corporate website e-mails	Influence
Suppliers and contractors, providers of goods, services and works, consultants and contractors, social cooperatives affected stakeholders	Relationship continuity, qualification, negotiation of conditions, payment and contract drafting time, clear and managed workplace safety aspects, gradual convergence of intents and reporting towards ESG topics.	Corporate website, Linkedin, press releases, emails, events, audits	Proximity/closeness dependence
Public administration, local and public entities, control bodies (Municipalities, Provinces, Region, CMDV, Ambit Authorities, Basin Council, Ministerial control commissions, fire departments, Spisal) affected stakeholders/users of sustainability statements	Communication, care for the local area, management of environmental impacts, compliance with applicable environmental and workplace safety legislation, constant monitoring of environmental impacts, adequate risk assessments, permits, compliance with the principles of legality, transparency and fairness in carrying out activities, collaborative relationships.	Press releases, corporate website	Responsibility – influence
Local communities and associations Trade unions, media, residents and committees, environmental associations affected stakeholders/users of sustainability statements	Investments in the local area, communication, sustainable use of natural resources; production of energy from renewable sources, energy and water savings, reduction of greenhouse gas emissions, controls over atmospheric emissions, enhancement of waste chains, remuneration actions.	Corporate website, Linkedin, press releases, emails, events	Influence – representativeness – political and strategic intent
Group companies and business partners affected stakeholders/users of sustainability statements	Other Group companies within the scope of consolidation and strategic business partners with which improvements and therefore opportunities can be implemented or who can mutually influence the context. Gradual convergence of intents and reporting toward ESG and security topics.	Emails, telegrams, corporate intranet, corporate noticeboards, webinars, General Meetings, surveys	Influence – dependence
Future generations /environment affected stakeholders	Application of the concept of sustainable development, i.e., development that meets the needs of the present without compromising the ability of future generations to satisfy their needs	Events	Influence – representativeness

With respect to the double materiality assessment, four events were organized during 2024 to understand the interests and views of the key stakeholders.

During the first meeting, the representatives of the institutions and entities (including the local health authorities - ULSS, the Region, Basin Councils, Arpav, journalists, trade unions and Veritas Group representatives including workers' safety representatives, the board of statutory auditors, the compliance committee, directors, trade union representatives), split into eight working groups according to the sustainability topics discussed, evaluated, weighed and prioritized the topics identified in the previous materiality assessment, guided by a series of key questions that oriented and stimulated the discussion. For each group, the most significant answer was identified and then matched to the corresponding *European Sustainability Reporting Standards* (ESRS). The meeting results were ultimately shared with the stakeholders involved.

The second meeting entailed the participation of students from a lower secondary school, as symbolic representatives of future generations. The students were involved in designing a game aimed at presenting positive and negative actions in relation to the desired and undesired impacts of the Veritas Group's activities concerning the *Corporate Sustainability Reporting Directive* (CSRD).

The third meeting involved persons with disabilities and focused on the topics of inclusion and non-discrimination. Attention was concentrated on the accessibility to the Group's locations and services, in order to identify potential areas for improvement.

The last meeting was held with the suppliers in 2025, during which the CSRD topics of direct interest to them were presented, with the objective of promoting greater awareness and participation in the sustainability process.

Material impacts, risks and opportunities (IROs) and their interaction with strategy and business model [SBM-3]

In the sustainability reporting, the impacts, risks and opportunities resulting as material from the double materiality assessment were taken into account, in accordance with the ESRS. The material IROs are listed hereunder.

Impact materiality

description	positive/ negative current/	potential/ actual impact	value chain	time horizon (short-, medium- or long-term)
ESRS E1 – Climate Change				
Negative impact relatred to the greenhouse gas (GHG) emissions produced by fossil fuel energy consumption and from the atmospheric emissions, deriving mainly from the Group's plants and transportation as well as from the value chain.	negative	actual	Own operations and value chain	Short-term
Positive impact on climate change mitigation from the reduction of greenhouse gas (GHG) emissions obtained through investments in alternative sources (e.g. photovoltaic, secondary solid fuel, biogas), the acquisition of low- or zero-emission vehicles and equipment, and energy efficiency at offices and facilities.	positive	actual	Own operations	Short-term
Negative impact from the Group's energy consumption, particularly that of the offices, facilities, means of transportation and the value chain.	negative	actual	Own operations and value chain	Short-term
ESRS E2 – Pollution				
Negative impact on air pollution caused by (non-GHG) air emissions produced by the organization's facilities and activities and throughout the value chain.	negative	actual	Own operations and value chain	Short-term
Positive impact from the reduction of emissions from users' water discharges thanks to the wastewater purification activity.	positive	actual	Own operations	Short-term
ESRS E3 – Water and Marine Resources				
Negative impact linked to excessive water consumption due to scarce attention to water resources.	negative	actual	Own operations	Short-term
Positive impact from the use, by users/customers and by the Group's companies, of recycled water from the purification plants for industrial and irrigation use.	positive	actual	and Downstream value chain	Short-term
Negative impact from the consumption by users, with a consequent increase in water withdrawals and a long-term decrease in the aquifer, aggravated by users' possible lack of awareness of their water use and by higher temperatures, particularly in summer.	negative	potential	Value chain	Short-term
ESRS E5 – Resource Use and Circular Economy				
Positive impact from waste collection, sorting, treatment and recovery, and from the production of secondary raw materials and the transparency of these operations through waste traceability.	positive	actual	Own operations	Short-term
ESRS S1 – Own Workforce				
Positive impact in terms of improvement in working conditions resulting from the guarantee of the collective bargaining agreement.	positive	actual	Own operations	Short-term
Positive impact in terms of improving individual well-being thanks to corporate initiatives related to welfare and a work-life balance, such as remote working, flexible working hours, tailored schedules, an easier commute.	positive	actual	Own operations	Short-term
Negative impact relating to accidents and work-related ill health resulting from inadequate preparation of safety measures, training deficiencies, inadequate maintenance and/or conformity of structures and personal protective equipment, and the improper use of machinery and equipment.	negative	potential	Own operations	Short-term
Positive impact on staff health due to various welfare initiatives related to personal health, such as pink campers, supplementary insurance, dermatological visits and prevention activities including those related to job risks such as the manual load handling, active aging projects.	positive	actual	Own operations	Short-term
Positive impact in terms of promoting gender equality through corporate initiatives, training, career paths and fair remuneration policies.	positive	actual	Own operations	Short-term
Positive impact from staff enhancement through various technical and relational training activities, including those not strictly linked to the workplace; internal personnel assessment before recruiting externally, structured performance evaluation system, leadership model based on 5 cross-cutting skills, which allows to monitor and add more strategic processes concerning the persons and the positions in the organization (e.g.: screening, replacement plans, reorganizations, assignments, performance bonuses, etc.).	positive	actual	Own operations	Short-term
Positive impact in terms of inclusion of persons with disabilities, by being equipped with accessible infrastructures and working methods and being assisted by technological innovation.	positive	actual	Own operations	Short-term
Positive impact due to the special awareness raised of the different forms of violence and harassment through various initiatives such as: dedicated training on the subject, presence of a trusted adviser to turn to, penalties for harassment in the corporate code of ethics, and inclusion of the risk in the Risk Assessment Document.	positive	actual	Own operations	Short-term
Positive impact in terms of inclusion and respect for diversity related to the promotion of these topics through specific corporate policies, certification and inclusion training activities.	positive	actual	Own operations	Short-term
ESRS S4 – Consumers and End-users				
Positive impact from the increase in channels accessing information, with digital and traditional tools that improve communication, timeliness and dissemination of information to a greater number of persons.	positive	actual	Own operations and value chain	Short-term
Positive impact on users' health and safety from the purification, disinfection and monitoring of water intended for human consumption.	positive	actual	Own operations and value chain	Short-term
Positive impact on users' social inclusion from the multilingual communication tools, accessibility for persons with disabilities, and financial support measures such as conciliation, bonuses and invoice installment payment schemes.	positive	actual	Own operations and value chain	Short-term
Positive impact from greater accessibility to the services supplied, facilitated by the widespread presence of affiliates throughout the area, the use of digital platforms and dedicated services.	positive	actual	Own operations and value chain	Short-term
ESRS G1 – Business Conduct				
Positive impact from the prevention and identification of corruption and bribery due to the training provided to employees, ISO 37001 certification, and audits pursuant to Legal Decree 231	positive	actual	Own operations	Short-term

Financial materiality

description	risk/ opportunity	value chain	time horizon (short-, medium- or long-term)
ESRS E1– Climate Change			
Risk related to extreme climatic events, such as tornadoes, heavy rainfall and floods, which can cause an increase in waste production, flood sewers, damage infrastructures and compromise the supply of services, creating the need to reorganize the services, additional costs and possible environmental fines, and the worsening of some environmental indicators (Arera indicator M4), with the related penalties, claims and user compensation.	Risk	Upstream value chain	Long-term
Risk from drought, seawater intrusion and water stress that can affect the safety of drinking water, damage the facilities and increase the costs of withdrawal and purification, particularly during busy tourist periods, and also lead to worse environmental indicators (Arera indicators M2 and M3), with the related penalties, claims and user compensation.	Risk	Upstream value chain	Long-term
Risk caused by rising temperatures and heatwaves that can impact operations and increase adaptation costs, for example for cooling the plants and protecting the infrastructures.	Risk	Upstream value chain	Long-term
Opportunities given by energy efficiency, investments in alternative sources such as solar panels, solid secondary fuels and biogas, which offer benefits in terms of access to energy incentives for decarbonization, and new opportunities concerning the transition to a low-emission economy.	Opportunity	Own operations	Short-term
Risk related to the energy consumption from fossil fuels of offices, facilities and vehicles which can erode the operating margin due to an increase in energy costs and potential reputational issues.	Risk	Own operations and upstream value chain	Short-term
ESRS E2 – Pollution			
Risk related to the air emissions (nitrogen and sulfur oxides, etc.) produced by the Group's activities and by the waste treatment plants and crematoriums, which could lead to penalties, higher emission reduction costs and potential reputational damages.	Risk	Own operations and upstream value chain	Short-term
Opportunity from the wastewater purification activity (reduction of emissions from water discharges), with the consequent improvement in environmental indicators (Arera indicator M6) and access to potential reputational rewards and benefits.	Opportunity	Own operations	Short-term
ESRS E3 – Water and Marine Resources			
Opportunity from investments in the use of recycled water, which can reduce water withdrawal and the related costs and lead to reputational benefits and an improvement in the environmental indicators concerning the management of water resources (Arera M0 indicator), with the related rewards.	Opportunity	Own operations	Short-term
Risk generated by an increase in consumption by users, causing an increase in water withdrawals and leading to higher withdrawal costs and a worse environmental performance (Arera indicator M0), with the related penalties.	Risk	Downstream value chain	Short-term
ESRS E5 – Resource Use and Circular Economy			
Risk of exceeding the authorization limits due to fluctuating waste production (beyond the normal variability), caused by tourism spikes in some periods of the year and that lead to organizational difficulties and possible complaints from users, customers and residents.	Risk	Downstream value chain	Short-term
Risk from sewage sludge treatment, which leads to worse environmental indicators (Arera indicator M5), with the related penalties.	Risk	Own operations	Short-term
Opportunities related to waste collection, transportation, sorting, treatment and traceability activities, which can optimize synergies, increase recovery rates, produce secondary raw materials and improve the business reputation.	Opportunity	Own operations	Short-term
ESRS S1 – Own Workforce			
Risk related to accidents and work-related illnesses that impose the need to replace injured staff, additional costs and potential penalties.	Risk	Own operations	Short-term
Opportunity related to training and the development of employee skills that can increase operational effectiveness and efficiency, improve the corporate climate and relationships, and strengthen the sense of belonging to the Group.	Opportunity	Own operations	Short-term
ESRS G1 – Business Conduct			
Risk related to the continuous, rapid evolution of industry regulations, creating the obligation for the organization to adapt to the new regulations, thus involving non-compliance, reputational and compliance cost risks.	Risk	Own operations and upstream value chain	Short-term

Indicator key:

M0	M1	M2	M3	M4	M5	M6
Water resilience	Water leaks	Service interruptions	Quality of water supplied	Adequacy of the sewerage system	Landfill sludge disposal	Purified water quality

The Veritas Group has analyzed the resilience of the organization's strategy and business model in terms of their ability to address the material impacts and risks and pursue the significant opportunities; the results of this analysis are integrated into the *Business Plan*.

The speed of the ecological transition and all the related activities have undergone accelerations and sudden slowdowns due to favorable and adverse exogenous factors, which is why the Veritas Group has implemented opportune measures aimed at adapting to, expanding and pursuing the important opportunities that have emerged from the changes underway. The ability to adapt flexibly to challenges undoubtedly represents a strategic advantage in addressing the many variables and seizing the opportunities offered by the competencies acquired. This makes it possible to react constructively, both for the Group's companies that offer public services and for those that with a commercial purpose.

For each of the material risks identified in the double materiality assessment, the associated current financial effects were evaluated.

In particular, during 2024, the financial effects had a € 9.7 million impact on the capital expenditures for fixed assets, € 6 million of which was covered by government grants, related to the following risks:

- *risk related to extreme climatic events, such as tornadoes, heavy rainfall and floods, which can cause an increase in waste production, flood sewers, damage infrastructure and compromise the supply of service:* for this risk, the Group has invested in the infrastructures of the integrated water service with the construction of and/or improvements in accumulator tanks for first flush rainwater, works on the separation of the grey wastewater from white wastewater, and works to improve the flood spillways; the investments of € 6.7 million, of which € 6 million was covered by government grants, are reflected in the consolidated statement of financial position under "services under concession" (Note 6 on intangible assets, section on *services under concession* in the explanatory notes to the consolidated financial statements); in contrast, during 2024 the cost for the year for flooding and the related reimbursements for damages to third parties were immaterial;
- *risk from drought, seawater intrusion and water stress that can affect the safety of drinking water, damage the systems and increase the costs of withdrawal and purification;* for this risk, the Group has invested in the infrastructures of the integrated water service with improvements to the collection and purification systems, the Savec pipeline and wells; these investments of € 1.7 million are reflected in the consolidated statement of financial position under "services under concession" (Note 6 on intangible assets, section on *services under concession* in the explanatory notes to the consolidated financial statements); in contrast, no significant interruptions of the supply of drinking water were recognized during the year;
- *risk related to air pollution from the generation of air emissions produced by the Group's activities and by waste treatment plants and crematoriums;* for this risk, the Group has invested in air treatment plants. These investments of € 0.3 million are reflected in the consolidated statement of financial position under "property, plant and equipment" (Note 8 on property, plant and equipment of the explanatory notes to the consolidated financial statements).
- *risk related to the health and safety of its own work force with respect to accidents and work-related illnesses;* for this risk, the Group has invested in workplace safety in the plants of Eco+Eco's "Ricicla" area. These investments of € 1 million are reflected in the consolidated statement of financial position under "property, plant and equipment" (Note 8 on property, plant and equipment of the explanatory notes to the consolidated financial statements).

Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]

During 2024, the Veritas Group conducted a double materiality assessment, in accordance with the *European Sustainability Reporting Standards* (ESRS) and the *Implementation Guidance on Materiality Assessment (IG1)* published by the Efrag to ensure a concrete, transparent and compliant methodological approach.

The objective was to identify and assess the material topics both in terms of the impacts generated by the Group on the environment, people and society (impact materiality), and in relation to the potential effects of the environmental, social and governance factors on the Group's ability to generate value in the short, medium and long term (financial materiality).

The double materiality assessment was divided into four main phases:
- understanding the context;
- identifying the impacts, risks and opportunities;
- assessing the impacts, risks and opportunities;
- consolidating the results and determining the materiality.

Understanding the context

The Group assessed the landscape of its business activities and relationships, the context in which they take place and the main stakeholders as the key elements for identifying the Group's impacts, risks and opportunities. A detailed review was conducted of its activities, business relationships and the geographical, regulatory and socio-economic context in which the Veritas Group operates. To this end, internal sources were analyzed and the regulatory and legislative aspects of the industry were considered, with the aim of acquiring an integrated and systemic understanding of the internal and external dynamics that characterize the Group's operations, taking into account the main categories of services offered, the areas and locations where the Group operates and the strategic relationships along the entire supply chain as well as the dependencies on natural or human and/or social resources. A central element of the phase was mapping the Group's value chain, which was analyzed in relation to the three main areas of activity - the waste management services, the water service and local public services.

In addition, scenario analysis was used to identify and subsequently assess climate-related risks and opportunities; for details, see the section on ESRS E1, SBM-3. Furthermore, the recommendations of the *Taskforce on Climate-related Financial Disclosure* (TCFD) and the European Taxonomy Regulation, with the related delegated implementing deeds, were considered additional elements of the context.

During 2024, the Veritas Group organized stakeholder engagement events to gain an understanding of interests, views and perceptions on the sustainability-related impacts. The four meetings were attended by representatives of institutions, entities and the Group, students, persons with disabilities and suppliers. More details on the methods of stakeholder engagement are provided in the section on SBM-2.

This first phase was an essential step for identifying the impacts, risks and opportunities associated with the Group through its direct and indirect business relationships in the upstream and/or downstream value chain.

Identification of impacts, risks and opportunities (“IRO”)

Based on the information emerging from the context assessment, the Group identified, for each ESRS standard, the actual and potential, negative and positive impacts that its activities or business relationships can produce on the environment, the economy and people, including on human rights and, in parallel, the risks and opportunities arising from external factors that can positively or negatively influence the organization's financial performance, financial position or ability to generate value over time. This has allowed us to come up with a preliminary, structured list of impacts, risks and opportunities deemed potentially material, as a starting point for the subsequent assessment and prioritization phases.

Assessment of impacts, risks and opportunities (IROs)

The preliminary assessment of impacts, risks and opportunities was begun by the Veritas Group's responsible personnel and by members of the sustainability, environment and safety office, assisted by representatives of the subsidiaries. The assessment results were submitted to the sustainability working group and analyzed in depth by the general management. After being presented to the Group Committee, on May 21, 2025, the Board of Directors examined and formally approved the double materiality assessment, confirming its validity for the purposes of sustainability reporting in accordance with the ESRS.

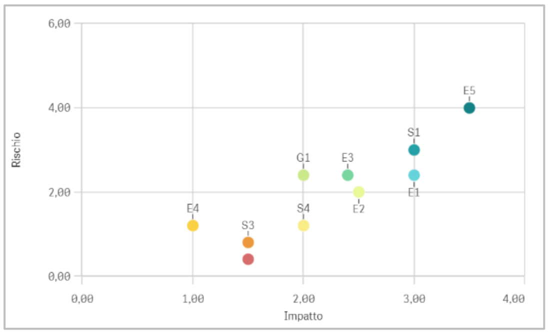
For each actual and potential, negative and positive impact, the materiality was assessed based on severity and the probability of occurrence. The severity was calculated as the average of three factors: scale, scope and irremediable character of the impact. The combination of severity and probability enabled defining the overall materiality level of the impact. For risks and opportunities, the magnitude was assessed, understood as the combination of the potential scale of the financial effects and the probability of occurrence.

Consolidating the results and determining the materiality

Impacts, risks and opportunities are assessed according to the probability of occurrence in the short, medium and long term, as mentioned above. Each impact, risk and opportunity has three materiality measures, and the one with the highest probability was taken for the purpose of classifying the impacts, risks and opportunities.

The impacts, risks and opportunities associated with the respective sustainability topics as defined by the ESRS are presented within the double materiality matrix below, with cross-referencing, for each topic, of the impacts with the related risks and opportunities. All sustainability topics exceeding the materiality threshold are explained in this Veritas Group Sustainability Report. For a detailed description of the material impacts, risks and opportunities, see the section on SBM-3.

The threshold below which impacts, risks and opportunities are deemed non-material is 2; the materiality threshold was defined in this way to ensure that the information disclosed is meaningful for stakeholders and accurately represents the Veritas Group's impact on the economic, environmental and social context.



Impacts versus risks by topic

Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]

ESRS	disclosure requirement	reference document and notes
ESRS 2 Basis for preparation	BP-1 General basis for preparation of sustainability statements	p. 33
	BP-2 Disclosures in relation to specific circumstances	pp. 33-34
ESRS 2 Governance	ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	pp. 34-39
	ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	p. 39
	ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes	pp. 39-40
	ESRS 2 GOV-4 Statement on due diligence	p. 40
	ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	pp. 41-42
ESRS 2 Strategy	SBM-1 Strategy, business model and value chain	pp. 42-46
	SBM-2 I Interests and views of stakeholders	pp. 46-49
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 49-52
ESRS 2 Managing impact risks and opportunities	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	pp. 52-54
	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	pp. 55-58
European Taxonomy	Information relating to Article 8 of Regulation (EU) 2020/852 (Taxonomy)	pp. 60-69
ESRS E1 Climate change	ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes	pp. 39-40
	E1-1 Transition plan for climate change mitigation	p. 70
	E1-SBM-3 Relevant impacts, risks and opportunities and their interaction with the strategy and business model	pp. 70-72
	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to the climate	pp. 52-54
	E1-2 Policies related to climate change mitigation and adaptation	pp. 72-75
	E1-3 Actions and resources in relation to climate change policies	p. 75
	E1-4 Targets related to climate change mitigation and adaptation	pp. 75-77
	E1-5 Energy consumption and mix	pp. 77-78
	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	pp. 78-81
ESRS E2 Pollution	IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	pp. 52-54
	E2-1 Policies related to pollution	pp. 81-84
	E2-2 Actions and resources related to pollution	p. 84
	E2-3 Targets related to pollution	pp. 84-85
	E2-4 Pollution of air, water and soil	pp. 85-88
	E2-6 Potential financial effects from pollution-related risks and opportunities	p. 88
ESRS E3 Water and marine resources	IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	pp. 52-54
	E3-1 Policies related to marine and water resources	pp. 88-91
	E3-2 Actions and resources related to water and marine resources	p. 91
	E3-3 Targets related to water and marine resources	pp. 91-92
	E3-4 Water consumption	pp. 92-93
ESRS E5 Resource use and circular economy	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy	pp. 52-54
	E5-1 Policies related to resource use and circular economy	pp. 93-96
	E5-2 Actions and resources related to resource use and circular economy	pp. 96- 97
	E5-3 Targets related to resource use and circular economy	pp. 97-98
	E5-5 Resource outflows	pp. 98-104
ESRS S1 Own workforce	S1-SBM-2 Interests and views of stakeholders	pp. 46-49
	S1-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 105-106
	S1-1 Policies related to own workforce	pp. 106-108
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	pp. 108-109
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	pp. 109-110
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	pp. 110-111

ESRS	disclosure requirement	reference document and notes
ESRS S4 Own workforce	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	pp. 112-113
	S1-6 Characteristics of the undertaking's employees	pp. 113-114
	S1-7 Characteristics of non-employee workers in the undertaking's own workforce	pp. 114-115
	S1-8 Collective bargaining coverage and social dialogue	p. 115
	S1-9 Diversity metrics	p. 116
	S1-11 Social protection	p. 116
	S1-12 Persons with disabilities	p. 117
	S1-13 Training and skills development metrics	pp. 117-118
	S1-14 Health and safety metrics	p. 119
	S1-15 Work-life balance metrics	p. 119
	S1-16 Compensation metrics (pay gap and total compensation)	p. 120
	S1-17 Incidents, complaints and severe human rights impacts	p. 120
ESRS S4 Consumers and end-users	S4-SBM-2 Interests and views of stakeholders	pp. 46-49
	S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	p. 121
	S4-1 Policies related to consumer and end-users	pp. 121-122
	S4-2 Policies for engaging with consumers and end-users about impacts	pp. 122-123
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	pp. 123-124
	S4-4 Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities relating to consumers and end-users and effectiveness of those actions and approaches	p. 124
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	pp. 124-126
ESRS G1 Business conduct	GOV-1 The role of the administrative, supervisory and management bodies	pp. 34-39
	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	pp. 52-54
	G1-1 Corporate culture and business conduct policies	pp. 127-135
	G1-3 Prevention and detection of corruption and bribery	p. 135
	G1-4 Confirmed incidents of corruption or bribery	p. 135

List of information referred to in the cross-cutting and topical principles originating from other EU legislative acts

disclosure requirement and corresponding information		reference document and notes
ESRS 2 GOV-1 Board gender diversity, paragraph 21, letter d)		p. 35
SFDR reference	Annex I, Table 1, Ind. n. 13	
Benchmark regulation reference	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of independent Board members, paragraph 21, letter e)		p. 35
Benchmark regulation reference	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Due diligence statement, paragraph 30		p. 40
SFDR reference	Annex I, Table 3, Ind. n. 10	
ESRS 2 SBM-1 Involvement of activities related to activities in the fossil fuel sector, paragraph 40, letter d), point i		Not applicable
SFDR reference	Annex I, Table 1, Ind. n. 4	
Pillar 3 reference	Art. 449 bis of Reg. (EU) n. 575/2013; Commission Implementing Regulation (EU) 2022/2453 1 - Qualitative information on environmental risk and Table 2: Qualitative information on social risk	
Benchmark regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement of activities related to the production of chemicals, paragraph 40, letter d), point (ii)		Not applicable
SFDR reference	Annex I, Table 2, Indicator n. 9	
reference regulation on indexes	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Participation in activities related to controversial weapons, paragraph 40, letter d), point (iii)		Not applicable
SFDR reference	Annex I, Table 1, Indicator n. 14	
reference regulation on indexes	Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40, letter d), point (iv)		Not applicable
reference regulation on indexes	Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14		p. 70
EU climate regulatory reference	Article 2, paragraph 1 of Regulation (EU) 2021/1119	
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16, letter g)		p. 70
Pillar 3 reference	Art. 449 bis of Regulation (EU) n. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	
reference regulation on indexes	Article 12, paragraph 1, points (ad) to (g), and paragraph 2, of Delegated Regulation (EU) 2020/1818	
ESRS E1-4 GHG emission reduction targets, paragraph 34		pp. 51-53
SFDR reference	Annex I, Table 2, Indicator n. 4	
Pillar 3 reference	Article 449 bis of Regulation (EU) n. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: alignment metrics	
reference regulation on indexes	Article 6 of Delegated Regulation (EU) 2020/1818	
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (only high climate impact sectors), paragraph 38		p. 78
SFDR reference	Annex I, Table 1, indicator Annex n. 5 and I, Table 2, indicator n. 5	
ESRS E1-5 Energy consumption and mix, paragraph 37		p. 78

disclosure requirement and corresponding information		reference document and notes
SFDR reference	Annex I, Table 1, Indicator n. 5	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43		p. 78
SFDR reference	Annex I, Table 1, Indicator n. 6	
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44		p. 79
SFDR reference	Annex I, Table 1, Indicator n. 1 and 2	
Pillar 3 reference	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	
reference regulation on indexes	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818	
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55		p. 81
SFDR reference	Annex I, Table 1, Indicator n. 3	
Pillar 3 reference	Article 449bis of Regulation (EU) n. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate change transition risk: alignment metrics	
reference regulation on indexes	Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818	
ESRS E1-7 GHG removals and carbon credits, paragraph 56		Non-material
EU climate regulatory reference	Article 2, paragraph 1 of Regulation (EU) 2021/1119	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66		Phase in
reference regulation on indexes	Annex II of Delegated Regulation (EU) 2020/1818 and Delegated Regulation (EU) 2020/1816	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66, letter a) **ESRS E1-9 Location of significant assets at material physical risk, paragraph 66, letter (c)**		Phase in
Pillar 3 reference	Article 449bis of Regulation (EU) n. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Indicators of potential physical risk related to climate change: exposures subject to physical risk	
ESRS E1-9 Breakdown of the carrying amount of its real estate assets by energy-efficiency classes, paragraph 67, letter c)		Phase in
Pillar 3 reference	Article 449bis of Regulation (EU) n. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking portfolio - Indicators of potential climate change-related transition risk: property loans backed by assets - Energy efficiency of collateral	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69		Phase in
reference regulation on indexes	Annex II to Delegated Regulation (EU) 2020/1818	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR (European Pollutant Release and Transfer Register) Regulation emitted to air, water and soil, paragraph 28		pp. 86-87
SFDR reference	Annex I, Table1, Indicator n. 8; Annex I, Table 2, indicator n. 2; Annex 1, Table 2, indicator n. 1; Annex I, Table 2, indicator n. 3	
ESRS E3-1 Water and marine resources, paragraph 9		pp. 88-91
SFDR reference	Annex I, Table 2, Indicator n. 7	
ESRS E3-1 Dedicated policy, paragraph 13		p. 88
SFDR reference	Annex I, Table 2, Indicator n. 8	
ESRS E3-1 Sustainable oceans and seas, paragraph 14		p. 88
SFDR reference	Annex I, Table 2, Indicator n. 12	
ESRS E3-4 Total water recycled and reused, paragraph 28, letter (c)		p. 92
SFDR reference	Annex I, Table 2, Indicator n. 6.2	
ESRS E3-4 Total water consumption in m3 per net revenue from own operations, paragraph 29		p. 93
SFDR reference	Annex I, Table 2, Indicator n. 6.1	
ESRS 2 SBM-3 - E4 paragraph 16, letter a), point i)		Immaterial
SFDR reference	Annex I, Table 1, Indicator n. 7	
ESRS 2 SBM-3 - E4 paragraph 16, letter b)		Immaterial
SFDR reference	Annex I, Table 2, Indicator n. 10	
ESRS 2 SBM-3 - E4 paragraph 16, letter c)		Immaterial
SFDR reference	Annex I, Table 2, Indicator n. 14	
ESRS E4-2 Sustainable land and agricultural policies and practices, paragraph 24(b)		Immaterial
SFDR reference	Annex I, Table 2, Indicator n. 11	
ESRS E4-2 Sustainable oceans / seas policies or practices, paragraph 24, letter (c)		Immaterial
SFDR reference	Annex I, Table 2, Indicator n. 12	
ESRS E4-2 Policies to address deforestation, paragraph 24, letter d)		Immaterial
SFDR reference	Annex I, Table 2, Indicator n. 15	
ESRS E5-5 Non-recycled waste, paragraph 37, letter d)		pp. 100-103
SFDR reference	Annex I, Table 2, Indicator n. 13	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39		p. 100
SFDR reference	Annex I, Table 1, Indicator n. 9	
ESRS 2 - SBM3 - S1 Forced labor risk, paragraph 14, letter f)		p. 106
SFDR reference	Annex I, Table 3, Indicator n. 13	
ESRS 2 - SBM3 - S1 Child labor risk, paragraph 14, letter g)		p. 106
SFDR reference	Annex I, Table 3, Indicator n. 12	
ESRS S1-1 Human rights policy commitments, paragraph 20		pp. 106-107
SFDR reference	Annex I, Table 3, Indicator n. 9 and Annex I, Table 1, Indicator n. 11	
ESRS S1-1 Due diligence policies on issues addressed by fundamental International Labor Organization conventions 1 to 8, paragraph 21		pp. 106-107
reference regulation on indexes	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Procedures and measures to prevent human trafficking, paragraph 22		pp. 106-107
SFDR reference	Annex I, Table 3, Indicator n. 11	
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23		p. 107
SFDR reference	Annex I, Table 3, Indicator n. 1	
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32, letter c)		pp. 109-110
SFDR reference	Annex I, Table 3, Indicator n. 5	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88, letters (b) and (c)		p. 119
SFDR reference	Annex I, Table 3, Indicator n. 2	
reference regulation on indexes	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88, letter e)		p. 119
SFDR reference	Annex I, Table 3, Indicator n. 3	

disclosure requirement and corresponding information		reference document and notes
ESRS S1-16 Unadjusted gender pay gap, paragraph 97, letter a)		p. 120
SFDR reference	Annex I, Table 1, Indicator n. 12	
reference regulation on indexes	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio, paragraph 97, letter b)		p. 120
SFDR reference	Annex I, Table 3, Indicator n. 8	
ESRS S1-17 Incidents of discrimination, paragraph 103, letter a)		p. 120
SFDR reference	Annex I, Table 3, Indicator n. 7	
ESRS S1-17 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104(a)		p. 120
SFDR reference	Annex I, Table 1, Indicator n. 10 and Annex I, Table 3, indicator n. 14	
reference regulation on indexes	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818	
ESRS 2 SBM-3 - S2 Significant risk of child labor or forced labor in the labor chain, paragraph 11, letter b)		Immaterial
SFDR reference	Annex I, Table 3, Indicator n. 12 and 13	
ESRS S2-1 Human rights policy commitments, paragraph 17		Immaterial
SFDR reference	Annex I, Table 3, Indicator n. 9 and Annex I, Table 1, indicator n. 11	
ESRS S2-1 Policies related to value chain workers, paragraph 18		Immaterial
SFDR reference	Annex I, Table 3, Indicator n. 11 and 4	
ESRS S2-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19		Immaterial
SFDR reference	Annex I, Table 1, Indicator n. 10	
reference regulation on indexes	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818	
ESRS S2-1 Due diligence policies on issues addressed by fundamental International Labor Organization conventions 1 to 8, paragraph 19		Immaterial
reference regulation on indexes	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36		Immaterial
SFDR reference	Annex I, Table 3, Indicator n. 14	
ESRS S3-1 Human rights policy commitments paragraph 16		Immaterial
SFDR reference	Annex I, Table 3, Indicator n. 9 and Annex I, Table 1, indicator n. 11	
ESRS S3-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO principles or the OECD Guidelines, paragraph 17		Immaterial
SFDR reference	Annex I, Table 1, Indicator n. 10	
reference regulation on indexes	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818	
ESRS S3-4 Human rights issues and incidents, paragraph 36		Immaterial
SFDR reference	Annex I, Table 3, Indicator n. 14	
ESRS S4-1 Policies related to consumers and end-users, paragraph 16		pp. 121-122
SFDR reference	Annex I, Table 3, Indicator n. 9 and Annex I, Table 1, Indicator n. 11	
ESRS S4-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17		p. 122
SFDR reference	Annex I, Table 1, Indicator n. 10	
reference regulation on indexes	Annex II of Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818	
ESRS S4-4 Human rights issues and incidents, paragraph 35		p. 124
SFDR reference	Annex I, Table 3, Indicator n. 14	
ESRS G1-1 United Nations Convention against Corruption, paragraph 10, letter b)		p. 129
SFDR reference	Annex I, Table 3, Indicator n. 15	
ESRS G1-1 Protection of whistleblowers, paragraph 10, letter d)		p. 132
SFDR reference	Annex I, Table 3, Indicator n. 6	
ESRS G1-4 Fines for violations of the anti-corruption and anti-bribery laws, paragraph 24, letter a)		p. 135
SFDR reference	Annex I, Table 3, Indicator n. 17	
reference regulation on indexes	Annex II to Delegated Regulation (EU) 2020/1816	
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24, letter b)		pp. 127-131
SFDR reference	Annex I, Table 3, Indicator n. 16	

SFDR reference: Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317 of Dec. 9, 2019, page 1)

Pillar 3 reference: Regulation (EU) 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176 of June 27, 2013, page 1).

Benchmark Regulation Reference: Regulation (EU) 2016/1011 of the European Parliament and of the Council of June 8, 2016 on indexes used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 (OJ L 171, June 29, 2016, page 1).

EU climate law reference : Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30, 2021 establishing the framework for achieving climate neutrality, and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243, July 9, 2021, page 1)

Commission Delegated Regulation (EU) 2020/1816: Commission Delegated Regulation (EU) 2020/1816 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, Dec. 3, 2020, page 1).

Commission Implementing Regulation (EU) 2022/2453: Commission Implementing Regulation (EU) 2022/2453 of November 30, 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, Dec. 19, 2022, page 1)

Delegated Regulation (EU) 2020/1818: Commission Delegated Regulation (EU) 2020/1818 of July 17, 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks

Minimum disclosure requirements – MDR-P Policies
Policies adopted to manage material sustainability

Below is a summary table of the policies adopted by the Group, the detailed contents of which are explained in the individual ESRS standards reported. For each ESRS topic, the policies currently in force are highlighted in grey in the table.

policies	ESRS E1	ESRS E2	ESRS E3	ESRS E5	ESRS S1	ESRS S4	ESRS G1
Strategy							
Code of Ethics							
Management system regulations and procedures							
Integrated management system policies							
Waste management services policy							
Integrated water service management policy							
Cemetery services management policy							
Integrated water service charter							
Integrated municipal waste management service charter							
Cemetery services charter							
Municipal water cycle document traceability of water resources							
Municipal waste supply chains traceability documents							
Disciplinary code							
Supplier Code of Conduct							
Anti-corruption policy and anti-corruption management systems							
Model 231/01							
Three-year plan for corruption prevention and transparency							
Diversity policies							

Environmental information

Disclosures on sustainable activities pursuant to EU Regulation 2020/852

Introduction

The European Union, in line with the *European Green Deal* objective of achieving climate neutrality by 2050, has developed a classification of economic activities that can be considered environmentally sustainable, i.e. capable of significantly contributing to the Union's environmental objectives, in order to direct capital flows to investments in sustainable assets and economic activities. In this context, on June 18, 2020, the European Parliament approved EU Regulation 852/2020, the *EU Taxonomy Regulation* ("EU Taxonomy" or "Regulation"), to provide investors, businesses and public entities with unanimously recognized criteria and procedures for identifying environmentally sustainable activities. The Regulation also provides a mechanism to quantify the adherence and contribution of business activities to the environmental objectives set, increasing transparency for all stakeholders involved.

The Regulation establishes that an economic activity can be declared "environmentally sustainable" (or aligned) provided that it:

- **contributes substantially** to the achievement of at least one of the six environmental objectives defined in art. 9 of the Regulation: climate change mitigation (**CCM**), climate change adaptation (**CCA**), sustainable use and protection of water and marine resources (**WTR**), transition to a circular economy (**CE**), pollution prevention and control (**PPC**), protection and restoration of biodiversity and ecosystems (**BIO**);
- **does no significant harm** ("DNSH") to any of the other five environmental objectives;
- complies with **minimum safeguards**, which ensure that companies recognize the importance of human rights and international standards in the management of their organization and throughout their supply chain.

If the activity is consistent with the description of the Regulation, but does not meet the associated technical screening criteria or the conditions stated above, it will be considered eligible, but not aligned.

The list of eligible activities is set out in EU Delegated Regulation 2021/2139 (*Climate Delegated Act*), EU Delegated Regulation 2022/1214 (*Complementary Climate Delegated Act*), EU Delegated Regulation 2023/2486 (*Environmental Delegated Act*), and EU Delegated Regulation 2023/2485, which supplements the *Climate Delegated Act* with certain energy activities of the gas and nuclear sectors (see "Nuclear Energy and Fossil Gas Activities" table under "Accounting Policies and Contextual Information") and which amends some of the technical criteria for the activities identified earlier.

Pursuant to Article 10 of Delegated Regulation (EU) 2021/2178 of July 6, 2021, starting with the 2024 financial report, companies within the scope of Legislative Decree 254/2016 must report information on turnover, capital expenditures (CapEx), and operating expenditures (OpEx) for all economic activities included in the taxonomy that can contribute to the achievement of one or more climate and environmental objectives.

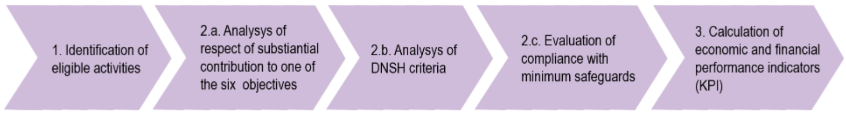
In line with regulatory requirements, the Veritas Group carried out an analysis of its activities, with the intention of identifying the eligible activities aligned with the climate and environmental objectives. The analysis was conducted in accordance with the Delegated Regulations and Interpretative Notes published by the European Commission, applying its own judgment and interpretation of the information currently available[1], following the methodology and process described in more detail below.

[1] Of the assessment, the Veritas Group applied its own judgment, interpretations and assumptions based on its understanding and interpretation of the information currently available. Any developments of and amendments to the current regulatory framework, interpretative changes in the 1

Procedure for assessing the alignment of the Group's activities to the EU Taxonomy

In order to determine the eligibility and subsequent alignment of its activities, the Veritas Group followed a process consisting of the following steps:

Indication of misaligned activities



Identification of eligible activities

Based on the analysis, the Veritas Group identified 21 activities eligible for the **CCM**, **WTR**, **CE** and **PPC** objectives, shown in the table below by activity category[2]. The activities are substantially in line with those of the previous year, where 23 activities were identified as eligible for the **CCM** (4.1, 4.15, 4.16, 5.1, 5.2, 5.3, 5.4, 5.5, 5.9, 6.5, 6.6, 7.2, 7.3, 7.4), **WTR** (2.1 and 2.2), **PPC** (2.1, 2.2, 2.4) and **CE** objectives (2.3, 2.6, 2.7, 3.2).

Activity category	code[3]	eligible activities
Water activities	**Objective: climate change mitigation (CCM)**	
	CCM 5.1	Construction, expansion and operation of water collection, treatment and supply systems
	CCM 5.2	Renovation of water collection, treatment and supply systems
	CCM 5.3	Construction, expansion, and operation of wastewater collection and treatment systems
	CCM 5.4	Renovation of wastewater collection and treatment systems
	Objective: Sustainable use and protection of water and marine resources (WTR)	
	WTR 2.1	Water supply
	WTR 2.2	Municipal wastewater treatment
Activities related to waste management and decontamination	**Objective: climate change mitigation (CCM)**	
	CCM 5.5	Collection and transportation of non-hazardous waste in source-separated fractions
	CCM 5.9	Recovery of materials from non-hazardous waste
	Objective: transition to a circular economy (CE)	
	CE 2.3	Collection and transportation of non-hazardous and hazardous waste
	CE 2.7	Sorting and recovery of materials from non-hazardous waste
	Objective: pollution prevention and control (PPC)	
	PPC 2.1	Hazardous waste collection and transportation
	PPC 2.2	Hazardous waste treatment
	PPC 2.4	Remediation of contaminated sites and areas
Energy activities	**Objective: climate change mitigation (CCM)**	
	CCM 4.1	Power generation with solar photovoltaic technology
	CCM 4.15	Distribution of district heating/cooling
	CCM 4.16	Installation and operation of electric heat pumps
Corporate vehicle and asset management	**Objective: climate change mitigation (CCM)**	
	CCM 6.5	Transportation by motorcycles, cars and light commercial vehicles
	CCM 6.6	Road haulage services
	CCM 7.3	Installation, maintenance and repair of energy efficiency devices
	CCM 7.4	Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)

Following the publication of the *Environmental Delegated Act*, the eligibility assessment conducted by the organization showed that some of the Group's activities may be considered eligible for multiple objectives. Specifically:

1 Any developments of and amendments to the current regulatory framework, interpretive changes in the relevant legislation, or established or industry practices could lead to developments and changes in assessments, decision-making processes for fulfilling reporting obligations, and the way the key performance indicators (KPIs) are calculated, with potentially different results for the future EU Taxonomy KPI reporting.
2 The categories of activities were defined internally by the Veritas Group.
3 The code refers to the objective and numbering of activities defined in the delegated acts of the Regulations.

- **2.1 Water supply** of the WTR objective is compatible with **5.1 Construction, expansion and operation of water collection, treatment and supply systems** and **5.2 Renovation of water collection, treatment and supply systems** of the CCM objective;
- **2.2 Municipal wastewater treatment** of the WTR objective is compatible with **5.3 Construction, expansion and operation of wastewater collection and treatment systems** and **5.4 Renovation of wastewater collection and treatment systems** of the CCM objective;
- **5.5 Collection and transportation of non-hazardous waste in source-separated fractions** of the CCM objective is compatible with **2.3 Collection and transportation of non-hazardous and hazardous waste** of the EC objective;
- **5.9 Recovery of materials from non-hazardous waste** of the CCM objective is compatible with **2.7 Sorting and recovery of materials from non-hazardous waste** of the EC objective.

In keeping with the previous years, the Group has decided to keep climate change mitigation (CCM) as a main objective.

The EC objective description of **2.4 Hazardous waste treatment** matches that of the PPC objective **2.2 Hazardous waste treatment**, while the description of the EC objective **2.3 Non-hazardous and hazardous waste Collection and transportation** is compatible with that of the PPC's **2.1 Hazardous Waste Collection and Transportation**.

In this case, the Group decided to keep pollution prevention and control (PPC) as a main objective.

Identification of aligned activities

With respect to the "does no significant harm" (DNSH) assessment for the climate change adaptation objective (**Annex A**), the Veritas Group, together with all the operators of the Viveracqua scarl Consortium and with the assistance of the Euro-Mediterranean Center on Climate Change (CMCC) foundation, is conducting a climate risk assessment in order to define the impacts of the climate change in progress and implement mitigation and adaptation strategies, in accordance with Annex A of the *Climate Delegated Act* and the *Environmental Delegated Act*.

Based on the assessment conducted, the organization has so far:

- developed climate indicators, identifying and analyzing major high-impact events that has affected its activities (such as heat waves and flooding);
- used these indicators to obtain useful information for climate risk management.

Currently, the Group has the Dataclime platform, which offers climate variables and indicators. This platform, considering three Intergovernmental Panel on Climate Change (IPCC) scenarios, is able to develop predictive models to identify climate change risks in areas where the Veritas Group operates. With this tool, the Group can assess each of its assets and define the costs required to make its facilities resilient.

As a matter of prudence and based on the best assumptions and technical interpretations of EU Delegated Regulations 2021/2139, 2021/2178, 2023/2485 and 2023/2486, which supplemented Regulation 2020/852, available at the time of preparation of this report, and the most recent FAQ published by the European Commission, the Group has nevertheless decided not to state the eligible assets identified for the year 2024 as aligned with the taxonomy. In this context, the data and information presented herein may be subject to future changes, consistent with the updating of the relevant regulations or the emergence of new shared standards for the relevant operating sectors.

Minimum safeguards

To ensure that the Veritas Group's business activities are conducted in accordance with the internationally recognized principles set forth in the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* and the *United Nations Guiding Principles on Business and Human Rights* (UNGP), compliance with the minimum safeguards has been verified in accordance with Article 18 of the Regulation. This analysis followed the approach outlined in the *Final Report on Minimum Safeguards* of the *Platform on Sustainable Finance* (PSF) published in October 2022, as well as the directives expressed in the European Commission's June 2023 Communication regarding "indicators of negative sustainability effects".

The PSF Regulations and Report relate to nine topics on which the Veritas Group focused its analysis:

1. human rights policies;
2. risk assessment and human rights due diligence;
3. managing human rights impacts;
4. communication and information regarding human rights issues;
5. grievance mechanisms;
6. consumer protection;
7. fight against corruption;
8. fair competition;
9. taxation.

These topics are managed with prescriptive tools, such as policies, plans, procedures, guidelines, regulations, and management and control systems regarding them.

The Veritas Group operates in compliance with Italian human and labor rights legislation, in all its various aspects, including non-discrimination and worker health and safety, and in accordance with the anti-corruption, competition and taxation laws.

Human Rights

The Group's *Code of Ethics* lays out the core values and principles on which the organization's activities are based, and the organization undertakes to abide by it and enforce it with all its directors, employees, contractors and suppliers. It enshrines the Group's commitment to respecting individuals' rights, fairness, transparency and business efficiency. The *Code* establishes certain principles of conduct, such as the provision of accurate information to shareholders, transparency to the market, independent selection of employees and contractors, the protection of occupational health and safety and fair staff management. Specific internal policies have been drawn up to apply these principles.

In setting and maintaining policies on personnel protection and respect for human rights, the Veritas Group adheres to the principles laid down in the *Code of Ethics*: the civic dimension, understood as the set of beliefs that guide individuals' daily actions; fairness; respect for the physical person; nondiscrimination; diversity and social inclusion; working conditions and measures to ensure health and safety in the workplace. These principles are implemented with the personnel recruitment regulations, the adoption of an *inclusion and diversity policy* aligned with the UNI/PdR 125:2022 standard, and the management of workplace health and safety through the integrated quality, environment and safety management system.

For further details regarding the Group's *Code of Ethics*, see the section on ESRS G1, G1-1.

Corruption

At an organizational level, the Group companies have adopted *Organization and Control Models pursuant to Legislative Decree 231/2001* (*231 Models*) to prevent the commission of acts for which the companies could be held liable. The *231* Models are part of an internal control and risk management system consisting of a set of rules, procedures and organizational structures. By identifying, measuring, managing, and monitoring major risks, their purpose is obtain sound, fair, and goal-consistent business conduct. In relation to the areas of interest, the *231 Models* include parts regarding crimes against the individual personality, violation of accident prevention rules and occupational health and safety protection regulations, market abuse offenses, bribery and tax offenses. The Compliance Committee is responsible for enforcing the *Code of Ethics* and the *231 Models*.

In the public services managed and within the framework of the current regulations and relevant international agreements, the Veritas Group promotes a policy and adopts strategies to prevent corruption and bribery. For this purpose, in addition to the *Code of Ethics* and *231 Models*, Veritas and Eco+Eco have management systems in place for corruption and prevention and transparency, with UNI ISO 37001 certifications, ensuring that the companies' efforts meet or exceed their legal obligations. Within the framework of these systems, a policy to prevent corruption, the *Three-Year Plan for the Prevention of Corruption and Transparency*, subject to periodic updates, has been implemented and the head of corruption prevention and transparency has been appointed, in accordance with the regulations. In addition, the Group has activated a system of anonymous reporting of unlawful or irregular conduct (whistleblowing). Veritas adheres to and applies specific legality protocols. In addition to the corruption prevention management system, internal and quality control tools and regulations and procedures exist, as reported on the company websites in the transparency sections.

For further details regarding the Group's *corruption prevention policies*, see the section on ESRS G1, G1-1.

Taxation

With respect to tax management, in addition to mitigating the risk of committing criminal tax offenses with the *231 Models*, the Veritas Group has equipped itself with a tax compliance procedure.

Fair competition

Regarding the risk of non-compliance with competition laws and regulations, the Group operates mainly the integrated water and waste management service sectors, which by their nature are non-competitive and managed through agreements. To manage procurement, the Group has adopted specific regulations and internal measures to govern the assignment of suppliers and purchases, in accordance with the Public Contracts Code for works, services and supplies. The regulations guarantee compliance with the principles of economy, effectiveness, timeliness and fairness, while following the principles of free competition, non-discrimination, equal treatment, transparency, publicity, proportionality and rotation.

Veritas' reliability, reputation, seriousness and ethics have been confirmed by the awarding, for three consecutive years, of the highest legality rating (three stars) from the Competition and Markets Authority.

For further details regarding the Group's *Code of Ethics*, see the section on ESRS G1, G1-1.

Accounting standards and contextual information

The Veritas Group has calculated the indicators for eligible economic activities required in Annex 1 of the 2021/2178 *Disclosures Delegated Act* (turnover, CapEx and OpEx), comparing the percentages to the totals generated at a Group level in the reporting period (2024). The calculation methodologies used for each indicator, differentiating the activities to identify numerators and denominators, are as follows.

Turnover KPI

The turnover KPI denominator was based on data from the 2024 financial statements, considering only the revenue from sales and services, in accordance with the definition of revenue given by IAS 1, paragraph 82(a). Therefore, the net revenues from the sale of products and services were included, net of sales tax and sales refunds. The denominator of turnover for 2024 was € 526,186,721.

The numerator of the turnover KPI reflects the revenues from eligible activities, in line with Annex 1 of the *Disclosures Delegated Act*. In accordance with the regulation, only the proportions of revenue included in the denominator related to eligible economic activities were considered in the numerator. Revenues were allocated to eligible economic activities by way of a detailed analysis of the accounting entries of the individual Group companies and of the consolidated financial statements, in order to precisely allocate the amounts extracted from the system used to the economic activities deemed eligible.

With respect to the "CCM 5.5 collection and transportation of non-hazardous waste in source-separated fractions", to isolate the proportion of revenue from solely sorted waste collection, specific drivers were defined in line with the waste rate method (Mtr) defined by Arera, making it possible to exclude revenues from unsorted collection and sweeping activities.

CapEx KPI

Paragraph 1.1.2.1 of Annex 1 of the *Disclosures Delegated Act* stipulates that the denominator of the CapEx KPI should cover additions to tangible and intangible assets during the fiscal year, before depreciation and amortization, excluding fair value changes. The Veritas Group took into account increases in intangible assets with a finite life, property, plant and equipment, and rights of use. The Group Capex considered for the denominator is € 154,583,140.

The CapEx KPI numerator was determined on the basis of a detailed analysis of the corporate investment plan, aimed at precisely matching the CapEx to the activities identified as eligible during the assessment phase.

The table below provides a quantitative breakdown of the amounts identified for the numerator for the categories required by the Regulation.

property, plant and equipment	intangible assets	right of use
51,395,080	1,361,377	22,526,846

OpEx KPI

To quantify the OpEx KPI, the expense items in the Group's statement of profit or loss were analyzed in detail in order to isolate the costs referred to in Section 1.1.3.1 of the *Disclosures Delegated Act*, related to: research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment by the undertaking or third party to whom activities needed to ensure the continued and effective functioning of such assets are outsourced.

The Veritas Group identified these items through a precise analysis of the accounts and cost centers used for the accounting records. Items such as reagents, fluids and utilities were excluded, as were depreciation, amortization and provisions. Following this approach, the OpEx KPI denominator was estimated as € 70,161,087.

The proportion of the denominator associated with eligible economic activities (numerator) amounts to € 25,261,404, and the table below provides a quantitative breakdown of the composition.

maintenance and repair	short-term leases	day-to-day servicing of assets
23,288,877	1,102,657	1,222,271

To report the numerator, an extensive analysis of the expenditure related to eligible activities was conducted. Like the calculations carried out for turnover, in the case of costs referring to mixed collections, the sorted waste collection percentages and Arera drivers defined for the waste rate method (Mtr) were used for operating expenditure to exclude the proportion relating to the collection of unsorted dry waste.

In the case of operating expenses related to the shared operational functions of maintenance and technical services within the scope of the integrated water service, Arera's accounting drivers were used to allocate the expenses to the acqueduct, sewerage-purification and other activities.

Comparison with previous year

Under the Delegated Regulation (EU) 2021/2178, in-scope non-financial companies must provide comparative figures from the previous year. The tables below provide details of the changes in the figures and percentages of the indicators required by the regulation. The KPI change from the previous year is not associated with a change in the accounting approach used to obtain the KPI figures and information. For any further considerations, see the eligibility analysis described in the previous paragraphs.

Nuclear and fossil gas related activities		
Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Reporting templates

Turnover

2024		Year		Substantial contribution criteria						Does no significant harm criteria									
Economic activities	Code	Turnover	Proportion of 2024 turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Taxonomy-aligned (A1) or Taxonomy-eligible (A2) proportion of turnover, year 2023	Enabling activity category	Transitional activity category
		€	%	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	A	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Construction, expansion and operation of water collection, treatment and supply systems	**CCM 5.1** WTR 2.1	0.0	0.0%	No	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	14.8%		
Construction, expansion and operation of wastewater collection and treatment systems	**CCM 5.3** WTR 2.2	0.0	0.0%	No	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	4.0%		
Collection and transportation of non-hazardous waste in source-separated fractions	**CCM 5.5** EC 2.3	0.0	0.0%	No	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	30.0%		
A.1 Turnover of environmentally sustainable activities (Taxonomy-aligned)		0	0.0%														48.7%		
of which enabling		0	0.0%														0.0%	A	
of which transitional		0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				AM N/EL	AM N/EL	AM N/EL	AM N/EL	AM N/EL	AM N/EL										
Power generation with solar photovoltaic technology	**CCM 4.1**	71,078.7	0.0%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
District heating/cooling distribution	**CCM 4.15**	172,472.1	0.0%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Construction, expansion and operation of water collection, treatment and supply systems	**CCM 5.1** WTR 2.1	82,116,967.6	15.6%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Construction, expansion and operation of wastewater collection and treatment systems	**CCM 5.3** WTR 2.2	68,605,600.3	13.0%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								8.5%		
Collection and transportation of non-hazardous waste in source-separated fractions	**CCM 5.5** CE 2.3	185,151,733.9	35.2%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Recovery of materials from non-hazardous waste	**CCM 5.9** EC 2.7.	9,131,394.1	1.7%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								8.3%		
Hazardous waste collection and transportation	**PPC 2.1** CE 2.3	378,130.1	0.1%	N/EL	N/EL	N/EL	AM	N/EL	N/EL								0.1%		
Hazardous waste treatment	**PPC 2.2**	3,770,225.5	0.7%	N/EL	N/EL	N/EL	AM	N/EL	N/EL								0.7%		
Remediation of contaminated sites and areas	**PPC 2.4**	47,027.2	0.0%	N/EL	N/EL	N/EL	AM	N/EL	N/EL								0.1%		
Decontamination and decommissioning of end-of-life products	**CE 2.6**	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
A.2 Turnover of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		349,444,629.4	66.4%	65.6	0.0	0.0	0.8	0.0									17.7%		
A.1+A.2 Turnover of Taxonomy-eligible activities		**349,444,629.4**	**66.4%**														**66.4%**		
B. Taxonomy non-eligible activities																			
B. Turnover of Taxonomy non-eligible activities		**176,742,091.6**	**33.6%**																
A+B Total		**526,186,721.0**	**100%**																

CapEx

2024 Economic activity	Code	Year: Absolute CapEx	Year: Proportion of CapEx	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Do no significant harm criteria: Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned (A1) or Taxonomy-eligible proportion (A2) of CapEx, year 2023	Enabling activity category	Transitional activity category
		€	%	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES NO N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	A	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Construction, expansion and operation of water collection, treatment and supply systems	**CCM 5.1** WTR 2.1	0	0.0%	No	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	13.9%		
Construction, expansion and operation of wastewater collection and treatment systems	**CCM 5.3** WTR 2.2	0	0.0%	No	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	1.6%		
Collection and transportation of non-hazardous waste in source-separated fractions	**CCM 5.5** CE 2.3	0	0.0%	No	N/EL	N/EL	N/EL	N/EL	N/EL	No	No	No	No	No	No	No	5.9%		
A.1 CapEx of environmentally sustainable activities (Taxonomy-aligned)		0.0															21.4%		
of which enabling		0.0															0.0%	A	
of which transitional		0.0															0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
			AM N/EL	AM N/EL	AM N/EL	AM N/EL	AM N/EL	AM N/EL	AM N/EL										
Power generation with solar photovoltaic technology	**CCM 4.1**	326,867.9	0.2%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Installation and operation of electric heat pumps	**CCM 4.16**	153,577.1	0.1%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Construction, expansion and operation of water collection, treatment and supply systems	**CCM 5.1** WTR 2.1	16,626,912.4	10.8%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Renovation of water collection, treatment and supply systems	**CCM 5.2** WTR 2.1	8,540,894.8	5.5%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								5.1%		
Construction, expansion and operation of wastewater collection and treatment systems	**CCM 5.3** WTR 2.2	25,543,502.6	16.5%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								12.8%		
Renovation of wastewater collection and treatment systems	**CCM 5.4** WTR 2.2	1,758,988.7	1.1%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								7.6%		
Collection and transportation of non-hazardous waste in source-separated fractions	**CCM 5.5** CE 2.3	8,852,395.1	5.7%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Recovery of materials from non-hazardous waste	**CCM 5.9** CE 2.7	12,423,941.7	8.0%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								10.7%		
Transportation by motorcycles, cars and light commercial vehicles	**CCM 6.5**	101,649.9	0.1%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Refurbishment of existing buildings	**CCM 7.2**	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of energy efficiency devices	**CCM 7.3**	293,715.1	0.2%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and in parking spaces pertaining to buildings)	**CCM 7.4**	63,483.3	0.0%	AM	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Hazardous waste collection and transportation	**PPC 2.1**	32,442.2	0.0%	N/EL	N/EL	N/EL	AM	N/EL	N/EL								0.0%		
Hazardous waste treatment	**PPC 2.2**	564,933.2	0.4%	N/EL	N/EL	N/EL	AM	N/EL	N/EL								0.0%		
A.2 CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		75,283,303.8	48.7%	48.3	0.0	0.0	0.4	0.0	0.0								37.5%		
A.1+A.2 Total		**75,283,303.8**	**48.7%**														**58.9%**		
B. Taxonomy non-eligible activities																			
B. CapEx of Taxonomy non-eligible activities		**79,299,836.2**	**51.3%**																
A+B Total		**154,583,140.0**	**100%**																

OpEx

2024		Year		Substantial contribution criteria						Do no significant harm criteria									
Economic activity	Code	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned (A1) or Taxonomy-eligible (A2) proportion of OpEx, year 2023	Enabling activity category	Transitional activity category
		€	%	YES NO N/AM	YES NO N/AM	YES NO N/AM	YES NO N/AM	YES NO N/AM	YES NO N/AM	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	A	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Construction, expansion and operation of water collection, treatment and supply systems	**CCM 5.1** WTR 2.1	0	0.0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No	11.3%		
Construction, expansion and operation of wastewater collection and treatment systems	**CCM 5.3** WTR 2.2	0	0.0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No	5.4%		
Collection and transportation of non-hazardous waste in source-separated fractions	**CCM 5.5** CE 2.3	0	0.0%	No	N/AM	N/AM	N/AM	N/AM	N/AM	No	No	No	No	No	No	No	15.2%		
A.1 OpEx of environmentally sustainable activities (Taxonomy-aligned)		0	0.0%	0.0	0.0	0.0	0.0	0.0	0.0								0.0%		
of which enabling		0	0.0%	0	0	0	0	0	0								31.9%	A	
of which transitional		0	0.0%														0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				AM N/AM	AM N/AM	AM N/AM	AM N/AM	AM N/AM	AM N/AM										
Power generation with solar photovoltaic technology	**CCM 4.1**	200,736.1	0.3%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.0%		
District heating/cooling distribution	**CCM 4.15**	82,173.4	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.0%		
Construction, expansion and operation of water collection, treatment and supply systems	**CCM 5.1** WTR 2.1	5,369,663.5	7.7%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.0%		
Construction, expansion and operation of wastewater collection and treatment systems	**CCM 5.3** WTR 2.2	9,722,460.0	13.9%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								11.5%		
Collection and transportation of non-hazardous waste in source-separated fractions	**CCM 5.5** CE 2.3	7,940,930.3	11.3%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.0%		
Recovery of materials from non-hazardous waste	**CCM 5.9** CE 2.7	1,406,113.7	2.0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								7.1%		
Transportation by motorcycles, cars and light commercial vehicles	**CCM 6.5**	0.0	0.0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.4%		
Road haulage services	**CCM 6.6**	0.0	0.0v	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.0%		
Hazardous waste collection and transportation	**PPC 2.1** CE 2.3	21,855.7	0.0%	N/AM	N/AM	N/AM	AM	N/AM	N/AM								0.0%		
Hazardous waste treatment	**PPC 2.2**	869,872.7	1.2%	N/AM	N/AM	N/AM	AM	N/AM	N/AM								4.7%		
A.2 OpEx of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		25,613,805.4	36.5%	35.2	0.0	0.0	1.3	0.0									24.0%		
A.1+A.2 Total		**25,613,805.4**	**36.5%**														**55.9%**		
B. Taxonomy non-eligible activities																			
B. OpeX of Taxonomy non-eligible activities		**44,547,281.8**	**63.5%**																
A+B Total		**70,161,087.2**	**100%**																

	proportion of turnover/ total turnover		proportion of CaEx / total CapEx		proportion of OpEx / total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	65.6%	0.0%	48.3%	0.0%	35.2%
CCA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
WTR	0.0%	28.6%	0.0%	33.9%	0.0%	21.5%
CE	0.0%	37.0%	0.0%	13.8%	0.0%	13.3%
PPC	0.0%	0.8%	0.0%	0.4%	0.0%	1.3%
BIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Climate Change [ESRS E1]

Energy efficiency and decarbonization are strategic areas for the Veritas Group, as per the *Business Plan* objectives and the Group's commitments to reduce the greenhouse gas emissions generated by the integrated water, waste management and cemetery services.

For more information on the process used to identify the impacts, risks and opportunities, see the section on ESRS 2, SBM-3.

IMPACTS	
✓	Positive impact on climate change mitigation through the reduction of greenhouse gas (GHG) emissions achieved through investments in alternative sources (e.g., photovoltaics, secondary source fuels, biogas), purchases of low- and zero-emission vehicles and equipment, and increased energy efficiency at headquarters and facilities.
✗	Negative impact from greenhouse gas (GHG) emissions generated by fossil fuel energy consumption and atmospheric emissions, mainly from the Group's facilities and transportation as well as the value chain.
✗	Negative impact from the Group's energy consumption, particularly by the headquarters, facilities, transportation means, and value chain.

− RISKS	+ OPPORTUNITIES
Risk related to extreme climatic events, such as tornadoes, heavy rainfall and floods, which can cause an increase in waste production, flood sewers, damage infrastructure and compromise the supply of services, producing the need to reorganize services, adding costs and possible environmental penalties, and worsening some environmental indicators (Arera indicator M4), with the related penalties, claims and user compensation.	Opportunities given by energy efficiency, investments in alternative sources such as solar panels, secondary source fuels, and biogas that offer benefits in terms of access to energy incentives for decarbonization and new opportunities concerning the transition to a low-emission economy.
Risk from drought, seawater intrusion and water stress that can affect the safety of drinking water, damage the systems and increase the costs of withdrawal and purification, particularly during busy tourist periods, and lead to worse environmental indicators (Arera indicators M2 and M3), with the related penalties, claims and user compensation.	
Risk caused by rising temperatures and heatwaves that can impact operations and increase adaptation costs, such as for cooling the plants and protecting the infrastructure.	
Risk related to the energy consumption from fossil fuels of offices, facilities and vehicles which can erode the operating margin due to an increase in energy costs and potential reputational issues.	

Transition plan for climate change mitigation [E1-1]

At December 31, 2024, the Veritas Group did not have a formal climate change mitigation transition plan compliant with EU Regulation 2021/1119, Article 2(1) and EU Commission Delegated Regulation 2020/1818, Article 2; however, the *Business Plan* includes some significant climate change actions. The Group intends to develop a Transition Plan in the coming years by first implementing a resilience and climate scenario assessment, to ensure consistency among the corporate strategy, the Paris Agreement, and the goal of climate neutrality by 2050.

Material impacts, risks and opportunities and their interaction with the strategy and business model [SBM-3]

Since 2023 and during 2024, the Group has been conducting a climate risk assessment with the assistance the Euro-Mediterranean Center on Climate Change (CMCC) within a contract from the Viveracqua Consortium (a consortium that brings together the 12 integrated water service operators based in the Veneto region). The Group used the CMCC Dataclime platform to assess short/medium/long-term physical climate risks. In addition, it used a platform provided by Confindustria Veneto for short-term physical risks. These assessments are detailed below. The Group has not yet conducted a detailed assessment of the transition opportunities and risks.

The climate risk assessment was carried out in accordance with Regulation (EU) 2020/852, which distinguishes between acute and chronic risks with respect to the four variables: temperature, wind, water, solid mass. The assessment also considered three representative concentration pathways (RCPs) among those defined by the *Intergovernmental panel on climate change* (IPCC), namely:

- *Rcp 2.6*: assumes aggressive mitigation strategies whereby greenhouse gas emissions are halved by 2050, eventually arriving at zero. According to this scenario, global warming is projected to be limited to 2°C above the pre-industrial levels;
- *Rcp 4.5*: strong mitigation: assumes the implementation of a number of initiatives to cut emissions, including reducing CO_2 emissions by 2070; atmospheric concentration stabilizes by the end of the century at about double the pre-industrial levels. Global warming is projected to be between 1.1°C and 2.6°C by the end of the century;
- *Rcp 8.5* takes a business-as-usual approach without any climate change mitigation action. According to this scenario, atmospheric concentrations of CO_2 are projected to triple or quadruple from the pre-industrial levels by 2100.

The Dataclime platform enables the analysis of climate variables with respect to the three scenarios described above and three time horizons: 2021-2050, 2036-2065 and 2071-2100, starting from 1981 to 2010 (period for which the averages were calculated for each indicator). Up to nine variables (average temperature, maximum temperature, maximum wind speed, precipitation, snowfall, and combinations of these) and several indicators can be selected for each variable. The platform provides the information at the highest spatial resolution currently available of approximately 12 km. This gives a more detailed representation of the geographical features and physical processes that influence the climate in the area of interest.

The Dataclime platform shows that the highest physical risks for the Group are: heat waves, precipitation, river discharge and groundwater recharge. Specifically, for the maximum temperature variable, the number of very hot days increases by 30% under the Rcp 8.5 scenario compared with the Rcp 2.6 scenario for 2021-2050, and quadruples when considering long-term changes (2071-2100). For the same variable, the heat wave indicator is relatively stable along the coast for the three scenarios and three periods considered, while it has a particularly high increase inland for the Rcp 8.5 scenario compared to the other two, especially in 2071-2100. For the precipitation variable, the maximum precipitation in one day shows a high increase in the Rcp 8.5 scenario for 2071-2100, compared with the other scenarios and other periods. Lastly, there is a steep decrease for the groundwater recharge and river discharge in the long-term Rcp 8.5 scenario, whereas in the shorter-term Rcp 2.6 scenario there would be an increase. A decrease in river discharge has effects not only on the supply of water resources in the short term, but also on rise of salt water intrusion, with negative consequences on facilities and water potability.

The physical risks were assessed on Confindustria's site-specific platform, which confirms the physical risks described above and adds, with respect to precipitation, risks of hail and lightning.

Even without a structured analysis of transition risks - such as through the aforementioned scenario analyses or assessments of resilience to climate trajectories - it was still possible to preliminarily identify a material risk relating to dependence on fossil fuels for the energy consumption of the headquarters, facilities and vehicles. The Group is aware that this risk, which is a transition risk, can lead to an erosion of the operating margins due to rising energy costs and can generate reputational challenges, especially in a context of greater stakeholder attention to decarbonization.

The Group is working on an adaptation plan and on the resilience of its climate change strategy and business model, and has been implementing a series of measures for climate change adaptation and mitigation. Specifically, investments in sewer adaptation and renovation and interconnection of water networks to address various emergencies including potential water crises in some areas of the coastline (especially those closer to river sources and thus subject to rising seawater intrusion).

Policies related to climate change mitigation and adaptation and adaptation [E1-2]

The Veritas Group recognizes the urgency of climate change, and is actively committed to reducing climate-altering emissions and improving energy efficiency by adopting measures to mitigate the environmental impacts of its activities. Consistently with the sustainable development principles, the Group promotes the rational use of energy, the adoption of renewable energy sources and the optimization of energy consumption, while pursuing the opportunities associated with the ecological transition. The organization's commitment is defined and strengthened with its *Strategy*, the Management System regulations and procedures, the *Integrated Management System Policies*, the *Waste Management Service Policy*, the *Integrated Water Service Management Policy*, the *Cemetery Services Management Policy*, the *Service Charter* and the *Code of Ethics*.

- *Strategy*

The Veritas Group's *Strategy* is a formal document approved by the parent company's director, shared with and applied to all the companies, and published on the respective websites, which explains the Group's main objective: creating excellent public waste management services at the lowest possible cost. In fact, the Veritas Group's goal is to create value for its shareholders and for the local community through development and innovation in its various areas of expertise, with a view to sustainability and a circular economy. The Group's business and environmental strategy, which originates from its public nature, reiterates corporate and industrial objectives that often coincide with those related to social sustainability, environmental protection and the proper use of resources, and the policies implemented are intended to prevent, mitigate and correct actual and potential impacts, address risks and pursue opportunities. The strategy defines the Group's main long-term objectives and the strategies to achieve them.

With respect to climate change, the Group states in the Strategy its commitment to reducing negative environmental impacts, thanks in part to innovation and the transition to a fleet of vehicles with a lower emission impact, and to the renovation of logistics sites with eco-friendly buildings, based on rationality and local characteristics as well as the expansion of local services.

- *Management System regulations and procedures*

Integrated management systems consist of the set of documents that break down the organization's activities, ranging from the policies defined to the targets set for each process that the Group uses to ensure the services where it operates, managing impacts, risks and opportunities. For further details, see the section on ESRS G1, G1-1.

At an organizational level, based on the characteristics of the individual facilities, the Group has adopted a quality and environmental management system, drawn up in compliance with the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 standards. All the Group's services and facilities are UNI EN ISO 9001:2015 certified and the sites (plants and offices) with significant environmental impacts (mainly in terms of energy consumption or because they are located in particularly sensitive areas - like the Venice lagoon) are UNI EN ISO 14001:2015 certified.

In conducting its activities, the Veritas Group strives to adopt the best available technologies, use resources responsibly and apply engineering and operational solutions that protect the environment, in full compliance with environmental regulations. In this respect, all the Group companies adopt integrated policies that guide the daily operations according to the principles of sustainability, transparency and responsibility.

The quality and environmental management system is a distinctive and strategic system for adopting a structured, systematic approach to the management of environmental impacts, contributing to the continuous improvement of the business performance and to the compliance with the current regulations.

Integrated management system policies

In applying the UNI standard-compliant management systems, all the Veritas Group companies have devised integrated quality, environmental and safety policies that are posted in their offices and published on their websites. The policies are approved by general management. The policies reflect the Group's strategy requiring the establishment and implementation of cultural, organizational, engineering and technological processes in which the topics of environmental protection, limited primary resource use, energy savings, energy efficiency and renewable energy use, along with the economic and financial sustainability of the initiatives, are always in the foreground, as are the health and safety of the organization's people.

Waste management service management policy

The *waste management service management policy* is set by the management of the waste management service, published on the websites and intranet and approved by the parent company's environment department director and general manager. The policy sets forth the general principles and guidelines for the effective, efficient, sustainable and safe management of the waste management services offered by Veritas. As a whole, the policy considers the context within which the Group operates and, in a broader sense, the needs of the local area and parties involved, with whom it encourages dialogue and discussion.

Concerning climate change, the policy prioritizes the containment of energy consumption and the reduction of costs related to waste treatment and disposal activities by ensuring the best technological solutions and efficient services. To guarantee its services, the heads of the waste management service increase efficiency through innovation and technology to achieve the objectives of savings and performance optimization while experimenting with new solutions; the streamlining of waste transportation flows, perfecting the logistics of waste collection and transportation by identifying an optimal model for the service and customized solutions for commercial and industrial users; compliance with regulatory and authorization requirements and the matching of the activities performed to the management systems.

Integrated water service management policy

The *integrated water service management policy*, set by the management of the integrated water service and approved by the parent company's general manager, establishes the principles and guidelines for Veritas' effective, efficient, sustainable and safe management of the service. In defining the policy, published on the organization's websites and intranet, the legislative and regulatory actions carried out by Arera (Italian Regulatory Authority for Energy, Networks and Environment) are crucial, as they set the service standards, the planning objectives, and the rate scheme for the full cost recovery. As a whole, the policy considers the context within which the Group operates and, in a broader sense, the needs of the local area and parties involved, with whom it encourages dialogue and discussion.

Concerning climate change, the policy establishes the importance of infrastructure renovation and technological efficiency for curbing energy consumption and saving natural resources. With the policy, the management of the integrated water service ensures, among other things, greater efficiency through innovation and technology for meeting the objectives of savings and service optimization while experimenting with new solutions; compliance with regulatory and authorization requirements; the matching of the activities performed to the international management systems.

- *Cemetery services management policy*

The *cemetery services management policy* is set by the cemetery services management, published on the organization's websites and intranet and approved by the director of the services and the parent company's general manager. The policy sets forth the general principles and guidelines for the effective, efficient, sustainable and safe management of the cemetery services offered. As a whole, the policy considers the context within which the Group operates and, in a broader sense, the needs of the local area and parties involved, with whom it encourages dialogue and discussion.

With respect to climate change, the cemetery services management is committed to seeking continuous improvement by providing services in a continuous, efficient and economical manner while observing sustainability. In this sense, technological systems are regularly checked and maintained in order to limit energy consumption. With the policy, the cemetery services management ensures greater efficiency through innovation and technology for meeting the objectives of savings and service optimization while experimenting with new solutions; responsible management of the natural resources used by adopting solutions aimed at protecting the environment, preventing and reducing the environmental impact of activities for the benefit of present and future generations; compliance with regulatory and authorization requirements and the matching of the activities performed to the management systems.

- *Service charters*

The *service charters* (for details see E2, E3, E5: E2-1, E3-1, and E5-1 sections) are official documents with which the Group states the quality standards that it undertakes to guarantee to its users and which establish the fundamental principles observed in the supply of the public services. They are a tool for protecting users and also a formal commitment to promoting efficient and sustainable management of services.

The Veritas Group has the following service charters: the *integrated water service charter*, the *integrated municipal waste management service charter* and the *cemetery services charter*.

The charters reiterate the Group's commitment to protecting and respecting the environment, with the aim of minimizing the impacts of its activities. To this end, the Group adopts all initiatives useful for promoting resource recovery, including energy recycling.

- *Code of Ethics*

The Group's *Code of Ethics* (for details see the section on ESRS G1, G1-1) establishes the general guidelines on the relationship with the environment, climate change and sustainability. It formalizes the Group's commitment to pursuing environmental protection, with a view to continuously improving its services. The Group states its commitment to promoting interactive dialogue with all stakeholders and to adopting sustainable social and ecological behaviors compatible with ESG parameters.

Actions and resources in relation to climate change policies [E1-3]

As part of the environmental commitments assumed in the *business plan* regarding energy efficiency and decarbonization, the Veritas Group has an action plan intended to reduce the potentially negative impacts linked to its activities, contain environmental risks and pursue the opportunities related to energy consumption and greenhouse gas emissions. The initiatives implemented meet the Group's strategic objectives and concern technological adaptations designed to reduce resource use, increase energy production from renewable sources, and renew the organization's land and water fleets; these actions extend over a time horizon that covers the current duration of the service engagements.

The 2024 capital expenditure was approximately € 25 million.

Targets related to climate change mitigation and adaptation [E1-4]

In the *2019-2026 business plan*, the Veritas Group identified specific strategic targets relating to energy efficiency and greenhouse gas emissions, with the objective of responding in a structured manner to the environmental impacts associated with its activities. The targets guide the Group's actions in assessing and managing the main risks and in seizing the related opportunities.

The climate change adaptation targets are:

Implementation of actions to adapt to climate change

target	scope of application	baseline (value/year)	year reached	stakeholders involved	methodologies, assumptions and scientific data used	status
Fusina integrated project (PIF) – first flush tank in former Lusore riverbed - Construction of tank volume approx 60,000 m3 -	Integrated water service	In 2023, the project to build a new rainwater tank reached 1% completion	2027	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Campalto integrated project (CIP) – rainwater harvesting tank in Carpenedo Bissuola. Construction of first flush rainwater diverter volume approx 15,000 m3 and water pumping system capacity 10 m3/s	Integrated water service	In 2023, the project to build a new rainwater tank reached 3% completion	2025	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Drought plans – actions, split into short, medium and long term, to counteract or minimize water shortages caused by climate change	Integrated water service	In 2023, the action plan to ensure the water supply to the area served reached 0% completion	2033	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan

With regard to energy-related climate change targets;

Implementation of actions for technological adaptations to promote energy efficiency

target	scope of application	baseline (value/year)	year reached	stakeholders involved	methodologies, assumptions and scientific data used	status
Replacement of low energy-efficiency compressors/mixers to improve energy savings at Jesolo/Cavallino	Integrated water service	In 2023, the project implementation reached 5% completion	2026	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Energy and technological efficiency of the organic sector - Fusina	Integrated water service	In 2023, the project implementation reached 70% completion	2025	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Technological adaptation of the Torre di Mosto purification plant	Integrated water service	In 2023, the technological adaptation project for energy efficiency and CO2 reduction reached 10% completion	2025	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Efficiency improvement and optimization of drinking water production and pumping systems	Integrated water service	In 2023, the action plan for energy efficiency and CO2 reduction reached 0%	2025	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Energy requalification of the S5 and S6 sewerage pumps and sewerage areas; at Scorzé plant; Madonna junction; Campalto and Caorle alternating cycles	Integrated water service	In 2023, the project for energy efficiency and CO2 reduction reached between 0% and 35% completion	2026	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Adaptation of the DON line of the Jesolo purification plant	Integrated water service	In 2023, the project for the work and instrument installation reached 10% completion	2025	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Efficiency improvement of Depuracque servizi plant	Depuracque	In 2024, the project implementation reached 70% completion	2026	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan

Lastly, with regard to mitigation targets:

Increased electricity production from renewable sources and fleet decarbonization

target	scope of application	baseline (value/year)	year reached	stakeholders involved	methodologies, assumptions and scientific data used	status
Construction of hotovoltaic systems for own production of electricity from renewable sources	Veritas Eco+Eco	Project start at the end of 2024	2026	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Green vehicle and vessel fleet renewal	Veritas	In 2023, the project reached 13% completion	2038	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Green vehicle and vessel fleet renewal	Veritas	In 2023, the target of replacing obsolete vehicles and purchasing new equipment reached 3%completion	2025	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Construction of Depuracque Salzano platform	Depuracque	In 2023, the project reached 13% completion	2027	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan
Construction of 4 biomethane distribution systems to reduce CO2 emissions and promote a circular economy	Veritas Eco+Eco	In 2024, of the 4 biomethane distribution systems to be installed, the one in Fusina has been developed, the one in Mirano has been authorized, the one in Portogruaro is in the authorization phase, and the one in Jesolo is in the evaluation phase.	2027	Entities Residents Users Shareholders Future generations	% of completion	Work implemented according to plan

The Group is setting additional targets related to climate change for 2030 that will be based on the following metrics:
- reduction of fossil fuel grid energy intensity (GJ/€);
- reduction of drinking water consumption intensity (m3/€);
- increase in energy production from renewable sources;
- reduction of GHG intensity (tCO2e/€).

Energy consumption and mix [E1-5]

The energy consumed is mostly fossil fuel and refers to electricity purchased, attributable largely to Veritas' integrated water service, and fuel, attributable mainly to the waste collection and transportation services. The Eco+Eco Valorizza plant is relatively energy-intensive but it produces most of the energy it consumes by using the secondary solid fuel produced in the plant.

All the Group's energy consumption was reported using actual data, with the exception of Sifa's, for which it was necessary to use a partial estimate for the electricity component. For this item, direct measurements are unavailable because the electricity is included in the rental fee, through a centralized supply managed by the lessor, which does not allow for separating the consumption by lessee. To estimate the consumption, an analogy-based method was adopted using per capita data from a Veritas site with similar operational and location features. This amount was then multiplied by the number of Sifa employees to obtain a reliable estimate of the overall electricity consumption.

Energy consumption and mix in 2024

	2024
Fuel consumption from coal and coal products (MWh)	0.0
Fuel consumption from crude oil and petroleum products (MWh)	72,218.97
Fuel consumption from natural gas (MWh)	42,470.25
Fuel consumption from other non-renewable sources (MWh)	18,514.78
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil fuel sources (MWh)	123,417.37
Total energy consumption from fossil fuels (MWh)	256,621.36
Proportion of fossil fuel sources out of total energy consumption (%)	95%
Consumption from nuclear sources (MWh)	0
Proportion of nuclear sources out of total energy consumption (%)	0%
Fuel consumption for renewable sources, including biomass (also including organic industrial and municipal waste, biogas, renewable hydrogen, etc.) (MWh)	9,985.99
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	616.8
Consumption of self-generated non-fuel renewable energy (MWh)	1,811.55
Total energy consumption from renewable sources	12,414.34
Proportion of renewable sources out of total energy consumption (%)	5%
Total energy consumption (MWh)	269,035.7

The Group produced 8,535 MWh of renewable energy from solar panels and biogas and 25,870 MWh of non-renewable energy from secondary solid fuel.

In the reporting period, the energy intensity related to the Group's activities in sectors with a high climate impact was 0.0005, calculated as the ratio between the total energy consumption of the activities in high climate impact sectors (MWh) and the net revenues of the same activities (euro). The Group's sectors and companies are all high climate impact with the exception of the subsidiaries Lecher ricerche e analisi srl and Consorzio per la gestione dei servizi comuni (Fusina).

Energy intensity based on net revenue in 2024

	2024
Total energy consumption of activities in high climate impact sectors (MWh)	268,854
Net revenues from activities in high climate impact sectors (euro)	524,342,747
Energy intensity (MWh/euro)	0.0005

Below is a reconciliation between the net revenues from activities in high climate impact sectors and the total revenues reported by the Group in the reporting period.

Revenues

	2024
Net revenues from activities in high climate impact sectors used to calculate energy intensity	524,342,747
Net revenues (other)	1,843,974
Total net revenues (as per financial statements)	526,186,721

Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]

The main greenhouse gas emissions are due to waste collection and transportation activities and to the production of secondary solid fuel, especially with regard to scope 1 emissions, to waste treatment and wastewater purification (municipal and industrial) relating to energy consumption and consequently scope 2 emissions, and to the treatment of special liquid waste (use of reagents) and of waste scrap (scope 3, categories 1 and 5). The emission mitigation actions are investments in alternative energy sources (photovoltaic systems, biogas), the purchase, to the extent possible, of eco-friendly vehicles (with the related installation of electric charging stations at company premises), and investments in renewable energy and energy efficiency at the premises. Although the production of secondary solid fuel produces scope 1 emissions, it creates electricity savings (both in financial terms and in terms of consumption), which can curb the total greenhouse gas emissions.

In accordance with the GHG Protocol – Corporate Standard, emissions associated with the combustion of biogas are not included in the calculations of Scope 1, 2 or 3 emissions since the net impact of biogas is considered zero.

Greenhouse gas emissions in 2024 (t CO2eq)

	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions	67,738
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0
Scope 1 GHG emissions of Group consolidated accounts	67,738
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions	38,037
Gross market-based Scope 2 GHG emissions	61,820
Scope 3 GHG emissions	
Gross Scope 3 GHG emissions	1,863,516
Category 1 Purchased goods and services	1,801,017
Category 2 Capital goods	7,205
Category 3 Fuel and energy-related activities	18,007
Category 4 Upstream transportation and distribution	3,158
Category 5 Waste generated in operations	29,489
Category 6 Business travel	8
Category 7 Employee commuting	4,631
Category 8 Upstream leased assets	0
Category 9 Downstream transportation and distribution	0
Category 10 Processing of sold products	0
Category 11 Use of sold products/services	0
Category 12 End-of-life treatment of sold products	0
Category 13 Downstream leased assets	0
Category 14 Franchises	0
Category 15 Financial investments	0
Total greenhouse gas emissions	
Total GHG emissions (location-based)	1,969,291
Total GHG emissions (market-based)	1,993,074
Out-of-scope emissions	1,225

Note: biogas is considered carbon-neutral because the CO2 released during combustion is equivalent to the CO2 absorbed by the biomass during its growth cycle. Consequently, the CO2 emitted does not increase the concentration of greenhouse gases in the atmosphere and is therefore classified as "outside of scope", i.e. biogenic emissions excluded from the traditional scopes of the GHG inventory.

The following factors were used to calculate the GHG emissions under the GHG protocol:

- The factors used to convert the different fuel measurement units are taken from the *UK database Government Ghg Conversion Factors for Company Reporting*, Defra (2024).
  - **Calculation of direct emissions** (*Scope 1*)
    National Standard Parameters Table published by the Ministry of the Environment (2024) and Defra (2024).
  - **Calculation of indirect emissions** (*Scope 2*)
    National emission inventory *Emission factors for electricity production and consumption in Italy, Ispra 2023* (location-based approach); *European residual mix* 2023 – Aib 2023

(market-based approach).

– **Calculation of indirect emissions** *(Scope 3)*

Category 1 – purchased goods and services: this category includes the purchase of reagents and of goods and services. For reagents, the calculation started with the quantities purchased in weight (kg) which were multiplied by the respective emission factor. The selected emission factor includes the contribution relating to transportation from the production site to the company site (market for database). For water, the cubic meters purchased from third parties were considered (Asvo and Euroscavi). As regards goods and services, the spend-based approach was used, i.e. the calculation started with the expenditure on the various categories of goods and services purchased by the Group during the reporting period. Subsequently, the relative emission factor was associated with each cost item. The sources of the emission factors used for the three subcategories were Ecoinvent (3.11) and Defra (*UK Standard Industrial Classification of Economic Activities* for 2021), respectively.

Category 2 - capital goods: this category includes emissions generated by the production of durable goods (such as real buildings or machinery) purchased in the reporting period. Again, the spend-based approach was used: starting with the expenditure for each item, which was then associated with the corresponding emission factor. The source of the emission factor used is Defra (*UK Standard Industrial Classification of Economic Activities* for 2021).

Category 3 – fuel and energy-related activities (not included in Scope 1 or 2). Includes emissions associated with: upstream fuel; upstream electricity, steam and natural gas purchased for own use; losses related to electricity, steam and natural gas purchased for own use. Defra emission factors were used in this case.

Category 4 – upstream transportation and distribution: the category covers emissions associated with the transportation of goods and services purchased by the undertaking, from using non-owned vehicles. The calculation method uses the spend-based approach. The source of the emission factors used was Defra (*UK Standard Industrial Classification of Economic Activities* for 2021).

Category 5: *waste generated in operations:* the category concerns emissions generated by the treatment at third-party facilities of waste produced by the Group. The calculation method uses the spend-based approach. The source of the emission factors used was Defra (*UK Standard Industrial Classification of Economic Activities* for 2021).

Category 6: business travel: this category refers to emissions associated with business travel by staff (excluding travel with company vehicles), including overnight stays. The calculation method uses the spend-based approach. The source of the emission factors used was Defra (*UK Standard Industrial Classification of Economic Activities* for 2021).

Category 7: *employee commuting:* for each employee, the period of the year in which the employees actually worked was calculated in twelfths. Each employee was associated with the affiliate they work for, subsequently grouped into locations according to the geographical similarity of the areas. Based on the estimates provided by the mobility manager, each employee was assigned a potential amount of CO2 emissions (kg/year), determined by the similarity of the location. The estimated actual amount of CO2 for each employee was obtained by multiplying the potential amount by the period worked in the year.

With respect to the significant Scope 3 categories, the reporting period for the quantification of the Group's GHG emissions is the 2024 calendar year. For the spend-based approach, where the 2024 data is not available, the estimates are based on the 2023 data.

Pursuant to a materiality and applicability assessment conducted on the various Scope 3 categories of indirect emissions, categories 8, 9, 10, 11, 12, 13, 14 and 15 were not reported because they are not applicable to the Veritas business model. The information used for the spend-based approach refers to purchase orders issued in 2024, thus from December 2023 to November 2024.

GHG intensity based on net revenues in 2024

	2024
Total GHG emissions (market-based) per net revenue (tCO2/monetary unit)	0.00379
Total GHG emissions (location-based) per net revenue (tCO2/monetary unit)	0.00374

GHG intensity was calculated as the ratio between the total market-based and location-based emissions and the total net revenues (approximately € 526 million).

Pollution [ESRS E2]

Pollution prevention and control are central pillars of the Veritas Group's activities and an integral part of the Group's approach to environmental sustainability. The main operational areas with potential pollution impacts (air and water pollution in particular) are waste treatment, wastewater purification and crematorium operation.

For more information on the process used to identify the impacts, risks and opportunities, see the section on ESRS 2, SBM-3.

IMPACTS

✓	Positive impact from the abatement of users' water discharge emissions due to wastewater purification.
✗	Negative impact related to air pollution caused by (non-GHG) air emissions produced by the facilities and activities and throughout the value chain.

− RISKS	+ OPPORTUNITIES
Risk related to the generation of air emissions (nitrogen and sulfur oxides, etc.) produced by the Group's activities and by waste treatment and crematoriums that could lead to penalties, higher emission reduction costs and potential reputational damage.	Opportunity from the wastewater purification activity (reduction of emissions from water discharges), with consequent improvement in environmental indicators (Arera indicator M6) and access to potential reputational rewards and benefits.

Policies related to pollution [E2-1]

The Veritas Group is committed to preventing and managing the negative impacts and risks of the pollution associated with its activities, while harnessing opportunities for improvement, and underlines its commitment and operational guidelines in its *Strategy*, *Management System* regulations and procedures, *Integrated Management System Policies*, *Service Management Policies*, *Code of Ethics* and the following *Service Charters*: *Integrated Water Service Charter*, *Integrated Municipal Waste Management Service Charter* and *Cemetery Services Charter*.

■ *Strategy*

The Veritas Group's Strategy, detailed in the section on ESRS E1, E1-2, is a formal document that sets out the Group's main long-term objectives and the strategies to achieve them.

In its *Strategy*, the Group states its objective and commitment to protecting the water supply sources by preventing pollution; the completion and improved efficiency of the basin's sewerage networks and the strengthening and adaptation of wastewater purification technologies for the dual purpose of complying with the Venice lagoon protection regulations and local and national standards, and improving the overall industrial performance.

■ *Management system regulations and procedures*

Integrated management systems consist of the set of documents that break down the organization's activities, ranging from the policies defined to the targets set for each process that the Group uses to ensure the services where it operates, managing impacts, risks and opportunities. For details, see the sections on ESRS E1, E1-2 and ESRS G1, G1-1.

On this front, the Veritas Group works to prevent pollution by monitoring and managing responsibly the air and water emissions, where present, in full compliance with the environmental regulations.

■ *Integrated management system policies*

In applying the UNI standard-compliant management systems, all the Veritas Group companies have come up with integrated quality, environmental and safety policies that are posted in their offices and published on their websites. The policies are approved by the general management. The policies reflect the Group's strategy that requires establishing and implementing cultural, organizational, engineering and technological processes in which the topics of environmental protection, limited primary resource use, energy savings, energy efficiency and renewable energy use, along with the economic and financial sustainability of the initiatives, are always in the foreground, as are the health and safety of the organization's people.

■ *Service management policies*

The policies for operating the waste management services, integrated water service and cemetery services (for details see the section on ESRS E1, E1-2) set the general principles and guidelines for effective, efficient, sustainable and safe management of the Group's services.

With respect to pollution, all the policies ensure the protection and safeguarding of natural resources; compliance with regulatory and authorization requirements, and the consistency of the activities carried out with the international management systems; and responsible management of the natural resources used by adopting solutions intended to protect the environment, and prevent and reduce the environmental impact of the activities for the benefit of present and future generations.

■ *Integrated water service charter*

The *Integrated Water Service* Charter, approved at the Venice Lagoon Basin Council's General Meeting, is an integral and qualifying element of the integrated water service management policy (for details see the section on ESRS E3, E3-1). The *Charter* applies to the water and sewerage services provided in the municipalities of the Venice Lagoon Basin Council and involves, in addition to the local users, the responsible Authority and consumer and trade organizations. The *integrated water service charter* is available on the organization's intranet and websites and on the Venice Lagoon Basin Council's website. The *Charter* was drawn up in compliance with the applicable regional and national regulations and in implementation of the directives issued by the Prime Ministerial Decree of January 27, 1994 "Principles on the supply of public services", by the Prime Ministerial Decree of April 29, 1999 "General framework for the preparation of the integrated water service charter" and by Arera Resolution 655/2015 "Regulation of the contractual quality of the integrated water service, or of each of the services that compose it".

The *Charter*, which applies to all services offered within the scope of the water segment, including purification, reiterates the commitment to protect the environment, with a focus on minimizing the impacts of all the activities through the adoption of any measure that can promote resource recovery and prevent any dispersion into the air, water or soil that could compromise human health or the ecological balance. The Charter also states that companies working on behalf of Veritas are required to comply with the same quality standards, and adopt business practices that respect the environment.

- *Integrated municipal waste management service charter*

With its *integrated municipal waste management service charter*, approved by the Venice Environment Basin Council and published on the organization's websites and intranet and on the Venice Environment Basin Council's website, Veritas, as a municipal waste management operator, states the obligations and quality levels expected for the services supplied and their methods of use, including the rules for interaction and communication between the users and the operator. The *Charter*, which is shared with consumer organizations, applies to the municipalities receiving the service, and concerns waste collection and transportation services, street sweeping and cleaning, the rate management service, and relationships with users. The *Charter* is drawn up in compliance with the applicable regional and national regulations and in implementation of the directive issued by the Prime Ministerial Decree of January 27, 1994 "Principles on the supply of public services", Arera Resolution 15/2022 "Regulation of the municipal waste management service quality", which approved the *Consolidated Law for the regulation of municipal waste management service quality* (Tqrif), and Legislative Decree 222/2024.

With respect to pollution, the *Charter* reiterates the commitment to protecting the environment and the intention to guarantee the efficiency of the equipment and systems used and the constant monitoring of emissions and dispersions into the soil, air and water.

- *Cemetery services charter*

The *charter of cemetery services*, approved by the Municipality of Venice and published on the organization's websites and intranet and on the Municipality of Venice's website, is a statement of the service standards offered to the resident user. The scope of application of the *service charter* concerns cemetery operations relating to the handling of the body (excluding the cremation services at the San Michele in Isola cemetery in the historic center of Venice), the cleaning and maintenance of the cemetery premises under Veritas spa's responsibility, and votive lighting services. The Charter is primarily for the residents who use these services, but also for the competent Authority and consumer and trade organizations involved in the periodic updating and the communication of revisions.

The Charter was drawn up in compliance with the applicable regional and national regulations and in implementation of the directives issued by the Prime Ministerial Decree of January 27, 1994 "Principles on the supply of public services", by the Prime Ministerial Decree of April 29, 1999 "General framework for the preparation of the integrated water service charter" and by Arera Resolution 655/2015 "Regulation of the contractual quality of the integrated water service, or of each of the services that compose it".

With this Charter, Veritas spa, as the service operator, undertakes to respect the environment and minimize the impacts of all the activities performed by taking all initiatives that can promote resource recovery and prevent dispersions into the air, water or soil that could harm health and the environment. Companies working on behalf of Veritas are required to comply with the same quality standards, and adopt business practices that respect the environment.

- *Code of Ethics*

The Group's *Code of Ethics* (for details see the section on G1-1, *Code of Ethics*) establishes the general guidelines on the relationship with the environment, climate change and sustainability. It formalizes the Group's commitment to pursuing environmental protection, with a view to continuously improving its services. The Group states its commitment to promoting interactive dialogue with all stakeholders and to adopting sustainable social and ecological behaviors compatible with ESG parameters.

Actions and resources related to pollution [E2-2]

In order to achieve the strategic objectives related to pollution, and to prevent, mitigate and manage negative impacts and risks and pursue opportunities, the Veritas Group has adopted the actions detailed below.

One of the most important aspects of wastewater management to consider from an environmental perspective is the presence of pollutants and any pathogenic microbes in the wastewater. The purification plants's efficiency rates, corresponding to the rates of removal of the various pollutants, is expressed as a percentage of the pollutant loads present at the discharge compared to those present in the incoming wastewater.

For each purification plant, the pollutant loads received from the sewerage system and contained in the incoming waste and the related loads detected in the purified wastewater discharged into the surface water are analyzed. This information is made available to the residents and shareholders in the water resource traceability document published on the organization's websites and intranet. The abatement yields of the main macro-pollutants have increased considerably over the last decade thanks to important plant and operational improvements.

The actions implemented respond to the Group's strategic objectives and are grouped according to the reduction of water and atmospheric emissions and the prevention of soil pollution. They extend over a time horizon covering the current duration of the service contracts.

The actions initiated regard technological adaptations to reduce hydraulic risk in the area and protect the lagoon environment, increase the capacity of purification treatments, and reduce pollutant loads.

The 2024 capital expenditure was approximately € 18 million.

Targets related to pollution [E2-3]

The Veritas Group's pollution targets are stated in the *2019-2026 business plan* and address the pollution-related material **impacts**, **risks** and **opportunities**. The targets reported below refer to improving the performance with respect to the Arera regulations.

Reduction of water waste and air emissions

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Work to eliminate spill-overs in the Lusenzo Lagoon (Chioggia)	Water service	In 2023, the project to build a new rainwater tank reached 35% completion	2025	Entities Residents	% of work completed according to plan	Work implemented according to plan
General adaptation of sewerage and purification plants project	Water service	In 2023, the project to build pipeline reached 10%	2025	Entities Residents	% of work completed according to plan	Work implemented according to plan
Integrated Fusina project (PIF) primary treatments	Water service	In 2023, the project for the renovation and construction of a new section reached 25%	2038	Entities Residents	% of work completed according to plan	Work implemented according to plan
BAT ECO+ECO valorizza thermal plant	ECO+ECO	In 2024 the fume abatement improvement project is at 50%	2026	Entities Residents	% of work completed according to plan	Work implemented according to plan

Pollution of air, water and soil [E2-4]

The Veritas Group adopts consolidated methodologies to monitor the emissions, in full compliance with the current environmental regulations and authorizations and in keeping with the management systems. Each potentially polluting activity is subject to specific authorization procedures that establish emission parameters and limits to protect the environment and public health. The environmental monitoring plans, prepared in compliance with the authorizations, include periodic measurements of the parameters stated to correctly identify the plants' emissions.

Within the scope of its operating activities, the Veritas Group generates atmospheric emissions attributable mainly to the incinerators of unsorted municipal waste (Eco+Eco Valorizza) and crematoriums (in Marghera, Spinea and Conegliano). The emissions are monitored constantly using specific systems and protocols, in line with the current environmental regulations, in order to ensure the containment of the impacts and compliance with the authorization limits.

The emissions to water, significant for the Veritas Group, are attributable largely to wastewater treatment and purification within the integrated water service. In fact, all the plants send the previously treated wastewater to the municipal sewer system and thus to the purification plants. The treated wastewater comes from the municipal sewer system, with the exception of the Sg31 purification plant, which collects wastewater from the industrial sewer system in the Porto Marghera area. Once subjected to the purification processes, the wastewater is returned to the environment according to the quality parameters set by the legislation. The Group operates 36 purification plants, including 6 Imhoff tanks, within the scope of the integrated water service, an industrial wastewater purification plant (Sg31), a special liquid (hazardous and non-hazardous) waste treatment plant (Depuracque) and 36 purification plants in the historic center of Venice for the Municipality.

The main outflow from the purification system of the integrated water service is undoubtedly purified and disinfected water, compatible with the water bodies into which the purification plants discharge. Wastewater treatment represents an essential environmental function: although the discharges exiting the purification plants contain residual pollutants, they are the result of the removal and containment of much higher concentrations present in the incoming wastewater. In fact, the purification process separates and reduces the majority of the contaminants, contributing concretely to the protection of the aquatic ecosystems. The abatement rate of the purification plants is 90% on average for the main pollutants (chemical oxygen demand, biochemical oxygen demand, total suspended solids, total nitrogen, total phosphorus).

The discharge permits set specific limits for each plant, with more stringent requirements in areas classified as sensitive, in line with the national and EU legislation. All plants operated by the Group operate in compliance with these limits, ensuring ongoing and effective environmental protection.

Annually, for these plants, regardless of their capacity and excluding the Imhoff tanks, an analytical control plan for incoming and outgoing wastewater is drawn up, which defines the frequencies of self-monitoring assessments, consistently with the applicable legislation and as agreed upon with the control entities. Nine plants are required to submit the European Pollutant Release and Transfer Register (E-PRTR) statement, and of these, 6 plants discharge directly into water and 3 plants discharge into the sewer system and then the flow goes to another purification plant, without direct discharge into water. Among the latter, the Depuracque plant discharges, after the treatment, into the sewer system and the flow goes to the Fusina plant which, together with Sg31, sends the wastewater, for additional refinement, to the Fusina integrated project (PIF) plant, owned by Sifa and operated by Veritas, which discharges into the sea.

In compliance with Regulation (EC) 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register, E-prtr - Annex II), the mapping and analysis of data collected from the Group's plants allows for identifying and monitoring emission-relevant substances. No thresholds for releases to land and air as per Annex II were exceeded. With respect to releases to water, the pollutants reported in the E-prtr statements of the six plants that release to water are set forth in the following tables.

Purification plants, releases to water: amounts in E-prtr statements

pollutant	quantity				
	Caorle	Cavallino	Jesolo	Campalto	Chioggia
Total nitrogen (t/yr)			59.727	125.393	52.502
Phosphorus				9878.845	
Arsenic (As) and compounds (kg/yr)	7.607	10.22	15.808	41.919	34.107
Copper (Cu) and compounds (kg/yr)				103.271	
Nickel (Ni) and compounds (kg/yr)			22.745	59.491	20.676*
Zinc (Zn) and compounds (kg/yr)	331.897	172.2	327.525	465.25	761.21
Dichloromethane (DCM) (kg/yr)			22.745	45.763	20.676*
Hexachlorobutadiene (HCBD) (kg/yr)	1.811*	1.479*	4.549*	9.153*	4.135*
Tetrachloromethane (TCM) (kg/yr)	1.811*	1.479*	4.549	9.153*	4.135*
Trichlorobenzenes (TCB) (kg/yr)	1.811*	1.479*	4.549	9.153*	4.135*
Anthracene (kg/yr)	18.112*	14.788*	45.49*	91.525*	41.352*
Nonylphenol and Nonylphenol ethoxylates (NP/NPE) (kg/yr)				1.382	
Naphthalene (kg/yr)	18.112*	14.788*	45.49*	91.525*	41.352*
Polycyclic aromatic hydrocarbons (PAHs) (kg/yr)			45.49*	91.525*	
Chlorides (t/yr)	3572.797	2856.94	3581.369	4855.83	61692.35
Fluoranthene (kg/yr)	18.112*	14.788*	45.49*	91.525*	41.352*
Benzo (g, h, i) perylene (kg/yr)	18.112*	14.788*	45.49*	91.525*	41.352*

* The excess is due to the application of the medium-bound method; the amounts found were all below the instrumental detection limit. Here is the information for the purification plant: *Caorle and Cavallino* – hexachlorobutadiene, tetrachloromethane, trichlorbenzenes, anthracene, naphthalene, fluoranthene, benzo(ghi)perylene ; Jesolo – nickel, dichloromethane, hexachlorobutadiene, polycyclic aromatic hydrocarbons (PAHs) sum, anthracene, naphthalene, fluoranthene, benzo(ghi)perylene; *Campalto* – dichloromethane, hexachlorobutadiene, tetrachloromethane, trichlorobenzenes, PAH, anthracene, naphthalene, fluoranthene, benzo(ghi)perylene; *Chioggia* – nickel, dichloromethane, hexachlorobutadiene, tetrachloromethane, trichlorobenzenes, anthracene, naphthalene, fluoranthene, benzo(ghi)perylene.

Fusina Integrated Project, releases to water: amounts in E-prtr statements

pollutant	quantity
Total nitrogen (t/yr)	302.53
Total phosphorus (kg/yr)	14,001
Arsenic (As) and compounds (kg/yr)	159.786
Chromium (Cr) and compounds (kg/yr)	54.352
Copper (Cu) and compounds (kg/yr)	126.319
Mercury (Hg) and compounds (kg/yr)	1.195*
Nickel (Ni) and compounds (kg/yr)	281.827
Zinc (Zn) and compounds (kg/yr)	1,789.1
Aldrin (kg/yr)	23.905*
Atrazine (kg/yr)	23.905*
Chlordane (kg/yr)	2.39*
DDT (kg/yr)	23.905*
1,2-dichloroethane (EDC) (kg/yr)	23.905*
Dichloromethane (DCM) (kg/yr)	119.525*
Dieldrin (kg/yr)	2.39*
Diuron (kg/yr)	23.905*
Endosulphan (kg/yr)	23.905*
Endrin (kg/yr)	2.39*
Heptachlor (kg/yr)	2.39*
Hexachlorobenzene (HCB) (kg/yr)	2.39*
Hexachlorobutadiene (HCBD) (kg/yr)	23.905*
Halogenated organic compounds (kg/yr)	1,611.195
Lindane (kg/yr)	2.39*
Pentachlorobenzene (kg/yr)	2.39*
Pentachlorophenol (PCP) (kg/yr)	1.195*
Simazine (kg/yr)	2.395*
Tetrachlorethylene (PER) (kg/yr)	23.905*
Tetrachloromethane (TCM) (kg/yr)	23.905*
Trichlorobenzenes (TCB) (kg/yr)	23.905*
Trichloroethylene (TRI) (kg/yr)	23.905*
Trichloromethane (kg/yr)	26.865*
Vinyl chloride (kg/yr)	23.905*
Anthracene (kg/yr)	239.05*
Nonylphenol and Nonylphenol ethoxylates (NP/NPE) (kg/yr)	2.893
Isoproturon (kg/yr)	2.39*
Naphthalene (kg/yr)	239.05*
Di-(2-ethyl hexyl) phthalate (DEHP) (kg/yr)	2.39*
Polycyclic aromatic hydrocarbons (PAHs) (kg/yr)	239.05
Total organic carbon (kg/yr)	169.725
Chlorides (t/yr)	11,644.627
Cyanides (kg/yr)	239.05*
Fluorides (kg/yr)	19,636.229
Octylphenols and Octylphenol ethoxylates (kg/yr)	1.195*
Fluoranthene (kg/yr)	239.05*
Isodrin (kg/yr)	2.39*
Benzo(g, h, i)perylene (kg/yr)	239.05

* The mercury, alachlor, aldrin, atrazine, chlordane, chlorpyrifos, DDT, 1,2 dichloroethane, dichloromethane, dieldrin, diuron, endosulphan, endrin, heptachlor, lindane, hexachlorobenzene, hexachlorobutadiene, pentachlorobenzene, pentachlorophenol, simazine, tetrachloroethylene, tetrachloromethane, trichlorobenzenes, trichloroethylene, trichloromethane, vinyl chloride, anthracene, isoproturon, naphthalene, di-(2-ethyl hexyl) phthalate, cyanides, octylphenols, fluoranthene, and isodrin parameters exceed the thresholds for applying the medium-bound method. The amounts found were all below the instrumental detection limit.

The analyses are conducted by the Veritas laboratory and the tests are accredited according to the UNI CEI EN ISO/IEC 17025 standard. The analysis criteria are defined by the guidelines of the National System for Environmental Protection. In the above statements, the medium bound criteria was used: when the parameter is a sum of the concentrations of multiple substances, the substances found in a concentration lower than the limit of quantification (LOQ) contribute with a concentration amount equal to half of their LOQ in the calculation of the sum. In this method, the unidentified compounds are treated as if they were present at half of the LOQ, providing a more conservative estimate than the upper-bound method (where the maximum possible concentration, i.e. the LOQ itself, is assumed).

Potential financial effects from pollution-related impacts, risks and opportunities [E2-6]

During the reporting period, there was no capital expenditure incurred because no serious incidents relating to pollution occurred.

Water and marine resources [ESRS E3]

Sustainable management of water resources is a strategic area for the Veritas Group, which provides services that include water withdrawal, purification and distribution for civil and industrial uses, as well as the collection and purification of domestic and industrial wastewater.

For more information on the process used to identify the impacts, risks and opportunities, see the section on ESRS 2, SBM-3.

IMPACTS

✓	Positive impact from the reuse by users/customers and Group companies of water from sewage treatment plants, for industrial and irrigation uses.
✗	Negative impact linked to excessive water consumption due to scarce attention to water resources.
✗	Negative impact from the consumption by users, with a consequent increase in water withdrawals and a long-term decrease in the aquifer, aggravated by users' possible lack of awareness of their water use and by higher temperatures, particularly in summer.

− RISKS	+ OPPORTUNITIES
Risk generated by an increase in consumption by users, causing an increase in water withdrawals and leading to higher withdrawal costs and a worse environmental performance (Arera indicator M0), with the related penalties.	Opportunity from investments in the use of recycled water, which can reduce water withdrawal and the related costs and lead to reputational benefits and an improvement in the environmental indicators concerning the management of water resources (Arera M0 indicator), with the related rewards.

Policies related to water and marine resources [E3-1]

The area served by the Veritas Group has a good supply of **water resources**, consisting of both rivers of considerable importance (such as the Sile, Brenta and Piave rivers) and numerous secondary watercourses. Thanks to its geological features, the area includes a very precious **spring zone.** Most of the water supplied by the aqueduct system is extracted from the aquifer through wells. A minor portion of the water comes from rivers and is treated in water purification plants: this is an efficient system that enables dealing with peaks in demand, especially in the tourist season, and other issues, such as extensive seawater intrusion.

As an integrated water service operator, the Veritas Group sets policies to manage water resources responsibly, as formalized in the *Strategy*, the management system regulations and procedures, the *integrated management system policies*, the *integrated water service management policy*, the *integrated water service charter*, the *municipal water cycle - water resource traceability* document and the *Code of Ethics*.

Many of the Group's investments are geared to maintaining a constant supply of resources.

- *Strategy*

The Veritas Group's *Strategy* (for details see the section on ESRS E1, E1-2) is a formal document that defines the Group's key long-term commitments and the strategies to achieve them.

In the Strategy, the Group states its commitments to protecting water, which include the pursuit of a growing and absolute protection of water supply sources through pollution prevention, the treatment/filtration of the water matrix, and policies to save drinking water; the development, expansion and renovation of water distribution infrastructure networks; the completion and improved efficiency of the basin's sewerage networks and the strengthening and adaptation of wastewater purification technologies for the dual purpose of complying with the Venice lagoon protection regulations and local and national standards, and improving the overall industrial performance; the maintenance of the organization's methodical response to the hydraulic structure of the area, in coordination with the local authorities. All this is consistent with the intention to ensure an efficient, sustainable and widespread service, reducing water losses and improving the overall operation of the distribution system.

- *Management system regulations and procedures*

The integrated management systems consist of the set of documents that break down the organization's activities, ranging from the policies defined to the targets set for each process that the Group uses to ensure the services where it operates, managing impacts, risks and opportunities. For details, see the sections on ESRS E1, E1-2 and ESRS G1, G1-1.

For the Veritas Group, which operates in the integrated water services sector, the adoption of a certified quality and environmental management system guarantees the structured and responsible environmental management of water resources throughout the entire supply chain, from collection to distribution, up to purification. This approach makes it possible to monitor and reduce the environmental impacts, promote consumption efficiency and adopt preventive measures against environmental risks and contamination, in line with the commitments to protect and improve water sources.

- *Integrated management system policies*

In applying the UNI standard-compliant management systems, all the Veritas Group companies have come up with integrated quality, environmental and safety policies that are posted in their offices and published on their websites. The policies are approved by the general management. The policies reflect the Group's strategy that requires establishing and implementing cultural, organizational, engineering and technological processes in which the topics of environmental protection, limited primary resource use, energy savings, energy efficiency and renewable energy use, along with the economic and financial sustainability of the initiatives, are always in the foreground, as are the health and safety of the organization's people.

- *Integrated water service management policy and municipal water cycle - water resource traceability document*

Within its *integrated water service management policy* (for details see the section on ESRS E1, E1-2), the following topics regarding the management of water resources are important: protecting water resources, reducing impacts involving its use, saving natural resources and reusing purified water. To that effect, through the protection of water supply sources and policies for saving and reusing water resources, the integrated water service management ensures responsible management of natural resources in order to prevent and reduce the environmental impact of the Group's activities.

In addition to the above *Policy*, in 2023, with annual updates, the integrated water service management, in collaboration with the sustainability, environment and safety office, prepared a *municipal water cycle - water resource traceability* document with the following purpose: to share, with simplification, knowledge of a complex system that brings water from underground aquifers or rivers to homes and from there, purifying it, to the sea or rivers and canals. The idea is to make all residents aware of the withdrawal points, consumption and treatment processes of this vital resource, since water and its healthiness are not guaranteed forever, and protecting them is a collective responsibility. In times of climate emergency, greater awareness of the forms of the water service, of its close relationship with the physical limits of natural resources and of the ecological services that water performs as an essential element for every form of life, can truly make a difference. In fact, public water management is not just an industrial or economic matter; it increasingly takes on a social and cultural role related to the new universal sustainability and circularity standards for the sustainable extraction of the natural capital. For these reasons, a water operator must play an active role in the dissemination of content aimed at promoting virtuous behavior by users, guiding them toward a more rational and conscious use of water resources. The integrated water service is a public service, and as such has the duty to combine efficient management, investments, concepts and sustainability practices with the values of the local area, of the people who live there and of quality of life. This is why the residents must be put in a position to grasp the importance of the service in all its complexity: to act, it is necessary to know. In-depth studies, analysis and communication of data are also required on other fronts; one need look no further than the recent adoption by the European Commission of the *Delegated Regulation of the EU Taxonomy* for environmental objectives. The new Community tool is a classification system of economic activities designed to verify their consistency with the environmental objectives of the European *Green Deal*: climate change mitigation, adaptation to climate change, sustainable use and protection of water resources, circular economy, pollution prevention and reduction, protection and restoration of biodiversity and ecosystems. All these topics are addressed in the report submitted to the parent company's Board of Directors that aligns with the objectives of the *business plan*, of which the specific capital expeditures are reported and published on the organization's website and intranet.

- *Integrated water service charter*

The *integrated water service charter* (for details see the section on ESRS E2, E2-1) is an integral and qualifying element of the integrated water service management policy. In the *Charter*, the Group undertakes to comply with various established service quality parameters, whose indicators are constantly monitored and reported to general management, which evaluates the progress made and includes them in its planning documents alongside the objectives identified by the stakeholders and based on the information provided by the Regulatory Authority for Energy Networks and Environment (Arera).

The *Charter* formalizes the Group's commitment to protecting water resources, whose uncontrolled use could lead to their depletion, and to promoting their sustainable use. The *Charter* ensures the care and monitoring of the aquifer and springs and the efforts to finding water leaks in the distribution networks. It is also important for the Group to return to the environment water that is as close as possible to that withdrawn in terms of quality, so it is committed to repairing the sewer pipes and upgrading the purification services with new technology.

- *Code of Ethics*

The Group's Code of Ethics (for details see the section on ESRS G1, G1-1) establishes general guidelines on relations with the environment, climate change and sustainability. It formalizes the Group's commitment to pursuing environmental protection, with a view to continuously improving its services. The Group states its commitment to promoting interactive dialogue with all stakeholders and to adopting sustainable social and ecological behaviors compatible with ESG parameters.

Actions and resources related to water and marine resources [E3-2]

As part of its environmental commitments regarding the sustainable management of water resources, the Veritas Group has defined an action plan aimed at reducing the potentially negative impacts associated with its activities, containing environmental risks and pursuing the opportunities arising from a more efficient and conscious use of water resources. The initiatives implemented meet the Group's strategic objectives, stated in the *business plan*, and extend over a time horizon covering the current duration of the service engagements; they are described below.

The Group's medium-term actions are intended to optimize and develop distribution and supply systems on the one hand and reduce water consumption on the other. The 2024 capital expenditure was approximately € 17.9 million.

Other actions carried out in 2024 and still underway relate to raising the awareness of the shareholders, users and local communities, in part with a dedicated area of the website; thanks to training at schools on proper water use; a widespread information campaign for condominium managers to boost controls, especially in the seaside areas of tourist rentals; a project with WWF on plastic smart cities involving water use, with the creation of brochures for tourists.

Targets related to water and marine resources [E3-3]

In the *2019-2026 business plan*, the Veritas Group identified specific strategic targets relating to water resource management, with the aim of responding in a structured manner to the environmental impacts associated with its activities. The targets guide the Group's actions in assessing and managing the main risks and in seizing the opportunities for sustainable water use. The leak detection target is the only mandatory one as it refers to Arera regulations.

Optimization and development of distribution and supply systems

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Completion of new water supply plant	Integrated water service	43% completed (2023)	2027	Entities Residents Users Shareholders	% of completion	Work implemented according to plan
Completed renovation of supply networks and tanks with replacements	Integrated water service	In 2023 the project reached 95% of completion	2025	Entities Residents Users Shareholders	% of completion	Work implemented according to plan

Reduction of water consumption

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Monitoring of water leaks with innovative techniques and pilot projects	Integrated water service	In 2023, the project for implementing the work and installing instruments reached 0%	2025	Entities Residents Users Shareholders	% reduction of losses according to data analysis	% of project completion
Construction of more superficial groundwater treatment plants to avoid using deep aquifers	Integrated water service	In 2023 the project reached 0% completion.	2025	Entities Residents Users Shareholders	% of completion	Work implemented according to plan

Water consumption [E3-4]

In 2024, the Group used approximately 4.8 million cubic meters of water to carry out its activities, supplied from various sources: 83.3% is mainly groundwater or surface water, and thus drinking water, 6.3% comes from canals or wells or lagoons, and thus is non-drinking water, and the remaining 10.4% is reused or internally recirculated water, i.e. water used previously and subsequently reused.

With respect to drinking water, 86% of the 2024 withdrawals (3,482,843 cubic meters) are attributable to the integrated water service particularly for cleaning the water networks and water purification plants. The remaining 14% (554,923 cubic meters) was used for company offices (offices, locker rooms with showers, waste management plants).

The non-drinking water withdrawn (304,199 cubic metres) was used in some of the Group's plants for specific operations; in particular, at the Veritas Mirano transfer station, for washing vehicles and waterproofed surfaces and for the fire-fighting system, and at the Eco+Eco Valorizza and Depuracque plants for industrial processes.

In addition, the Group used 502,246 cubic meters of reused or internally recirculated water, of which 496,166 cubic meters came from the Veritas Fusina purification plant where it was reused by the same plant or at the subsidiary Rive.

The following table shows all the volumes sourced, measured with meter readings.

Water resources sourced (in m³)

	2024
Water resources sourced	**4,844,211**
of which drinking water	4,037,766
of which non-drinking water	304,199
of which reused or recirculated water	502,246

Below is the withdrawal (sourced drinking and non-drinking water) by risk area.

Water withdrawal (in m³)

	2024
Water withdrawal	**4,341,965**
of which water consumption in areas at water risk	0
of which water consumption in areas of high water stress	0

With respect to water consumption, the water withdrawn is almost entirely returned to the environment, apart from a small percentage of evaporation deemed insignificant. Moreover, the total water recycled and reused and the total water stored is zero; the changes in water stored are also zero. The water intensity related to consumption is negligible, since the Group returns almost all of the water to the environment. Instead, the water intensity related to the withdrawals is the ratio between the withdrawals and net revenues (approximately € 526 million), and is 0.008 (m^3/mln €).

According to the *water research institute* (*aqueduct*), the area where Veritas operates as at general water risk and is of medium-high water stress. As explained in the section on ESRS E1, SBM 3, relating to climate scenario analysis with a long-term time horizon, climate change impacts considerably the availability and quality of water resources. Extreme weather events are increasingly widespread: droughts are to become more frequent, and at the same time precipitation is intensifying and accentuating. Drought and excess water are two sides of the same coin, closely related to each other. Furthermore, increasingly high temperatures lead to a higher concentration of pollutants and algal blooms, which cause risks of eutrophication in water bodies, making the obtainment of water resources even more difficult.

Resource use and circular economy [ESRS E5]

Waste management services concern the integrated management of municipal and special waste (collection, transportation, treatment and use) and the collection, sorting and treatment of municipal waste represent some of the Veritas Group's most significant operations.

For details regarding the impacts, risks and opportunities covered in this section, see the section on ESRS-2, SBM-3.

IMPACTS

✓ Positive impact linked to waste collection, sorting, treatment and recovery activities, as well as the production of secondary raw materials and the transparency of these operations through waste traceability.

− RISKS	+ OPPORTUNITIES
Risk of exceeding the authorization limits due to fluctuating waste production (beyond the normal variability), caused by tourism spikes in some periods of the year and that lead to organizational difficulties and possible complaints from users, customers and residents.	Opportunities related to waste collection, transportation, sorting, treatment and traceability activities, which can optimize synergies, increase recovery rates, produce secondary raw materials and improve the business reputation.
Risk from sewage sludge treatment operations, which leads to worse environmental indicators (Arera indicator M5), with the related penalties.	

Policies related to resource use and circular economy [E5-1]

As an environmental waste service operator, the Veritas Group sets specific policies to manage waste responsibly, as formalized in the Strategy, the management system regulations and procedures, the *integrated management system policies*, the *integrated water service management policy*, the *integrated water service charter*, the *municipal water cycle - water resource traceability document* and the *Code of Ethics*.

- *Strategy*

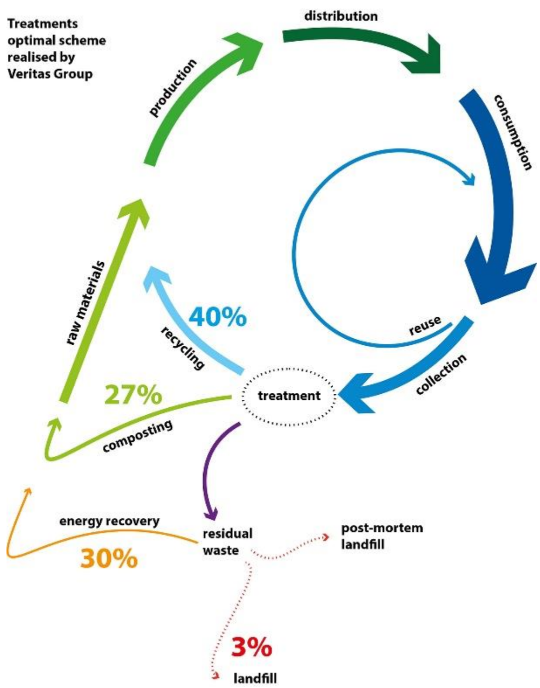
The Veritas Group's Strategy (for details see the section on ESRS E1, E1-2) is a formal document that defines the Group's key long-term commitments and the strategies to achieve them.

In the Strategy, the Group states its commitments to efficient waste disposal in compliance with the regulatory guidelines and with the best available techniques, prioritizing any necessary industrial or plant integrations and the self-sufficiency of the basin/area served, including from the perspective of circularity.

- *Management system regulations and procedures*

Integrated management systems consist of the set of documents that break down the organization's activities, ranging from the policies defined to the targets set for each process that the Group uses to ensure the services where it operates, managing impacts, risks and opportunities. For further details, see ESRS E1, E1-2 and G1, G1-1.

On this front, the Veritas Group adopts a structured approach to operating the waste management service, ensuring operational control over the waste collection, transportation and treatment processes according to efficiency, traceability and sustainability criteria, in compliance with the environmental requirements and standards set by the certified management systems.



- *Integrated management systems policy*

In applying the UNI standard-compliant management systems, all the Veritas Group companies have formulated integrated quality, environmental and safety policies that are posted in their offices and published on their websites. The policies are approved by the general management. The policies reflect the Group's strategy that requires establishing and implementing cultural, organizational, engineering and technological processes in which the topics of environmental protection, limited primary resource use, energy savings, energy efficiency and renewable energy use, along with the economic and financial sustainability of the initiatives, are always in the foreground, as are the health and safety of the organization's people.

- *Waste management service management policy and documents for the traceability of municipal waste supply chains*

The management of the Veritas Group's waste management services adopts a *waste management service management policy* based on sustainable development; for details see the section on ESRS E1, E1-2.

To guarantee its services, the management of waste management services uses the policy to ensure the streamlining of the waste transportation flows, perfecting the logistics of waste collection and transportation; greater efficiency through innovation and technology to achieve the objectives of saving and service optimization by experimenting with new solutions; compliance with regulatory and authorization requirements and the matching of the activities performed to the management systems; and responsible management of the natural resources used by adopting solutions to protect the environment, and prevent and reduce the environmental impact of the activities.

For the purpose of waste management transparency, the Veritas Group has created three tools capable of capturing the current situation of the waste treatment companies and meeting the European circular economy objectives: the *treatment framework,* which allows to determine how much is actually sent for recovery and how much for disposal, the *traceability of municipal waste recovery supply chain flows*, which allows to determine the actual recovery of waste from sorted waste collection, and the *sorted waste collection quality*, which enables to measure the quality of the different fractions of waste collected and to assess errors in the users' assignments.

The objectives of these documents are to:

- ensure the traceability and certainty of the flows of materials and energy from sorted waste collection;
- ensure control over the management of the various supply chain phases and activities and to measure the effectiveness of the treatments;
- provide a methodology to assess the Group's position with respect to the recycling targets of the European directives (Circular Economy Package);
- give a set of instructions regulating the supply chain certification process, in the absence of a specific technical standard;
- give transparency to the process that begins with the residents' daily commitment and ends with the recycling of materials.

In fact, for about a decade, the Veritas Group has been tracking and monitoring the recovery chains of the main fractions of municipal waste, and in 2024 certified 95% of the total waste collected in the 45 municipalities served. Through the traceability of all the main treatment chains of the fractions of municipal waste collected, the Veritas Group annually reports to all its stakeholders its performance in terms of the actual recycling and recovery of the waste managed, providing objective, certified data. The assessment concerns all phases of the chain, from when the residents and businesses deliver the municipal and similar waste to the collection system, during the collection and storage activities, within the waste recovery plants and in the production of secondary raw materials. A tool has also been created that defines the rules of each chain, a specification that allows monitoring the pattern of routes and flows of materials through more than 300 indicators. The traceability process has been certified by an external entity under the UNI/PdR 132:2022 reference practice. The reports are presented to the parent company's Board of Directors and are consistent with the objectives of the *business plan*, in which the specific capital expenditures are reported. A summary of the reports is published on the website, and the documents are available on the companies' intranet and websites.

Veritas Group results vs European targets

	Paper and cardboard packaging	**Glass** packaging	**Plastic** packaging	**Ferrous metal** packaging	**Aluminum** packaging	**Wood** packaging
Veritas Group results	**97%**	**77%**	**58%**	**90%**	**70%**	**85%**
2025 targets	75%	70%	50%	70%	50%	25%
2030 targets	85%	75%	55%	80%	60%	30%

■ *Integrated municipal waste management service charter*

The *integrated municipal waste management service charter* (for details see the section on ESRS E2, E2-1) formalizes the commitment to waste recovery from a circular economy perspective. It underlines the intention to promote initiatives to reduce the quantities of waste to be disposed of and their hazardousness. This commitment is also reflected in the promotion of initiatives for every type of sorted collection and recovery of materials and energy. The organization also undertakes to respect the environment, minimizing the impacts of all activities carried out by taking every initiative to promote the recovery of resources and to prevent dispersion into the air, water or soil that could damage health and the environment.

- *Code of Ethics*

The Group's *Code of Ethics* (for details see the section on ESRS G1, G1-1) establishes general guidelines on relations with the environment, climate change and sustainability. It formalizes the Group's commitment to pursuing environmental protection, with a view to continuously improving its services. The Group states its commitment to promoting interactive dialogue with all the stakeholders and to adopting sustainable social and ecological behaviors compatible with ESG parameters.

Actions and resources related to resource use and circular economy [E5-2]

As part of its environmental commitments for the sustainable operation of waste management services, the Veritas Group has devised an action plan to manage the impacts and limit environmental risks while pursuing opportunities arising from more efficient waste management. The initiatives implemented meet the Group's strategic objectives, defined in the business plan, and are described below. The Veritas Group tracks and monitors the recovery chains of the main fractions of municipal waste, making it possible to answer one of the questions frequently asked by residents, "where does the waste we assign go?”.

The traceability results provide very useful data for the assessments needed for the technological upgrading of existing plants and for the implementation of new work underway at the Marghera Ecodistrict: a hub for municipal and special waste treatment systems where the Veritas Group plans to create a true model of industrial symbiosis, with the objective of managing most types of municipal waste collected within a limited area in order to reduce the distance between one phase and another, even of different supply chains, thus streamlining flow management and cutting energy consumption and atmospheric emissions while improving the overall recovery services.

The results of this work demonstrate the importance of applying the circular economy to the entire management system of the Veritas Group companies, a model in which waste becomes an essential resource for the production of products from regenerated raw materials, companies that continue to renew and develop, placing themselves at the base of production cycles in which waste delivered through sorted waste collection becomes the key resource of a continuous flow of material within a loop.

In this situation, waste, whether consisting of packaging, food scraps or other organic substances, is nothing more than a material in a transitory phase of transformation, as happens in biological ecosystems. Once the material is put back into circulation, it no longer impacts the environment and no longer consumes the soil, which can instead be dedicated to agriculture; rather, it is used to fuel vital or technological cycles. Materials such as glass, plastic, metals, paper, cardboard and wood making up packaging thus return to performing their original functions, saving raw materials, of which the planet is increasingly poor, and reducing energy consumption; in fact, the process of reconstructing packaging from recycled material requires far fewer resources than producing it from virgin materials. Furthermore, working in this direction, it is possible to reduce landfill disposal, consequently lowering the emissions of climate-altering gases from the transportation and management of landfill waste.

The actions taken by the Group extend over a time horizon covering the current duration of the service contracts and can be grouped into waste management optimization activities; service reorganization and requalification; the development of new plants and strategies for waste disposal, recovery and treatment. The actions consisted of optimizing the landfill operation process and improving the former municipal landfill sites, standardizing them to the new regulations, adapting the infrastructures and collection systems with underground solutions and 4.0 solutions or by rearranging locations such as the Sacca San Biagio construction site, and using trenchless techniques for the refurbishment of sewer networks and end-of-waste processes.

The plant developments were based on waste traceability according to the UNI/PdR 132:2025 reference practice.
The 2024 capital expenditure was approximately € 23 million.

Targets related to resource use and circular economy [E5-3]

In the *2019-2026 business plan*, the Veritas Group identified specific strategic targets relating to waste management, with the objective of responding in a structured manner to the environmental impacts associated with its activities. The targets guide the Group's actions in assessing and managing the main risks and in seizing the opportunities for sustainable waste management. All the targets set forth below relating to waste management and service reorganization and requalification refer to compliance with the European regulations cited in the methodologies column with the exception of the end-of-waste target, which refers to voluntary UNI standards.

Waste management optimization

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Minimizing the environmental impacts of landfills post-closure and post-care	Veritas	In 2023, the optimization of the landfill operation process reached 9%	2026	Institutions Local communities Group companies	European directives on the of circular economy, reduction of landfill use Progressive reduction of waste disposal in landfills, compared to total municipal waste (by 2035): maximum 10%	% of completed work in landfills for post-closure or post-care management
Optimization of the use of the Jesolo landfill (the Group's only active landfill)	Veritas	In 2023, the authorized expansion activities reached 40%	2032	Institutions Local communities Group companies	European directives on the of circular economy, reduction of landfill use. Progressive reduction of waste disposal in landfills, compared to total municipal waste (by 2035): maximum 10%	% of expansion authorized
Adaptation of infrastructures and collection systems with development of 4.0 underground solutions	Environment Division	In 2023, the implementation of sorted waste collection points and 4.0 transponder waste collection systems reached 7%	2030	Entities Local communities Residents Shareholders	European directives on the circular economy, reaching sorted waste fraction recovery targets	% of implementation of transponder collection systems and 4.0 underground sorted waste collection points
End-of-waste process	Rive	% of secondary raw material produced out of total incoming waste, baseline 40%	2026	Entities	UNI standards	monitoring is carried out on the basis of the % of end-of-waste gravel produced compared to the total waste from street sweeping residues (EWC code 200303) as per the environmental declaration model (MUD) statement

Service reorganization and requalification

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Overall reorganization of Group transfers and transshipments - Jesolo and Chioggia transfer stations	Veritas	In 2023, the structural adjustments compliant with the new standards to ensure optimal technological management and site safety reached 10%	2038	Entities Local communities Residents Shareholders	European directives on the circular economy, reaching sorted waste fraction recovery targets	Monitoring is carried out on the basis of the % of work carried out up to the completion of the works
Overall reorganization of the Collection and Reuse Centers – CDR and Mestre Reuse Center	Veritas	In 2023, the reorganization was at 30%	2027	Entities Local communities Residents Shareholders	European directives on the circular economy, reaching sorted waste fraction recovery targets	Monitoring is carried out on the basis of the % of work carried out up to the completion of the works
Requalification and reorganization of the Sacca San Biagio construction site in Giudecca	Veritas	In 2023, the requalification and reorganization project of the complex reached 10%	2025	Entities Local communities Residents Shareholders Workers	European directives on the circular economy, reaching sorted waste fraction recovery targets	Monitoring is carried out on the basis of the % of work carried out up to the completion of the works
Relining of water and sewerage pipelines	Veritas Euroscavi	In 2024 1.6 km for drinking water pipeline and 13.5 km for sewerage pipeline	2038	Local communities Shareholders	Arera records, km measurement of renovated pipeline	% relined renovated pipeline out of total % of renovated sewerage and drinking water pipeline

Development of new waste management plants and disposal strategies

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Implementation of the glass segment for waste management	Eco+Eco Veritas	In 2024 95% of the facility was completed.	2025	Entities Residents	UNI/Pdr 132/2025	% of plant completed and % of glass sent for recovery from sorted waste collection recovered as furnace-ready glass 77%
Construction of paper processing platform	Eco+Eco Veritas	The construction of the paper processing platform was started in 2024	2026	Entities Residents	UNI/Pdr 132/2025	% plant construction and 97% paper sorted and recovered in paper mills
Transformation of plastic from waste	Eco+Eco Veritas	In 2024 the plastic manufacturing plant was authorized and is under construction	2025	Entities Residents	UNI/Pdr 132/2025	% plant construction and 57% of Corepla plastic sent for recovery
Plastic sorting and storage center	Eco+Eco Veritas	In 2024, the plastic processing platform was authorized and built	2027	Entities Residents	UNI/Pdr 132/2025	% plant construction and 57% of Corepla plastic sent for recovery
Construction of photovoltaic panel processing plant	9-tech Eco+Eco Veritas Depuracque	The pilot plant was built and patented in 2024. The areas and authorization titles were obtained.	2026	Entities Residents Group companies	Own patent	% plant construction
Construction of liquid waste management and disposal plants at third-party premises	Depuracque	In 2024, two groundwater treatment plants were started up at the Eni sites in Priolo	2025	Customers	Internal design standards	% plant construction

Waste recovery and treatment

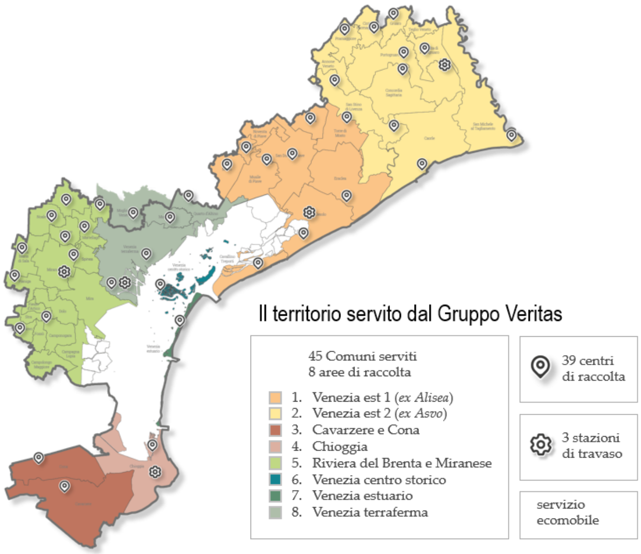
target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Maintaining the certification of waste supply chains		In 2023, the supply chain certifications guaranteed the traceability of 89% of the municipal waste collected by the Veritas Group	2025	Entities Residents Group companies	UNI/Pdr 132/2025	% certified supply chains

Resource outflows [E5-5]

From a circular economy perspective, the elements characterizing the waste management service processes are efficient collection and the use of waste through the recovery of the recyclable fraction and the production of fuel from the non-recyclable dry fraction. Furthermore, the waste managed through the Marghera Ecodistrict Hub creates synergies among the waste treatment plants and has very high recovery rates. These synergies enable waste flows to move between different plants in order to maximize recovery. It makes it impossible, for the reporting period, to provide aggregated Group waste data net of the intraGroup movements.

The collection, sorting and treatment of municipal waste are among the Group's key operations.

In general, waste treatment and disposal is a particularly material topic and, in order to keep this aspect under control, the Group has been implementing innovative management tools for years can monitor the flows of the waste recovery chains, making the various collection, transportation and treatment activities transparent, and identifying the industrial work necessary to upgrade the plant system following changes in flows generated by urban metabolism. The Group prepares annually summaries of the system's performance, as explained in ESRS E5, E5-1, which describes the traceability documents in detail.



As a waste management operator, the Veritas Group manages municipal and special waste from external users and produces, within the scope of its activities, internal waste and processed waste. The latter derives from processing the waste collected and from the waste treatment plants, wastewater purification plants and water purification plants (sludge, sand, etc.).

Special waste treated and produced

The special waste treated and produced by the Group derives mainly from the:

- sorting, treatment and recovery of municipal and special waste;
- integrated water service, from wastewater purification activities, water purification and maintenance of water and sewerage networks;
- operation of cemetery services and crematoriums.

All waste, by waste identification code, waste production activity, designated plant and disposal/recovery operation, is weighed and recorded in the business systems of each Group company. The quantities are then communicated to the competent authorities through the environmental declaration model (MUD) statement. For 2024, due to a deadline postponement for submitting the single environmental declaration model (Mud), the data relating to municipal waste collection and special waste production/treatment are still provisional, pending the final transmission. The sum of all special waste treated by the Group is 656,851 tons, of which 647,408.5 is non-hazardous and 9,442.5 is hazardous (1% of the total). However, this sum includes the intra-Group transfers of waste flows, many of which may be counted more than once. On average, the Group companies divert from disposal (through waste recovery or recycling) 72% of the waste produced (the average is weighted with respect to the waste quantity of each company). The remaining 28% is sent to disposal operations. Landfill use is limited to the production of waste deriving from waste treatment activities (such as slag or sand) (18% of the waste treated by all the Group companies).

The **special waste** treated and produced is presented below.

Waste treated/produced by the Group's companies in 2024 (t)

Group companies	non-hazardous	hazardous	radioactive	total
Asvo	0	0.076	0	0.076
Eco+Eco *ricicla*	219,229	9	0	219,238
Eco+Eco *valorizza*	251,247	1,362	0	252,609
Metalrecycling	33,178	28	0	33,206
Depuracque	6,864	7,362	0	14,226
Lecher	419	9	0	428
Rive	22,635	7	0	22,642
Sifa	0	0	0	0
Veritas	112,804	668	0	113,472
Euroscavi	1,025	2	0	1,027

By Group company:

Waste produced by Asvo for the supply of cemetery services in 2024 (t) by destination

waste type	non-hazardous	hazardous	total
waste diverted from disposal	0	0.076	0.076
preparation for reuse	0	0.076	0.076
recycling	0	0	0
other recovery operations	0	0	0
waste directed to disposal	0	0	0
incineration	0	0	0
landfill	0	0	0
other disposal operations	0	0	0
non-recycled waste			
total	0	0	0
percentage of non-recycled waste out of total waste managed	0%	0%	0%

Waste produced by Eco+Eco ricicla in 2024 (t) by destination

99.9% comes from waste treatment operations (EWC 19 codes); the remaining 0.1% is other waste produced by the plant. 100% of the waste directed to landfills derives from waste treatment operations.

waste type	non-hazardous	hazardous	total
waste diverted from disposal	167,261.6	9.5	167,271.1
preparation for reuse	127,548.1	9.5	127,557.6
recycling	20,668.7	0	20,668.7
other recovery operations	19,044.9	0	19,044.9
waste directed to disposal	51,967.4	0.0	51,967.4
incineration	0	0	0
landfill	51,814.9	0	51,814.9
other disposal operations	152.5	0	152.5
non-recycled waste			
total	51,967.5	0.0	51,967.5
percentage of non-recycled waste out of total waste managed	23.7%	0%	23.7%

Waste produced by Eco+Eco valorizza in 2024 (t) by destination

The plant sorts and treats unsorted municipal waste. 63.7% of the waste produced comes from waste treatment operations, as does 100% of the waste disposed of in landfills.

waste type	non-hazardous	hazardous	total
waste diverted from disposal	189,280.6	859.3	190,139.9
preparation for reuse	88,355.9	859.3	89,215.2
recycling	0	0	0
other recovery operations	100,924.7	0	100,924.7
waste directed to disposal	61,966.8	502.9	62,469,7
incineration	0	0	0
landfill	61,964	0	61,964
other disposal operations	2.7	502.90	505.6
non-recycled waste			
total	61,966.8	502.9	62,469.7
percentage of non-recycled waste out of total waste managed	24.7%	36.9%	24.7%

Waste produced by Metalrecycling in 2024 (t) by destination

Metalrecycling selects and prepares ferrous and non-ferrous metal waste for reuse. Of the waste produced, 99.6% comes from waste treatment operations (EWC 19 codes); the remaining 0.4% is waste produced by the plant. In addition, Metalrecycling produces 6,405.4 tons of end-of-waste metal (secondary raw material), equivalent to 16% of the waste.

waste type	non-hazardous	hazardous	total
waste diverted from disposal	33,177.9	0.6	33,178.5
preparation for reuse	32,745.6	0.6	32,746.2
recycling	201.9	0	201.9
other recovery operations	230.4	0	230.4
waste directed to disposal	0	28	28
incineration	0	0	0
landfill	0	0	0
other disposal operations	0	28	28
non-recycled waste			
total	0	28	28
percentage of non-recycled waste out of total waste managed	0%	98.04%	0.08%

Waste produced by Depuracque in 2024 (t) by destination

Depuracque treats special hazardous and non-hazardous liquid waste. 99% of the waste produced comes from waste treatment operations. 100% of the waste disposed of in landfills derives from waste treatment operations.

waste type	non-hazardous	hazardous	total
waste diverted from disposal	625.6	2,383.8	3,009.4
preparation for reuse	36.7	2,383.8	2,420.5
recycling	58.9	0	58.9
other recovery operations	530	0	530
waste directed to disposal	6,238.5	4,978.5	11,217
incineration	0	0	0
landfill	3,010.1	0	3,010.1
other disposal operations	3,228.3	4,978.5	8,206.8
non-recycled waste			
total	6,238.5	4,978.5	11,217
percentage of non-recycled waste out of total waste managed	90.9%	67.6%	78.8%

Waste produced by Lecher in 2024 (t) by destination

waste type	non-hazardous	hazardous	total
waste diverted from disposal	5.6	0.2	5.8
preparation for reuse	5.6	0.2	5.8
recycling	0	0	0
other recovery operations	0	0	0
waste directed to disposal	413.9	8.8	422.7
incineration	0	0	0
landfill	0	0	0
other disposal operations	413.9	8.8	422.7
non-recycled waste			
total	413.9	8.8	422.7
percentage of non-recycled waste out of total waste managed	99%	98%	99%

Waste produced by Rive in 2024 (t) by destination

88% of the waste produced by Rive comes from waste treatment operations (EWC 19 codes); the remaining 12% is other waste produced by the plant.

waste type	non-hazardous	hazardous	total
waste diverted from disposal	22,634.8	0	22,634.8
preparation for reuse	22,634.8	0	22,634.8
recycling	0	0	0
other recovery operations	0	0	0
waste directed to disposal	0	7.6	7.6
incineration	0	0	0
landfill	0	0	0
other disposal operations	0	7.6	7.6
non-recycled waste			
total	0	7.6	7.6
percentage of non-recycled waste out of total waste managed	0%	100%	0.03%

Waste produced by Veritas in 2024 (t) by destination

76.7% of the waste produced by Veritas comes from waste collection and treatment operations (EWC 19 codes), as does 99.9% of the waste disposed of in landfills.

waste type	non-hazardous	hazardous	total
Waste diverted from disposal	54,766.9	244.1	55,011
preparation for reuse	30,559.4	184.5	30,743.9
recycling	1,655.8	59.6	1,715.4
other recovery operations	22,551.7	0	22,551.7
waste directed to disposal	58,036.8	424.5	58,461.3
incineration	0	0	0
landfill	415.1	0.4	415.5
other disposal operations	57,621.7	424.1	58,045.8
non-recycled waste			
total	58,036.8	424.5	58,461.3
percentage of non-recycled waste out of total waste managed	51.4%	63.5%	51.5%

Waste produced by Euroscavi in 2024 (t) by destination

waste type	non-hazardous	hazardous	total
waste diverted from disposal	1,024.6	0	1,024.6
preparation for reuse	392.7	0	392.7
recycling	0	0	0
other recovery operations	631.9	0	631.9
waste directed to disposal	0	2.3	2.3
incineration	0	0	0
landfill	0	0	0
other disposal operations	0	2.3	2.3
non-recycled waste			
total	0	2.3	2.3
percentage of non-recycled waste out of total waste managed	0%	100%	0.2%

Sifa did not produce any special waste in 2024. It only carried out waste brokerage operations, for a total of 51,307 tons of brokered waste.

Treated and recovered municipal waste

The municipal and related waste produced by the Veritas Group is included in the total waste collected by Veritas (shown below) that at the end of the process - as regards unsorted waste and mixed waste from packaging - flows to Veritas' plants. The total waste includes some waste, not included in the statistic, that is produced and collected as sorted but that is not part of the percentage of sorted collection, as per Ministerial Decree of May 26, 2016, which establishes the guidelines for calculating the percentage of sorted municipal waste collection.

The presence of tourists and a fluctuating population affect considerably the determination of infrastructures needed to provide the waste management service. In fact, the metropolitan area of Venice and the surrounding municipalities attract millions of visitors every year, drawn by the natural beauty and historical and cultural heritage. Veneto is among the regions with the greatest tourist presence in hotels and non-hotel accommodations, in addition to numerous day tourists not included in the official statistics, and while tourists who stay overnight or consume on the premises contribute indirectly to the waste tax, those who do not use commercial services produce waste not covered by any payment, with a negative externality for the community. For these reasons, the tourist flow affects substantially the production and management of waste, which is higher in the summer months in all the municipalities served, with the exception of the municipality of Venice, where tourism is constant.

The Group pays particular attention to the actual recovery of the waste produced, and so the traceability of waste is certified every year under the UNI/Pdr 132:2025 reference practice to fully ensure the reliability and transparency of its activities.

The results obtained from monitoring the municipal waste flows, certified by an external and independent entity, are shown in the table hereunder:

Supply chains - 2023 data

supply chain	% recovery/directed to recovery
Paper and cardboard	97% directed to recovery in paper mill (of 60,934.37 t of incoming paper and cardboard waste at Pro-gest spa group plants)
Packaging glass	77% directed to recovery as furnace-ready glass (of 34,615.80 t of incoming refined glass waste at the Sibelco green solutions srl plant)
Corepla plastic	58% recovered as material (of 32,944.26 t selected at the Eco+Eco srl – *ricicla* plant)
Metals	90% directed to recovery as iron, aluminum and mixed refined metals (of 7,957.92 t of incoming refined metal waste at Metalrecycling Venice srl)
Residual municipal waste	27% recovered as material 34% recovered as energy (157,081.54 t of incoming waste at the Eco+Eco srl – *valorizza* css1 and css2 lines)
Green waste and twigs	29% became fertilizing green compost (of 70,293.80 t of green waste treated at composting and integrated plants)
Organic waste	2% became mixed fertilizing compost (of 80,766.40 t of organic waste treated at the Bioman spa and Sesa spa plants)
Wood	85% directed to recovery as panels (of 15,009.59 t of incoming wood waste at the Mauro Saviola group plants)
Bulky waste	31% directed to recovery in the plastic, metal, wood and paper supply chains (of 14,526 t of bulky waste collected)
Street sweeping waste	80% directed to recovery (of 3,873.49 t of waste processed at the Rive srl plant – operating period June to Dec. 2023)

The organic waste chain is composed of two fractions: a solid fraction recovered as fertilizer and a liquid fraction from which biogas is produced (at the Bioman and Sesa plants). In 2023, 10,516 MWh of electricity, 8,568 MWh of thermal energy and 4,274,814 Nm^3 of biomethane were produced from biogas.

Waste collected in 2024 by supply chain (t)

supply chain	waste collected in 2024
paper and cardboard	62,655.816
glass, plastic and metals	96,571.386
residual municipal waste	142,864.334
green waste	72,024.227
organic waste	91,453.253
wood	15,242.055
bulky waste	15,866.891
street sweeping waste	29,041.822

Corporate information

Own workforce [ESRS S1]

Human rights protection, inclusion and personal well-being are founding principles of the Veritas Group and an integral part of its social sustainability vision. Through structured policies and targeted initiatives, the Group promotes safe, inclusive and skills-oriented work environments while seizing growth opportunities and mitigating health and safety risks.

For more information on the process used to identify the impacts, risks and opportunities, see the section on ESRS 2, SBM-3.

IMPACTS

✓	Positive impact resulting from staff enhancement through various technical and relational training activities, including those not strictly linked to the work environment; internal personnel assessment before recruiting externally, structured performance evaluation system, leadership model based on 5 cross-cutting skills, which allows to monitor and add more strategic processes concerning the people and the positions in the organization (e.g.: screening, replacement plans, reorganizations, assignments, performance bonuses, etc.).
✕	Negative impact related to accidents and work-related ill health resulting from inadequate preparation of safety measures, deficiencies in training, inadequate maintenance and/or conformity of structures and personal protective equipment, and the improper use of machinery and equipment.
✓	Positive impact in terms of improving individual well-being thanks to corporate initiatives related to welfare and a work-life balance, such as remote working, flexible working hours, tailored schedules, an easier commute.
✓	Positive impact in terms of improvement in working conditions resulting from the guarantee of the collective bargaining agreement.
✓	Positive impact on staff health due to various welfare initiatives related to personal health, such as pink campers, supplementary insurance, dermatological visits and prevention activities including those related to job risks such as the manual handling of loads, active aging projects.
✓	Positive impact in terms of inclusion and respect for diversity related to the promotion of these topics through specific corporate policies, certification and inclusion training activities.
✓	Positive impact due to the special awareness raised of the different forms of violence and harassment through various initiatives such as: dedicated training on the subject, presence of a trusted adviser to turn to, penalties for harassment in the corporate code of ethics, and inclusion of the risk in the Risk Assessment Document.
✓	Positive impact in terms of inclusion of persons with disabilities, by being equipped with accessible infrastructures and working methods and supported by technological innovation.
✓	Positive impact in terms of promoting gender equality through corporate initiatives, training, career paths and fair remuneration policies.

— RISKS	+ OPPORTUNITIES
Risk related to accidents and work-related illnesses that impose the need to replace injured staff, additional costs and potential penalties.	Opportunity related to training and the development of employee skills that can increase operational effectiveness and efficiency, improve the corporate climate and relationships, and strengthen the sense of belonging to the Group.

Material impacts, risks and opportunities and their interaction with the strategy and business model
[S1-SBM3]

All the Group's workers, regardless of their contractual type - employees, including seasonal workers, students or staff provided by temporary employment agencies - fall within the definition of the Group's own workforce and are included in the reporting scope; in fact, the Group's people have always been the subject of careful consideration in the business strategy and business model.

The positive and negative impacts and the risks and opportunities were evaluated with the double materiality assessment, in order to provide an overall portrayal of the Veritas Group. The impacts identified are closely associated with the Group's strategy and business model, and are geared towards the constant enhancement of human capital, including through structural adjustments intended to manage new risks or seize emerging opportunities.

Below is a summary of the main material impacts, risks and opportunities of the organization's own workforce.

The material positive impacts are the result of training activities and personal and relational initiatives organized to promote the best working conditions. These impacts cut across the entire workforce and contribute to improving the quality of the workers' professional and personal life, strengthening their trust in the corporate environment.

The only negative material impact concerns the risk of accidents and work-related illnesses, associated with possible safety deficiencies, such as inadequate training, insufficient or non-compliant devices and structures, and improper equipment use. Although this impact is not systemic, it can occur in isolated episodes and requires constant monitoring through targeted intervention, training plans, internal audits and regular maintenance.

In relation to the impacts described above, the Group has identified the following risks and opportunities:

- Risk of accidents and work-related illnesses with potential financial and organizational consequences, such as the replacement of absent staff, higher operating expenses and the exposure to penalties.
- Strategic opportunity in training and skills development, capable of improving operational efficiency, work quality, sense of belonging and relationships between colleagues, contributing to the creation of shared value.
- There are no high-risk operations in terms of forced labor or child labor. In fact, the Group keeps up a high level of attention on these aspects, which are regulated in detail at a national level, including through the requirements imposed in the qualification processes and audits of external companies that supply personnel.
- The Group is aware that some categories of workers in its workforce may be more exposed to risks, such as those assigned to operational tasks or those with greater physical loads. For this reason, prevention, dedicated training, medical support and job analysis programs are in place that focus on gender, age, physical condition and type of contract.

Policies related to own workforce [S1-1]

The Veritas Group has set policies for responsible and sustainable workforce management formalized in the *Code of Ethics*, the *Disciplinary Code*, the management system regulations and procedures and the *Inclusion Policy*. These tools guarantee coherence, fairness and attention to the rights, well-being and development of the people within the organization.

Code of Ethics

In *the Code of Ethics* (for details see the section on ESRS G1, G1-1), the Veritas Group undertakes to respect the rights and the physical, cultural and moral integrity of all the persons with whom it interacts. The centrality of the person is expressed in particular by valuing its workers (whether they are employees or connected through another work relationship) while respecting their diversity. The Group also undertakes to protect the integrity of its employees by spreading and enforcing a workplace safety culture, developing risk awareness, complying with current legislation and promoting responsible behavior by all those who work with it. Furthermore, it undertakes to preserve, with preventive, organizational and technical actions, the health and safety of its workers, the contractors' personnel and external workers.

As reported in its *Code of Ethics,* the Veritas Group supports and respects human rights. Accordingly, the *Code of Ethics* is prepared in accordance with the national regulations in force and with the principles contained in the United Nations *Universal Declaration of Human Rights*, the breach of which is subject to the specified penalties. The *Code of Ethics* is also in conformity with the *Code of Equal Opportunities*, UNI/PdR 125:2022 and UNI/PdR 159:2024. Furthermore, to the extent compatible, it adheres to the *Code of Conduct for Public Employees* pursuant to Presidential Decree 62/2013 and subsequent amendments, and with the guidelines of Anac resolution 177/2020. In the *Code of Ethics*, the Group states its commitment to promoting interactive dialogue with all stakeholders and to adopting sustainable social and ecological behaviors compatible with ESG parameters.

- *Disciplinary code*

In accordance with the principles set out in the *Code of Ethics* and in compliance with the current regulations, the Veritas Group has adopted a *Disciplinary Code* (for details see the section on ESRS G1, G1-1) to ensure proper work performance, promoting responsible, transparent behaviors in keeping with its values. This *Code* defines in a clear and detailed manner the prohibited conduct and the applicable penalties in the event of breach, with a view to fairness, proportionality and protection of the individual. The *Disciplinary Code* is a fundamental tool to prevent unlawful conduct or behaviors that are against the organization's interests, reinforcing a corporate culture of integrity and personal accountability.

The Veritas Group is committed to ensuring the most extensive dissemination possible of the *Disciplinary Code* to all its workers and contractors, with ongoing communication, training and updating activities to promote the awareness of the respective duties and adherence to its ethical and organizational principles. The Disciplinary Code is posted at all the companies' offices.

- *Management system regulations and procedures*

Integrated management systems consist of the set of documents that break down the organization's activities, ranging from the policies defined to the targets set for each process that the Group uses to ensure the services where it operates, managing impacts, risks and opportunities. For further details, see the section on ESRS G1, G1-1.

Based on the characteristics and complexity of the individual plants, the Group companies have adopted an occupational health and safety management system compliant with the UNI ISO 45001:2018 standard. The system was implemented to prevent accidents and work-related illnesses, and promote safe and healthy workplaces for all the workers. All the Group companies, except for Metalrecycling, which nevertheless applies the guidelines of the standard, are certified with the UNI ISO 45001:2018 standard, demonstrating their concrete commitment to ensuring personal safety, legislative compliance and continuous improvement in health and safety performance.

In carrying out its activities, the Group undertakes to adopt the best management and organizational practices, to proactively assess and manage risks, and to implement preventive and corrective measures for protecting the workers. In this context, the Group companies operate under integrated policies that guide the daily actions in accordance with the principles of prevention, organizational well-being, transparency and accountability.

For the purpose of managing the impacts, risks and opportunities related to their own workforce, the Veritas Group companies obtained several voluntary human resource certifications, including:

- *UNI/PdR125:2022 certification of gender equality, adopted by Veritas, Depuracque, Lecher and Eco+Eco*. The certification represents a specific policy aimed at eliminating discrimination, including harassment, and promoting equal opportunities and other solutions to foster diversity and inclusion. Through this certification, the companies have made specific political commitments relating to inclusion and affirmative action for persons belonging to groups particularly at risk of vulnerability in their workforce. These commitments include mentoring programs, diversity and inclusion training, and initiatives to improve accessibility and support for employees with disabilities. The certification is accompanied by specific procedures to ensure that discrimination is prevented, mitigated and addressed if detected. The procedures include: anonymous reporting (whistleblowing) mechanisms for employees (for more information, see the section on ESRS G1, G1-1), mandatory diversity and inclusiveness training for all employees, monitoring and periodic reviews of business practices to ensure the compliance with non-discrimination policies.

- *UNI/PdR 159:2024 certification - Work force inclusive of persons with disabilities, adopted by Veritas*. The certification concerns a work force inclusive of persons with disabilities, and provides guidelines and best practices to organizations that seek to promote the inclusion of persons with disabilities. The main objectives of the certification include: promoting inclusiveness, adapting work environments, training, raising awareness, developing corporate policies and monitoring the effectiveness.
- *UNI ISO 45001 certification, adopted by Veritas, Asvo, Depuracque, Lecher, Eco+Eco and Euroscavi - international standard for occupational health and safety management systems*.

The own workforce policies do not address human trafficking, forced or compulsory labor or child labor, as these issues are not relevant to the activities of the Veritas Group and the boundaries within which it operates.

- *Diversity policy*

Consistently with its commitment to protecting and enhancing the workers as stated in the *Code of Ethics*, the Group works to promote practices to develop and manage internal resources by setting policies that promote their well-being and protection. On this front, the parent company has adopted a *diversity policy* that applies to the employees of all the Group companies.

The document, drawn up by Veritas spa and approved by the Board of Directors, encapsulates the diversity and inclusion policies intended to generate value and efficiency in the organization; it is available on the Group companies' websites and intranet. The general objectives of the document are to set out the organization's fundamental principles to best enhance the activities of each person, according to their capability and potential, while recognizing the differences in the individuals' skills and abilities and increasing their knowledge and capacity. The policies touch on various aspects that have emerged as material impacts, risks and opportunities, including training, personal well-being, non-discrimination, gender equality and disabilities. Reasons for discrimination specifically contemplated in the document are: gender; gender identity, sexual orientation; disability; religion or belief; age and generational difference; interculturalism.

Processes for engaging with own workers and workers' representatives about impacts [S1-2]

In setting its strategies for managing the actual and potential material impacts on its own workforce, the organization ensures the structured and continuous engagement of its workers and their representatives, including both the trade unions and workers' safety representatives. Communication occurs using periodic consultation methods and with active participation in specific engagement processes, as detailed hereunder.

The Group undertakes to integrate the feedback collected into the decision-making processes, ensuring that workers are informed about the results and about the influence of their requests. Engagement activities are carried out both centrally and at a site/planning level, with a system to collect and centralize information that allows for consistent analysis at an organizational level, coordinated by specific committees and working groups. The organization allocates dedicated human and financial resources to promoting an ongoing dialogue with its workforce.

Global framework agreements and trade union agreements improve the understanding of the workers' perspectives and help assess the engagement effectiveness, including through concrete results or agreements reached.

In 2024 a new *industrial relations protocol* was stipulated under which the sustainable development goals (SDGs) are applied, fundamental for the management approach of any organization with a vision for the future. It provides a global sustainability vision and ensures that strategic decisions are taken in the interest of the community and the planet. Only through responsible and sustainable management can organizations contribute to achieving the SDGs and do their part for a better future.

The protocol has identified bilateral commissions, which examine the demands associated with the related activities and are empowered to sign minutes and agreements, and working groups that perform an investigative activity aimed at preparing technical documents that are submitted the bilateral commissions or union negotiation tables. Equal participation of women and men is guaranteed in the commissions and working groups.

The topics covered are: equal opportunities; training, conversion of performance bonuses into wellness credits, commissions on new professional skills, implementation of the supplementary agreements; wellbeing, work-life balance, parenting, inclusion and sustainability, health and safety, purchase of company vehicles and equipment, challenges to employability and employer branding, optimization of processes in the performance of the service.

In addition, four events were organized during 2024 to gain an understanding of the interests and views of the key stakeholders, including the employees, in relation to the impacts, risks and opportunities of the Veritas Group. For further details, see the section on ESRS 2, SBM-2.

Lastly, with respect to safety, two internal assessments were initiated in 2024, directed to all the employees and anonymous, regarding harassment and work-related stress, the results of which are currently being processed.

Processes to remediate negative impacts and channels for own workers to raise concerns [S1-3]

The organization has established specific processes to address and remedy material impacts, where it has caused or contributed to them. In the area of health and safety, these processes include timely internal investigations of incidents or risk reported, the implementation of immediate corrective measures, and verification of the effectiveness of the actions taken through internal audits, performance indicators (e.g. reduction of accidents, absenteeism rates for safety-related reasons), and feedback from the workers involved. The grievance mechanisms relating to health and safety allow each report to be tracked, its status monitored and its resolution assessed in terms of time and results.

In general, the Group's people have several channels available to communicate their concerns safely and directly, including:

- a digital whistleblowing platform; for details, see the section on ESRS G1, G1-1;
- the listening desk;
- the confidential adviser (for the prevention and monitoring of mobbing and harassment, with training and consulting, helps remedy individual cases with informal or formal procedures; the references are available on the intranet site with dedicated e-mails);
- onboarding processes for all employees;
- periodic meetings with workers' health and safety representatives.

The Group adopts structured grievance mechanisms for its personnel, ensuring confidentiality, timeliness and impartiality. Requests can be submitted through the dedicated channels listed above, and all reports are analyzed and, if necessary, followed up with corrective actions.

The Group actively promotes the availability and accessibility of these channels in all workplaces, with information campaigns, specific training sessions and engagement with the workers' safety representatives. The issues raised are constantly monitored, patterns are analyzed and preventive and corrective measures are adopted. The awareness of these channels, and their effectiveness, were assessed with a survey distributed to Veritas' employees in 2024 following a harassment training activity, the results of which will be made available to the employees in the first half of 2025. The survey included an analysis of the awareness of the tools made available for reporting all situations of work-related distress. To ensure a safe environment in which employees can freely express their concerns, the organization has also adopted a zero-tolerance policy towards retaliation in order to protect anyone who uses these tools, including workers' representatives. These protections are communicated clearly and implemented rigorously to reinforce a high-participation and transparent safety culture.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions [S1-4]

To achieve the strategic human resources objectives, and to prevent, mitigate and remedy negative impacts and risks and pursue opportunities, the Veritas Group has taken the actions detailed below.

The Group's objectives are summarized in its strategic plans for obtaining certifications on gender equality (UNI/Pdr 125:2022) and disability (UNI/Pdr 159:2024), and in its focus on safety certifications under the UNI EN ISO 45001:2023 standard.

The inclusion and diversity policies promoted by the Group have a tangible impact on the communities of origin of its workers. This goes beyond just the employment aspect, as it also focuses on attracting disadvantaged or marginalized persons.

The Group recognizes that work is one of the main catalysts for the integration and self-determination of each individual, as stated in Articles 3 and 4 of the Italian Constitution. Furthermore, inclusion values fostered in the workplace are reflected positively in the private lives of the workers, and thus generate a beneficial impact on the surrounding area.

To ensure the monitoring and evaluation of these impacts, Veritas has made efforts to carefully measure the effects of its policies on the communities involved.

To keep attention on all the topics of the actions, in 2024 the parent company's general management established a Group Steering Committee with the purpose of adopting efficiently and implementing continuously the *inclusion and diversity policies*. The Committee proposes to value and protect diversity and equal opportunities in the workplace, with an action plan (Group Strategic Plan, consistent with the objectives of the *2019-2026 business plan* whose time horizon that covers the current duration of the service engagements) for their implementation, setting up a business model that guarantees the maintenance over time of the requirements set and implemented, and measuring the progress made through specific KPIs to be reported in the management system documents, used to maintain and verify the planned actions including through system audits.

The strategic plan defines, for each identified topic of the policy concerning each material impact or risk and opportunity, simple, measurable, achievable, realistic objectives, planned over time and assigned as implementation responsibilities. The Group Steering Committee, in coordination with the inclusion working group, collects and analyzes the general and specific

KPIs relating to the implementation of the strategic plan and evaluates its progress by implementing corrective actions in the event of deviations.

During 2024, the following initiatives were introduced to contribute to the psychological and physical well-being of the workers:

- Help desk for employees and their families;
- Penelope Project: activities to accompany and support the return to the workplace after maternity leave;
- Pink camper: free screening for female workers during working hours with mammography, mammography examination and breast examination;
- Blue day – prostate cancer prevention for the organization's male population;
- Heart health check-ups for persons over fifty years of age;
- Dermatological visits for melanoma prevention;
- On-site nutritionist;
- Lazarus Project: activities to accompany and support the return to the workplace after illness-related absences;
- Active aging: training activities based on prevention, protection and safeguarding of the health of the employees with the aim of promoting active aging. The activities are designed to raise the workers' awareness of the importance of their psychological and physical well-being, achievable through good practices and proper lifestyles. The employees alternate classroom learning with experiential learning and physical activity.

In addition, the following events were organized:

- **Feb. 21, 2024** Inclusive language webinar organized by Fondazione Onda
- **March 8, 2024** "With mimosas, we respect the company" webinar
- **Nov. 25, 2024** "Stop violence against women" campaign and fundraising for the Giulia Cecchettin Foundation
- **Nov. 25, 2024** Mute Voices theater project: a show performed by Veritas employees who enacted experiences collected by interviewing women in the organization. Held within the off-program segment of the "the Legacy of Women" festival
- **2024-2025** corporate volunteering program: online meetings and webinars.

Furthermore, the Veritas Group received the Health-Friendly Company (HFC) certificate from the National Observatory for Women's and Gender Health (Onda) Foundation.

As part of the award, the Onda Foundation gives the employees the opportunity to attend training courses on topics related to individual and organizational well-being, gender diversity and language.

The activities receive various types of funding (tax relief for obtaining gender equality certification, "Riparto" notice, funded training, etc.), so they do not represent a cost for companies, apart from the specialized safety training.

To evaluate the effectiveness of the measures, regular surveys are conducted with the employees, resulting in the structuring of the events and training listed above, and then the effectiveness is measured each time with specific questionnaires that are used to plan the next events.

Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities [S1-5]

The Veritas Group's human resource targets, in keeping with the strategic plan and the *inclusion and diversity policies*, are stated in the *2019-2026 business plan* in order to address the material **impacts**, **risks** and **opportunities**.

For the target setting process, see the section on S1-4.

Optimization and requalification of premises to ensure workers' health and safety

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Operational optimization and divestment of non-owned offices to ensure workplace safety and more women's locker rooms to accommodate greater female employment even in operational services	Environment and Heritage Services Division	In 2023, the process of reducing the operational dispersion, disposing of non-owned locations and increasing women's locker rooms reached 15%	2027	Employees	Assessment of the current net assets, planning of the office relocations and planning of women's locker rooms	% completed
Operational optimization and divestment of non-owned offices to ensure workplace safety and improve personal well-being - Calnova work	Water Service and Heritage Services Division	In 2023, the building conversion reached 0%	2028	Employees Entities	Implementation of reorganization project at the Calnova location awaiting approval by the Municipality	% completed
Reorganization of Depuracque Servizi srl properties	Depuracque Servizi srl	In 2024, the project implementation reached 30% completion	2025	Employees Residents Entities	Construction of the new location	% branches and services with translation activation

Promoting the values of diversity and inclusion in recruitment and hiring processes

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Ensure a fair and inclusive hiring process	Group Human Resources Management	In 2023, a total of 13 notices were prepared	2038	Residents Employees	Preparation of hiring notices containing rules to prevent gender inequality; and preparation of hiring with gender-neutral job descriptions and recruitment targeted to both men and women	% inclusive calls notified/year
Promote inclusiveness and diversity in the hiring process	Group Human Resources Management	In 2023, the rate of female participants reached 30%, 87 out of 292 total	2038	Residents Employees	Promote inclusiveness and diversity in the hiring process as a competitive lever to value respect, the enhancement of skills and the effectiveness of new hires	% inclusive calls notified /year
Promote inclusiveness and diversity principles to enhance skills and attract new talent	Group Human Resources Management	In 2023, 1 soft skills enhancement tool was used	2038	Residents Employees	Determine a hiring method that takes into account diversity and inclusion principles to enhance skills and attract talent	N. of soft skill tools used to enhance skills/total
Promotion of gender equality in hiring processes	Group Human Resources Management	In 2023, women accounted for 53% of the hiring committees, with 27 participants out of 51 total.	2038	Residents Employees	Appoint hiring committees that take diversity into account in all its dimensions intersecting with the competencies, and prohibit questions during interviews related to marriage, pregnancy, or caregiving responsibilities	% women in hiring committees out of total committee members per number of hirings
Promotion of initiatives to foster the inclusion of disadvantaged persons in the workforce	Group Human Resources Management	In 2024, two youths were placed on training courses, one of whom was later hired	2038	Residents Employees	Exceed regulatory compliance requiring the hiring of disadvantaged persons by concentrating on the individual and ensuring an inclusive environment with greater work participation of persons with disabilities, including internships for boys and girls with disabilities	N. of persons exceeding the legal rates

Characteristics of the undertaking's employees [S1-6]

The Veritas Group, whose entire workforce is employed in Italy, consisted of 3,586 persons at December 31, 2024. Within the Veritas Group, the most represented professional categories are those of (administrative and technical) white-collar workers and blue-collar workers, who account for approximately 31% and 65% of the employees, respectively. Due to the nature of the services provided, the Group is largely made up of labor intensive companies, in which the majority of the population consists of blue-collar workers and technicians.

With respect to the calculation methodology, for all the metrics regarding this section, the information refers to the number of persons at the end of the reporting period.

Total number of employees in 2024 by gender

gender	number
male	2,850
female	736
other	0
not reported	0
total employees	**3,586**

99.6% of the employees have a permanent contract (3,573 employees in total), of which 20.3% are women and 79.3% are men. The remaining 0.4% is on a temporary contract (13 employees in total), approximately 0.2% men and 0.2% women. Of these, 3 are employees with non-guaranteed minimum hours, accounting for 0.08% of the total employees. They are workers who were hired on a temporary contract for a special project of the Municipality of Venice, and they carry out their work on call.

91.6% of the employees have a full-time contract (3,286 employees in total), of whom 76.8% are men and 14.8% are women, and 8.4% of employees have a temporary contract (300 employees in total), of whom 5.7% are women and 2.7% are men.

Number of employees in 2024 by contract type and gender

	female	male	not reported	other	total
number of employees	736	2,850	0	0	3,586
number of permanent employees	729	2,844	0	0	3,573
number of temporary employees	7	6	0	0	13
of which with non-guaranteed hours	2	1	0	0	3
number of full-time employees	532	2,754	0	0	3,286
number of part-time employees	204	96	0	0	300

The total number of employees who left the organization in 2024 is 162, for a turnover rate of 4.5%; of these, 35 were seasonal workers.

Characteristics of non-employee workers in the undertaking's own workforce [S1-7]

The area served by the Group is highly touristic. In fact, Veneto is the region with the highest number of tourists in Italy (around 70 million per year on average, more than 73 million in hotel and non-hotel accommodations in 2024) and the city of Venice has the highest number of tourists in the Veneto Region (40 million in hotel and non-hotel accommodations in 2024, in addition to day tourists). Tourist fluctuations are very pronounced in the summer months in the coastal areas, while in the historic city of Venice the monthly fluctuations are less strong, with a high tourist presence every month of the year.

To meet the increased demand for services in the summer months and, at the same time, satisfy the need for employees to take their vacation time, the Group uses seasonal labor. However, in 2024, a serious, growing difficulty in finding personnel was encountered, at all the organizational levels, especially drivers with C and CQC licenses for larger vehicles, despite introducing many external hiring processes. It was therefore necessary to resort to substantial temporary work, involving 17 employment agencies.

Moreover, in accordance with the personnel regulations, an additional external hiring channel was defined, in which searches and screening are assigned to temporary employment agencies with the provision of an initial period of placement for the temporary candidates.

Overall, in 2024, the Veritas Group employed 400 temporary workers and 30 interns/students. The interns/students are not workers employed by the Group's companies; they are carrying out an internship for the preparation of their university thesis or as part of the school-work alternation program. Like for the employee workers, the number of non-employee workers is reported in terms of the number of persons.

All operations are carried out in Italy, and 44 of these workers work outside the Group's geographical area for activities at other companies. The other non-employee workers work at the Group's business offices.

Collective bargaining coverage and social dialogue [S1-8]

The Group promotes a constructive and continuous dialogue with the workers' representatives, based on mutual respect and the pursuit of shared solutions. This commitment translates into fully recognizing trade union rights, including freedom of association and the right to collective bargaining, and ensuring compliance with the current regulations and collective bargaining agreements applicable in the contexts in which it operates. As part of its commitment to a fair working environment respectful of workers' rights, the Veritas Group adopts several national collective bargaining agreements (CCNL), thus ensuring full protection of freedom of association and the right to union representation, in accordance with the current legislation. At December 31, 2024, the Group's entire workforce, comprising 100% of the staff, was covered by national collective bargaining agreements, and all those applied agreements fall within the European Economic Area (EEA).

For temporary workers, the working conditions in terms of days and hours worked per week, remuneration, holidays and vacation time are consistent with the levels, hourly service and roles for which they are employed on the basis of the collective bargaining agreements covering the employees. Hence, 100% of the working conditions of the temporary workers are determined by national and company collective bargaining agreements.

Since the students and interns are not employees, but persons involved in training programs, depending on the type, their administration is structured as follows:

1. School-work alternation is regulated by Legislative Decree 77/2005, which defines its purposes, methods and activation criteria for the secondary education pathways;
2. extracurricular internships are regulated by the Regional Council Resolution (DGRV) 1816/2017, subsequently updated by DGRV 634/23, which sets the conditions, duration and requisites for activation at a regional level.

At December 31, 2024, 100% of the Veritas Group's total workforce was covered by union representation, regardless of union membership. No agreements of European relevance exist because the Group operates exclusively in Italy.

Diversity Metrics [S1-9]

For the Veritas Group, promoting gender diversity means much more than ensuring equal opportunities: it is a concrete commitment to combating all forms of discrimination and gender-based violence. Below is the gender distribution at the top management level, understood as the group of executives and managers present in the Group's workforce at December 31, 2024.

Gender distribution at top management

gender	
number of employees in top management	
male	77
female	37
other	0
not reported	0
total	**114**
percentage of employees in top management	
male	68%
female	32%
other	0%
not reported	0%

The age breakdown of the Veritas Group's staff is also a key indicator for understanding the demographic structure and internal dynamics. The table below shows the distribution of the employees by age group at December 31, 2024, providing a useful overview for planning human resource management policies, encouraging generational turnover and promoting targeted professional development initiatives.

Distribution of employees by age group

age	number	percentage
under 30 years old	192	6%
30 to 50 years old	1,626	45%
over 50 years old	1,768	49%

Social protection [S1-11]

All Veritas Group employees are covered by social protection, through public programs or through benefits offered by the organization, against loss of income due to major life events such as:

a. illness;
b. unemployment starting from when the own worker is working for the organization;
c. employment injury and acquired disability;
d. parental leave;
e. retirement.

The Group regularly applies appropriate measures for all the situations listed above, in accordance with Italian law. The same protections also extend to temporary workers, based on the contractual and regulatory provisions established by the temporary employment agencies.

Persons with disabilities [S1-12]

The Veritas Group is committed to promoting an inclusive workplace that respects the rights of all persons, with particular attention to the protected categories. In compliance with the current legislation, the inclusion and enhancement of workers with disabilities is ensured, and their fundamental contribution to the organization's growth is recognized.

Law 68/99, Article 1 on protected categories identifies as protected persons: persons with a civil-related disability exceeding 45%, persons with a work-related disability exceeding 33%, blind or deaf-mute persons, war invalids, civilian war invalids, and those with a service-related disability.

At December 31, 2024, employees with disabilities in the Veritas Group accounted for 4% of the total employees, with a 3% male and 1% female gender distribution. This percentage was calculated as the ratio between the number of workers with disabilities and the total number of employees in the organization.

Employees with disabilities

gender	number
percentage of persons with disabilities among the employees	**4%**
of which men out of the total employees	3%
of which women out of the total employees	1%

Training and skills development metrics [S1-13]

The parent company's career development office constantly monitors career- and pay-related activities, ensuring transparency and consistency in the review processes. In this regard, an updated register is kept of all the initiatives carried out during the year relating to job classifications and salary adjustments. The percentage of employees who participated in regular performance and career development reviews is reported below; the data takes into account the number of persons who received:

- a job classification (direct or from end of training);
- a salary adjustment.

Any employee who received both measures was counted only once during the year.

Regular performance and career development reviews

type	2024
employees who participated in regular performance and career development reviews	
male	6%
female	13%
other	0%
not reported	0%
total	**7%**
upper management	
male	100%
female	100%
other	-
not reported	-
total	**100%**
lower management	
male	18%
female	33%
other	-
not reported	-
total	**24%**
white-collar employees	
male	13%
female	14%
other	-
not reported	-
total	**13%**
blue-collar employees	
male	3%
female	2%
other	-
not reported	-
total	**3%**

With respect to the training hours, the Group carefully monitors the different types of courses provided, the total number of hours and the detailed list of participants, thus ensuring timely and accessible training for all, regardless of contract, job classification or position.

The average number of training hours by gender, reported in the table below, was obtained directly from internal records. The average number of training hours by gender is calculated as the total number of training hours divided by the total number of employees per gender category at December 31, 2024.

Average number of training hours by gender

type	hours/work force
male	21.8
female	28.3
other	-
not reported	-
total	**23.1**

Health and safety metrics [S1-14]

The Veritas Group undertakes to ensure safe working environments that comply with the current regulations. 100% of the employees are covered by the occupational health and safety management system as regulated by Legislative Decree 81 of 2008.

In addition, to further strengthen this commitment, some of the Group's companies have adopted management systems certified under the UNI ISO 45001 standard, which attest to compliance with high international standards. Currently, these certifications cover approximately 10% of employees. The companies of the Depuracque Group (Depuracque, Lecher, Rive, Euroscavi), Asvo and Veritas' eastern Veneto waste management division have this certification. Certification under the standard is also in progress for Eco+Eco, with the aim of extending coverage to the entire waste management division, reinforcing the Group's attention to safety in all its operational areas.

Below is a summary of the main health and safety metrics. The number of recordable injuries is the total number of work-related injuries occurring during the year (excluding only *in itinere* injuries occurring on the commute to and from the workplace), and the number of days lost is the total number of days lost in the calendar year due to work-related injuries or work-related ill health. The injury rate is calculated as the ratio of the number of recordable injuries to the total hours worked multiplied by a constant pre-scaled factor (1,000,000).

The number of recordable work-related ill health cases is the total number of work-related ill health reports received in 2024. Of the 8 illnesses reported, 3 were recognized by the National Institute for Insurance against Accidents at Work (Inail), while 5 were not.

In 2024 there were no fatalities as a result of work-related injuries and work-related ill health of anyone working at the organization's locations, including workers in the value chain.

Employee health and safety metrics

category	2024
number of fatalities as a result of work-related injuries and work-related ill health;	0
number of recordable work-related injuries	185
rate of recordable work-related injuries	31.9
number of cases of recordable work-related ill health, subject to legal restrictions on the data collection	8
number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	4,769

Work-life balance metrics [S1-15]

According to national law, all employees are entitled to take family-related leave, upon justified request. The percentage of employees that took family-related leave is the total number of persons who used the entitlement out of the total number of employees in service at December 31, 2024. 100% of those who requested family leave took it.

	2024			
	female	male	not reported	other
percentage of employees entitled to take family-related leave	100%	100%	-	-
percentage of entitled employees that took family-related leave	17%	23%	-	-

Remuneration metrics (pay gap and total remuneration)[S1-16]

The gender pay gap is defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees.

The employees in service at December 31, 2024 were considered. For each employee, the hourly compensation was calculated as the fixed and variable annual remuneration, including bonuses, divided by the number of workable hours from the employee's pay slip. The men's hourly remuneration and the women's hourly remuneration were then averaged and the pay gap percentage was calculated.

To calculate the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual), the annual total remuneration for each employee was used, counting the fixed remuneration (fixed and continuous items) plus the variable remuneration (overtime, hours of availability, less absences due to illness, injuries and other leaves). Bonuses paid in the year were also accounted for (but referring to the previous year). The salaries were all reallocated as if the employee had worked full time and for the entire year.

Gender pay gap and annual total remuneration ratios

	2024
gender pay gap ratio	0.54%
annual total remuneration ratio of the highest paid individual to the median annual total remuneration	6.54

Incidents, complaints and severe human rights impacts [S1-17]

During the reporting period, three reports of discrimination were received through the channels set up internally by the Group. The three reports received refer to incidents of harassment occurring in 2024, one of which (a Group employee attacked an employee of the cleaning service contractor) led to the dismissal of the employee. The total amount of fines, penalties, and compensation for damages as a result of these incidents is zero.

There were no cases of severe human rights incidents relating to the work force in 2024. Consequently, the amount of fines, penalties, and compensation for damages as a result of these incidents is zero.

Consumers and end-users [ESRS S4]

The Veritas Group's main areas concern the integrated water service, waste management and public services, sectors in which the recipients include a number of different parties, and in which the public nature of the Group conveys special value to the quality of the relationship with them.

For details on the double materiality assessment, see the section on ESRS 2, SBM-3.

IMPACTS

✓	Positive impact from the increase in channels accessing information, with digital and traditional tools that improve the communication, timeliness and dissemination of information to a greater number of people.
✓	Positive impact on users' health and safety from the purification, disinfection and control of water intended for human consumption.
✓	Positive impact on the users' social inclusion from the multilingual communication tools, accessibility for persons with disabilities, and financial support measures such as conciliation, bonuses and invoice installment payment schemes.
✓	Positive impact from greater accessibility to the services supplied, facilitated by the widespread presence of branches throughout the area, the use of digital platforms and dedicated services.

Material impacts, risks and opportunities and their interaction with the strategy and business model [SBM-3]

The Veritas Group's consumers and end-users are all those who use the Group's services and include the private citizens, businesses, municipal administrations, and suppliers located in the area served. As an operator of essential services, the Group recognizes its responsibility to ensure effective, safe and transparent interaction with all consumers and end-users, as well as accurate, transparent and accessible information about the services offered. This report, like the Group in performing its activities, takes into account not only those who use the Group's services directly, but also all those who may be involved in or influenced by them.

The material impacts are assessed and integrated into the strategy and business model of the Veritas Group, which directs its operations to ensure the satisfactory use of its services. Furthermore, the Group's business model and business strategy are subject to constant monitoring, so that they can be promptly adjusted in response to new risks, opportunities and impacts that have not yet been addressed.

The following is a summary of the main material impacts, risks and opportunities regarding consumers and end users.

In the double materiality assessment, the Veritas Group identified some material positive impacts that produce concrete benefits for the large number of consumers and users of its services. For the Group, guaranteeing a truly effective service means knowing how to combine innovation, proximity and attention to the different needs of people. In this sense, the increase in channels to access information and the expansion of the service accessibility represent key elements: digital and traditional tools, such as help desks, digital platforms and dedicated services, allow for more timely, detailed and personalized communication, reaching an increasingly high number of consumers and end-users and facilitating the interaction with the service. Access to communication channels and the inclusiveness of these tools is not limited to the type of channel used, but is also reflected in the form and content of the communications. The introduction of multilingual communication tools and the attention to the needs of persons with disabilities enable all end-users and consumers, without distinction, to easily access information and services. This is accompanied by important financial support measures - such as bonuses, the possibility of paying bills in installments or conciliation processes - which bolster social inclusion further, ensuring that no one is excluded for financial or fragility-related reasons. Another of the Group's positive impacts for consumers and/or end users is connected with user/consumer health and safety protection, especially for the water segment; thanks to the constant controls, disinfection and purification of the water intended for consumption, the Group guarantees safe water while strengthening the trust of the users/consumers in the public service.

No material negative impacts, risks or opportunities were identified with respect to the consumers and/or end users.

Policies related to consumers and end-users [S4-1]

For the Veritas Group, centering on the users and consumers of its services means guaranteeing quality, transparency and continuous dialogue. The Group's commitment translates into the adoption of effective communication tools, active listening to the needs expressed by communities, and constant improvements to processes, in keeping with the fairness and responsibility principles stated in the *Consumer Code* and industry regulations. The tools are the *Code of Ethics* and the *Service Charters*.

- *Code of Ethics*

In the *Code of Ethics* (for details see the section on ESRS G1, G1-1), the Group prioritizes user/consumer satisfaction and undertakes to provide clear, transparent communication and to promote a quality service, fairness in relationships, and the use of conciliatory solutions in the event of disputes. Furthermore, as stated in its *Code of Ethics*, the Veritas Group supports and respects human rights. Accordingly, the Code of Ethics is prepared in accordance with the national regulations in force and with the principles contained in the United Nations Universal Declaration of Human Rights, breaches of which are subject to the specified penalties. The *Code* of Ethics was also prepared in conformity with the *Code of Equal Opportunities*, UNI/PdR 125:2022 and UNI/PdR 159:2024. In the *Code of Ethics*, the Group states its commitment to promoting interactive dialogue with all stakeholders and to adopting sustainable social and ecological behaviors compatible with ESG parameters.

- *Service charters*

The *service charters* (for details see the section on E2, E3, E5: E2-1, E3-1, E5-1) are official documents with which the Group states the quality standards that it undertakes to guarantee to its users and the methods of supplying the services, which establish the fundamental principles observed in the supply of the public services, including the transparency, efficiency, effectiveness, quality, safety and continuity of the service. They are a tool for safeguarding the users and also a formal commitment to promoting efficient and sustainable management of the services. The Veritas Group has the following service charters: the *integrated water service charter*, the *integrated municipal waste management service charter* and the *cemetery services charter*.

In the Charters, as a service operator, Veritas undertakes to define various types of information relating to the relationships with the users, including accessibility to the service and to information and the methods to ensure it. Veritas recognizes and promotes inclusiveness and respect as positive values within the organization and for all stakeholders: to support and defend inclusion, actively advancing the adoption of inclusive practices for its internal and external stakeholders; to understand the challenges of inclusion, aware that inclusion and the creation of the culture needed to pursue it are processes that require organizational re-planning and re-programming at all levels, such as with the adoption of reasonable arrangements[4].

Processes for engaging with consumers and end-users about impacts [S4-2]

The Veritas Group undertakes to establish a continuous, transparent dialogue with its users. Every year the Veritas Group uses customer satisfaction surveys to identify the degree of its domestic and commercial users' satisfaction with the main services it supplies (waste management service, integrated water service, cemetery services) in order to take action to improve the services based on the feedback.

The survey is taken by third parties and is coordinated by the sustainability, environment and safety office; the results are published on the website and presented to the boards of directors, shareholders (mayors) and all management levels of the companies.

The maintenance or improvement of customer service performance is linked to the performance objectives of all the employees.

The research was started with the objective of: investigating the main factors of user satisfaction /dissatisfaction with the water service, waste management service and cemetery

[4] Necessary and appropriate modifications and adaptations, which do not impose a disproportionate or undue burden, where they are required in special cases, to ensure to persons with disabilities the enjoyment and exercise of all human rights and fundamental freedoms on an equal basis with others.

services offered by Veritas and Asvo; showing the main levers and areas for improvement; monitoring in detail the various activities. The dimensions taken into consideration to identify the strengths and weaknesses and the overall user satisfaction are as follows:

- product factors;
- service factors (including the dimension concerning the
- communication channels);
- business image;
- perceived value;
- complaints reported.

To achieve the objectives, the municipalities served by Veritas are analyzed.

In addition, four events were organized during 2024 to understand the interests and views of the key stakeholders, including the users, in relation to the impacts, risks and opportunities of the Veritas Group. The third event involved users/consumers with disabilities and focused on the topics of inclusion and non-discrimination. It focused on the accessibility to the Group's sites and services, seeking to identify possible areas for improvement. For further details, see the section on ESRS 2, SBM-2.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns [S4-3]

The double materiality assessment carried out in 2024 did not reveal any negative impacts on consumers and end users.

In general, the Veritas Group provides its users with communication channels to raise their concerns or needs and receive assistance in this regard. Each user, individually or through expressly delegated consumer associations, is entitled to request information concerning himself or herself, according to the methods set out in Law 241 of August 7, 1990 "New rules on administrative procedures and the right of access to administrative documents" (updated with the amendments introduced by Law 15/2005 and Law 80/2005) and in any specific regulations of the individual operators. The user can submit complaints and requests, produce briefs and documents, and make suggestions for improving the service. There are many channels through which a user can contact the organization: call centers, mail and e-mail, online help desk, physical help desks. The contact channels, with related addresses and telephone numbers, are described on the websites of the two Group companies that have a direct relationship with the users: Veritas (for waste management services, water services, cemetery services and other local public services) and Asvo (for cemetery services and other local public services).

As stated previously, the waste management service and the water service are regulated by Arera. The respective service charters have been drawn up for the two services (for details see the section on ESRS S4, S4-1), in accordance with the regulations, approved by the relevant Basin Councils, after hearing from the consumer and trade associations. The charters, available on the two companies' websites, set out the grievance mechanisms, conciliation procedures (for the water service), information request procedures and methods and times for the operators' response. A *service charter* was also drawn up for the cemetery services operated by Veritas for the Municipality of Venice, approved by the Municipality of Venice after hearing from the consumer associations. A dispute conciliation protocol was stipulated for the water service and cemetery services of the Municipality of Venice. These regulations can be consulted on Veritas' website on the pages dedicated to the relevant services, and the *service charters* contain the references to the consumer associations that have joined the protocol.

The communication channels made available by the Veritas Group are public and accessible to anyone who needs them. To evaluate the effectiveness of its services, the Veritas Group analyzes the notifications received and adopts corrective and improvement actions to prevent the repetition of the critical issues found.

The Veritas Group informs its users about the existence of communication and assistance channels through its website, social media, emails and public events. The contact channels dedicated to the end users of the services are widely publicized, ensuring their presence and accessibility in compliance with the regulatory requirements, and their comprehension and effectiveness are verified in part through the customer satisfaction surveys. Veritas Group has also implemented a whistleblowing system and adequate measures to protect individuals that use it against retaliation. For further details, see the section on ESRS G1, G1-1.

Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions and approaches [S4-4]

In order to achieve the strategic objectives related to consumers and end users, the Veritas Group has taken the following actions to strengthen its positive impacts.

The actions, which extend for the duration of the engagements, are broken down into topics and relate to the following matters:

- *Digitalization and development of communication channels and tools and guarantee of access to the services provided to the users.* Usability of the services for persons with disabilities, in technical and functional terms (accessibility of counters for deaf persons with sign language interpreting; site accessibility), and in terms of physical accessibility (activation in nine collection centers of a courtesy area dedicated to persons with disabilities who can reserve the service and thus be supported in the delivery; physical accessibility to the reading of water meters with smart meters; accessibility to cemetery services with dedicated processes). The effectiveness of the actions is measured with specific controls by persons with disabilities who are part of recognized trade associations or by external companies.
- *Implementation of actions to ensure the safety and effectiveness of the services and technical quality standards* relating to the actions taken regarding the integrated water service and waste management services, to guarantee the safety of the local area and the uniformity of the services and to reduce costs and therefore maintain adequate billing levels, as well as the actions regarding the crematoriums to increase the efficiency of the processes and therefore the usability of services for the residents interested.

No severe human rights issues or incidents connected to consumers and/or end-users were reported during 2024.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [S4-5]

The Veritas Group's targets related to the end users and the quality services supplied to them are stated in the *2019-2026 business plan* and are intended to advance the Group's positive impacts.

Digitalization and development of communication channels and tools and guarantee of access to the services provided to users.

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Increase in online services available to the user and the recording of the activities	User service	80% completion in 2024	2025	Users Residents Persons with disabilities	Reaching of accessibility tested with persons with disabilities	Online actions achieved
Activation of sign language interpretation desk at the branches for users with simultaneous interpretation accessible for the entire duration of the branches' opening hours	User service	80% completion in 2024	2025	Users Residents Persons with disabilities	Reaching of accessibility tested with persons with disabilities	% branches and services with interpretation activation
Activation of a service dedicated to persons with disabilities for deliveries to collection centers for 9 collection centers in the area served	Waste management services	Start-up in late 2024 of training for all collection center staff and arrangement of courtesy areas at the identified sites	2025	Users Residents Persons with disabilities	Reaching of accessibility tested with persons with disabilities	% of area coverage collection centers with service started

The actions targeted to users, especially persons with disabilities, are acknowledged in the *service charters*. Moreover, a permanent table of the associations of persons with disabilities was set up for the purpose of reporting on the actions planned and their progress. The testing of the use is performed by the members of the permanent table.

During 2024 these initiatives were the subject of specific stakeholder engagement in the month of October.

Implementation of targeted actions to ensure the safety and effectiveness of the services and technical quality standards

target	scope of application	baseline (value/year)	year achieved	stakeholders involved	methodologies, assumptions and scientific data used	status
Optimize capex and costs to affect as little as possible the costs incurred by the community served	Waste management services Eco+Eco	In 2023, capex and cost optimization reached 0%	2030	Users Residents Shareholders Group companies	Best available technologies within the scope of building or revamping the facilities	Sorting and preparation of the fractions for reuse and recycling; energy recovery and site management; storage of fractions that cannot be recovered or reused.
Standardization of the collection models and of the rates	Waste management services	In 2023, the process of standardizing the operational and administrative activities reached 80%	2038	Users Residents Shareholders	Arera Standards	% completion based on standardization models
Achievement of micro actions to complete sewerage system in areas not yet served.	Integrated water service	In 2023, the project to complete the sewerage system in areas not yet served reached 85%	2026	Users Residents Shareholders	Scope planning and own engineering	% of work completed
Gradual disposal of small plants, to concentrate the purification activities at centralized and efficient plants	Integrated water service	In 2023, the completion of the piping project reached 90 %	2025	Users Residents	Work compleion	% of work completed

The objectives, contained in the *business plan*, are brought to the General Meeting of the shareholders (the Municipalities) representing the residents. The progress made on the plan is also brought to the attention of the General Meeting, which monitors it and identifies, if opportune, any transversality of the experiences or improvements deriving from the performance.

Governance information

Business conduct [ESRS G1]

The Veritas Group is committed to preventing corruption and bribery by adopting principles of legality, transparency and integrity in its business management. By complying with the regulations in force and adopting responsible business practices, the Group intends to contribute to building an ethical and sustainable environment.

IMPACTS
Positive impact from the prevention and identification of corruption thanks to the training provided to the employees, ISO 37001 certification, and audits pursuant to Legal Decree 231.

RISKS	OPPORTUNITIES
Risk related to the continuous, rapid evolution of industry regulations, creating the obligation for the organization to adapt to the new regulations and thus involving non-compliance, reputational and compliance cost risks.	

Corporate culture and business conduct policies [G1-1]

To ensure fairness and transparency in its business conduct, in keeping with its business policies, the Veritas Group has adopted a system to raise the awareness of all the organization's employees and all those who work in the name and on behalf of the organization or under its direction and supervision, so that they behave properly and consistently when carrying out their work, in a manner that does not risk committing the crimes contemplated by Legislative Decree 231/2001 and Law 190/2012, in accordance with UNI ISO 37001 standard.

To this end, the parent company has adopted and promotes at the other companies:
- the *corruption prevention policy*;
- the anti-bribery management system (UNI ISO 37001:2016);
- the *organization, management and control model* (pursuant to Legislative Decree 231 of June 8, 2001) (Model 231);
- the *code of ethics and disciplinary code;*
- The *three-year plan for corruption prevention and transparency* ("Ptpct");
- Veritas' *supplier code of conduct* (applied to all the Group suppliers)
- the management system regulations and procedures.

company	37001	Model 231/01	Code of ethics and disciplinary code	Management system	Supplier code of conduct	Ptpct
Veritas	√	√	√	√	√	√
Asvo		√	√	√		√
Depuracque		√	√	√		√
Lecher		√	√	√		
Eco+Eco *ricicla*	√	√	√	√		√
Eco+eco *valorizza*	√	√	√	√		√
Metalrecycling			√	√		
Euroscavi			√	√		
Sifa		√	√	√		

- *Code of Ethics*

The *Code of Ethics* is an official document of the organization, approved by the Board of

Directors, which states the ethical commitments and responsibilities and promotes good conduct practices, designed to achieve the business objectives, with respect to all the stakeholders. The *Code of Ethics* is published on the companies' websites.

The *Code of Ethics* identifies the Group's corporate culture based on observance of the law, loyalty, ethics, professional fairness and economic efficiency in internal and external relations, with the purpose of promoting behavioral guidelines focused on providing satisfactory services and enhancing a positive corporate reputation. The *Code of Ethics* constitutes a set of principles and guidelines whose observance is of fundamental importance for the achievement of the social and financial objectives, for regular business performance, for management reliability and for the Group's image. The principles govern the operations, behaviors, and internal and external relationships of the Group companies.

The Veritas Group's business is based on the ethics of managing the common good: the civil dimension, understood as the set of beliefs that guide people's daily actions, essential to building a corporate culture of social co-responsibility and collaboration for the safeguarding of the common good. The Veritas Group aspires to maintain and develop positive ethical relationships with its stakeholders, i.e. those categories of persons, groups or institutions that have any legitimate interests or rights gravitating around the organization.

The stakeholders are the public administrations and residents, consumers/users, Veritas employees and contractors, local shareholder entities, supervisory bodies, bondholders and in general all those who are invested in the organization's business, trade union representatives, workers' safety representatives, consumer associations, suppliers, business partners and the community. Fairness, honesty and transparency in relationships benefit the shareholders' investments, the relationships with local institutions, customer loyalty, the career development of the employees and the suppliers' fairness and reliability, and for these reasons they constitute a fundamental objective for the Group.

The Veritas Group undertakes to promote ethical behavior, fully respecting human rights in every area of its business, in accordance with the national regulations in force and with the principles of the UN *Universal Declaration of Human Rights*, which directors, employees, contractors and suppliers are required to abide by, and if these parties should breach the *Code of Ethics*, they will be subject to the relevant penalties; the Group companies will report any non-compliant conduct to the legal authorities if the conditions for this exist.

Disciplinary code

The *Disciplinary Code*, approved by the Board of Directors, applies to all Veritas spa's employees and constitutes guidance for the Group's other companies. It contains the duties, responsibilities and disciplinary actions applicable to the workers, set out according to the collective bargaining agreements. This *Code* is posted at all the companies' offices. The *Code* contains the procedures for handling breaches of the *Code of Ethics*, the *Organization and Management Model* pursuant to Legislative Decree 231/2001 and related annexes, and the *Three-Year Corruption Prevention Plan*.

Supplier Code of Conduct

The Veritas Group has adopted this *Code*, approved by the Board of Directors, which describes the requirements and expectations with which all suppliers are required to comply, with a view to continuously improving the activities. Suppliers must abide by all the laws and regulations applicable in the countries in which they operate, particularly regarding the fundamental human rights stated in the *Universal Declaration of Human Rights*.

In compliance with the *Public Contracts Code* where applicable, the Group intends to develop and cement its relationships with suppliers that share the principles stated in the *Code of Ethics* and the *Integrity Pact*, set out in the *Code*, and that promote the adoption of them by their contractors and supply chain. The *Code* does not replace but rather it supplements, to the extent possible, the legal requirements and the general contractual conditions. The *Code* is published on the parent company's website.

- *Management system regulations and procedures*

The Veritas Group companies have management systems consisting of regulations, procedures, operating instructions and forms setting out the modes of action in all the areas.

The documents refer to operational and business modalities and can be directed to staff, suppliers, consultants and contractors or residents, users and consumers. Their approval methods are defined in the document management procedures; regulations directed externally must always be approved by the Boards of Directors. They are usually drawn up in compliance with the laws or standards cited on the covers of the documents (for example, UNI standards).

These regulations and procedures constitute a preventative measure against corruption risks, and they represent a fundamental tool to guarantee the integrity, transparency and traceability of the business processes. The documents are available to all the staff on the companies' intranets and also on the websites if they have external value.

- *Anti-corruption policy and anti-corruption management systems*

With respect to the services managed, within the scope of current legislation and to implement international anti-corruption agreements, Veritas spa promotes anti-corruption policies and adopts the related strategies, and it distributes them to the other Group companies.

The policies prohibit all forms of corruption and bribery, and focus in particular on the screening of suppliers, contract management, warranty clauses, integrity and more generally on the proper use of discretionary power in management functions, setting penalties for any conduct in violation of these policies and of the applicable regulations. They also promote the development and application of the knowledge of and respect for the competences, in continuously improving the services. Veritas spa, and with it the Group, reinforces its anti-corruption controls by raising the awareness of its policies and the corruption prevention management system through the supply of opportune information, training and communication tools and measures for the parties working with it in various capacities, both externally and internally, ensuring compliance with legislation and anti-corruption regulations in particular.

The *anti-corruption policy*, approved in 2019 and updated in early 2025, encourages reporting suspicions in good faith, or on the basis of reasonable and confidential conviction, without fear of retaliation; it includes a commitment to improving continuously the anti-corruption management system and provides the consequences of non-compliance. In this respect, Veritas has set up an anti-corruption compliance function provided with the necessary authority and independence, which carries out services at the subsidiaries. The organization defines the appropriate measures to pursue the principles stated and applies all the tools and measures needed to prevent corruption and check their application. The anti-corruption management system ensures that:

- the internal procedures to prevent corruption risk are implemented;
- appropriate responsibilities for the processes and adequate controls over them are assigned;
- effective communication flows and adequate responses are guaranteed;
- corruption risks are identified, analyzed and assessed in a manner consistent with the organization's activities and context;

- "reasonable and appropriate" measures are taken to prevent, detect and address corruption and bribery;
- the system is reviewed after potential or actual changes and in any case periodically with a view to continuous improvement;
- all the obligations of the current anti-corruption legislation applicable to the organization are met constantly.

The *corruption prevention policy* must be implemented by all the parties involved in corruption prevention and control, and therefore by every employee, manager, corporate body, local shareholder entity, and third party with whom the organization interacts. In order to ensure the constant application of the quality standards described by the mandatory and voluntarily applied standards, the Group conducts a periodic review of the adequacy of the system and processes (through financial and non-financial controls, management reviews, etc.) where corruption risks could potentially lurk, and puts into place appropriate corrective measures when discrepancies exist between the standards set and those emerging in the review. The document is duly distributed (published on the organization's website and intranet portal, sent to all contractors and the companies owned and controlled by Veritas, published on the supplier platform, posted at the organization's offices, sent to all employees, and delivered to newly hired personnel, and the link to Veritas' website where it is published is made available to external consultants, suppliers, and business partners in general). The document, called the UNI ISO 37001 *anti-bribery prevention management system*, is also published on the organization's intranet portal.

231/01 Model

Veritas spa – aware of the need to ensure fairness and transparency in its business conduct and corporate activities, in order to protect its position, image, shareholders' expectations, and the work of its employees and stakeholders in general – has deemed consistent with its corporate policies to adopt an *organization and management model* pursuant to the related decree, as the holding company of the Veritas Group.

The company, which independently adopts the *231 Model*, has recommended its adoption by the individual subsidiaries, which have taken into account the instructions contained in Veritas' *Model* and the additional guidelines provided therein for the purposes of directing and coordinating them, with a view to a coherent approach to the Model 231 governance and the methodology for preparing *231 Models*, without infringing on the operational autonomy (and responsibility) of each subsidiary's supervisory body.

The initiative began with the establishment of the Compliance Committee, and its first formal act was the issuance of the code of ethics. The *Model* was adopted with the conviction that it could be a valid tool for raising awareness among all those who operate in the name and on behalf of the organization, so that they would perform their work using fair and honest conduct that would prevent the risk of committing the crimes contemplated in the decree.

The 231 Model was prepared by taking into account not only the decree, but also the relevant guidelines developed by trade associations, as well as the abundant American experience in preparing crime prevention models, American best practices and the *Federal Sentencing Guidelines*.

In identifying the areas potentially exposed to the risk of committing crimes, a risk assessment was conducted ("Risk assessment matrix – 231 crime"), the results of which are presented in a separate confidential document kept by the company. In preparing the *231 Model,* the corporate case history and current court decisions were taken into account, attributing importance, for the purpose of building a truly effective prevention system: to any previous company experiences relating to cases in which company representatives have – in the interest of or even to the detriment of the company – committed crimes, and to individual legal proceedings involving third-party companies. The analysis contributed significantly to the identification of both the areas and activities that present special or greater risk profiles, and to the procedural and control governance theoretically suitable for preventing improper or unlawful conduct.

The *231 Model* was adopted, in the first instance, with a Board of Directors' resolution dated February 21, 2012 and was updated with subsequent Board resolutions during 2024; it is published on the companies' websites.

- *Three-year plan for corruption prevention and transparency*

Veritas and Eco+Eco have adopted a *three-year plan for corruption prevention and transparency* ("Plan"), approved by their respective Boards of Directors.

In accordance with the current legislation, the *corruption prevention and transparency plan* is published in the dedicated section of the companies' institutional website and is communicated to the employees and contractors through the intranet as well as by notification via e-mail or other corporate communication systems, so that it is made known and its provisions are observed. All the employees are informed of the publication through appropriate notification, even those who do not use electronic devices in performing their work. Both internal and external parties may submit observations and proposals for amendments to the *Plan*. The *Plan* is made available for consultation externally and internally, through the company websites, in order to obtain any observations and proposals for amendments that can be evaluated for the purpose of improving the *Plan* and to create forms of stakeholder consultation and participation in the *Plan*. The updates are proposed by the corruption prevention and transparency manager in part using notifications received from the Compliance Committee.

The general risk areas to which the companies are exposed are identified for the preparation of the *Plan*. For the parent company, the risk areas identified are those relating to:
- public contracts;
- personnel hiring and management;
- management of income, expenses and assets;
- controls, audits, inspections and penalties;
- legal matters and litigation;
- positions and appointments.

This list is indicative; after carrying out the *risk assessment*, and in accordance with Annex 1 - *Methodological guidance for corruption risk management of the 2019 National Anti-Corruption Plan*, Veritas identified additional risk areas regarding its functional and contextual organizational specificities (the specific areas).

Reporting and monitoring

Each year, the anti-corruption managers draw up an annual report with the Anac format that is submitted to the corporate boards and published on the organization's website. The monitoring activity is planned appropriately and documented in an annual monitoring plan that states the:
- processes/activities being monitored;
- frequency of the controls;
- methods of carrying out the controls.

The monitoring by the corruption prevention and transparency manager and compliance function is carried out on an annual basis and, for high-risk proceedings, on a semiannual basis.

The corruption prevention and transparency manager also conducts monitoring through the internal audit system and independent auditor team pursuant to Legislative Decree 231/01, which they also use through their staff, as envisioned in the three-year plan for corruption prevention and transparency, according to the annual schedule. They can participate through their staff in the scheduled audit activities and interact with the referred managers and directors or their workers for updates on the activities performed and on the implementation of the measures planned, including for operational problems in applying the measures. The corruption prevention and transparency manager checks directly some measures, in particular those governing ineligibility and incompatibility.

The Compliance Committee and the auditor team participate, as within their competence, in the risk assessment and management process within the scope of the *Organization and Management Model*. They express an opinion on the code of ethics adopted in accordance with the industry legislation (Legislative Decree 165, art. 54, paragraph 5 of 2001) and check the results of its application (disciplinary reports, audit reports, etc.). The Compliance Committee has to promptly report to the corruption prevention and transparency manager any potential danger of committing unlawful conduct emerging from its control activity under Legislative Decree 231/2001 and the *Organizational Model* pursuant to Legislative Decree 231/2001.

Veritas' Compliance Committee, coordinator of the subsidiaries' Compliance Committees, reports annually to the Board of Directors and holds periodic meetings to exchange information with the Board of Statutory Auditors.

Reporting channels

With respect to reports of violations of internal, national or European Union regulations (whistleblowing), the Veritas Group is subject to the obligations set out in Directive (EU) 2019/1937, transposed into Italian legislation, on the protection of whistleblowers. The Directive concerns the protection of persons who report breaches of Union law and contains provisions regarding the protection of persons who report violations of national or European Union regulations that harm the public interest or the integrity of the public administration or private entities, of which they have become aware in a public or private work context; it regulates the conditions for verifying the reports and for the feedback to be provided to the whistleblower, internal and external reporting and public disclosure, while broadening the objective and subjective scope of application of the protections.

In compliance such provisions, the Group has set up notification channels, including electronic ones, and handles whistleblowing reports in accordance with the relevant regulatory requirements, taking into account the "guidelines for protecting individuals who report crimes or irregularities discovered through their employment, pursuant to Legislative Decree 165/2001, Art. 54-bis" issued by the National Anti-Corruption Authority on June 24, 2021. The Veritas Group companies have adopted a regulation, or procedures, on whistleblowing management, organizational acts that define the procedures for receiving and handling whistleblowing reports, for which the companies ensure maximum distribution, and whose contents may be referred to. Information on whistleblowing and on the internal reporting channel as well as the external one, maintained by Anac, is also available in a dedicated section of the companies' websites, in the transparency sections. Both internal and external stakeholders can access the channels.

Training

The Group provides specific training targeted to the employees, including temporary and seconded staff, on corruption and bribery prevention, transparency, publicity, integrity and legality, in keeping with the corruption prevention policies adopted by the companies. To manage the staff training process, the Group has equipped itself with an *information, education and training management* policy, where all the relevant areas are represented. Assisted by the Group's human resource and organization management as within its competence, the corruption prevention and transparency manager, using stakeholders' proposals, is responsible for planning and organizing this training activity annually and evaluating the content, schedule, trainees, controls and any planning of additional mandatory training for staff located in areas exposed to a higher corruption risk. A focal point is the training of the corruption prevention and transparency manager. The training is targeted to all the employees and managers at all levels, statutory auditors, Compliance Committee members and the corruption prevention and transparency manager, and is carried out by internal and/or external teachers, including through seminars and course attendance. If the corruption risk assessment and the evaluation of the results thereof should detect the presence of business partners whose corruption risk exceeds a low level, the Group's contractual agreements with them call for adopting measures and controls that can prevent the risk from materializing. In this regard, the organization provides business partners with a specific e-learning training module that includes the elements necessary to mitigate the risk level. The *corruption prevention training plan* also provides training methods for the employees of business partners. The individuals for whom the training is intended must compulsorily attend it. The Group updates the *corruption prevention training plan* annually, and its implementation is one of the objectives of the organization's managers and officials. The training plan is updated annually, in part to reflect the organization's regulatory, interpretative and internal organizational updates, and is broken down by the roles of the parties involved in the training and the risk of corruption to which they are exposed. For details on the planning and content of the three-year training activities, see the annually updated *corruption prevention training plan*, which reports the training conducted in 2024 for both the corporate boards and the employees.

During 2024, the objectives of the *training plan* were attained through the organization, planning and provision of corruption prevention and transparency raining courses. All the Group companies provided anti-corruption training, specifically:

– *Training on crime, corruption and bribery risks, the ISO 37001:2016 standard and the corruption prevention management system* - external teacher. From the end of 2024 and throughout the initial months of 2025, the course promoted and organized by Veritas spa's corruption prevention and transparency manager and compliance function, together with the human resources and organization department, provided training to Veritas spa's Board of Director members, Board of Statutory Auditor members, and all levels of the company's management. The course is held by an external professional specialized in anti-corruption, integrated compliance, and the administrative liability of entities pursuant to Legislative Decree 231/2001. The training focuses on corruption risks, especially those identified in the corruption prevention management system adopted; the related crimes and corrupt conduct, including through case studies; the ISO 37001:2016 standard; and the company's corruption prevention management system. Its purpose is to enable the trainees to make the most of the corruption prevention programs and tools provided, in part by examining the significance, effects and repercussions of the implementation of the measures on a business and functional level of the company's activity, through the case studies. At the end of the training sessions, online exams on the course topics are given to verify the effectiveness of the training.
– *Anti-corruption and transparency training for newly hired employees.* "Basic" training on corruption prevention and the corruption prevention management system, targeted to

newly hired staff, was provided by a member of the compliance function, within the context of more varied training sessions, including other subjects of corporate interest. The courses were delivered in a classroom setting. At the end of all the training events, comprehension tests were administered to the trainees, with satisfactory results.

- *Legality Day.* In 2024, an event called Legality Day was promoted and organized for the Viveracqua scarl consortium companies' anti-corruption and transparency working groups, which include integrated water service managers based in the Veneto Region, and for the members of the relevant boards of directors, boards of statutory auditors and supervisory bodies. The event was held by an external speaker. The program focused on the system to prevent administrative corruption and promote legality, corruption prevention and transparency in state-owned enterprises and listed companies, penalties for incidents of corruption, and codes of conduct as tools for preventing corruption.
- *Anti-corruption and transparency training for corruption prevention and transparency managers and the compliance function.* As envisioned in the *training plan* for corruption prevention and transparency, the corruption prevention and transparency manager and the compliance department receive dedicated training, seminars and refresher courses promoted and organized by third-party training entities in the areas of interest. The corruption prevention training is integrated with the training organized by the organization's management to develop and ensure the technical, specialized and professional knowledge needed for each individual to perform the organization's functions and activities, and in general with training in the areas and sectors of interest to the organization, including those relating to the *Public Contracts Code* and administrative liability for crimes pursuant to Legislative Decree 231/2001. In keeping with the previous plans, the *training plan*, updated for the three-year period of 2025-2027, provides refresher courses, including on regulatory updates, as necessary, to the top management personnel and all employees exposed to the risk of corruption, as an extension of the "basic" training programs and Veritas spa's training on the corruption prevention management system, and as a continuation of the specialized training for the persons responsible for supervising the prevention management system, as explained in the *2025-2027 training plan*.

During 2024, the corruption prevention and transparency manager provided training to Eco+Eco's personnel, which will end in the first half of 2025. In 2024, the corruption prevention and transparency manager trained 121 individuals on corruption prevention and transparency, the *whistleblowing regulation*, the *Model* pursuant to Legislative Decree 231/2001, and the information flows to the Compliance Committee.

The percentage of functions at-risk, as defined in the *three-year plan for corruption prevention and transparency*, covered by training programs is 100%.

The members of the administrative, management and supervisory bodies are trained periodically, and during 2024 also received training on anti-corruption topics and Legislative Decree 231/2001.

Corporate culture and business conduct actions and objectives

There is no measurable objective at a Group level, because the anti-corruption measures are contained in the specific plans of the Group companies that adopt them.

For Veritas, the general measures identified by the lawmaker and regulated as such in the *national anti-corruption plan*, applicable since they are compatible with Veritas, regard: transparency, the code of ethics, the regulation of conflicts of interest, prohibition of public-to-private sector crossover ("pantouflage") following the termination of employment, ineligibility and incompatibility of the engagements, the formation of commissions, the turnover of staff involved in areas at risk of corruption, whistleblowing systems, ethics and legality training, awareness-raising actions and relations with civil society, the computerization of processes, procurement legality protocols and integrity pacts. Based on the organization's functions, structure and characteristics, additional prevention measures for Veritas' entire corruption prevention management system are identified, in compliance with the UNI ISO 37001 standard.

With respect to awareness-raising actions and relations with civil society, legality and transparency actions were implemented in 2024 in collaboration with user representation bodies. In this context, in the fourth quarter of 2024, a survey was conducted with the Group's employees focusing on the perception of corruption, experience with corruption and knowledge of the anti-corruption measures. The survey constituted an awareness-raising campaign on corruption topics, envisaged as an annual measure of the anti-bribery management system pursuant to ISO 37001. The survey revealed that the respondents were very capable of identifying unlawful conduct. The control and training measures are preferred by the majority of the respondents as a useful tool for preventing corruption in the organization.

Prevention and detection of corruption and bribery [G1-3]

To ensure effective, transparent and ethical management, with a focus on preventing corruption, the Veritas Group has implemented a structured set of policies, tools and measures to prevent, identify and manage the anti-corruption team. For details, see the section on G1 regarding the *corruption prevention policy*, *corruption prevention management systems* and *three-year plan for corruption prevention and transparency*.

Anti-corruption training

For the nature, scope and depth of anti-corruption and anti-bribery training programs offered or required by the Group, the percentage of functions at-risk covered by the training programs, and the extent to which training is given to members of the administrative, management and supervisory bodies, see the section on ESRS G1, G1-1.

Confirmed incidents of corruption or bribery [G1-4]

During 2024, the Group did not detect any confirmed incidents of corruption or bribery. There were no incidents in which the Group's workers were dismissed or disciplined, and no confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery. The number of convictions and the amount of fines for violation of anti-corruption and anti-bribery laws are zero. Veritas has no pending public legal cases regarding corruption or bribery brought against it or its own workers.

For some suppliers, the protective actions contemplated in the *legality protocols* or integrity pacts included in the contracts stipulated were taken.

2.2 Consolidated statement of financial position

assets (in euros)	note	Dec. 31, 2024	Dec. 31, 2023
non-current assets			
intangible assets	6	17,046,531	18,384,063
service concession arrangements	6	360,452,307	309,348,526
goodwill	7	23,687,734	23,687,734
property, plant and equipment	8	488,966,691	423,343,132
investment property	9	9,707	12,239
investments in associates and joint ventures	10	5,626,858	15,502,685
other equity investments	11	1,384,062	1,380,029
receivables due from shareholders	16		
receivables due from associates	17	1,424,668	12,377,308
other financial assets	12	7,243,589	8,660,452
receivables due from subsidiaries held for sale	5		
income tax credits	19	2,805,160	847,692
deferred tax assets	43	30,323,681	25,126,745
total non-current assets		**938,970,988**	**838,670,605**
current assets			
inventories	13	14,033,214	11,580,546
contract work in progress	14	2,862,859	4,093,106
trade receivables	15	140,316,054	132,652,528
receivables due from shareholders	16	30,922,574	24,765,107
receivables due from subsidiaries held for sale	5		
receivables due from associates	17	882,168	6,448,750
other receivables	18	20,257,946	30,087,001
current tax assets	19	1,682,461	3,188,663
cash and cash equivalents	20	103,269,544	131,576,562
derivative financial instruments	30	734,125	2,089,584
total current assets		**314,960,945**	**346,481,847**
assets held for sale	**5**		**590,000**
total assets		**1,253,931,933**	**1,185,742,452**

liabilities and equity (in euros)	note	Dec. 31, 2024	Dec. 31, 2023
equity			
share capital	21	145,397,150	145,397,150
own shares	21	-640	-640
reserves	21	167,796,333	157,378,532
equity attributable to owners of the Parent		**313,192,843**	**302,775,042**
capital and reserves attributable to non-controlling interests	21	33,827,165	31,787,775
equity attributable to non-controlling interests		**33,827,165**	**31,787,775**
total equity		**347,020,008**	**334,562,817**
non-current liabilities			
non-current financial liabilities	22	216,965,455	221,109,528
non-current financial liabilities from other lenders	23	165,675,590	164,580,313
provisions for risks and charges	24	61,565,699	53,991,132
retirement benefit obligations	25	19,431,536	19,849,358
payables due to subsidiaries held for sale	5		
payables due to shareholders	26	11,477,704	13,416,916
payables due to associates	27		
other non-current liabilities	28	36,950,757	32,772,661
deferred tax liabilities	43	5,519,898	3,949,621
total non-current liabilities		**517,586,639**	**509,669,529**
current liabilities			
trade payables	29	132,014,094	133,784,780
payables due to shareholders	26	106,179,207	79,966,289
payables due to subsidiaries held for sale	5		
payables due to associates	27	8,475,596	11,611,202
current financial liabilities and current portion of long-term loans	22	49,280,708	54,242,703
current financial liabilities from other lenders	23	23,466,203	20,217,970
derivative financial instruments	30	1,293,248	971,939
other current liabilities	31	61,980,297	40,332,787
current tax liabilities	32	6,635,933	382,436
total current liabilities		**389,325,286**	**341,510,106**
liabilities held for sale	**5**		
total liabilities		**906,911,925**	**851,179,635**
total liabilities and equity		**1,253,931,933**	**1,185,742,452**

2.3 Consolidated statement of profit or loss and other comprehensive income

consolidated statement of profit or loss (in euros)	note	2024	2023
continuing operations			
revenues from sales and services	33	526,186,721	494,344,548
other income	34	9,534,956	16,741,590
total revenues		**535,721,677**	**511,086,138**
raw and ancillary materials and consumables used	35	-49,850,028	-46,985,578
costs for services	36	-172,566,392	-175,349,360
costs of use of third-party assets	37	-5,555,382	-6,138,857
personnel costs	38	-188,818,009	-176,877,927
other operating expenses	39	-19,270,663	-12,766,249
amortization, depreciation and impairment losses	40	-62,087,571	-55,655,510
operating profit/(loss)		**37,573,632**	**37,312,657**
share of results of equity-accounted investees	41		
finance costs	42	-25,706,707	-22,182,376
finance income	42	6,235,287	5,949,217
profit before tax		**18,102,212**	**21,079,498**
income tax for the year	43	-8,866,733	-5,247,887
profit for the year from continuing operations		**9,235,479**	**15,831,611**
discontinued operations			
profit for the year from discontinued operations			
consolidated profit for the year		**9,235,479**	**15,831,611**
profit for the year attributable to non-controlling interests		**-2,771,886**	**355,658**
profit for the year attributable to owners of the Parent		**12,007,365**	**15,475,953**

other comprehensive income	note	2024	2023
consolidated profit for the year		**9,235,479**	**15,831,611**
items that may be reclassified subsequently to profit or loss			
gain/(loss) on cash flow hedges	30	-1,466,898	-2,720,298
income tax relating to items that may be reclassified subsequently to profit or loss		352,056	652,872
items that will not be reclassified subsequently to profit or loss			
(loss)/gain on remeasurement of defined benefit plans	25	-276,873	-535,071
income tax relating to items that will not be reclassified subsequently to profit or loss		66,450	128,418
other comprehensive income for the year net of income tax		**7,910,214**	**13,357,532**
attributable to:			
owners of the Parent		10,886,315	13,214,348
non-controlling interests		-2,976,101	143,184
other comprehensive income for the year net of income tax		**7,910,214**	**13,357,532**

2.4 Statement of changes in equity

(in euros)	share capital	legal reserve	own shares	other reserves	measurement of associates with equity method	profit/(loss) att.to owners of the parent	equity att. to owners of the parent	capital and reserves attr. to non-controlling interests	profit/(loss) attr. to non-controlling interests	equity att. to non-controlling interests	total equity
balance at January 1, 2023	**145,397,150**	**4,967,314**	**-640**	**132,878,109**	**154,000**	**7,286,250**	**290,682,183**	**30,507,949**	**-1,130,804**	**29,377,145**	**320,059,328**
capital increase											
allocation of previous year's profit		313,830		6,972,420		-7,286,250		-1,130,804	1,130,804		
own shares held											
business combinations and changes in scope of consolidation											
other changes				-1,121,493			-1,121,493	2,267,449		2,267,449	1,145,956
dividends											
other comprehensive income				-2,261,605			-2,261,605	-212,474		-212,474	-2,474,079
profit for the year ended December 31, 2023						15,475,953	15,475,953		355,658	355,658	15,831,611
balance at December 31, 2023	**145,397,150**	**5,281,144**	**-640**	**136,467,431**	**154,000**	**15,475,953**	**302,775,038**	**31,432,120**	**355,658**	**31,787,778**	**334,562,816**
balance at January 1, 2024	**145,397,150**	**5,281,144**	**-640**	**136,467,431**	**154,000**	**15,475,953**	**302,775,038**	**31,432,120**	**355,658**	**31,787,778**	**334,562,816**
capital increase											
allocation of previous year's profit		411,547		15,064,406		-15,475,953		355,658	-355,658		
own shares held											
business combinations and change in scope of consolidation				-639,714			-639,714	4,316,122		4,316,122	3,676,408
other changes				171,206			171,206	699,362		699,362	870,568
dividends											
other comprehensive income				-1,121,050			-1,121,050	-204,215		-204,215	-1,325,265
profit for the year ended December 31, 2024						12,007,365	12,007,365		-2,771,886	-2,771,886	9,235,479
balance at December 31, 2024	**145,397,150**	**5,692,691**	**-640**	**149,942,277**	**154,000**	**12,007,365**	**313,192,843**	**36,599,051**	**-2,771,886**	**33,827,165**	**347,020,008**

2.5 Statement of cash flows

statement of cash flows (in euros)	note	2024	2023
cash generated from operations			
profit for the year		9,235,479	15,831,611
cash from operating activities			
(interest income)/interest expense for the year	42	17,559,167	13,101,768
income tax for the year	43	8,866,733	5,247,887
adjustments to reconcile net profit to cash and cash equivalents generated by/(used in) operations			
amortization, depreciation and impairment losses	40	62,087,571	55,655,510
finance costs/(income) from discounting	72	1,912,253	3,135,422
impairment losses on receivables	39	7,070,479	3,108,091
impairment losses on inventories	13		
fair value change of derivative financial instruments			
share of results of equity-accounted investees	41		
(gains)/losses			
on disposals of property, plant and equipment and investment property		-159,143	238,044
on disposals of equity investments	42		
allocation/(use) of			
retirement benefit obligations		-1,181,712	-1,706,074
provisions for risks and charges		4,693,149	-18,494,142
other adjustments for non-monetary items		612,058	-5,240,206
operating cash flows before movements in working capital		**110,696,034**	**70,877,911**
movements in working capital			
inventories		-2,452,668	850,864
contract work in progress		1,230,247	1,286,698
trade receivables		-16,616,237	6,843,872
other current receivables		-3,113,981	6,137,980
trade payables		12,300,472	-3,509,431
other current payables		9,977,025	-3,993,360
total movements in current assets and liabilities		**1,324,858**	**7,616,623**
other adjustments			
(interest paid)		(21,980,635)	-17,526,609
interest received		6,467,983	5,371,472
(income tax paid)		(1,488,062)	-6,037,457
dividends received			18,445
movements in other non-current payables		4,052,058	419,936
net cash generated by/(used in) operating activities		**99,072,236**	**60,740,321**

statement of cash flows (in euros)	note	2024	2023
cash from investing activities			
proceeds on disposals of intangible assets	6		1,418
proceeds on disposals of property, plant and equipment and service concession arrangements	6, 8	923,245	1,127,217
net assets/liabilities held for sale	5	599,293	
dividends from associates and joint ventures			
investments in business combinations net of cash acquired		-3,202,335	-422,266
purchases of intangible assets	6	-4,857,976	-5,308,667
investments in service concession arrangements	6	-57,717,296	-63,450,092
purchases of property, plant and equipment and investment property	8, 9	-84,772,932	-60,574,050
acquisition of investments in associates and joint ventures		20,800	-438,447
equipment grants received		33,303,299	13,639,671
sale of investments in associates and joint ventures			
disposals of/(investments in) other equity investments			-100,524
disposals of/(investments in) other financial assets and receivables due from associates		3,014,300	1,477,434
net cash generated by/(used in) investing activities		**(112,689,602)**	**-114,048,306**
cash from financing activities			
own resources			
sale/(acquisition) of own shares			
other changes in equity		570,000	
dividends paid			-90
external sources			
loans taken out			
long-term		46,000,000	94,600,000
long-term from other lenders			
proceeds from/(payments of) derivative instruments			
bond issue			
increase/(decrease) in payables due to associates			-158,950
increase/(decrease) in short-term bank borrowings		728,302	118,259
acquisition of non-controlling interests			
(repayment) of loans			
long-term		-57,675,074	-52,145,613
long-term from other lenders		-1,756,637	-3,788,573
increase/(decrease) in financial payables due to shareholders		-946,243	-1,419,579
(redemption) of bonds		-1,610,000	-750,000
sale of non-controlling interests			
net cash generated by/(used in) financing activities		**(14,689,652)**	**36,455,454**
net increase/(decrease) in cash and cash equivalents		**(28,307,018)**	**-16,852,531**
cash and cash equivalents at beginning of year		**131,576,562**	**148,429,093**
cash and cash equivalents at end of year	**20**	**103,269,544**	**131,576,562**

2.6 Notes to the consolidated financial statements

ACCOUNTING STANDARDS AND NOTES

1. Company information

Group data	
Name of reporting entity	Veritas spa
Registered office	Venice
Legal form	Joint-stock company
Country of registration	Italy
Address of registered office	Santa Croce 489, Venice
Main place of business	City of Venice and Province of Treviso
Nature of the business and principal operations	The principal operations of the Veritas Group are: – integrated waste management service; – integrated water service; – other services (various local public services for the Municipality of Venice, heat and public lighting service, environmental reclamation, management of two crematoriums, management of hazardous and non-hazardous waste, environmental remediation).
Name of parent company	Veritas spa

Veritas spa, the parent company of the Veritas Group, is a joint-stock company incorporated and domiciled in Italy.

The principal operations of the Veritas Group are:

- the integrated waste management service carried out in the 45 shareholder municipalities of the Veritas Group. The service includes street sweeping, waste collection, and waste disposal through treatment plants for organic waste, dry waste, and recyclable materials. The population served is approximately 870,000, plus some 40 million tourists who visit Venice, the surrounding areas, and the Jesolo, Eraclea, and Chioggia coastlines each year (except during the two years of the Covid emergency), for a total of more than 1 million population equivalent;
- the integrated water service carried out in the 36 shareholder municipalities of the parent company. The Group provides the integrated water service and purifies wastewater in the area of its shareholder municipalities, which have a resident population of around 790,000.

  In 2024 the Group invoiced approximately 70.6 million cubic meters of water.

  The aqueduct network is 6,100 km long. In addition, a 3,000 km sewage network is used for the purification cycle, conveying approximately 102 million cubic meters of wastewater to 11 large and 25 small-to-medium purification plants. In addition, through its engineering department, the organization is committed to investing in the water and sewage network and purification plants, in terms of necessary upgrades and new pipelines;

  Veritas also manages the 15 km of the Porto Marghera industrial aqueduct, where some 8 million cubic meters of water are supplied;
- various local public services for the Municipality of Venice, such as cemetery services, management of the fish market, public restrooms, and since 2021 also public works. Veritas also lays the footbridges that allow access to the historic center of Venice during

high water; since late 2018, it has helped coordinate the activities of the single metropolitan call center following the implementation of the new Citizen Relationship Management (Czrm) system developed by the Municipality of Venice and its subsidiaries;

- the management for additional municipalities of cemetery services, as well as heating and public lighting;
- environmental remediation (characterization plans, safety measures, monitoring plans) on behalf of both shareholder municipalities and other public entities;
- the operation of crematoriums in Marghera, Spinea, and Conegliano;
- the handling of hazardous and non-hazardous waste, and environmental remediation with advanced technology mobile plants through the subsidiary Depuracque servizi Srl;
- the development of the Rtn waste treatment plant in Fusina by the subsidiary Rive srl;
- the development of the general construction sector with environmentally friendly technology for trenchless pipe lining conducted by the subsidiary Euroscavi srl;
- post-treatment of municipal wastewater ("Type A wastewater"), treatment of industrial wastewater and stormwater runoff from the Porto Marghera industrial area ("Type B wastewater") and treatment of drained groundwater by the subsidiary Sifa scpa.

The consolidated financial statements of the Veritas Group were approved by a resolution of the Board of Directors on May 28, 2025.

2.1 Basis of preparation

The consolidated financial statements for the year ended December 31, 2024 were prepared by the parent company Veritas spa in accordance with the International Financial Reporting Standards (IFRS), adopted by the European Commission following the procedure set out in Article 6 of Regulation 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards, in force at the date of preparation of this document. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The consolidated financial statements provide comparative figures for the previous year and are made up of:

- a statement of financial position broken down into current and non-current assets and liabilities based on whether they will be realized or settled as part of the Group's normal operating cycle within twelve months of the end of the year;
- a statement of comprehensive income that classifies income and expenses based on their nature, a method considered most representative of the Group's business segment;
- a statement of cash flows prepared using the indirect method;
- a statement of changes in equity;
- notes containing the information required by applicable regulations and international accounting standards, appropriately presented with respect to the format of the financial statements.

The consolidated financial statements are expressed in euros, the Group’s functional currency pursuant to Article 5, paragraph 2 of Legislative Decree 38 of February 28, 2005 and in accordance with IAS 1. All amounts are rounded to the nearest thousand euros unless specified otherwise.

The consolidated financial statements have been audited, as required by Article 14 of Legislative Decree 39 of January 27, 2010, by Deloitte & Touche spa.

The general principle adopted in the preparation of these consolidated financial statements is the cost principle, except for financial assets and liabilities measured at amortized cost in accordance with IFRS 9.

The financial statements have been prepared on a going concern basis. The Group has conducted simulations to assess potential future impacts on its business and financial business plans, which confirm the going concern assumption.

Accounting standards, amendments and interpretations effective from January 1, 2024

The accounting standards used to prepare the consolidated financial statements at December 31, 2024 are the same as those used for the prior-year figures presented for the sake of comparison.

In 2024, the following amendments to the standards became effective for annual reporting periods beginning on or after January 1, 2024. The Group has not adopted early any other standards, interpretations or amendments published but not yet in force. The nature and impact of each change are described below:

- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current:* the IASB published this amendment in January 2020 and then in October 2022 it published more of them entitled *Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants*.

  The amendments clarify how to classify payables and other liabilities as current or non-current. They also improve the disclosures that an entity shall provide when its right to defer the settlement of a liability for at least 12 months is subject to an entity's compliance with covenants.

  The adoption of the standard has had no impact on the Group's consolidated financial statements.

- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback:* In September 2022 the IASB published an amendment to IFRS 16 that requires the seller-lessee to determine the lease liability arising from a sale and leaseback transaction in a way that does not recognize a gain or loss relating to the retained right of use.

  The adoption of the standard has had no impact on the Group's consolidated financial statements.

- *Amendments to Ias 7 Statement of Cash Flows and Ifrs 7 Financial Instruments: Disclosures: Supplier Finance Arrangements:* published by IAS in May 2023, they require an entity to provide additional information on reverse factoring arrangements that enables users of its financial statements to evaluate how the arrangements could influence the entity's liabilities and cash flows and to understand the effects of such arrangements on the entity's exposure to liquidity risk.

  On the basis of the evaluations carried out, the Group has added the disclosure required by the amendments to the Note on trade payables, which may be referred to for further details.

International accounting standards and/or interpretations not yet effective and not early adopted by the Group

The following standards and interpretations had been published as of the date of the financial statements but had not come into force yet. The Group intends to adopt them, if applicable, when they become effective.

- On August 15, 2023 the IASB published *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*. They require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide in the notes to the financial statements. They are effective from January 1, 2025 but early adoption is permitted.

  The adoption of the standard will not affect the Group's consolidated financial statements.

International accounting standards and interpretations not yet endorsed by the European Union

At the reporting date, the EU authorities had not yet finished the endorsement process necessary for the adoption of the following amendments and standards.

- On May 30, 2024, the Iasb published *Amendments to the Classification and Measurement of Financial Instruments-Amendments to Ifrs 9 and Ifrs 7*. The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (such as green bonds). The changes aim to:
  - clarify the classification of financial assets that have variable returns and are linked to environmental, social and corporate governance (ESG) objectives, and the criteria used for the Solely Payments of Principal and Interest (SPPI) test;
  - determine that the date of settlement of liabilities via electronic payment systems is the date on which the liability is extinguished. However, an entity is permitted to adopt an accounting policy that allows it to derecognize a financial liability before it delivers cash on the settlement date when specified criteria are met.

  With these amendments, the IASB has also introduced additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income (Fvoci).

  The amendments will apply to financial statements for annual periods beginning on or after January 1, 2026.

  The directors are currently assessing the potential effects of these amendments on the Group's consolidated financial statements.

- On July 18, 2024, the Iasb published a document called *Annual Improvements Volume 11*. The document includes clarifications, simplifications, corrections and changes to improve the consistency of several IFRS. The amended standards are: *Ifrs 1 First-time Adoption of International Financial Reporting Standards*, *Ifrs 7 Financial Instruments: Disclosures* and the related guidelines on the implementation of Ifrs 7, *Ifrs 9 Financial Instruments*, *Ifrs 10 Consolidated Financial Statements* and *Ias 7 Statement of Cash Flows.*

  They are effective from January 1, 2026 but early adoption is permitted.

  The directors are currently assessing the potential effects of these amendments on the Group's consolidated financial statements.

- On December 18, 2024, the Iasb published an amendment called *Contracts Referencing Nature-dependent Electricity - Amendment to Ifrs 9 and Ifrs 7*. The document aims to help entities better report the financial effects of contracts for the purchase of electricity from renewable sources (often structured as Power Purchase Agreements). The amount of electricity generated and purchased under these contracts can vary based on uncontrollable factors such as weather conditions. The Iasb has made targeted amendments to Ifrs 9 and Ifrs 7.

They are effective from January 1, 2026, but early adoption is permitted.

The directors are currently assessing the potential effects of this amendment on the Group's consolidated financial statements.

- On April 9, 2024, the Iasb published a new standard, Ifrs 18 *Presentation and Disclosure in Financial Statements* which will replace Ias 1 *Presentation of Financial Statements*. The objective of the new standard is to improve how information is communicated in an entity's financial statements, particularly in the statement of profit or loss. The new standard requires classifying income and expenses into three new categories (operating, investing, financing) in addition to the income taxes and discontinued operations categories already in the statement of profit or loss; and presenting two new subtotals: "operating profit or loss," "profit or loss before financing and income taxes" (EBIT).

  The new standard will become effective for annual reporting periods beginning on or after January 1, 2027, but early adoption is permitted.

  The directors are currently assessing the potential effects of this new standard on the Group's consolidated financial statements.

- On May 9, 2024, the Iasb published a new standard, Ifrs 19*Subsidiaries without Public Accountability: Disclosures*. The new standard introduces simplifications for the disclosures required by IFRS in the financial statements of a subsidiary if the following conditions are met: the subsidiary has not issued debt or equity instruments listed on a public market, and is not in the process of issuing them; and its parent prepares consolidated financial statements in accordance with IFRS.

  The new standard will become effective for annual reporting periods beginning on or after January 1, 2027, but early adoption is permitted.

  The directors are currently assessing the potential effects of this new standard on the Group's consolidated financial statements.

Statement of compliance with IFRS

The consolidated financial statements of Veritas spa were prepared in accordance with the International Financial Reporting Standards (IFRS).

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Veritas spa and its subsidiaries as at December 31 of each year.

Control is achieved when the Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. has valid rights giving it the current ability to direct the relevant activities of the investee);
- the exposure or rights to variable returns arising from its involvement with the investee;
- the ability to use its power over the investee to affect its returns

It is generally assumed that a majority of voting rights conveys control. To support this assumption, and when the Group has less than a majority of the voting (or similar) rights, the Group considers all relevant facts and circumstances to determine whether it controls the investee, including:

- contractual arrangements with other holders of voting rights;
- rights arising from other contractual arrangements;
- the Group's voting rights and potential voting rights.

The Group reconsiders whether or not it controls an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

Since 2017, the parent company has prepared separate financial statements in conformity with International Accounting Standards/International Financial Reporting Standards (IAS/IFRS), pursuant to Legislative Decree 38/2005 concerning public interest entities (Legislative Decree 39/2010, Article 16, par. 1, letter a). The transition date to IAS/IFRS was January 1, 2016. Since the Group had opted to prepare its consolidated financial statements in accordance with IAS/IFRS at December 31, 2007, Veritas recognized the assets and liabilities in the opening statement of financial position of the separate IFRS financial statements and in the subsequent separate financial statements at the same carrying amounts as in the accounts prepared for the Group's consolidated financial statements (IFRS 1 Revised, paragraph D17).

Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the Group obtains control, and cease to be consolidated when the control is transferred outside the Group.

The financial statements of the subsidiaries prepared in accordance with Italian GAAP (OIC) are restated for each reporting date in conformity with IAS/IFRS. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to ensure compliance with the Group's accounting policies.

All intraGroup balances and transactions, including any unrealized gains and losses arising from transactions between Group companies, are eliminated in full.

Non-controlling interests represent the portion of profits or losses and net assets not owned by the Group. They are shown separately in the statement of profit or loss and in the statement of financial position under the items of equity, separately from the equity attributable to the Group.

Losses are attributed to non-controlling shareholders even if this means that non-controlling interests have a negative balance.

Changes in the parent company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In acquisitions of non-controlling interests, the difference between the price paid and the carrying amount of the portion of net assets acquired is recognized directly in equity.

If the parent company loses control of a subsidiary, it:

- eliminates the assets (including any goodwill) and liabilities of the subsidiary;
- eliminates the carrying amounts of any non-controlling interest in the former subsidiary;
- eliminates the accumulated foreign exchange differences recognized in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any retained interest in the former subsidiary;
- recognizes any gain or loss in the statement of profit and loss;
- reclassifies the parent company's share of items previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.2 Discretionary assessments and significant accounting estimates

Preparing the Group's financial statements requires the directors to make discretionary assessments, estimates and assumptions that can affect the amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. The uncertainty involved in those assumptions and estimates could lead to results that will require a significant adjustment to the carrying amount of such assets and/or liabilities in the future.

Discretionary assessments

In applying the Group's accounting policies, the directors have made decisions based on the following discretionary assessments (excluding those involving estimates) with a significant effect on the values stated in the financial statements.

Duration of assignments

The Report on Operations, in section 2.1.1. on business events and developments, states the duration of assignments.

Estimates and assumptions

The key assumptions about the future and other important sources of measurement uncertainty at the reporting date, which could lead to making significant adjustments to the carrying amounts of assets and liabilities within the next year, are presented below.

The Group based its estimates and assumptions on parameters that were available at the time the consolidated financial statements were prepared. However, the current circumstances and assumptions about future events could be modified due to changes in the market or events beyond the Group's control. If such changes occur, they are reflected in the assumptions when they occur.

The Group has conducted simulations to assess potential future impacts on its business and financial business plans, which confirm the going-concern status.

Impairment of non-financial assets

The Group tests all non-financial assets for impairment at each reporting date. Goodwill is tested annually. The other non-financial assets are tested annually when there are indications that the carrying amount may not be recovered.

When value in use is calculated, the directors estimate the cash flows expected from the cash-generating unit asset or units and choose an appropriate discount rate to calculate the present value of those cash flows.

The Group has verified whether the effects of the social and economic environment could lead to an impairment loss.

Note 7 contains more details and a sensitivity analysis of the key assumptions.

Revenue recognition

Revenues from contracts with customers are recognized to present faithfully the transfer of the goods and services promised (completion of the performance obligation) in an amount that reflects the expected consideration in exchange for the goods and services provided. For accounting purposes, the Group applies the five-step model described in IFRS 15.

Revenue recognition assumes using estimates based on the best available information, which may be subject to change due to new information that was unavailable at the time of the estimate.

For the integrated water service, the parent company calculates revenues from invoices to be issued at the December 31 rate of each year, estimating the water consumption by verifying, specifically for each user, the past consumption.

Provision for expected losses on trade receivables and contract assets

The Group recognized a provision for expected credit losses ("ECL") for all financial assets, as required by IFRS 9. The Group uses a matrix to calculate the ECL for trade receivables. The provision rates are based on the days past due for each customer category grouped into the various brackets with similar historic loss trends.

The matrix is initially based on the Group's observed past default rates. The Group then calibrates the matrix to refine the historical data on credit losses with forward-looking data. The historical default rates are updated at each reporting date, and the changes in estimates are analyzed using forecast data.

The assessment of the correlation between past default rates, the forecast economic conditions and the ECL is a meaningful estimate. The ECL amount is sensitive to changes in circumstances and expected economic conditions. The Group's past credit loss experience and the forecast of future economic conditions might not be representative of the actual customer insolvency in the future.

Taking into consideration the effects on default of the current inflation at a macroeconomic level and the possibility of a recession, the Group updated the provision rates by taking into account the historical loss trends and possible increases in insolvencies based on specific medium-term economic indicators. Note 15 provides additional details.

Provisions for post-closure restoration of landfill areas

The Group recognized provisions for the costs associated with the restoration of landfill areas, which will be incurred when the post-closure care of the landfill use ends. In determining the amount of the provisions, estimates and assumptions had to be made concerning the discount rates and the expected costs for the restoration and rehabilitation of the sites and the acceptable volumes, partly using appraisals drawn up by external consultants. Further details are provided in Note 24.

Provisions for risks and charges

These provisions were allocated by adopting the same procedures as in previous years, referring to updated communications from the lawyers and consultants working on the disputes, and on the basis of the procedural developments of the disputes.

The estimates took into account assumptions based on market and regulatory parameters and the information available at the time of preparation of the financial statements. Further details are provided in Note 24.

2.3 Scope of consolidation

The consolidated financial statements incorporate the financial statements of the parent company, Veritas spa, and of the companies over which the parent company has the right to directly or indirectly (through its subsidiaries) exercise control, directing their financial and business decisions and obtaining the related benefits.

Listed below are the companies that, pursuant to IFRS 10, were consolidated on a line-by-line basis at December 31, 2024:

consolidated companies	registered office	share capital	Dec. 31, 2024 Group's share	Dec. 31, 2023
Veritas SpA (parent company)	Venice	145,397,150		
Eco+Eco srl	Venice	95,120,967	72.95%	68.27%
Asvo spa	Portogruaro (Venice)	18,969,650	55.75%	55.75%
Consorzio per la Gestione dei Servizi Comuni – Fusina	Venice	50,000	88.23%	88.23%
Metalrecycling Venice srl	Venice	1,800,000	72.95%	68.27%
Depuracque servizi srl	Salzano (Venice)	223,080	100.00%	100.00%
Lecher ricerche e analisi srl	Salzano (Venice)	46,800	100.00%	100.00%
Rive srl	Venice	2,000,000	70.00%	70.00%
Euroscavi srl	Badia Polesine (Rome)	10,329	100.00%	100.00%
Ecodistretto Trasporti scarl	Venice	20,000	58.36%	54.62%
Veritas Conegliano srl	Venice	100,000	72.50%	72.50%
Sifa Scpa	Venice	30,000,000	84.33%	
Ecodistretto RE srl	Venice	24,478,000	72.95%	

Note 3 to the Group's consolidated financial statements contains further details on its corporate transactions.

The following associates are not accounted for on a line-by-line basis:

associates	registered office	share capital	Dec. 31, 2024 Group's share	Dec. 31, 2023
associates				
Ecolegno CM Venezia srl	Venice	50,000	29.18%	27.31%
OMD srl	Nervesa della Battaglia (Treviso)	160,000	18.24%	17.07%
Bioenergie Italiane srl (formerly Mia energia srl)	Venice	1,000,000	21.89%	33.45%
9-Tech srl	Eraclea (Venice)	256,400	22.00%	22.00%
Ri.cart srl	Istrana (Treviso)	200,000	32.83%	30.72%
Vier scarl	Venice	100,000	49.00%	49.00%
reclassified companies				
Sifa scpa	Venice	30,000,000	84.33%	33.17%

2.4 Accounting policies

The financial statement items were measured in accordance with the general criteria of prudence, the accrual basis of accounting, and the going concern assumption. For accounting purposes, preference is given to the economic substance of transactions rather than their legal form.

In preparing the consolidated financial statements, the same principles and criteria applied in preparing the comparative data were followed, including the new accounting standards mentioned previously.

The income and expenses include end-of-period items reflected in the corresponding items of the statement of financial position. In this respect, gains are included only if they are realized by the end of the year, while risks and losses are considered even if they are known afterward.

The criteria and principles adopted are set out below.

Intangible assets

The intangible assets recognized are identifiable and controllable assets whose cost can be measured reliably on the assumption that they will generate future economic benefits.

Intangible assets acquired separately are initially capitalized at cost, while those acquired through business combinations are recorded at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, except for development costs, are not capitalized and are recognized in profit or loss in the year they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with finite lives are amortized over their useful lives and tested for impairment whenever there are indications of such losses. The amortization period and method applied to them are reviewed at the end of each reporting period or more frequently if necessary. Changes in the expected useful life or in the manner that the Group obtains the future economic benefits associated with the intangible asset are recognized by adjusting the amortization period or method as appropriate and are treated as changes in accounting estimates.

Amortization commences when the asset is ready for use or, in any case, begins to produce economic benefits for the enterprise.

The amortization of intangible assets with finite lives is recognized in the statement of profit or loss in the cost category consistent with the function of the intangible asset.

Intangible assets with an indefinite useful life are tested annually for impairment individually or by cash-generating unit. No amortization is recognized for such assets. The useful life of an intangible asset with an indefinite life is reviewed annually to ascertain whether the conditions underlying this classification continue to apply. If they do not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use. Gains or losses from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset, and are recognized in profit or loss at the time of disposal.

The policies applied by the Group for intangible assets are summarized below:

intangible assets	public service concessions	software licenses
useful life	finite	finite
amortization method used	amortized on a straight-line basis over the duration of the relevant concession	amortized on a straight-line basis over a period of three or five years
internally produced or acquired	acquired	acquired

Service concession arrangements

IFRIC 12 applies to public-to-private service concession arrangements if the following conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price;
- the grantor controls — through ownership, beneficial entitlement or otherwise — any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the above conditions are met, the operator shall not recognize the infrastructure as property, plant and equipment of the operator because the contractual service arrangement transfers the right to use the infrastructure, but not after the end of the term of the arrangement. The infrastructure must, therefore, be recognized as a financial asset or intangible asset depending on whether the operator has an unconditional right to receive contractually guaranteed cash flows, regardless of the actual usage of the infrastructure. In essence, the financial asset model should be applied solely in cases where the operator is not exposed to demand risk, and thus whenever the cash flows provided for in the concession agreement enable recovery of the receivable/investment regardless of the actual usage of the infrastructure by customers.

After analyzing the concession arrangements in place with the grantors, the Group decided to apply the interpretation to all the integrated water cycle activities managed by it and to account for them as intangible assets because it has the right to charge the users of the public service (pricing).

The amount of the service concession arrangements is adjusted by the amount of government grants received.

The economic-technical amortization rates applied, which represent the expectation of obtaining future economic benefits from the infrastructure, as per the regulatory framework, remain the same as those already used by the Group.

Property, plant and equipment

Property, plant and equipment are recognized at their historical cost, including all costs necessary to bring the asset to working condition for its intended use, plus the present value of the estimated cost of dismantling and removing the asset when relevant and present obligations exist. The cost of plant and machinery includes costs for replacing such assets when they are incurred and if they comply with the recognition criteria. If significant components of such assets have different useful lives, the components are accounted for separately.

Likewise, the cost of any major overhauls is included in the carrying amount of the plant or machinery as a replacement if the recognition criteria are satisfied. Other maintenance and repair costs are recognized in profit or loss as they are incurred.

Finance costs incurred in connection with investments in assets that necessarily take a substantial period of time to get ready for their intended use or sale (qualifying assets under IAS 23 -*Borrowing costs*) are capitalized in the cost of the asset and amortized over the useful life of the category of assets to which they refer. All other finance costs are recognized in profit or loss when they are incurred.

Finance costs consist of interest and other costs that the entity incurs in connection with obtaining financing.

Land, whether free of construction or occupied by buildings, is normally not depreciated since it has an indefinite useful life.

Land on which a landfill is located is depreciated over the useful life of the landfill.

Property, plant and equipment are stated net of the accumulated depreciation and impairment losses, as described below.

Depreciation is calculated on a straight-line basis considering the estimated useful life of the asset for the entity and is reviewed annually, as are the residual values and the depreciation method; any changes needed are made on a prospective basis.

The depreciation rates began to be revised at the Group in 2007, based on a specific appraisal drawn up by an independent expert, which revised the rates according to the estimated remaining useful lives of the assets.

The main depreciation rates used by the Group in 2024 are listed hereunder:

property, plant and equipment	category	depreciation rates
land	land and buildings	indefinite life
industrial and civil buildings	land and buildings/leased assets	2% – 2.5% – 3% – 4%; from 5.37% to 10.76%; 32.33%.
lightweight structures	land and buildings	4% – 6.5% – 10%
fixed hydraulic works	land and buildings	2.5%
tanks	plant and machinery	3% – 4% – 7.5% – 12.5%
water and sewage pipes (including flood drains and first flush diverters)	plant and machinery	2.5%
water and sewage pumping equipment	plant and machinery	3% – 5% – 6%
drinking water systems	plant and machinery	3% – 4% – 5%
water and sewage connections	plant and machinery	2.5% – 4%
purification plants	plant and machinery	3% – 5% – 7% – 15%
photovoltaic systems	plant and machinery	4% – 5% – 7%
machinery	plant and machinery	5% – 6.5% – 9% – 10% – 15%
waste disposal facilities (excluding landfills)	plant and machinery	3% – 5% – 6% – 7.5% – 8.5% – 15%
waste disposal facilities - landfills	plant and machinery	according to % of the landfill capacity used
waste pre-treatment plants	plant and machinery	shorter of useful life and concession or contract duration
Css1 line, Css2 line and incinerator	plant and machinery	according to useful life (remaining useful life until 2029)
other waste management facilities	plant and machinery	7%
electrical, electronic and heating systems	plant and machinery	5% – 7% – 10%; from 6.67% to 33.3%.
fixed hydraulic works	plant and machinery	2.5%
remote control systems	plant and machinery	7% – 16.5%
equipment and laboratories	commercial and industrial equipment	7.5% – 10% – 15%
light containers and other containers	commercial and industrial equipment	6.25% – 9% – 12.5% – 15%
utility meters	commercial and industrial equipment	7%
metal vessels	other assets	3% – 5.5% – 10%
vessel equipment	other assets	7% – 9%
cars	other assets	15% – 16.5% – 20% – 25% – 50%
industrial vehicles	other assets/leased assets	8% – 10% – 16.5% – 20%
machining and internal handling equipment	other assets	6.5% – 7% – 8% – 9% – 17.5% – 20%
motorcycles	other assets	10% – 20% – 25%
furniture and furnishings	other assets	7% – 8% – 8.5% – 12% – 15%
computer products and office machines	other assets	16.5% – 20%
communication devices	other assets	9%
mobile phones	other assets	20%
leasehold improvements	leasehold improvements	shorter of useful life and lease duration

The depreciation of assets purchased during the year commences when the asset is ready for use. The full depreciation rate was applied to capitalized improvements on existing facilities.

A tangible asset is derecognized when it is sold or when there is no future economic benefit expected from its use or disposal. Any gains or losses (calculated as the difference between the net proceeds from the disposal and the carrying amount) are included in profit or loss in the year of derecognition.

Leases

When stipulating a contract, the Group assesses whether it is, or contains, a lease. A lease is contract that conveys the right to control an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognizes liabilities for the lease payments and right-of-use assets representing the right to use the underlying asset of the lease.

- **Right-of-use assets:** The Group recognizes right-of-use assets on the lease commencement date (the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and are adjusted for any remeasurement of the lease liabilities. The cost of right-of-use assets comprises the amount of the lease liabilities recognized, the initial direct costs incurred and the lease payments made on or before the commencement date net of any incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the useful life of the related asset or to the expiration of the lease, whichever is earlier, at the previously used depreciation rates.

  If the title to the asset transfers at the end of the lease or if the cost of the asset reflects the exercise of the purchase option by the lessee, the lessee depreciates the asset from the commencement date to the end of the underlying asset's useful life.

- **Lease liabilities**: At the lease commencement date, the Group recognizes lease liabilities at the present value of the payments due but not paid yet at that date. The payments due include fixed lease payments (including in-substance fixed lease payments) net of any lease incentives to be received, variable payments depending on an index or rate, and amounts expected to be paid as the guaranteed residual value. The lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

  Variable lease payments that do not depend on an index or rate are recognized as costs in the period in which the event or condition generating the payment occurs.

  To calculate the current payments due, the Group uses the incremental borrowing rate at the commencement date, if the implicit interest rate cannot be easily determined. After the commencement date, the lease liability increases to reflect the interest on the lease liability and decreases to reflect the payments made. In addition, the carrying amount of lease liabilities is restated in the event of any change or revision to the contractual terms for the change in payments; it is also restated to reflect changes in the measurement of the option to purchase the underlying asset or changes in future payments resulting from a modification in the index or rate used to determine those payments.

  The Group's lease liabilities are included in the "financial liabilities from other lenders" (see Note 23) and "payables due to shareholders" (see Note 26).

- **Short-term leases and leases of low-value assets**: The Group apples the exemption for recognizing short-term leases of property, plant and equipment (leases that expire within 12 months from the first application or that have a duration of 12 months or less from the commencement date and do not contain a purchase option). The Group also applies the exemption for leases where the underlying asset has a low value, specifically leases for office equipment and electronic devices whose value is low. The payments on short-term leases and low-value leases are recognized as expenses on a straight-line basis over the term of the lease.

The Group as lessor

Leases that transfer to the Group substantially all the risks and rewards of ownership of an asset are classified as operating leases. Income from operating leases is recognized over the term of the lease and is included as revenue in the statement of profit or loss due to its operational nature. The initial transaction costs are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease income. Unanticipated rent is recognized as revenue in the period it accrues.

Investment property

Real estate investments are investment property (land or buildings or parts of buildings) that is held (by the owner or by the lessee as a right-of-use asset) to earn rental income and/or for capital appreciation.

Investment property is recognized initially at its acquisition cost, including transaction costs. The carrying amount includes the cost of replacing part of investment property when that cost is incurred, provided the recognition criteria are met, and excludes routine maintenance costs. Subsequent to initial recognition, investment property, except for land, is systematically depreciated each year on a straight-line basis at rates deemed representative of its remaining useful life.

Investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from the withdrawal from use or disposal of investment property is recognized in profit or loss in the year in which the withdrawal or disposal occurs.

Reclassification from or to investment property occurs when, and only when, there is a change in use. If directly used property becomes investment property, the Group recognizes the asset in accordance with the policies stated for property, plant and equipment until the time of change in use.

No asset held under an operating lease was classified as investment property.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is calculated as the sum of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed and classified as administrative expenses.

The Group determines that it has acquired a business activity when the integrated set of activities and assets includes at least one production factor and one substantial process which, together, significantly contribute to the ability to generate an output. The acquired process is considered substantial if it is crucial for the ability to continue producing outputs and the acquired production factors include an organized workforce that has the necessary skills, knowledge or experience to carry out that process or to significantly contribute to generating an output and is considered unique or scarce or cannot be replaced at no cost, without significant efforts or delays for the ability to generate an output.

When the Group acquires a business, it must classify or designate the financial assets acquired or liabilities assumed based on contractual terms, economic conditions and other relevant conditions at the acquisition date. This includes verifying whether an embedded derivative should be separated from the host contract.

If the business combination is achieved in stages, the acquirer must recalculate the fair value of the equity interest previously held and measured using the equity method and recognize any resulting gain or loss in profit or loss.

The acquirer must recognize contingent consideration at fair value at the acquisition date. The contingent consideration classified as equity is not remeasured and its subsequent payment is reflected in equity. The fair value change of contingent consideration classified as an asset or liability, such as a financial instrument within the scope of IFRS 9 - Financial Instruments, is recognized in profit or loss in accordance with IFRS 9. Contingent consideration that does not fall within the scope of IFRS 9 is measured at fair value at the reporting date, and changes in fair value are recognized in profit or loss.

Goodwill is initially measured at cost, which emerges as the excess of the sum of the consideration paid and the amount recognized for non-controlling interests over the identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group checks whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to determine the amounts to be recognized at the acquisition date. If the consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized in profit or loss.

Subsequent to initial recognition, goodwill is measured at cost less the accumulated impairment losses. For the purpose of impairment testing, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the business combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the disposed operation must be included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill associated with a discontinued operation must be measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Assets held for sale and discontinued operations

An asset held for sale or a discontinued operation is a component of the Group that has been decided to be discontinued or has been discontinued and represents a separate major line of business or geographical area of operations. An asset is classified as discontinued at the time of disposal; when an operation is classified as discontinued, the statement of profit or loss is restated as if the transaction had been discontinued at the beginning of the comparative period.

Investments in associates or joint ventures

An associate is a company over which the Group exercises significant influence and that is not classifiable as a subsidiary or a joint venture. Significant influence means the power to participate in determining an investee's financial and operating policies without having control or joint control over it.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control; a joint venture involves the formation of a separate company in which each participant has an interest in the net assets.

Under the equity method, an investment in an associate or a joint venture is recognized in the statement of financial position at cost, increased by post-acquisition changes in the Group's share of the associate's or joint venture's net assets. Goodwill regarding the associate or joint venture is included in the carrying amount of the investee and is amortized. The statement of profit or loss reflects the Group's share of the associate's or joint venture's profit or loss for the year. The equity method is also used to measure associates and joint ventures that the parent company recognizes in its separate financial statements at the acquisition or subscription cost, adjusted for any impairment losses to the recoverable amount, in accordance with IAS 36 (Impairment of Assets).

Any changes in other comprehensive income relating to these investees are presented as part of the Group's comprehensive income. If an associate or investee recognizes adjustments charged directly to equity, the Group recognizes its share of the adjustments and reports them, where applicable, in the statement of changes in equity. Gains and losses arising from transactions between the Group and the associate or joint venture are eliminated in proportion to the investment.

The reporting date of the associates is aligned with that of the Group; the joint venture prepares a report for consolidation purposes at the parent company's reporting date and applies uniform accounting principles. If uniform accounting principles are not used, the accounting principles are adjusted to make them consistent with those of the Group for transactions and events of the same nature and similar circumstances.

After applying the equity method, the Group assesses whether it is necessary to recognize an impairment loss on its investment in associates or joint ventures. The Group assesses at each reporting date whether there is objective evidence that the investments in associates or joint ventures have suffered an impairment loss. In such case, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and corresponding carrying amount in its financial statements, and recognizes this difference in the statement of profit or loss as a "share of results of equity-accounted investees”.

When significant influence over an associate or joint control over a joint venture is lost, the Group measures and recognizes the remaining investment at fair value. The difference between the carrying amount of the investment at the date of loss of significant influence or joint control and the fair value of the remaining investment and consideration received is recognized in profit or loss.

When the Group contributes or sells assets to the joint venture, the recognition of any portion of a gain or loss from the transaction reflects the substance of the transaction. When the Group purchases goods or services from the joint venture, it does not recognize its share of the profit from the transaction until it resells that good or service to an independent party.

Impairment losses on non-financial assets

At each reporting date, the Group assesses whether indicators of impairment exist for its assets. If they do, or in cases where an annual impairment test is required, the Group estimates the recoverable amount. The recoverable amount is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. The recoverable amount is determined for each asset, except when that asset generates cash flows that are largely independent of those generated by other assets or groups of assets.

If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount accordingly. In determining value in use, the Group discounts the estimated future cash flows to present value using a pre-tax discount rate that reflects market assessments of the present value of money and the risks specific to the asset. An appropriate valuation model is used to determine fair value less selling costs. These calculations are made by assessing the value in use using the discounted cash flow (DCF) model.

Impairment losses on continuing operations are recognized in the statement of profit or loss in the cost categories consistent with the intended use of the impaired asset. Exceptions to this are assets previously revalued where the revaluation was recognized in equity. In such cases, the impairment loss is in turn recognized in equity to the extent of the previous revaluation.

At each reporting date, the Group assesses, for assets other than goodwill, whether there is any indication of the reversal (or reduction) of previously recognized impairment losses, and, if such indications exist, it estimates the recoverable amount. The value of a previously impaired asset may only be reinstated if there has been a change in the estimates on which the calculation of the recoverable amount determined after the recognition of the latest impairment loss was based.

The reversal may not exceed the carrying amount that would have been determined, net of amortization and depreciation, if no impairment loss had been recognized in prior periods. The reversal is recognized in profit or loss unless the asset is recorded at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are used to account for impairment losses related to specific types of assets.

Goodwill

Goodwill is tested for impairment at least once per year or more frequently if circumstances indicate that the carrying amount may be impaired.

The impairment loss on goodwill is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill belongs.

An impairment loss is recognized when the cash-generating unit's recoverable amount is less than the carrying amount to which goodwill has been allocated. Goodwill impairment cannot be reversed in future periods. The Group tests goodwill for impairment annually at December 31.

Associates and joint ventures

The Group determines at each reporting date whether there is objective evidence that an investment in an associate has suffered an impairment loss. If such evidence exists, the Group calculates the amount of the loss as the difference between the fair value of the associate and the acquisition cost of the investment, and accounts for the loss in profit or loss.

Equity investments and other financial assets

According to IFRS 9, upon initial recognition, financial assets are classified at amortized cost, at fair value through other comprehensive income (FVTOCI), and at fair value through profit or loss (FVTPL), depending on the data.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model the Group uses to manage them. Excluding trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value, plus transaction costs in the case of a financial asset not at FVTPL. Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with IFRS 15. The section on accounting policies - revenues provides further details.

For a financial asset to be classified and measured at amortized cost or at FVTOCI, it must generate cash flows that depend solely on payments of principal and interest (SPPI). This evaluation is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the SPPI requirements are classified and measured at FVTPL.

The Group's business model for managing financial assets refers to how it manages those assets to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, from the sale of financial assets, or both.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Group enters into a commitment to purchase the asset. Regular way purchases and sales are defined as all purchases or sales of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

For the purpose of subsequent measurement, financial assets are classified into four categories:

- financial assets at amortized cost (debt instruments);
- financial assets at fair value through other comprehensive income (FVTOCI) with reclassification of accumulated gains and losses (debt instruments);
- financial assets at FVTOCI without reversal of accumulated gains and losses on derecognition (equity instruments);
- financial assets at fair value through profit or loss (FVTPL).

The Group determines the classification of its financial assets after initial recognition and, where appropriate and permitted, revises this classification at the end of each year.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. When the asset is derecognized, modified, or revalued, the related gains and losses are recognized through profit or loss.

The financial assets at amortized cost include trade receivables, held-to-maturity assets and loans.

Financial assets at FVTOCI (debt instruments)

The Group measures financial assets at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instrument assets measured at FVTOCI, interest income, foreign exchange gains and losses and impairment losses and reversals are recognized through profit or loss and are calculated in the same manner as for financial assets measured at amortized cost. The remaining changes in fair value are recognized through OCI. Upon derecognition, the cumulative fair value change recognized through OCI is reclassified to profit or loss.

Investments in equity instruments

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognized at FVTOCI when they meet the definition of equity instruments under IAS *32 Financial Instruments: Presentation* and are not held for trading. The classification is determined for each instrument.

Gains and losses realized on such financial assets are never reversed to profit or loss. Dividends are recognized in profit or loss when the right to receive payment is established, unless the Group benefits from such income as recovery of part of the cost of the financial asset, in which case they are included in OCI. Equity instruments recorded at FVTOCI are not tested for impairment.

Financial assets at FVTPL

The financial instruments at fair value with changes recognized in profit or loss are presented in the statement of financial position at fair value, and the net fair value changes are recognized in the statement of profit or loss.

This category includes derivative instruments and listed investees that the Group has not irrevocably elected to classify at FVTOCI. Dividends from listed investees are recognized as other income in the statement of profit or loss when the right to payment has been established.

An embedded derivative contained in a hybrid non-derivative contract, financial liability or host non-financial contract is separated from the host contract and accounted for as a separate derivative if: its economic characteristics and associated risks are not closely related to those of the host contract; a separate instrument with the same terms as the embedded derivative meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value, with the fair value changes recognized in profit or loss. They are restated only if a change in the contract significantly alters the otherwise expected cash flows or reclassifies a financial asset to a category other than FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset are extinguished;
- the Group has transferred the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all of the risks and rewards of ownership of the financial asset or (b) has neither transferred nor retained substantially all of the risks and rewards of the asset but has transferred control of it.

In cases where the Group has transferred rights to receive cash flows from an asset or has entered into an arrangement whereby it retains the contractual rights to receive the cash flows from the financial asset, but it assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it evaluates if and to what extent it has retained the risks and rewards of ownership.

In cases where the Group has neither transferred nor retained substantially all risks and rewards or has not lost control over it, the asset is recognized in the Group's financial statements to the extent of its continuing involvement in the asset. In this case, the Group also recognizes an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Group. The residual involvement that takes the form of a guarantee on the transferred asset is valued at the lower of the initial carrying amount of the asset and the maximum value of the consideration that the Group may be required to pay.

When the entity's continuing involvement is a guarantee of the transferred asset, the involvement is measured at the lower of the amount of the asset and the maximum amount of consideration received that the entity could be required to repay.

Impairment of financial assets

The Group recognizes an impairment loss (expected credit loss or "ECL") for all financial assets represented by debt instruments not held at FVTPL. The ECL is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The estimated cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The expected losses are measured in two stages. Where credit risk has not increased significantly since initial recognition, ECLs resulting from default events that are possible within the next 12 months are recognized (12-month ECL). Where credit risk has increased significantly since initial recognition, ECLs referring to the remaining life of the exposure are recognized, regardless of when the default event is expected to occur (lifetime ECL).

The Group uses a simplified approach to calculate ECLs for trade receivables and contract assets. Therefore, the Group does not monitor credit risk changes, but instead fully recognizes the ECL at each reporting date. The Group has established a matrix system based on historical information, revised to consider forward-looking elements regarding specific types of debtors and their economic environment to determine the expected losses.

For assets represented by debt instruments measured at FVTOCI, the Group applies the simplified approach to assets with a low credit risk. At each reporting date, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. When a significant increase in credit risk occurs, the Group fully recognizes the expected credit losses over the remaining term of the exposure.

A financial asset is derecognized when there is no reasonable expectation of recovering the contractual cash flows.

Inventories

Inventories consist of materials for maintenance and repair work on technical fixed assets and consumables such as fuel and lubricants, clothing and miscellaneous materials used in cleaning and waste sweeping activities.

Inventories of raw, ancillary and consumable materials are valued at purchase cost, determined using the weighted average cost method per movement. Inventories of materials that are obsolete or no longer used are valued at the lower of cost as previously determined and the realizable value obtained on the basis of market prices.

Contract work in progress

Contract work in progress is measured according to IFRS 15. Revenues over time are recognized if it can be demonstrated that: a) the customer simultaneously receives and consumes the benefit provided by the contract as it is performed; b) the service performed improves.

Contract assets are measured on the basis of the contractual payments, which are generally agreed upon as being equal to the costs incurred for each contract, accrued with reasonable certainty, according to the percentage of completion method, to allocate the revenue and profit of the contract to the individual years, in proportion to the stage of completion.

The percentage of completion is determined as the proportion of the contract costs incurred for work performed up to the reporting date to the total estimated contract costs. The positive or negative difference between the value of the contracts accrued at the end of the period and the invoiced work in progress is entered respectively under the assets or liabilities of the statement of financial position.

In addition to contractual fees, contract revenue includes any variants, price revisions and incentive payments to the extent that they are likely to represent actual revenue that can be determined reliably. Identified losses are recognized irrespective of the percentage of completion of the contract.

Trade and other receivables

The receivables included among the current and non-current assets represent the unconditional right to receive consideration. Trade receivables are recognized initially at the transaction price determined in accordance with IFRS 15, and subsequently the Group recognizes the expected credit losses.

The Group uses a simplified approach to calculate ECL for trade receivables and contract assets. Therefore, it does not monitor changes in credit risk, but fully recognizes the expected credit loss at each reporting date. The Group has established a matrix system based on track records, revised to consider forward-looking elements regarding specific types of debtors and their economic environment to determine the expected losses.

Further details are provided in the section on the accounting policies regarding revenues and financial assets.

Transfer of financial assets

The Group assigns some of its trade receivables through factoring transactions. The factoring transactions may be either with recourse or without recourse. If these types of transactions meet the conditions of IAS 39, they are derecognized when the risks and rewards associated with their collection have been transferred; otherwise, the receivables assigned through these transactions remain on the Group's statement of financial position, and a financial liability of the same amount is recognized as advances on receivables factoring.

Cash and cash equivalents

The short-term cash and cash equivalents include cash on hand, demand deposits and short-term deposits, the latter with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. In the consolidated statement of cash flows, the cash and cash equivalents are represented by the liquid assets defined above.

Financial liabilities

Upon initial recognition, financial liabilities are classified as financial liabilities at FVTPL (among loans and borrowings) or as derivatives designated as hedging instruments.

All financial liabilities are initially recognized at fair value plus, in the case of mortgages, loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, mortgages and loans, overdrafts, and derivative financial instruments.

For the purpose of subsequent measurement, financial liabilities are classified into two categories.

Financial liabilities at amortized cost (loans and borrowings)

Loans are measured at amortized cost using the effective interest rate method.

Any gain or loss is recognized as profit or loss when the liability is extinguished and through the repayment process.

Amortized cost is calculated by recognizing the discount or premium on the acquisition and the fees or costs that are an integral part of the effective interest rate. The amortization at the effective interest rate is included in the finance costs present in the statement of profit or loss.

Financial liabilities at fair value through profit or loss

The financial liabilities at FVTPL include liabilities held for trading and financial liabilities initially recognized at fair value with the changes charged to profit or loss.

The liabilities held for trading are all those acquired for sale or settlement in the short term. Derivatives, including separated ones, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

When a condition of a long-term loan arrangement is breached on or before the end of the reporting period with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender agreed, after the reporting period and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the end of the reporting period, the entity does not have an unconditional right to defer its settlement for at least twelve months after that date.

Financial liabilities are designated at FVTPL from the date of initial recognition, only if the conditions of IFRS 9 are met. At initial recognition, the Group did not designate financial liabilities at FVTPL.

Trade payables, which mature within normal business terms, are not discounted and are recorded at cost (identified by their nominal value), which represents the fair value at the reporting date.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged, canceled or fulfilled.

When an existing financial liability is replaced by another one from the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with any differences between the carrying amounts recognized in profit or loss.

Offsetting of financial assets and liabilities

A financial asset and a financial liability may be offset and the net amount reported in the statement of financial position when a legally enforceable right to offset the amounts exists and there is an intention either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Provisions for risks and charges

Provisions for risks and charges are allocated when the Group has a present obligation (legal or constructive) due to a past event, an outflow of resources will probably be required to settle the obligation, and a reliable estimate of the amount can be made.

When the Group considers that a provision for risks and charges will be partly or fully reimbursed, for example, in the case of risks covered by insurance policies, the indemnity is recognized separately as an asset if, and only if, it is practically certain. If it is, the cost of any provision is presented in the statement of profit or loss net of the amount recognized for the indemnity. If the effect of discounting the value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liabilities.

In discounting to present value, the increase in the provision due to the passage of time is recognized as a finance cost.

Liabilities for landfill post-closure costs

There are provisions for costs for the operation and recovery of landfill areas that will be incurred at the end of the concessions for post-closure care. As a contra-entry, an increase is recognized in plant and machinery, which includes the plant related to the individual landfill.

Costs related to landfill post-closure care are stated at the present value of the costs expected to settle the obligation, using estimated cash flows and a pre-tax discount rate that reflects the risks associated with that liability.

The effect of discounting is charged to profit or loss as a finance cost whenever it appears. The estimated cash flows are reviewed annually and adjusted as appropriate. Changes in cost estimates or in the discount rate are deducted from the cost of the asset.

Employee benefits - retirement benefit obligations

The liability relating to defined benefit plans (retirement benefit obligations accrued at December 31, 2006), net of any plan assets, is determined using actuarial assumptions and is recognized on an accrual basis consistent with the employment service required to obtain the benefits; independent actuaries measure the liability.

Pursuant to the changes resulting from Law 296 of December 27, 2006 (2007 Budget Law) and subsequent decrees and regulations, the retirement benefit obligations of Italian companies accrued from January 1, 2007 or from the date of the option to be exercised by employees is included in the category of defined contribution plans, both in the case of the option for supplementary pension schemes and for the allocation to the INPS Treasury Fund. The accounting treatment of the benefit was thus assimilated to the one in place for contribution payments of another nature.

The liability relating to defined benefit plans, net of any plan assets, is determined using actuarial assumptions and is recognized on an accrual basis consistent with the employment service required to obtain the benefits.

Independent actuaries measure the liability. Gains and losses arising on the actuarial calculation related to the defined benefit plan are recognized in the statement of comprehensive income entirely in the period in which they occur. These actuarial gains and losses are immediately classified as retained earnings and are not reclassified to profit or loss in subsequent periods.

The retirement benefit obligations accrued from January 1, 2007 or from the date the option is chosen are included in the category of defined contribution plans, both in the case of the supplementary pension option and of allocation to the INPS Treasury Fund. The accounting treatment of this post-employment benefit was thus assimilated to that in place for other types of contribution payments.

Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments such as interest rate swaps to hedge risks arising mainly from interest rate fluctuations. These derivative financial instruments are initially recognized at fair value on the date they are entered into; subsequently, the fair value is remeasured regularly. They are accounted for as assets when the fair value is positive and as liabilities when it is negative.

Any gains or losses resulting from changes in the fair value of derivatives that do not qualify for hedge accounting are recognized directly in profit or loss during the year.

The fair value of interest rate swap contracts is determined by reference to the market value for similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges if they hedge against the risk of a change in the fair value of the underlying asset or liability; or an irrevocable commitment (excluding currency risk);
- cash flow hedges if they hedge against exposure to cash flow fluctuations attributable to a particular risk associated with a recognized asset or liability or a planned highly probable transaction or currency risk in a firm commitment;
- net investment hedges in a foreign entity.

When entering into a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives, and the strategy pursued.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it satisfies all of the following hedge effectiveness requirements:

- an economic relationship exists between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes associated with the economic relationship;
- the hedge ratio reflects the relationship between the hedging instrument and hedged item.

Transactions eligible for hedge accounting are accounted for as follows:

Cash flow hedge

The portion of gain or loss on the hedged instrument relating to the effective portion of the hedge is recognized directly in equity, whereas the ineffective portion is recognized immediately in profit or loss. The equity reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

Amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in recognition of a non-financial component, the amount accumulated in equity is removed from the separate component of equity and included in the cost or other carrying amount of the hedged asset or liability. This is not considered a reclassification of the items recognized in other comprehensive income (OCI) for the period. This is also the case of a forecast hedge transaction of a non-financial asset or non-financial liability that subsequently becomes an irrevocable commitment to which fair value hedge accounting applies.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows impact profit or loss.

If the cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain there if the hedged future cash flows are expected to occur. Otherwise, the amount must be immediately reclassified to profit or loss as a reclassification adjustment. After suspension, once the hedged cash flow occurs, any accumulated amount remaining in OCI is accounted for according to the nature of the underlying transaction, as described previously.

Revenue

According to IFRS 15, revenue recognition is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation, represented by the contractual promises to transfer goods and/or services to a customer; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligation identified based on the stand-alone selling price of each good or service; (v) recognition of revenue when the related performance obligation is satisfied, i.e. when the promised good or service is transferred to the customer; the transfer is deemed complete when the customer obtains control of the good or service, which may occur continuously over time or at a point in time.

Revenues from contracts with customers are recognized when (or as) the performance obligation is satisfied, and the promised goods and services are transferred to the customer, for an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. The Group generally acts as the Principal for all agreements from which revenues arise.

IFRS 15.48 requires the Group to consider the effects of each of the following when determining the transaction price:

- variable consideration;
- constraining estimates of variable consideration;
- the existence of a significant financing component in the contract;
- non-cash consideration;
- consideration payable to a customer.

If the consideration promised in the contract includes a variable amount, the Group has estimated the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated when the contract is stipulated and cannot be recognized until it is highly probable that when the uncertainty associated with the variable consideration is subsequently resolved, a significant downward adjustment to the amount of cumulative revenue should be recognized. No sales contract provides customers with a right of return and volume discounts.

The Group has not identified the existence of a significant financing component, non-cash consideration, and consideration payable to the customer.

The Group has considered whether there are other promises in the contract that represent performance obligations on which part of the transaction consideration is to be allocated (e.g. guarantees, customer loyalty programs), but has not identified such cases.

The following specific revenue recognition criteria must be met before revenue is recognized in the statement of profit or loss:

Revenue from rates

Revenues from the integrated water service are determined by reference to the accrued sales, adjusted for any positive or negative adjustments that are certain to be applied. The revenues are determined by reference to the guaranteed revenue constraint ("Vrg") calculated using the water rate method ("Mti-4") currently in effect for 2024-2029.

The approval of rates under the Mti-4 method consists of defining a guaranteed revenue constraint ("Vrg"), which determines a rate multiplier (the theta) that defines the rate increases from periods after 2023 (the last year of application of the previous water rate method, "Mti-3").

In addition to containing a component linked to rate adjustments of previous years, the revenue constraint determines with certainty the amount of the adjustment, on the basis of the actual sales, for the year. The adjustment will be included within the determination of the revenue constraint of the second year after the reference period.

Within the defined revenue constraint, the Mti-4 method stipulates that a portion of these revenues must be allocated to the New Investments Fund (Foni).

Given the legal nature of consideration, however, it was decided that the New Investments Fund should be regarded as accrued income.

Under Article 14.1 of the Italian Regulatory Authority for Energy, Networks and Environment ("Arera") Resolution 580/2019/R/idr (regulating Mti-3), the integrated water service ("IWS") operator is required to allocate exclusively to the realization of new investments, identified as a priority in the territory served, a share of the recognized revenue constraint allocated to the New Investments Fund.

The directors have decided to ensure the New Investments Fund constraint by allocating, at the General Meeting for the financial statement approval, a portion of the year's profit corresponding to the amount of this revenue constraint (net of tax) to a non-distributable equity reserve.

If the New Investments Fund amount exceeds the profit for the year, the remainder is allocated to a non-distributable reserve by reducing the equity reserves that are distributable at that time.

The New Investments Fund allocation to a non-distributable reserve ceases in the following year if the realized integrated waer service investments are equal to or greater than the Fund itself.

Revenues from the waste management service rates and fees are determined by reference to the accrued sales, adjusted for any positive or negative adjustments that are certain to be applied. Such revenues were determined by referring to the financial plans of each municipality calculated using the Mtr-2 currently in effect for 2022-2025, even for the part exceeding the rate increase cap set by the method, since Mtr-2 requires it to be recognized through the gradual addition of such portions in the future financial plans without needing additional approval by the national authorities.

Performance of services

The revenue is recognized on an accrual basis, according to the percentage of completion of the activities and/or the consideration established annually in the service contract with the various municipalities.

The percentage of completion is measured by reference to the costs incurred compared to the total costs estimated for each contract. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that the costs incurred are expected to be recoverable.

Sale of goods

Sales revenue is recognized when the entity has transferred control of the goods to the customer, generally on the date of shipment of the goods.

Rental income and concessions

Rent from investment property is accounted for on a straight-line basis over the term of the leases existing at the reporting date.

The concession revenues refer mainly to payments received for space provided to market operators. The revenues are accounted for on a time basis.

Expenses

Expenses are measured at the fair value of the amount paid or payable. Expenses related to goods or services sold or consumed during the year, or deriving from systematic allocation, or when their future utility cannot be identified, are recognized and charged directly to profit or loss.

Government grants

Government grants are recognized when there is reasonable assurance that they will be received and all the conditions attached to them have been met. When grants relate to components of cost, they are recognized as income but distributed on a systematic basis over the periods in a way to relate them to the costs they are intended to compensate. Where the grant is related to a fixed asset, it is recognized at its nominal value as a deduction from the cost of the asset, and the income is released to profit or loss on a straight-line basis over the expected useful life of the relevant asset through a reduction of the related depreciation cost.

Finance income and costs

Interest income

This is recognized as finance income following the verification of accrued interest income (using the effective interest method, which produces the rate that exactly discounts the expected future cash flows based on the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Dividends are recognized when the shareholders' right to receive payment arises.

Finance costs

Finance costs are recognized in the statement of profit or loss on an accrual basis.

Income Tax

Current taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted or substantively enacted at the reporting date in the country where the Group operates and generates its taxable income.

Current taxes relating to items recognized directly in equity are also recognized directly in equity and not in profit or loss.

The directors assess regularly the position taken in the tax return where tax rules are subject to interpretation and, where appropriate, allocate the relevant amounts.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences arising at the reporting date between the tax bases of assets and liabilities and the amounts reported in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the profit for the year calculated for financial reporting purposes nor the profit or loss calculated for tax purposes;
- concerning taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the reversal of temporary differences can be controlled and will probably not occur in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and tax assets and liabilities carried forward, to the extent that there will probably be adequate future taxable profits against which the deductible temporary differences and deferred tax assets and liabilities carried forward can be used, except where:

- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the profit for the period calculated for financial reporting purposes nor the profit or loss calculated for tax purposes;
- concerning taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that the deductible temporary differences will reverse in the immediate future and that there are adequate taxable profits against which the temporary differences can be used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future against which such receivable can be used. Unrecognized deferred tax assets are reviewed annually at the reporting date and are recognized to the extent that it has become probable that taxable profit will be sufficient to allow those deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the year in which those assets are realized, or those liabilities are settled, considering the rates in effect and those already enacted or substantively enacted at the reporting date.

Income tax on items recognized directly in equity is recognized directly in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities offset each other if a legal right to offset current tax assets and current tax liabilities exists and the deferred income tax refers to the same taxable entity and the same tax authority.

Value added tax

Income, expenses and assets are recognized net of value-added tax, except where:

- such tax is non-deductible, in which case it is recognized as part of the purchase cost of the asset or part of the cost item recognized in the statement of profit or loss;
- it refers to trade receivables and trade payables presented inclusive of the tax amount.

The net amount of indirect sales tax that can be recovered from or paid to the revenue agency is recognized with the trade receivables or trade payables, depending on whether the balance is positive or negative.

3. Business combinations and transfers of non-controlling interests

Acquisitions and disposals in 2024

Veritas' acquisition of Sifa quotas

On January 11, 2024, Veritas completed the acquisition of a 51.16% stake of its associate Sifa scarl from the private controlling shareholder and from some of its subsidiaries, thus obtaining the control and the consolidation of the company within the Group from such date. As a result of the transaction, the Group's stake is now 84.33%.

The transaction also consisted of the acquisition of some financial receivables held by those entities due from Sifa.

The purchase price allocation (PPA) adjustments made to Sifa's carrying amounts to determine the fair value of the net assets acquired are set forth below:

(in thousands of euros)	assets and liabilities acquired	PPA adjustments	fair value
assets	**98,705**	**-18,288**	**80,417**
non-current assets	**76,812**	**-18,288**	**58,524**
tangible and intangible assets and service conc. arrangements	68,167	-9,653	58,514
assets held for sale	8,645	-8,635	10
current assets	**21,893**	**0**	**21,893**
current assets	9,208		9,208
cash and cash equivalents	12,685		12,685
liabilities	**-60,463**	**-15**	**-60,478**
non-current liabilities	**-23,008**	**-15**	**-23,023**
provisions for risks and charges	-5,245	-500	-5,745
retirement benefit obligations	-15		-15
other non-current liabilities	-17,748	485	-17,263
current liabilities	**-37,455**	**0**	**-37,455**
other current liabilities	-37,455		-37,455
net assets acquired	**38,242**	**-18,303**	**19,939**

The fair value of the assets and liabilities was determined by discounting the future cash flows deriving from the Sifa concession.

The fair value of the assets and liabilities was measured using a multi-scenario approach, which became necessary because Sifa is in ongoing discussions with the Veneto Region about the possibility of obtaining a rate adjustment, since the rates currently in effect are based on assumptions in the 2016 financial plan; the conditions are quite different from the originally assumed development expectations for Porto Marghera.

The fair value adjustments to intangible assets refer mainly to the measurement of the concession scope, as described previously.

The fair value of risk provisions was determined with reference to Ias 37.

All the fair values determined in this manner are within Level 3 because they refer to inputs that are not based on observable market data.

The difference between the consideration transferred and the net assets acquired is recognized as a bargain purchase:

net assets acquired	19,939
value attributed to non-controlling interests	-3,125
value of investee	-16,673
difference	141

The value attributed to the non-controlling interests (Nci) was determined by applying the third parties' ownership interest to the net assets acquired, as permitted by Ifrs 3.

A bargain purchase gain (badwill) is recognized due to the combined effect of income amounting to € 6,772 thousand and a cost of € 6,631 thousand for the fair value adjustment of previously held interests in Sifa.The fair value of the previous interests at the acquisition date was € 3,362 thousand.

In the consolidated statement of profit or loss for the year ended December 31, 2024, the € 141 thousand gain from the bargain purchase is shown under other income, where both of the previously stated amounts are accounted for.

Because the transaction took place on January 11, 2024, the measurement period has ended and therefore the amounts have been definitively recognized.

Other transactions in 2024

In November 2023, effective January 1, 2024, a notarial deed was stipulated whereby Asvo leased to Veritas the waste management business unit in the area of the 11 municipalities currently managed by Asvo, regarding the Portogruaro zone in the province of Venice. The business unit does not include the management of the cemeteries, urban green spaces and Centa Taglio landfill, which have remained the responsibility of Asvo.

In May 2024, Rive srl's shareholders (Depuracque servizi and Hexa Green) resolved, subscribed to, and paid in pro-rata a capital increase totaling € 1,900 thousand, bringing the company's new share capital to € 2,000 thousand

In September 2024, Eco+Eco as a single member established Ecodistretto RE srl by first paying in the entire share capital of € 10 thousand and then, in December 2024, by increasing its share capital through a transfer of buildings for an additional € 24,468 thousand.

In November 2024, a capital increase resolved by Eco+Eco srl was subscribed; as a result of the € 20 million subscription, Veritas' interest in Eco+Eco is now 66.88% of the share capital. The capital increase was paid for with an offsetting of financial receivables for the same amount.

Acquisitions/disposals after the reporting date

There have been no acquisitions or disposals of business units or of investees since the reporting date.

The Board of Directors of Metalrecycling Venice srl promptly complied with the legal obligations for losses exceeding one-third of share capital, and then, at the General Meeting of April 2025, the sole shareholder Eco+Eco srl reduced the share capital due to losses and subsequently subscribed to a capital increase of € 5 million, in part by offsetting receivables due from the company. The new share capital is now € 5,869 thousand.

4. Acquisition of investments in entities under common control

The Group did not formalize any acquisitions of investments in entities under common control.

5. Assets and liabilities held for sale and disposal of receivables due from and payables due to subsidiaries held for sale

These assets and liabilities are classified in the statement of financial position under the following headings:

- current receivables due from or payables due to subsidiaries held for sale;
- non-current receivables due from or payables due to subsidiaries held for sale;
- assets held for sale;
- liabilities held for sale.

For 2024, no companies were consolidated under IFRS 5.

Disposals of individual assets held for sale

Below are some assets with any associated liabilities classified as held for sale following the directors' decision to sell them or, afterward, the stipulation of preliminary agreements to sell them. The respective comparative items at December 31, 2023 are also presented.

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
assets		
investment property		
other assets held for sale		
equity accounting of companies held for sale		590
total assets held for sale		**590**
liabilities		
total liabilities held for sale		
total net assets held for sale		**590**

6. Intangible assets

Changes in intangible assets at December 31, 2024 and December 31, 2023:

(in thousands of euros)	development costs	patent rights	licenses and software	public service conces.	other intangible assets	investments in progress	total
cost							
at January 1, 2023	**469**	**302**	**58,149**	**27,870**	**6,326**	**4,298**	**97,414**
increases due to business combinations							
change in scope of consolidation			7				7
increases		8	4,380			2,255	6,643
disposals			-123				-123
reclassifications			65		115	-4,472	-4,292
impairment loss							
other changes			-4		-112	-214	-330
at December 31, 2023	**469**	**310**	**62,474**	**27,870**	**6,329**	**1,867**	**99,319**
amortization and impairment losses							
at January 1, 2023	**-124**	**-269**	**-50,958**	**-23,927**	**-104**	**-182**	**-75,564**
increases due to business combinations							
change in scope of consolidation			-7				-7
amortization	-41	-21	-4,745	-782	-45		-5,633
disposals			122				122
reclassifications							
impairment loss							
other changes						182	182
at December 31, 2023	**-165**	**-290**	**-55,588**	**-24,709**	**-149**		**-80,901**
residual amount of 2023 grants			**-33**				**-33**
net carrying amount							
at December 31, 2023	**304**	**20**	**6,853**	**3,161**	**6,180**	**1,867**	**18,384**
cost							
at January 1, 2024	**469**	**310**	**62,474**	**27,870**	**6,329**	**1,867**	**99,319**
increases due to business combinations							
change in scope of consolidation			8			27	35
increases			5,449			178	5,627
disposals		-64	-1,246				-1,310
reclassifications		7	907		35	-687	262
impairment loss							
other changes	-24				-35	-975	-1,034
at December 31, 2024	**445**	**253**	**67,592**	**27,870**	**6,329**	**410**	**102,899**
amortization and impairment losses							
at January 1, 2024	**-165**	**-290**	**-55,588**	**-24,709**	**-149**		**-80,901**
increases due to business combinations							
change in scope of consolidation			-8				-8
amortization	-41	-7	-5,372	-778	-52		-6,249
disposals		64	1,246				1,310
reclassifications							
impairment loss							
other changes	10						10
at December 31, 2024	**-196**	**-233**	**-59,722**	**-25,487**	**-201**		**-85,839**
residual amount of 2024 grants			**-13**				**-13**
net carrying amount							
at December 31, 2024	**249**	**20**	**7,856**	**2,383**	**6,128**	**410**	**17,046**

Licenses and software comprise mainly the costs of developing and updating Sap software modules used by the parent company.

The capital expenditures for the year amount to € 5,627 thousand, whereas those paid in 2024 amount to € 4,858 thousand.

The investments in licenses and software amount to € 5,449 thousand, of which € 5,359 thousand refers to the parent company.

The public service concessions, amounting to € 2,383 thousand at December 31, 2024, refer to the concession of the operation of the Jesolo landfill acquired in 2018 from the Alisea merger (€ 1,729 thousand), and the concession of the use of the Spinea crematorium (€ 654 thousand).

The other intangible assets include the right to the 10-hectare area acquired by the parent company in 2018, and then recognized by Eco+Eco; in 2024 it was transferred to Ecodistretto RE (€ 4,682 thousand). In 2019, the right to the former Co.in.tra. area was finalized for € 1,754 thousand, and it too was transferred to Ecodistretto RE.

Service concession arrangements

Pursuant to IFRIC 12 adoption, after analyzing the existing concession arrangements with the grantors, the Group decided to apply the interpretation to all the integrated water cycle activities managed by the parent company.

Therefore, all the infrastructures were reclassified to a separate item of intangible assets, "service concession arrangements".

In addition, the related government grants, previously classified as items of current and non-current liabilities, were reclassified, thus showing the net amount of the service concession arrangements.

The amounts of the service concession arrangements are as follows:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
water service concession arrangements	360,452	309,349
total service concession arrangements	**360,452**	**309,349**

The table below presents the changes in service concession arrangements at December 31, 2024 and December 31, 2023:

(in thousands of euros)	service concession arrangements
cost	
at January 1, 2023	**842,976**
increases due to business combinations	
change in scope of consolidation	
increases	63,038
disposals	-864
reclassifications	-16
impairment loss	
other changes	-165
at December 31, 2023	**904,970**
amortization and impairment losses	
at January 1, 2023	**-387,672**
increases due to business combinations	
change in scope of consolidation	
amortization	-21,820
disposals	707
reclassifications	90
impairment loss	
other changes	
at December 31, 2023	**-408,696**
residual amount of 2023 grants	**-186,925**
net carrying amount	
at December 31, 2023	**309,349**
cost	
at January 1, 2024	**904,970**
increases due to business combinations	
change in scope of consolidation	161,505
increases	57,717
disposals	-1,104
reclassifications	-38
impairment loss	
other changes	
at December 31, 2024	**1,123,050**
amortization and impairment losses	
at January 1, 2024	**-408,696**
increases due to business combinations	
change in scope of consolidation	-64,207
amortization	-26,692
disposals	971
reclassifications	8
impairment loss	
other changes	
at December 31, 2024	**-498,616**
residual amount of 2024 grants	**-263,982**
net carrying amount	
at December 31, 2024	**360,452**

The 2024 capital expenditures for water infrastructure were € 57,717 thousand, and all are paid.

The increases due to business combinations refer to Sifa's transfers.

The service concession arrangement assets include right-of-use assets of € 4,449 thousand pursuant to the application of IFRS 16.

The service concession arrangement assets include leased portions of buildings (see Note 2.3 on leases, Note 34 and Note 44), which generate revenue of € 955 thousand.

7. Goodwill and related impairment testing

The goodwill acquired through business combinations was allocated to the following separate cash-generating units ("CGU"s), which pertain to different business segments, for the purpose of impairment testing:

- waste treatment plant CGU;
- Mogliano Veneto area integrated water service ("IWS") CGU;
- Asvo waste management service ("WMS") CGU;
- Euroscavi CGU.

The table below lists the carrying amount of goodwill allocated to each of the cash-generating units:

(in thousands of euros)	Dec. 31, 2023	increases	decrease	Dec. 31, 2024
waste treatment plant CGU	16,065			16,065
Mogliano Veneto area IWS CGU;	788			788
Asvo WMS CGU	4,370			4,370
Euroscavi CGU	2,464			2,464
total goodwill	**23,688**			**23,688**

No impairment losses relating to the goodwill allocated to the cash-generating units were identified.

Waste treatment plant CGU

The recoverable amount of the waste treatment plant CGU (Eco+Eco srl) was determined on the basis of value in use. The cash flow projection contained in the 2025-2030 financial plan approved by management was used for the calculation.

The discount rate applied to the prospective cash flows is 6.64%, and a growth rate of 1.2% was assumed.

The impairment test performed with the assistance of an expert appointed by the parent company confirmed, based on the approved business plan, the recoverability of the amount of goodwill allocated to the CGU and recognized in the financial statements.

Integrated water service in Mogliano Veneto area

The goodwill recognized in the parent company's financial statements, calculated pursuant to the acquisition of Spim spa's assets in 2008, is tested for impairment at least annually to identify any impairment losses.

The goodwill impairment test was conducted as part of the impairment testing of the assets related to the integrated water service.

Asvo CGU

The recoverable amount of the CGU was determined based on the value in use. The cash flow projection contained in the financial plan approved by management, covering five years (2025-2029), was used for the calculation.

The discount rate applied to the prospective cash flows is 6.64%, and a growth rate of 1% was assumed.

The impairment test performed by an expert appointed by the parent company confirmed, based on the business plan approved by Asvo's management, the recoverability of the amount of goodwill recognized in the financial statements.

Euroscavi CGU

The recoverable amount of the CGU was determined based on the value in use. The cash flow projection contained in the financial plan approved by management, covering three years (2025-2027), was used for the calculation.

The discount rate applied to the prospective cash flows is 7.05%, and a growth rate of 1% was assumed.

The impairment test performed by an expert appointed by the parent company confirmed, based on the business plan approved by Euroscavi's management, the recoverability of the amount of goodwill recognized in the financial statements.

Sensitivity to assumption changes

A sensitivity analysis was performed by determining the weighted average cost of capital ("WAAC") rate and the growth rate that, all other parameters being constant, would result in no difference between the recoverable amount and the carrying amount for each CGU. The results of the analysis are as follows:

	sensitivity analysis and parity		
	WAAC	g rate	plan
Eco+Eco srl	7.44%	1.20%	2025-2030
Asvo spa	11.03%	1.00%	2025-2029
Euroscavi	21.71%	1.00%	2025-2027

8. Property, plant and equipment

Changes in property, plant and equipment at December 31, 2024 and at December 31, 2023:

(in thousands of euros)	land and buildings	plant and machinery	ind. and comm. equip.	other assets	leasehold improvements	leased assets	assets under const. or advances	total
cost								
at January 1, 2023	**229,003**	**246,431**	**73,633**	**150,395**	**24,891**	**23,364**	**27,066**	**774,783**
increases due to business combinations								
change in scope of consolidation		409	151	286	72	2,085		3,003
increases	1,862	7,395	7,260	9,289	674	18,498	43,290	88,268
disposals	-323	-785	-2,420	-2,528		-1,908		-7,964
reclassifications	5,431	5,756	641	521	2,230	613	-8,377	6,815
impairment loss								
other changes		-1,511		-328			-821	-2,660
at December 31, 2023	**235,973**	**257,695**	**79,265**	**157,635**	**27,867**	**42,652**	**61,158**	**862,245**
depreciation and impairment losses								
at January 1, 2023	**-62,237**	**-164,454**	**-50,408**	**-99,687**	**-15,558**	**-8,419**	**-810**	**-401,573**
increases due to business combinations								
change in scope of consolidation		-236	-148	-237	-48	-688		-1,357
depreciation	-4,495	-13,790	-4,544	-8,993	-889	-4,094		-36,805
disposals	167	524	2,273	2,390		1,683		7,037
reclassifications	-64	-131	-24			129		-90
impairment loss							-113	-113
other changes	77	24		324			763	1,188
at December 31, 2023	**-66,552**	**-178,063**	**-52,851**	**-106,204**	**-16,495**	**-11,388**	**-160**	**-431,713**
residual amount of 2023 grants	**-1,952**	**-3,999**	**-257**	**-782**	**-178**	**-21**		**-7,189**
net carrying amount								
at December 31, 2023	**167,469**	**75,633**	**26,157**	**50,649**	**11,195**	**31,242**	**60,998**	**423,343**
cost								
at January 1, 2024	**235,973**	**257,695**	**79,265**	**157,635**	**27,867**	**42,652**	**61,158**	**862,245**
increases due to business combinations								
change in scope of consolidation	712	29,623	560	108	6		122	31,131
increases	4,146	12,847	5,412	12,795	737	5,157	50,145	91,239
disposals	-19	-524	-1,524	-5,781	-3	-1,907		-9,758
reclassifications	1,543	19,735	24	883	115	-1,268	-22,564	-1,532
impairment loss								
other changes		-10,972	-81	2		52	1,292	-9,707
at December 31, 2024	**242,355**	**308,404**	**83,656**	**165,642**	**28,722**	**44,686**	**90,153**	**963,618**
depreciation and impairment losses								
at January 1, 2024	**-66,552**	**-178,063**	**-52,851**	**-106,204**	**-16,495**	**-11,388**	**-160**	**-431,713**
increases due to business combinations								
change in scope of consolidation	-178	-11,926	-560	-82	-2			-12,748
increases			-27					-27
depreciation	-4,625	-15,167	-4,644	-10,161	-875	-4,365		-39,837
disposals	8	327	1,450	5,741	3	1,425		8,954
reclassifications	11	145	28	261		855		1,300
impairment loss				-97			-27	-124
other changes		5,899	81	-2				5,978
at December 31, 2024	**-71,336**	**-198,785**	**-56,523**	**-110,544**	**-17,369**	**-13,472**	**-188**	**-468,217**
residual amount of 2024 grants	**-1,804**	**-3,568**	**-214**	**-681**	**-152**	**-15**		**-6,434**
net carrying amount								
at December 31, 2024	**169,215**	**106,051**	**26,919**	**54,417**	**11,201**	**31,199**	**89,965**	**488,967**

The value of property, plant and equipment rose from € 423,343 thousand to € 488,967 thousand, an increase of € 65,624 thousand.

The capital expenditures of € 91,239 thousand included € 4,146 thousand for land and buildings, € 12,847 thousand for plant and machinery, € 5,412 thousand for industrial and commercial equipment, € 12,795 thousand for other tangible assets, € 737 thousand for leasehold improvements, € 5,157 thousand for rights to use assets under leases, and € 50,145 thousand for assets under construction, whereas the capital expenditures paid in 2024 amount to € 84,773 thousand.

For the parent company, the capital expenditures included € 940 thousand for land and buildings, € 2,689 thousand for plant and machinery, € 4,934 thousand for industrial and commercial equipment, € 10,139 thousand for other tangible assets, € 461 thousand for leasehold improvements, € 2,480 thousand for rights to use assets under leases, and € 2,026 thousand for assets under construction, for a total amount of € 23,669 thousand, whereas the capital expenditures paid in 2023 amount to € 38,921 thousand.

The capital expenditures for assets under construction include Eco+Eco's investments of € 43,769 thousand for various contracts, such as the construction of the paper and plastic processing plant in the former Alcoa area, and others in the 43H area for processing special plastics by obtaining from the recycling process products suitable for external distribution by businesses in the industry.

The Thermo Line 2 is among the contracts at an advanced stage of completion, as it will begin operating and produce revenue in the second half of 2025.

Investment projects capitalized at the end of 2024 include the investment project for refurbishing the old CSS1 line, which has been modified and upgraded for the selection and recovery of materials put into the production cycle, and for the subsequent interconnection with 'Line 2' of the thermal plant once it is operational.

Other investment projects capitalized at the end of 2024 are the Mpo and Mpr lines.

The net change of € 18,383 thousand in the scope of consolidation refers to the first-time consolidation of Sifa on January 1, 2024.

The other changes in plant and equipment include a € 4,953 thousand reduction in capitalized post-operating expenses discounted to their present value related to the Jesolo landfill, due to an updated discount rate and payment schedule for the post-operating expenses.

Reclassifications, used to align the Group's recognition criteria for the assets (specifically, intraGroup changes due to the sale/disposal of assets), are also used to reallocate redeemed leased assets to the corresponding asset categories.

The net decrease of € 804 thousand includes € 11 thousand for land and buildings, € 197 thousand for plant and machinery, € 74 thousand for industrial and commercial equipment, € 40 thousand for other tangible assets, and € 482 thousand for rights to use assets under leases.

The impairment losses relate to the parent company.

The depreciation for the year, € 39,837 thousand, was calculated on all depreciable assets at the year end by applying rates deemed representative of the economic-technical life of the assets, as explained in the accounting policies.

Such rates, reduced proportionally for assets that began to be used during the year to take into account the shorter period of use, were determined in relation to the remaining useful life of the assets, so they are deemed representative of the economic-technical life of the assets.

The depreciation rate applied to the facilities and land pertaining to the Jesolo landfill was calculated on the basis of the quantity of waste assigned during the year compared to the residual capacity of the landfill on January 1, 2024; the rate applied this year was 27.9%. The landfill is currently estimated to finish operating at the end of 2027.

Property, plant and equipment include buildings leased out (recognized among property, plant and equipment) that generate income of € 34 thousand for the parent company, € 6 thousand for Euroscavi srl, and € 18 thousand for Metalrecycling srl (see Note 2.3 on leases, Note 34 and Note 44).

There are no longer any properties encumbered by mortgages to secure financing.

9. Investment property

The table below shows the changes in investment property in 2024 and 2023:

(in thousands of euros)	total
cost	
at January 1, 2023	**2,564**
increases	
disposals	
reclassifications	-2,507
impairment loss	
other changes	27
at December 31, 2023	**84**
depreciation and impairment losses	
at January 1, 2023	**-69**
depreciation	-3
disposals	
reclassifications	
impairment loss	
other changes	
at December 31, 2023	**-72**
residual amount of 2023 grants	
net carrying amount	
at December 31, 2023	**12**
cost	
at January 1, 2024	**84**
increases	
disposals	
reclassifications	
impairment loss	
other changes	
at December 31, 2024	**84**
depreciation and impairment losses	
at January 1, 2024	**-72**
depreciation	-3
disposals	
reclassifications	
impairment loss	
other changes	
at December 31, 2024	**-75**
residual amount of 2024 grants	
net carrying amount	
at December 31, 2024	**10**

10. Investments in associates and joint ventures

The 2024 changes for the year in this item are shown in the table below.

investees		Dec. 31, 2023				changes for the year				Dec. 31, 2024		
company	% held	value	impair./ reval.	total	purchases/ loss cvg.	reclass.	disposals/ mergers	impair./ reval.	% held	value	impair./ reval.	total
Sifa scpa	33.17%	18,910	-9,195	9,715			-18,910	9,195	84.33%	0	0	0
Ecolegno CM Venezia srl	27.31%	20	0	20					29.18%	20	0	20
OMD srl	17.07%	4,459	0	4,459					18.24%	4,459	0	4,459
Bioenergie italiane srl (fomerly Mia energia srl)	33.45%	500	-10	490			-200	10	21.89%	300	0	300
9-Tech srl	22.00%	223	0	223	29				22.00%	252	0	252
Ri.cart srl	30.72%	90	0	90					32.83%	90	0	90
Vier scarl	49.00%	741	-235	506					49.00%	741	-235	506
total associates		**24,943**	**-9,440**	**15,503**	**29**		**-19,110**	**9,205**		**5,862**	**-235**	**5,627**

The investments in associates and joint ventures fell from € 15,503 thousand to € 5,627 thousand, decreasing by € 9,876 thousand in connection with the reclassification of Sifa scpa from associate to subsidiary for € 9,715 thousand, the share capital increase of 9-Tech srl for € 29 thousand and the sale of 19% of the quotas of Bioenergie italiane srl (formerly Mia energia srl) for € 190 thousand.

The associates are not listed on any regulated market.

The key financial information about the individual companies is reported hereunder. It was obtained from the IFRS-compliant financial statements or otherwise from a restatement of the accounts prepared under Italian GAAP, deemed to be representative for IAS purposes.

The associates continue to play a fundamental role in contributing to the industrial and market management of the parent company and the subsidiaries, providing the necessary strategic flexibility in conducting business activities.

Ecolegno CM Venezia srl

This company was established on December 1, 2021 by Sage Srl and Eco-ricicli Veritas srl (now Eco+Eco srl), which hold 60% and 40% of the share capital of € 50 thousand, respectively.

The company's main purpose is the collection, marketing, sale, purchase, processing and transformation of non-hazardous waste with a predominantly woody composition, as well as the design and construction of facilities equipped for the storage and treatment of woody waste.

The company has not been operational since its establishment, including in 2024.

Therefore, the financial statement data reported in the table below represent the income and expenses associated with the minimal operation of the facility and the corresponding assets and liabilities.

Since the 2024 financial statements have not been approved yet as a result of the extended deadline, the December 31, 2023 data is reported in comparison with the December 31, 2022 data from the company's first financial statements.

(in thousands of euros)	2023	2022
statement of financial position data		
current assets	38	46
non-current assets	7	7
current liabilities	-3	-7
non-current liabilities	0	0
total net assets	**42**	**46**
statement of profit or loss data		
revenue	0	0
profit/(loss)	-4	-4
carrying amount of the investment	**20**	**20**

OMD srl

Founded on December 9, 2009, this company produces, installs, and maintains machinery for the handling and treatment of industrial products and inert materials, and builds, prepares, and operates plants for the collection and sorting of waste.

In 2021 Eco-ricicli Veritas (now Eco+Eco srl) acquired 25% of the company through the conversion of trade receivables related mainly to the sale of a glass treatment plant and the related subcontracting agreement signed in 2020.

The company’s ownership at December 31, 2024 is: Rell srl 75%, Eco+Eco srl 25%.

The following table shows the company's key figures from its 2023 financial statements, as the 2024 statements have not yet been approved by the shareholders due to the deadline extension taken by its Board of Directors:

(in thousands of euros)	2023	2022
statement of financial position data		
current assets	21,941	19,362
non-current assets	4,205	4,735
current liabilities	-12,711	-10,542
non-current liabilities	-451	-1,525
total net assets	**12,984**	**12,030**
statement of profit or loss data		
revenue	27,920	25,644
profit/(loss)	954	3,732
carrying amount of the investment	**4,459**	**4,459**

Bioenergie Italiane srl (formerly Mia energia srl)

Bioenergie Italiane srl originates from the transformation of Mive srl, owned by a single company (Veritas spa), whose core business is the purchase, sale, and temporary management of buildings. The company was initially placed in liquidation in 2014 and then in September 2022 the company came out of liquidation and changed its name. The company's new purpose is to buy and sell electric power, natural gas and other energy products, with a special focus on electricity and gas produced from the transformation of waste or from other renewable sources.

Due to Veritas spa's sale of the quotas, at the end of 2022 the ownership became: Finam Group 51% and Eco+Eco srl 49%. In 2024 Eco+Eco srl sold an additional 19% stake in the company to the Finam Group; therefore, the ownership at the end of 2024 was: Finam Group spa 70%, Eco+Eco srl 30%.

The following table summarizes the key figures regarding the investment in Bionergie Italiane srl referring to 2024 (from the latest approved financial statements), compared with those of 2023:

(in thousands of euros)	2024	2023
statement of financial position data		
current assets	2,320	1,884
non-current assets	88	85
current liabilities	-1,294	-935
non-current liabilities	-2	0
total net assets	**1,114**	**1,034**
statement of profit or loss data		
revenue	4,919	1,072
profit/(loss)	79	34
carrying amount of the investment	**300**	**490**

9-Tech srl

This company has been registered in the special section of innovative small and medium-sized enterprises of the Venice Companies Register since January 27, 2025 (it was registered in the special section of innovative start-ups since January 30, 2020).

9-Tech srl carries out research and development of technological processes in the circular economy regarding the recovery of strategic materials from electronic waste, for the purpose of patenting them and building equipment that uses them with large-scale mechanization.

In July 2023, Depuracque servizi srl acquired 22% of the share capital.

In 2024, the shareholders subscribed to a share capital increase, raising it from € 128,200 to € 256,400.

During 2024, the company continued with its research activities, and participated in European Calls for Proposals, for the purpose of improving the chemical treatment for the recovery of materials from decommissioned photovoltaic panels.

The following table summarizes the key figures regarding the investment in 9-Tech srl referring to 2024 (from the latest approved financial statements), compared with those of 2023:

(in thousands of euros)	2024	2023
statement of financial position data		
current assets	473	380
non-current assets	194	73
current liabilities	-104	-100
non-current liabilities	-85	-4
total net assets	**478**	**349**
statement of profit or loss data		
revenue	147	208
profit/(loss)	1	23
carrying amount of the investment	**252**	**223**

Ri-cart Venezia srl

This company was established on December 5, 2023 by Pro-gest spa and Eco+Eco srl, which own 55% and 45% of the share capital, respectively, amounting to € 200 thousand.

It deals mainly with the treatment, sorting and subsequent valorization or directing to disposal of municipal waste deriving from collected sorted paper, cardboard and the related packaging waste.

The company has not been operational since its establishment, including in 2024.

As per its by-laws, its first financial statements are those for the year ending December 31, 2024. However, the information is not available at this time because the financial statements have not been approved yet by the shareholders due to the extension allowed by its Board of Directors.

Vier scarl

This company was formed on March 1, 2011 from the transformation of the former Consorzio veneto riciclo, to which Veritas, on January 1, 2011, had transferred the business unit consisting of energy production from renewable sources and the related maintenance of networks and plants.

In 2020 Veritas spa sold 51% of its interest in the company, which is therefore no longer a subsidiary of Veritas and no longer under its management and coordination. Its ownership is now as follows: Veritas spa 49%, Atlantic1 srl 25.5%, Engie servizi spa 14.88%, Gpg srl 5.31% and Aiem srl 5.31%.

In 2020 the company became a limited liability consortium and took its current name Veneziana impianti energie rinnovabili - Vier scarl, adopting a consortium/cooperative structure and a new, expanded corporate purpose. The company's new sphere of operations includes the design, construction, management, operation, and ordinary and extraordinary maintenance of: electric and technological systems; heating and air conditioning systems; public lighting and traffic lights; firefighting systems; photovoltaic, solar thermal and cogeneration systems; remote control and remote management systems; and other similar systems.

In addition running its own photovoltaic plants, in 2024 the company made a number of important contacts for the purpose of stipulating contracts in its new areas of operation. While the incidence of the new activities in 2024 was slightly greater than in the prior year (due especially to the startup of a new photovoltaic plant atop the building of a Veritas Group company), they were significant in terms of new assignments of contracts that will be reflected in the financial position and financial performance of 2025 and afterward.

Progress was made in 2024 on some previously initiated projects regarding the public-private partnership for the energy efficiency of Veritas' sewage pumping stations ("S5/S6") and the Fusina purification plant.

Overall, the core revenues remained substantially unchanged from those of 2023.

The steady revenues are contrasted by an increase in costs for services, partly in connection with the new activities and partly for the energy and operating costs of the photovoltaic plants, whereas the overheads remained stable.

The following table presents the key figures for Vier Scarl:

(in thousands of euros)	2024	2023
statement of financial position data		
current assets	1,176	2,253
non-current assets	2,297	2,694
current liabilities	-1,003	-1,175
non-current liabilities	-1,426	-2,728
total net assets	**1,043**	**1,043**
statement of profit or loss data		
revenue	1,567	1,399
profit/(loss)	0	0
carrying amount of the investment	**506**	**506**

11. Other equity investments

The 2024 changes for the year in this item are shown in the table below.

investees	Dec. 31, 2023				changes for the year				Dec. 31, 2024			
company	% held	value	impair./ reval.	total	purchases/ loss cvg.	reclass.	disposals/ mergers	impair./ reval.	% held	value	impair./ reval.	total
Venis spa	5.00%	114		114					5.00%	114		114
Vega scarl	7.64%	259	-259	0					7.64%	259	-259	0
Viveracqua scarl	17.90%	50		50					17.90%	50		50
Consorzio Savo	(*)	2		2					(*)	2		2
Portogruaro interporto	3.23%	100		100					3.23%	100		100
Vegal - Agenzia di sviluppo del Veneto Orientale	(*)					1			(*)	1		1
Sibelco green solution (former Ecopatè)	10.00%	0		0					0.00%	0		0
CIC Consorzio italiano compostatori	(*)	3		3					(*)	3		3
Corepla	(*)	4		4					(*)	4		4
Bioman spa	1.86%	1,101		1,101					1.86%	1,101		1,101
Ciger. consorzio impianti gestione rifiuti	(*)	1		1					(*)	1		1
Ricrea Cna	(*)	0		0					(*)	0		0
Consorzio stabile Europe – Cse	(*)	5		5					(*)	5		5
Consorzio edili artigiani Ravenna – Cear	(*)				3				(*)	3		3
total other companies		**1,639**	**-259**	**1,380**	**3**	**1**				**1,643**	**-259**	**1,384**

(*) percentage of ownership in consortia deemed immaterial

Other equity investments amount to € 1,384 thousand and refer to non-controlling interests held by the parent company (€ 166 thousand), by Eco+Eco srl (€ 1,108 thousand), by Asvo spa (€ 102 thousand), by Depuracque servizi srl (€ 1 thousand) and by Euroscavi srl (€ 5 thousand).

Veritas spa holds equity investments in Venis spa (€ 114 thousand), in Vega scarl (€ 0, having been written down in full), in Viveracqua scarl (€ 50 thousand) and, from 2024, pursuant to the lease of the Asvo business unit, also in Consorzio S.a.v.o. (€ 2 thousand).

Venis spa and Vega scarl are subsidiaries of the Municipality of Venice.

Viveracqua is a consortium company owned by the Veneto Region's integrated water service operators. It has a cooperative purpose to create synergies among its member companies, including through the supply of services, such as the common procurement of works, services and supplies.

Asvo maintains its interest in Portogruaro Interporto (recognized as € 100 thousand).

Eco+Eco srl maintains its interest in Bioman (recognized as € 1,001 thousand).

In April 2024 Sibelco Green Solution srl of Eco+Eco was sold.

Within these Group investments, there are modest shares in various mandatory consortia for a total value of € 17 thousand.

12. Other financial assets

The following table presents the information on other the financial assets at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
security deposits	1,353	2,925
financial receivables due from other parties	4,617	4,464
other non-current receivables	1,273	1,271
total other financial assets	**7,243**	**8,660**

The total other financial assets decreased by € 1,417 thousand.

The decrease in the security deposits is attributable substantially to the return of the € 2,107 thousand deposit paid in 2023 on Veritas' offer to purchase the Sifas stake from the controlling shareholder; upon the completion of the transaction in January 2024, the amount of the deposit was deducted from the consideration for the purchase of that stake.

The financial receivables due from other parties include the receivable due from the Metropolitan City of Venice, relating to the opening by former Alisea of an escrow account to guarantee the post-closure care of the Jesolo landfill, whose nominal amount of € 3,566 thousand was discounted by € 2,144 thousand.

The financial receivables due from other parties also include the credit enhancement portion of € 2,400 thousand, equal to 16% of the € 15,000 thousand bond ("hydrobond") issued by former Asi spa on July 24, 2014.

Pursuant to the contract stipulated, Asi undertook to pledge this amount to the special-purpose vehicle (Viveracqua Hydrobond 1 srl - VH1, which had securitized the bond notes issued); for this purpose it paid a portion of the bond into an interest-bearing escrow account.

It enhances the credit to improve the risk profile of the bond issued, and can be enforced by VH1 in the event of default on the bonds.

The credit enhancement instrument can be released to the parent company from the date on which the outstanding principal due is 50% of the original principal.

13. Inventories

The following table presents the information on inventories at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
spare parts and consumables	8,435	8,475
fuel	379	303
inventories of work in progress and semi-finished products	4,938	2,315
inventories of goods intended for sale	416	862
advances to suppliers	367	127
inventory impairment provision	-502	-502
total inventories	**14,033**	**11,580**

Inventories consist mainly of spare parts to be used for the maintenance of water supply and sewage systems and waste treatment plants, as well as for the maintenance of the waste disposal plants owned by the Group.

Inventories are shown net of an inventory impairment provision recorded by the parent company to account for the obsolescence of some unusable spare parts.

The changes in the inventories of goods intended for sale are attributable to Metalrecycling.

14. Contract work in progress

The following table shows the information on the contract assets at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
gross amount due by customers for contract work in progress	20,137	21,312
advances received on contract work in progress	-17,274	-17,019
impairment provision for contract work in progress		-200
net amount of contract work in progress	**2,863**	**4,093**

The contract work in progress refers primarily to works and supplies commissioned by the Municipality of Venice and not yet completed by the end of the reporting period, largely concerning the integrated water service, land reclamation, cemetery operation, and public works.

This last activity was acquired in 2021 with the Insula business unit. At December 31, 2024, the contracts amounted to € 20,137 thousand, adjusted by advances of € 16,760 thousand.

For public works, the agreements with the Municipality of Venice normally provide for the recognition, as consideration for the work carried out, of merely the costs incurred.

The difference refers to Euroscavi srl's contracts in progress for pipe relining (with trenchless technology). At December 31, 2024, advances of € 514 thousand were recognized.

15. Trade receivables

The following table presents the information on the trade receivables at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
trade receivables	46,401	42,727
receivables due from IWS and WMS users	139,983	126,579
receivables due from related parties	252	2,012
receivables due from entities controlled by the Municipality of Venice	914	594
total nominal trade receivables	**187,550**	**171,912**
provision for doubtful debts - trade receivables	-7,684	-3,232
provision for doubtful debts - utilities	-39,550	-36,027
total provision for doubtful debts	**-47,234**	**-39,259**
total trade receivables	**140,316**	**132,653**

The trade receivables at December 31, 2024 amount to € 140,316 thousand (€ 132,653 thousand at December 31, 2023) and include the estimated consumption for the year regarding bills and invoices that will be issued after December 31, 2024. The amounts are stated net of a provision for doubtful debts of € 47,234 thousand (€ 39,259 thousand at December 31, 2023).

The total increase from December 31, 2023 is € 7,663 thousand, attributable to the higher receivables of the parent company (€ +7,289 thousand) and of the subsidiaries (€ +374 thousand).

The parent company's largest changes regard the increase in receivables due for water rate adjustments (€+ 4,567 thousand), the increase in receivables due for water and Tarip bills issued (€ +5,063 thousand), the decrease in receivables due from users for Tia1 bills (€ -1,457 thousand), the increase in receivables due for water and Tarip bills to be issued (€ +4,056 thousand), and the writedown of receivables due for water and Tarip bills (€ -4,295 thousand); Sifa has receivables of € 2,510 thousand.

The receivables due from integrated waste service (IWS) users and waste management service (WMS) users of the Group (concerning Veritas and Asvo) consist of the following:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
invoiced receivables due from IWS and WMS users	72,472	67,514
receivables due from Tia1 users	8,145	9,619
receivables due from IWS and WMS users to be invoiced	22,110	18,213
receivables due from users for water rate adjustments	40,593	36,027
receivables due from users for environmental rate adjustments	-3,337	-4,794
total receivables due from IWS and WMS users	**139,983**	**126,579**

With respect to the receivables due from the waste management service users, the ruling of the Civil Court of Cassation, in joint sections n. 5078/2016, definitively established the tax nature of the waste management services rate (Tia1).

Although the ruling did not affect the ownership of the Tia1 receivable, which remained with the Group companies, the risk of default did not remain with them, given the established tax nature of the rate.

In fact, the tax nature transferred the default risk to the municipalities; an amount for any credit losses is included in waste management financial plans formulated after the credit default is verified, net of any residual amounts for credit losses already included in the previous financial plans under the Tia1 regime.

The receivables due for Tia1 at December 31, 2024 amount to € 8,145 thousand; the remaining credit loss amounts already included in the former financial plans under the Tia1 regime at

December 31, 2024 (recognized by the Group as a provision for doubtful debts) amount to € 1,229 thousand.

At December 31, 2024, the parent company's remaining receivables due from users for water rate adjustments amount to € 40,593 thousand and are broken down as follows:

description of adjustment	amount in k€	year billed	year adjusted	decision deed
(remainder to be invoiced) 2004 - 2011 costs/revenues variance adjustments and recognition of depreciation and amortization before 2004 (normalized method)	95	2014-2016	2004-2011	Basin Council Director decision 585-586/2014 of June 30, 2014
former Asi 2010-2011 costs/revenues variance adjustments (normalized method)	-2,499	to be determined	2010-2011	East Veneto Basin Council meeting decision 4/2012 of Feb. 24, 2012
equalization adjustment to Vrg applied for 2020 (Vrg and Mti3 adjustment)	1,246	2025	2020	Arera Resolution 46/2021/R/idr
equalization adjustment to Vrg applied for 2021 (Vrg and Mti3 adjustment)	10,472	2025	2021	Arera Resolution 46/2021/R/idr
equalization adjustment to Vrg applied for 2022 (Vrg Mti3 and Mti4 adjustment)	17,994	2025-2026	2022	Arera Resolution 46/2021/R/idr
equalization adjustment to Vrg applied for 2023 (Vrg Mti3 and Mti4 adjustment)	14,362	2026	2023	Arera Resolution 46/2021/R/idr
equalization adjustment to Vrg applied for 2024 (Vrg and Mti4 adjustment)	-1,077	2027	2024	Arera Resolution 14/2025/R/idr
total receivables due for water rate adjustments	**40,593**			

The receivables due for waste management rate adjustments originate from the application of the new Mtr rate method established by Arera for the 2020 and 2021 rates, and from the Mtr-2 rate method for the 2022, 2023 and 2024 rates in the 2022-2025 regulatory period.

They refer only to municipalities using the punctual waste management rate (Tarip), invoiced directly by Veritas to the users, whereas for municipalities using the punctual waste management tax (Tari), and which are billed by Veritas for the waste management service, the adjustments are included in the receivables due from shareholders.

With respect to the 2020-2021 over-cap adjustments, most of the adjustment components in determining the 2022-2025 financial plans, approved in April 2022 by the Basin Council, made it possible to enter in 2022 the revenue and receivable of € 1,579 thousand, which however was followed by a writedown of the same amount because uncertainty remains due to the lack of Arera's approval in the investigative stage. The uncertainty was confirmed by Arera's partial approvals of the 2022-2025 financial plans in 2023, which reiterated the impossibility of automatically including such adjustments in future financial plans. The remaining 2020-2021 over-cap receivables at December 31, 2024 amount to € 231 thousand and will be recovered in the 2025 financial plans.

The amount of 2020-2021 over-cap adjustments, not shown as recovered in the 2022-2025 financial plans and thus still unrecognized in the financial statements, is € 136 thousand.

An over-cap amount was generated in the 2022 and 2023 financial plans, but in this case it is guaranteed by the new Mtr-2 method, which envisions including such adjustments gradually in future financial plans without requiring additional approval from the authorities.

Of these adjustments amounting to € 3,003 thousand at December 31, 2024 after the updating of the 2024-2025 financial plans approved by the Venice Basin Council on April 4, 2024, € 212 thousand will be recovered in the 2025 financial plans, and the remainder will be recovered afterward, starting from the 2026 financial plan, for which the authorities' approval of the new rate method is pending.

With respect to the adjustments generated by the 2024 financial plan, as a result of the aforementioned update, the over-cap adjustments amount to € 4,158 thousand (€ 470 thousand recuperated in the 2025 financial plans), while the turnover difference of the year (i.e., the difference between what is charged to users and what is stated in the financial plans) is € -1,022 thousand.

As was the case last year, all such over-cap adjustments that generated over-cap components to be carried forward beyond 2025 were written down, for each municipality; the total writedown amounted to € 6,651 thousand, of which € 3,071 thousand is accounted for in this reporting period.

Concerning the sales variance before January 1, 2020 (pre-Mtr), the municipalities' establishment of the recovery methods and timing is pending.

The table below presents the remaining receivables due from users for waste management rate adjustments at December 31, 2024, totaling € - 3,337 thousand:

(in thousands of euros)	amount in k€	year billed	decision deed
adjustments for pre-Mtr sales variance at Dec. 31, 2019	-2,115	to be determined	
2020-2021 Mtr rate adjustments (over Cap)	231	2025	Basin Council Resolution 7/2022 of April 14, 2021 and 4/2024 of April 9, 2024
2022 Mtr rate adjustments (over Cap)	1,275	2025 and afterward	Basin Council Resolution 7/2022 of April 14, 2021 and 4/2024 of April 9, 2024
2023 Mtr (RC) rate adjustments	1,175	2025	Basin Council Resolution 4/2024 of April 9, 2024
2023 Mtr rate adjustments (over Cap)	1,728	2025 and afterward	Basin Council Resolution 4/2024 of April 9, 2024
2023 Mtr adjustments for sales variance	-2,263	2025	Basin Council Resolution 4/2024 of April 9, 2024
2024 Mtr rate adjustments (over Cap)	4,158	2026 and afterward	Basin Council Resolution 4/2024 of April 9, 2024
2024 Mtr adjustments for sales variance	-1,022	2026	
2023 rate adjustments for recovery of Tia1 credit losses	105	2025	Basin Council Resolution 4/2024 of April 9, 2024
2024 rate adjustments for recovery of Tia1 credit losses	42	2026	
total receivables for waste management rate adjustments	**3,314**		
provision for adjustment impairment	**-6,651**		
total receivables due for rate adjustments net of impairment	**-3,337**		

The trade receivables do not bear interest and generally have a 60-day maturity.

Receivables due from IWS and WMS users do not bear interest until the established maturity, which is 30 days from the bill issuance date, whereas after the maturity date, interest on arrears accrues as per the regulations approved by the municipalities.

The receivables due from other related parties include receivables due from companies controlled by the shareholder entities.

The following table shows the changes in the provision for doubtful debts in each of the periods considered:

(in thousands of euros)	written down individually	written down collectively	total
at January 1, 2023	**4,438**	**35,815**	**40,253**
change in scope of consolidation		78	78
allocations	6	3,102	3,108
use	-218	-2,274	-2,492
increases, decreases and reversals	-1,230	-458	-1,688
at December 31, 2023	**2,996**	**36,263**	**39,259**
change in scope of consolidation		3,042	3,042
allocations	1,334	5,482	6,816
use	-72	-1,773	-1,845
increases, decreases and reversals	-20	-18	-38
at December 31, 2024	**4,238**	**42,996**	**47,234**

At December 31, 2024, the aging analysis of past-due but not impaired trade receivables is as follows:

			past-due but not impaired				
(in thousands of euros)	total	not past-due / performing	<30 days	30-60 days	60-90 days	90-120 days	>120 days
2024	**140,316**	104,991	5,893	3,918	3,305	2,220	19,989
2023	**132,653**	95,998	5,903	3,728	3,015	2,402	21,607

The bracket of receivables past-due by more than 120 days is attributable mainly to receivables from billing (Tia-Tarip-water rate).

16. Receivables due from shareholders

The following table presents the information on receivables due from shareholders at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024 due within 12 months	Dec. 31, 2024 due after 12 months	Dec. 31, 2023 due within 12 months	Dec. 31, 2023 due after 12 months
receivables due from the Municipality of Venice	14,111		13,795	
receivables due from municipalities owning more than 10%				
receivables due from municipalities owning less than 10%	16,812		10,970	
total receivables due from shareholders	**30,923**		**24,765**	

The total receivables due from the municipalities rose by € 6,158 thousand, including € 3,515 thousand due from the Municipality of Chioggia.

Currently there are no shareholders whose ownership interest is more than 10% and less than 50%.

The Group continued to use factoring with its main shareholder municipalities to assign receivables for fees accrued.

The receivables due from shareholders within 12 months include adjustments for the waste management rate (under the Tari regime) amounting to € 11,943 thousand, including € 7,344 thousand due from the Municipality of Venice and € 4,599 thousand due from other municipalities. They consist of:

(in thousands of euros)		amount in k€	year billed	decision deed
2017 pre-Mtr rate adjustments	Veritas	1,369	to be determined	Venice City Council Resolution 59 of Dec. 19, 2018
2020-2021 Mtr rate adjustments (over Cap)	Veritas	799	2025	Basin Council Resolution 7/2022 of April 14, 2022 and 4/2024 of April 9, 2024
2022 Mtr rate adjustments (over Cap)	Veritas + Asvo	326	2026 and afterward	Basin Council Resolution 7/2022 of April 14, 2022 and 4/2024 of April 9, 2024
2023 Mtr rate adjustments (over Cap)	Veritas	285	2026 and afterward	Basin Council Resolution 7/2022 of April 14, 2022
2023 Mtr rate adjustments (RC and Coal landfill)	Veritas + Asvo	6,034	2025	Basin Council Resolution 04/2024 of April 9, 2024
2024 Mtr rate adjustments (over Cap)	Veritas	3,425	2026 and afterward	Basin Council Resolution 4/2024 of April 9, 2024
2024 Mtr rate adjustments (RC and Coal landfill)	Veritas + Asvo	1,902	2026	
pre-Mtr adjustments for Tia sales variance at Dec. 31, 2019	Veritas	-240	to be determined	
adjustments for pre-Mtr Tia1 recovery of receivables written off	Veritas	235	to be determined	
adjustments for recovery of Tia1 receivables written off in 2021	Veritas	895	2024	Municipality of Venice decision 3063 of Dec. 29, 2023
adjustments for recovery of Tia1 receivables written off in 2022	Veritas	652	2024	Municipality of Venice decision 3063 of Dec. 29, 2023
adjustments for recovery of Tia1 receivables written off in 2023	Veritas	1,120	2025	Basin Council Resolution 04/2024 of April 9, 2024
adjustments for recovery of Tia1 receivables written off in 2024	Veritas	506	2026	
total receivables for rate adjustments		**17,308**		
provision for adjustment impairment		**-5,365**		
total receivables due for rate adjustments net of impairment		**11,943**		

The receivables due for rate adjustments recoverable after one year are recognized as current assets as they are related to the normal course of business, in accordance with IAS 1, paragraph 68.

The previous Note explains the measurement of the adjustments.

The adjustment impairment refers to the 2020-2021 over-cap adjustments and to the 2022-2023-2024 adjustments whose inclusion in the 2024-2025 financial plans generated over-cap components to be carried forward beyond 2025, for € -5,365 thousand.

The receivables due from shareholders for 2020-2021 over-cap rate adjustments not recognized in the financial statements amount to € 675 thousand.

Below is a breakdown of the receivables due from the Municipality of Venice:

(in thousands of euros)	**Dec. 31, 2024** due within 12 months	**Dec. 31, 2024** due after 12 months	**Dec. 31, 2023** due within 12 months	**Dec. 31, 2023** due after 12 months
receivables due from service contracts, engineering work and other current types	6,183		5,310	
receivables due on installment plans	15			
receivables due for invoices to be issued	538		747	
receivables due for IWS and WMS	31		-18	
receivables due for grants related to equipment			1,654	
receivables due for waste management rate adjustments	7,344		6,102	
total receivables due from the Municipality of Venice	**14,111**		**13,795**	

17. Receivables due from associates

The following table shows the breakdown of the receivables due from associates at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024 due within 12 months	Dec. 31, 2024 due after 12 months	Dec. 31, 2023 due within 12 months	Dec. 31, 2023 due after 12 months
Sifa scpa			5,802	9,650
OMD srl			110	
Vier scarl	781	1,425	537	2,727
Bioenergie Italiane srl (formerly Mia energia srl)	101			
total receivables due from associates	**882**	**1,425**	**6,449**	**12,377**

The receivables due from Sifa were cleared in the reporting period as a result of Veritas' acquisition of the controlling interest in the company in January 2024.

The receivables due from Vier after one year refer to a loan granted to the company when it was a subsidiary, originating partly from the transfer of the energy business unit.

18. Other receivables

The following table presents information on the other receivables due at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
grants receivable from public entities	3,776	14,233
VAT receivable from revenue agency	6,476	1,904
receivables due from revenue agency for excise duties, surcharges, and other		62
advances to suppliers and employees	2,549	1,946
receivables due from social security institutions	222	291
accrued income and prepaid expenses	5,533	5,824
sundry receivables	1,702	5,827
total other receivables	**20,258**	**30,087**

These receivables decreased by € 9,829 thousand from those of the prior year.

The grants receivable from public entities refer to grants for expenditures approved mainly by the Veneto Region but not yet given to the parent company; the amount fell by € 10,457 thousand from the previous year.

The advances to suppliers refer primarily to the 20% advance payment on works, as required by public procurement regulations; these receivables due to the parent company rose by € 848 thousand.

19. Current tax assets

The following table presents information on the current tax assets at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
corporate income tax (IRES) credit due within one year	87	2,155
IRES credit due after one year	2,805	848
regional business tax (IRAP) credit	169	399
other tax credits	1,426	634
total current tax assets	**4,487**	**4,036**

The IRES and IRAP credits correspond to the difference between the taxes due for the year and the taxes paid in advance.

With respect to IRES, Veritas and the subsidiaries participate in the national tax consolidation, so out of such companies only Veritas is responsible for paying IRES, since it is the parent company.

The IRES credit due after one year refers to portions of tax credits that can be offset against tax liabilities no earlier than December 31, 2025; it increased during the year as a result of the parent company's acquisition of tax credits from Insula, a subsidiary of the Municipality of Venice.

20. Cash and cash equivalents

The following table presents the information on the cash and cash equivalents at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
cash and checks outstanding	18	30
bank deposits	103,252	131,547
total cash and cash equivalents	**103,270**	**131,577**

The cash deposits at banks accrue interest at variable rates based on the banks' daily deposit rates.

The bank and postal accounts classified as cash and cash equivalents are used in part for Tares and Tari collection.

The fair value of the cash and cash equivalents is € 103,270 thousand (€ 131,577 thousand at December 31, 2023).

The statement of cash flows presents the details of the changes in the cash and cash equivalents.

At December 31, 2024, the Group had undrawn credit lines amounting to approximately € 120,632 thousand, versus € 121,896 thousand at December 31, 2023.

21. Share capital and reserves

The following table presents the information on the share capital and reserves at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
share capital	145,397	145,397
legal reserve	5,693	5,281
own shares	-1	-1
other reserves	162,104	152,098
equity att. to owners of the parent	**313,193**	**302,775**
capital and reserves attributable to non-controlling interests	33,827	31,788
total equity attributable to non-controlling interests	**33,827**	**31,788**
total equity	**347,020**	**334,563**

The parent company's share capital at December 31, 2024 is € 145,397 thousand and consists of 2,907,943 shares with a par value of € 50 per share. Of these, 8 shares, for a par value of € 400, are Veritas' own shares held for the purpose of possible future sales to the shareholder municipalities and other municipalities pursuant to mergers planned and the awarding of services in other areas.

The legal reserve increased by € 412 thousand from the previous year as a result of the allocation of 5% of the 2023 profit. Since it has not reached the limit set by Civil Code Article 2430, the reserve is unavailable.

The other reserves include the non-distributable reserve for the New Investments Fund (Foni) constraint in the amount of € 28,681 consisting of:

- € 22,676 thousand from the allocation of the 2023 profit, as it is necessary to ensure the allocation constraint of water investments concerning the Foni component of the 2023 water rate (under art. 22.1 of Annex A of Aeegsi Resolution 643/2013/R/idr) through the allocation of a specific unavailable equity reserve; since the water investments subject to the 2023 rate allocation constraint have been made, the General Meeting can nullify the unavailability of the Foni part of the reserve when it approves the financial statements,
- € 6,005 thousand in 2016 to observe the five-year guarantee under Article 151, paragraph 5 of Legislative Decree 152/2006, which requires the water service operator to provide a guarantee covering the investments equal to 10% of the planned investments.

Furthermore, while approving the 2024 financial statements, the directors decided again this year to ensure the water investment allocation constraint for the Foni part of the 2024 rate, equal to € 17,835 thousand.

The other reserves rose by € 10,006 thousand due largely to the recognition of the Group's profit of € 12,007 thousand and the annual effect of actuarial adjustments to the retirement benefit obligation and adjustment of the cash flow hedge reserve of € 1,121 thousand.

The parent company's cash flow hedge reserve relating to five derivative contracts, including one stipulated during the reporting period, with characteristics as interest rate risk hedges for bank loans, remained negative at € -454 thousand, down by € 447 thousand from the prior year. The reserve also decreased by € 668 thousand for the derivatives of the subsidiary Eco+Eco after verification of their characteristics as interest rate risk hedges.

The non-controlling interests in equity represent the share capital, reserves and net profit of external shareholders present in subsidiaries Eco+Eco srl, Asvo spa, Consorzio bonifica e riconversione produttiva Fusina, Metalrecycling srl, Rive srl, Ecodistretto trasporti scarl, Veritas Conegliano srl, Sifa scpa and Ecodistretto RE srl. At December 31, 2024, they amounted to € 33,827 thousand; the loss attributable to non-controlling interests is € 2,772 thousand.

22. Non-current and current financial liabilities

The non-current and current financial liabilities amount to € 266,246 thousand (of which € 216,965 thousand matures after one year and € 49,281 thousand within one year), down by € 9,107 thousand from the previous year.

The part relating only to loans is € 265,302 thousand. The table below presents the information at December 31, 2024:

(in thousands of euros)	date granted	original amount	interest rate	maturity	remaining balance at Dec. 31, 2024	of which short-term	of which long-term
**	May 6, 2015	30,000	fixed 0.677%	May 6, 2030	14,696	2,679	12,017
**	Sept. 19, 2016	20,000	fixed 0.612%	Sept. 19, 2031	12,422	1,748	10,674
**	June 30, 2010	3,000	6m Euribor + 1.49%	Dec. 31, 2025	200	200	
	Nov. 22, 2010	587	6m Euribor + 1.31%	Dec. 31, 2025	46	46	
	Oct. 30, 2019	10000	6m Euribor + 2.50%	Oct. 31, 2025	2,151	2,151	
	Jan. 14, 2020	15,000	1m Euribor + 2.50%	Feb. 1, 2027	4,933	2,252	2,681
**	Nov. 12, 2020	40,000	3m Euribor + 1.30%	Sept. 30, 2026	13,940	7,967	5,973
	May 31, 2021	15,000	fixed 2.45%	June 30, 2027	6,505	2,551	3,954
**	Sept. 28, 2021	10,000	3m Euribor + 1.70%	June 30, 2027	5,039	2,033	3,006
	Oct. 26, 2021	10,000	fixed 1.5%	March 31, 2029	6,076	1,438	4,638
	Nov. 2, 2021	7,000	3m Euribor + 1.556%	Sept. 30, 2026	2,588	1,484	1,104
**	June 29, 2022	10,000	3m Euribor + 1.85%	March 31, 2028	6,247	1,937	4,310
**	Aug. 8, 2022	30,000	fixed 3.201%	Aug. 8, 2037	30,322	374	29,948
**	Feb. 17, 2023	20,000	fixed 4.311%	Feb. 17, 2038	20,319	319	20,000
	Feb. 20, 2023	10,000	fixed 5.26%	March 1, 2033	8,572	878	7,694
**	Aug. 8, 2023	12,000	6m Euribor + 2.60	July 20, 2030	11,240	2,148	9,092
**	Aug. 8, 2023	25,000	6m Euribor + 3.05	July 20, 2033	25,446	840	24,606
	Nov. 22, 2023	10,000	fixed 4.4%	Sept. 30, 2030	8,947	1,646	7,301
(a)**	June 20, 2024	10,000	3m Euribor + 3.10%	June 30, 2031	10,123	157	9,966
(b)**	June 28, 2024	10,000	fixed 4.80%	June 30, 2031	9,382	1,260	8,122
(c)**	Dec. 14, 2024	20,000	3m Euribor + 1.95%	Dec. 31, 2031	751	48	703
**	Dec. 17, 2020	8,000	3m Euribor + 2.10%	April 30, 2028	4,122	1,143	2,979
**	July 28, 2021	20,000	3m Euribor + 2.05%	June 30, 2027	12,418	4,967	7,451
**	Feb. 22, 2021	6,000	3m Euribor + 2.80%	Dec. 31, 2026	2,492	1,226	1,266
	June 28, 2021	2,000	6m Euribor + 2.10%	June 30, 2026	647	426	221
	July 12, 2021	2,000	fixed 3%	June 30, 2027	998	399	599
	Nov. 8, 2021	3,000	12m Euribor + 2.60%	Oct. 29, 2026	1,191	636	555
	Dec. 20, 2023	10,000	fixed 3.92%	Sept. 30, 2029	9,463	1,966	7,497
d)**	June 19, 2024	10,000	fixed 6.5%	June 30, 2031	9,955	-11	9,966
e)**	July 19, 2024	15,000	3m Euribor + 2.75%	Sept. 30, 2031	14,732	560	14,172
**	May 29, 2020	6,200	3m Euribor + 2.25%	March 31, 2026	3,731	746	2,985
	Jan. 26, 2023	7,600	3m Euribor + 2.75%	Dec. 31, 2029	2,602	521	2,081
**	Oct. 25, 2018	3,000	fixed 3.48%	June 30, 2027	1,326	517	809
	May 25, 2011	5,000	fixed 5.13%	July 31, 2026	726	452	274
**	July 30, 2018	3,000	3m Euribor + 3%	June 30, 2026	954	633	321
total medium/long-term loans					**265,302**	**48,337**	**216,965**
less current portion					**-48,337**		
m/l-term loans - non-current portion					**216,965**		

For the financial management process, it was necessary to renew the maturing loans and keep the Group's liquidity high in order to satisfy the current working capital requirements and make the investments.

During 2024, the following unsecured loans were taken out:

a) € 10,000 thousand loan stipulated on June 14, 2024 by Veritas SpA with Banca Ifis. The loan, which will mature on June 30, 2031, requires quarterly repayments at a variable 3M Euribor rate + 3.10% spread; repayment will commence on March 31, 2026;

b) € 10,000 thousand loan stipulated on June 28, 2024 by Veritas spa with BPER. The loan, which matures on June 30, 2031, requires quarterly repayments at a fixed interest rate of 4.80%; repayment commenced on September 30, 2024;

c) € 20,000 thousand loan stipulated on December 14, 2024 by Veritas spa with Banco BPM, granted in two tranches: the first one of € 1,000 thousand was given on December 14, 2024 and the second one of € 19,000 thousand was given on January 15, 2025. The loan, which will mature on December 31, 2031, requires quarterly repayments at a variable 3M Euribor rate + 1.95% spread; repayment will commence on September 30, 2025;

d) € 10,000 thousand loan stipulated on June 19, 2024 by Eco+Eco with Banca Ifis spa backed by a Sace guarantee for € 10,000 thousand, with maturity on June 30, 2031, requiring quarterly repayments at a fixed interest rate of 6.5%; repayment will commence on March 31, 2026;

e) € 15,000 thousand loan stipulated on July 19, 2024 by Eco+Eco with Monte dei Paschi di Siena spa backed by a Sace guarantee for € 15,000 thousand. The loan, which matures on September 30, 2031, requires quarterly repayments at the variable rate of the 3m Euribor + 2.25% spread; repayment will commence on December 31, 2025.

Certain long-term loans taken out over the years by the Group (marked ** in the table) contain contractual clauses (covenants) that require compliance with specified financial parameters based on the results of the consolidated and/or separate financial statements at December 31 of each year.

In the event of non-compliance, the banks could exercise their right to demand early repayment of the remaining balance on the loans granted.

According to the consolidated and separate financial statements at December 31, 2024, the parent company and other Group companies complied with the loan covenants.

There are no longer any loans backed by mortgages on properties.

At December 31, 2024, the maturities of the long-term loans by period are as follows:

(in thousands of euros)	Dec. 31, 2024
December 31, 2025	48,337
December 31, 2026	48,325
December 31, 2027	36,293
December 31, 2028	29,564
December 31, 2029	27,201
after 2029	75,582
total long-term loans	**265,302**

The following table shows the breakdown of bank borrowings and the current portion of long-term loans due at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
current portion of long-term loans	48,337	54,028
bank account overdrafts	944	215
total bank borrowings and current portion of long-term loans	**49,281**	**54,243**

The bank account overdrafts refer to the overdrafts at the reporting date. They are not secured by collateral or personal guarantees and they accrue interest at variable interest rates.

23. Financial liabilities from other lenders

The financing from other lenders amounts to € 189,142 thousand, of which € 165,676 thousand is long-term and € 23,466 thousand short-term. It increased by € 4,344 thousand since the previous year.

The item consists of:

- bonds for € 133,208 thousand (including € 5,861 thousand short-term) concerning the parent company;
- finance lease liabilities of € 15,759 thousand (including € 932 thousand short-term);
- operating lease liabilities (IFRS 16) of € 8,878 thousand (including € 2,552 thousand short-term). They include lease payments of € 771 thousand (including € 270 thousand short-term) due to other related parties and € 280 thousand (including € 56 thousand short-term) due to subsidiaries of the Municipality of Venice and other municipalities;
- other financing of € 31,297 thousand (including € 14,121 thousand short-term) referring to loans to subsidiaries from other non-Group shareholders and, for the short-term portion, to Eco+Eco's factoring of trade receivables due from Veritas and third parties.

The bond payables, recognized at amortized cost using the effective interest rate method, relate to the following:

1. € 9,232 thousand to the bond notes issued by former Asi in July 2014 (the "Hydrobond") for a nominal amount of € 15,000 thousand on the Italian ExtraMot Pro market;
2. € 99,948 thousand to the bond notes issued by Veritas in December 2020 for a nominal amount of € 100,000 thousand on the Irish Stock Exchange (Euronext Dublin - ISE);
3. € 24,027 thousand to the bond notes issued by Veritas in December 2021 for a nominal amount of € 25,000 thousand for private subscription by professional investors.

The € 15,000 thousand Hydrobond has the following characteristics:

- 20-year duration with maturity in July 2034;
- nominal amount to be redeemed in € 375 thousand portions from January 2017; hence, principal of € 750 thousand was redeemed in 2024;
- issued as part of a project involving the member companies of Viveracqua, with two issuance phases (the Asi one is part of the first issuance), for a total amount of € 227,000 thousand: the Hydrobonds issued by the Viveracqua companies were placed by a special purpose vehicle (Viveracqua Hydrobond 1 - VH1); 97.2% of them were subscribed to by the European Investment Bank (EIB) and the remaining 2.8% by other institutional investors;
- the bond notes accrue simple interest of 4.2% paid to VH1, which then pays 3.9% interest to the underwriters; there is a reconveyance of the 0.3% interest paid by VH1 and the 1.5% interest paid by the second issuers, as the latter obtained a lower interest payment than that of the first issuers;
- a credit enhancement of € 2,400 thousand was established and deposited in an escrow account; the interest accruing on such amounts is to be used as a priority to pay the transaction costs (see the section on other financial assets);
- compliance is required with the following loan covenants for the European Investment Bank:

  EBITDA/finance costs > 3.5

  Net debt/EBITDA <= 5

  The covenants are reviewed every six months on the basis of the consolidated financial statement results. At December 31, 2024, the covenants were complied with.

The € 100,000 thousand bond issued in 2020 has the following characteristics:

- nominal amount to be redeemed with a € 100,000 thousand bullet payment at maturity;
- placed in December 2020 on the Irish Stock Exchange (Euronext Dublin) and subscribed to by qualified investors;
- duration of 7 years with maturity in December 2027;
- annual deferred coupon payments in December of each year at a nominal interest rate of 3.25%, subject to a possible increase (step-up) of 0.10% per annum concerning any of the interest periods from 2024 to 2027 if the company fails to achieve a rating or environmental, social and governance (ESG) score of a predetermined level;
- beginning November 2024, every year the ESG score or rating must be any one of the following ESG scores or ratings:

  for EcoVadis, a sustainability rating of Gold or better;

  for ISS, a corporate ESG rating of C+ or higher; or

  in the case of Sustainalytics, an ESG risk rating of 25 or less;
- compliance with the following loan covenants:

  net debt/equity <= 2

  net debt/EBITDA <= 5

  The covenants are reviewed annually based on the consolidated financial statement results. At December 31, 2024, the covenants were complied with.

The € 25,000 thousand bond issued in December 2021 has the following characteristics:

- 17-year duration with maturity in December 2038;
- a nominal amount to be redeemed in semiannual payments of € 860 thousand from December 31, 2024;
- private placement with unlisted professional infrastructure investors;
- semi-annual deferred coupon payments in June and December of each year at a nominal interest rate of 3.35%;
- compliance with the following loan covenants:

  net debt/equity <= 2

  net debt/total fixed assets <= 60%.

  The covenants are reviewed annually based on the consolidated financial statement results. At December 31, 2024, the covenants were complied with.

During 2023, Veritas spa stipulated a new finance lease for the new business management center "Cdo3", built with the “leasing while building” formula within a public-private partnership (PPP), in which the new chemical laboratory of the integrated water service is located. The remaining balance at December 31, 2024 is € 13,187 thousand (of which € 299 thousand short-term).

The parent company recognized a lease liability for the lease stipulated with Bioman for the biomethane plant located in Fusina. The remaining balance at December 31, 2024 is € 659 thousand (of which € 64 thousand short-term).

The finance lease liabilities of the Group's subsidiaries are detailed in the following table:

(in thousands of euros)	date granted	original amount	interest rate	end date	future lease payments due at Dec. 31, 2024	of which short-term	of which long-term
De Lage Landen	Dec. 17, 2020	300	2.63%	2026	57	54	3
De Lage Landen	Sept. 29, 2021	268	2.63%	2026	86	47	39
Bnp paribas	Aug. 1, 2024	36	6.00%	2031	34	4	30
Bnp paribas	Sept. 1, 2024	268	6.00%	2031	257	32	225
Bnp paribas	Aug. 1, 2024	82	6.00%	2031	78	10	68
Bnp paribas	Aug. 1, 2024	242	6.01%	2031	230	29	201
Bnp paribas	Oct. 1, 2024	33	6.01%	2031	32	4	28
Bnp paribas	Aug. 25, 2020	159	1.50%	2025	21	21	
Bnp paribas	Sept. 16, 2020	28	1.50%	2025	4	4	
Bnp paribas	Nov. 20, 2020	37	1.51%	2025	7	7	
Bnp paribas	Dec. 24, 2020	68	2.20%	2026	14	13	1
Bnp paribas	March 18, 2021	124	2.02%	2026	28	23	5
Komatsu	March 26, 2021	159	1.51%	2026	37	28	9
BCC leasing	April 23, 2010	1,173	2.85%	2028	435	57	378
Fraer leasing	March 8, 2021	166	2.01%	2026	37	28	9
Alba leasing	March 1, 2022	45	1.80%	2025	3	3	
Claris leasing	June 23, 2022	43	1.75%	2025	6	6	
Claris leasing	March 2, 2023	64	4.35%	2028	36	10	26
Claris leasing	March 31, 2023	20	5.35%	2026	8	7	1
Fraer leasing	March 6, 2023	110	4.60%	2027	57	20	37
Claris leasing	March 14, 2024	466	5.83%	2027	294	124	170
Cat financial	Dec. 20, 2024	190	0.00%	2028	152	38	114
total leases		**4,081**			**1,913**	**569**	**1,344**

The operating lease liabilities are detailed in the following table:

(in thousands of euros)	Interest rate	end date	future lease payments due at Dec. 31, 2024	of which short-term	of which long-term
Veritas spa	1.11% – 5.49%	2025-2038	6,328	1,546	4,782
Depuracque servizi srl	2.03% – 4.84%	2025-2027	228	116	112
Lecher ricerche e analisi srl	2.29% – 5.39%	2025-2026	36	21	15
Rive recuperi industriali Venezia srl	3.20%	2028	25	7	18
Eco+Eco srl	2.03% – 5.39%	2025-2038	879	416	463
Metalrecycling Venice srl	2.03% – 4.67%	2026-2029	1,354	420	934
Sifa Scpa	5.00%	2025-2026	28	26	2
total			**8,878**	**2,552**	**6,326**

The operating lease liabilities recognized in accordance with IFRS 16 increased by € 762 thousand from the prior year.

When operating leases are stipulated with related parties, the related payables are recognized in the respective item referring to those related parties.

The other financing amounts to € 31,297 thousand, and € 13,336 thousand refers to the amount due by the parent company to Veneto Acque, an in-house company of the Region of Veneto, for the acquisition of two business units regarding the Savec – East infrastructure.

Both payables present the following characteristics:

- March 31, 2038 maturity;
- 35 semiannual payments starting from March 31, 2021;
- an internal rate of return (IRR) of 3.57% and 3.65%.

The other financing also includes € 10,967 thousand regarding Eco+Eco's assignment to a factoring company of trade receivables due from Veritas.

24. Provisions for risks and charges

The table below presents the changes in the provisions for risks and charges at December 31, 2024 and December 31, 2023:

(in thousands of euros)	prov. for post-closure care of Ca' Rossa landfill	prov. for post-closure care of Piave Nuovo landfill	prov. for post-closure care of Centa Taglio landfill	provision for lawsuits	other provisions for risks and charges	total
at December 31, 2022	**859**	**24,157**	**10,314**	**4,377**	**36,852**	**76,559**
allocations		1,058	-1,409		3,974	3,623
other changes		-1,511	466	-21	-4,427	-5,494
use	-859		-440	-356	-19,043	-20,697
at December 31, 2023		**23,704**	**8,931**	**4,000**	**17,356**	**53,991**
business combinations and change in scope of consolidation					5,745	5,745
allocations		1,110	738	276	8,123	10,247
other changes		-4,953	468		-803	-5,288
use			-424	-279	-2,426	-3,129
at December 31, 2024		**19,861**	**9,713**	**3,997**	**27,995**	**61,566**

The provisions for risks and charges increased by € 7,575 thousand, from € 53,991 thousand at December 31, 2023 to € 61,566 thousand at December 31, 2024.

The nature of the largest provisions is briefly described below.

Provisions for post-closure care of landfills

Ca’ Rossa landfill in Chioggia (Venice)

The remaining portion of the provision was used in 2023, so the amount is zero.

The shutdown activities initiated in 2011 continued during the year following the physical exhaustion of the waste disposal capacity.

Due to the new geotechnical conditions of the landfill demonstrated by the studies initiated in 2008 (required in part for renewal of the waste management permit), the new rules for the financial guarantee issued by the Region in 2012, and the outcome of the studies carried out at the University of Padua showing the need to reduce the level of leachate in the landfill to prevent environmental pollution, in 2012 the company had begun to update estimates of the costs for the closure and post-closure care of the Ca' Rossa landfill.

These preliminary estimates suggested potential additional charges, for both new work to be carried out and updated post-closure costs, of € 9.3 million.

The directors therefore negotiated with the Municipality of Chioggia to have these potential additional charges recognized in the annual waste management costs included in the financial plans related to setting the Tares/Tari rate. With Resolution 62 of June 27, 2013, the City Council approved the proposal for including a specific cost item for every year of post-closure care, starting in 2014.

The inclusion of these costs in the calculation of the waste management rates or fees thus made it unnecessary to supplement the provisions for rehabilitation of the area.

The 30-year plan for covering both the post-closure costs and the works needed to close the landfill, in the form of budget provisions and the inclusion of the specific cost item in the financial plans for Tares/Tari purposes, was then modified through an agreement between Veritas and the municipality in February 2016, but only with regard to how the fee was paid:

for 2015 to 2018 in a lump sum of € 2,223 thousand and for 2016 as a capital grant, leaving unchanged the guarantee of full coverage of the costs over the 30 years. For 2019-2022 as well, the municipality approved the payment of these amounts as a capital grant of € 1,859 thousand outside the Tari financial plans, while with the 2022 approval of the 2022-2025 financial plans for the waste management service by the Venice Environment Basin Council, the recovered post-closure costs were included in the Municipality of Chioggia's FPs in implementation of its Resolution 62 of June 27, 2013.

In addition, since 2022 the estimates of post-closure costs have been newly revised to reflect the increased leachate disposal costs under the recent regional directives on PFAS levels, as well as the higher price of the materials needed to complete the safety works.

These additional potential expenses amount to € 11.8 million, as follows:

- € 1.1 million for closure works;
- € 1.4 million for operating expenses (excluding leachate);
- € 9.2 million for leachate treatment and disposal.

These, too, can be recovered within the rate in future financial plans for the waste management service at the time the costs are incurred, as provided for under the Mtr-2 rate method; specifically, Article 11.3 of Annex A of Resolution 363/2021/R/rif states that "the local entity can include in recognized costs any costs for the post-operational management and closure of authorized landfills if the resources allocated in accordance with applicable law are insufficient to ensure the environmental restoration of the landfill site”.

In this case as well, the inclusion of these costs in the calculation of the waste management rates or fees made it unnecessary to supplement the provisions for rehabilitation of the area.

With the Venice Environment Basin Council's approval of the updated 2024-2025 financial plans, the Municipality of Chioggia added in the 2025 FP the 2023 landfill costs not covered by the post-closure provision or by the amounts paid by the Municipality of Chioggia to implement Resolution 62 of 2013, for an amount of € 334 thousand, which considers the landfill capping works amortized in 7 years.

For the costs of € 1,090 thousand incurred in 2024 that are not covered by the income foreseen in Resolution 62/2013, Veritas recognized a rate adjustment receivable due from the municipality, in view of the forthcoming approval of the 2026 FP, which will occur with the new Mtr-3 rate method being adopted by Arera, as this FP will have to include this component in its computation, consistently with the Mtr-2 method approved with the 2025 FP for the Basin Council's 2023 costs.

Negotiations are underway between the Municipality of Chioggia and the Veneto Region for the disbursement of a grant to cover these costs.

Piave Nuovo landfill in Jesolo (Venice)

This provision covers the future charges (discounted to present value) that the company will incur both for the post-closure care and capping of the Jesolo landfill, calculated on the basis of expert appraisal.

The provision was recalculated following the approval on December 9, 2019 by the Metropolitan City of Venice of a planned variant that increases the authorized disposal quantities, but reschedules the end date from 2030 to 2027.

With the revision of cost estimates to reflect the increased leachate disposal costs under the regional directives on PFAS levels, as well as the new estimate of cash flows to be absorbed by capping, in 2022 the provision was again recalculated and increased by € 4,508 thousand.

The total new costs amount to € 28,496 thousand, discounted at December 31, 2024 to € 19,860 thousand with the recognition of finance costs of € 1,110 thousand and a discounting adjustment of € -4,953 thousand, based on the updating of the payment schedule for such post-closure costs.

Centa Taglio landfill in Portogruaro (Venice)

This provision covers the estimated charge based on an annual expert appraisal. It takes into account the environmental restoration of lots 0, 1 and 2 and the post-closure costs of lots 1 and 2.

The capping works for lots 1 and 2 of the Centa Taglio landfill in Portogruaro passed inspection in 2021, and the post-closure period began at the end of November 2021, to conclude in 2051.

The provision is discounted to present value on the basis of expected use, whose forecast is updated annually. The changes include € +468 thousand for the recognition of the discounting finance costs.

Provision for lawsuits

The provision for lawsuits concerns the parent company, with respect to any disputes with personnel and third parties.

With a balance of € 3,998 thousand at December 31, 2024, it covers pending lawsuits with personnel and third parties, principally users disputing VAT charges on Tia. Most of these cases should conclude within the next three years.

Other provisions for risks and charges

The table below shows the changes in other provisions for risks and charges at December 31, 2024 and December 31, 2023:

(in thousands of euros)	prov. for hidden water leaks	prov. for sludge awaiting disposal	prov. for tax audits	prov. for 2008-2019 ICI/IMU tax	prov. for future concession fees	prov. for damages and deductibles	San Liberale prov.	prov. for water investment planning fines	prov. for water quality fines	Jesolo landfill prov.	prov. for personnel costs	sundry minor prov.s for risks and charges	total
at December 31, 2022	**7,576**	**4,304**	**460**	**10,849**	**1,333**	**216**	**92**	**1,002**	**453**	**2,817**	**6,500**	**1,250**	**36,852**
incr. for business comb.													0
allocations		432			491	35			732	1,380		904	3,974
other changes	-661		-30					-1,002			-2,500	-234	-4,427
use		-2,128		-10,849	-1,333	-35	-1				-3,971	-726	-19,043
at December 31, 2023	**6,915**	**2,608**	**430**		**491**	**216**	**91**		**1,185**	**4,197**	**29**	**1,194**	**17,356**
incr. for business comb.												5,745	5,745
allocations		3,448	2,027		228	115			151	1,146		1,008	8,123
other changes	-638						-1					-164	-803
use		-1,312			-61	-115					-18	-920	-2,426
at December 31, 2024	**6,277**	**4,744**	**2,457**		**658**	**216**	**90**		**1,336**	**5,343**	**11**	**6,863**	**27,995**

Other provisions for risks and charges mostly concern the parent company. The largest of these are described hereunder.

Provision for hidden water leaks

These are the total amounts (net of use) charged for voluntary participation to the water service users, which can be credited to those users in the event of an anomalous leak in their water system after the meter.

The provision and its use are governed by regulations approved by the Basin Council.

At December 31, 2024 the provision amounted to € 6,277 thousand.

Provision for sludge awaiting disposal

The allocation to this provision refers to next year's costs for the disposal of sludge produced this year by the sewage treatment plants. While awaiting disposal, the sludge is stored in the 23-hectare area managed by Veritas since July 2021.

At December 31, 2024 the provision amounted to € 4,744 thousand.

Provision for tax audits

With a balance of € 2,457 thousand at December 31, 2024, this refers to tax or similar audits that have been finalized or are being finalized, including those the Group has contested. They mostly relate to the ICI and IMU property taxes.

25. Retirement benefit obligations

The following table shows the changes in the retirement benefit obligations at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
present value of the obligations at beginning of period	19,849	20,443
present value of the obligations at the acquisition date	-6	-341
present value of the obligations for assets held for sale or discontinued operations		
curtailment effect		
cost related to current service	355	259
interest cost	400	466
benefits paid	-1,529	-2,133
other changes	85	620
actuarial (gain)/ loss on the obligations	277	535
present value of the obligations at end of period	**19,431**	**19,849**

In accordance with IAS 19, the retirement benefit obligations accrued by the parent company and the largest Group companies up to December 31, 2006 are considered a defined benefit obligation where the liability is measured with actuarial methods.

The obligation accrued since January 1, 2007 is included in the category of defined contribution plans, both in the case of the option for supplementary pension plans and of assignment to the Treasury Fund at the Italian Social Security Institute (INPS). The accounting treatment of this post-employment benefit was thus assimilated to that in place for other types of contribution payments.

According to the current version of IAS 19, actuarial gains and losses are recognized directly in other comprehensive income among *other components*, and in a specific equity reserve (net of tax).

The main assumptions used to determine the present value of retirement benefit obligations are presented below:

	2024	2023
discount rate at beginning of year	2.65% - 3.15%	2.78% – 3.28%
expected salary increase rate	3% - 4.5%	3% - 4.5%
expected employee turnover rate	8.84%	9.16%
expected average remaining length of service of employees	11	10

In preparing the retirement benefit obligations at December 31, 2024 and updating the technical bases, the appointed independent actuary took into account the Group's information available from 2003 to the present. The rate curve chosen is the Europe Corporate AA+, AA, AA- Yield Curve-EUR. The curve values were updated to December 31, 2024.

Compared to the amounts at December 31, 2023, all the durations decreased, and an analysis of the actuarial losses shows that the most significant component refers to the change in financial assumptions, as a result of the updated discount rates at the measurement date.

26. Payables due to shareholders

The following table shows the information on the amounts due to shareholders at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024 due within 12 months	Dec. 31, 2024 due after 12 months	Dec. 31, 2023 due within 12 months	Dec. 31, 2023 due after 12 months
payables due to the Municipality of Venice	67,343	7,558	48,405	8,976
payables due to municipalities with ownership exceeding 10%				
payables due to municipalities with ownership below 10%	38,836	3,920	31,561	4,441
total payables due to shareholders	**106,179**	**11,478**	**79,966**	**13,417**

Currently there are no shareholders whose ownership interest is more than 10% and less than 50%.

The total payables due to the shareholder municipalities increased by € 24,274 thousand; the payables due within one year rose by € 26,213 thousand while those due after one year fell by € 1,939 thousand.

The change in the amount due within one year concerns mainly the increase in Tares and Tari collection payables.

Overall, the payables due to shareholders for the Tari and Tares taxes collected, including the Tefa provincial surcharge and other related items, and not yet reversed to the municipalities, amount to € 93,572 thousand (€ 68,127 thousand in 2023).

The payables due after 12 months refer primarily to operating leases.

The total payables deriving from the application of IFRS 16 (on leases) is € 7,878 thousand (of which € 563 thousand short-term). The right-of-use asset underlying such liability refers largely to work carried out by municipalities for the integrated water service, for which the parent company, Veritas pays the municipalities for the installments on the loans taken out for that purpose. The useful life of the rights is estimated to end in 2038, when the integrated water service contract deliberated by the Venice Lagoon Basin Council is due to expire.

Details of the payables due to the Municipality of Venice are shown below:

(in thousands of euros)	Dec. 31, 2024 due within 12 months	Dec. 31, 2024 due after 12 months	Dec. 31, 2023 due within 12 months	Dec. 31, 2023 due after 12 months
payables due for cemetery concessions	632		660	
liabilities for contract work in progress	2,128		1,523	
payables due under Law 206/95	4,104		3,770	
payables due for Tari/Tares/Tefa collection	58,727		40,630	
operating lease liabilities	83	3,818	83	3,688
sundry payables	1,669	3,740	1,739	5,288
total payables due to the Municipality of Venice	**67,343**	**7,558**	**48,405**	**8,976**

The contract liabilities include the advances received by Veritas for the performance of work and supplies commissioned by the Municipality of Venice (€ 19,018 thousand) net of the work already carried out (€ 16,890 thousand), and they refer almost entirely to contracts for public works.

27. Payables due to associates

The following table shows the information on the payables due to associates at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024 due within 12 months	Dec. 31, 2024 due after 12 months	Dec. 31, 2023 due within 12 months	Dec. 31, 2023 due after 12 months
payables due to Sifa scpa			854	
payables due to Vier scarl	174		949	
payables due to OMD srl	8,081		9,432	
payables due to Bioenergie italiane srl (formerly Mia energia srl)	221		360	
payables due to 9-Tech srl			16	
total payables due to associates	**8,476**		**11,611**	

The item shows a total decrease of € 3,135 thousand resulting largely from a lower amount due to OMD (€ -1,351 thousand) and payables due to Sifa that were cleared following Veritas' acquisition of the controlling interest in the company in January 2024 (€ -854 thousand).

28. Other non-current liabilities

The following table presents the information on the other current liabilities at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
security deposits from customers - IWS	10,372	10,346
advances on consumption	202	202
payables due to social security institutions - non-current portion	377	1,541
sundry payables due to entities under common control	2,083	
sundry non-current payables	23,917	20,684
total other non-current liabilities	**36,951**	**32,773**

This item includes the security deposits for utilities relating to the integrated water service and advances on consumption. Since June 1, 2014, security deposits for the integrated waste service utilities have accrued interest, pursuant to Aeegsi Resolution 86/2013/R/idr, which established the application of legal interest when the contract is terminated or when the deposit is returned.

The sundry payables due to entities under common control refer to Veritas' remaining payable to Insula for the purchase of tax credits, for the portions recoverable from the tax authorities after the reporting period, since the amount owed to Insula is paid only after the tax credit is recovered from the tax authorities.

The parent company entered € 10,921 thousand among the other non-current payables for grants for equipment requested or already received in advance for works yet to be carried out, and € 3,789 thousand due to Mantovani regarding the acquisition of Sifa's financial receivables.

29. Trade payables

The following table presents the information on the trade payables at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
trade payables	129,357	130,031
payables due to related parties	2,571	3,646
payables due to entities controlled by the Municipality of Venice	86	108
total trade payables	**132,014**	**133,785**

The trade payables do not normally produce interest and are generally settled within 60 to 150 days.

The portion of trade payables relating to invoices to be received by the parent company from third parties at December 31, 2024 amounts to € 33,689 thousand.

Some suppliers assign (factor) their invoices to a bank with which the parent company has stipulated an agreement. The supplier's adherence to such an agreement allows the supplier to collect in advance its receivable and the parent company to pay the invoice indirectly to the bank within 150 days from the invoice issuance date (compared to an average payment period of 60 days). At December 31, 2024, the parent company's trade payables include payables of € 1,326 thousand relating to these factored invoices.

30. Derivative financial instruments

The following table presents the information on the derivative financial instruments at December 31, 2024 and December 31, 2023:

(in thousands of euros)				Dec. 31, 2024		Dec. 31, 2023	
type	bank	note	residual notional amount	fair value assets	fair value liabilities	fair value assets	fair value liabilities
IRS	Unicredit 2017	a)				16	
IRO	Bpm 2019	b)				6	
IRS	Ubi 2019	c)	1,454	20		148	
IRS	Bper 2019	d)				60	
IRS	Bpm 2020	e)	7,000	163		482	
IRS	Bnl 2020	f)	7,000	163		480	
Collar	Bnl 2023	g)	11,077		-207		-241
Collar	F2i 2023	h)	25,000		-635		-731
IRS	Bpm 2024	i)	20,000		-82		
IRS	Bnl 2021	l)	6,875	214		493	
IRS	Bpm 2021	m)	2,813	87		202	
IRS	Unicredit 2021	n)	2,813	87		203	
IRS	Mps 2024	o)	15,000		-369		
total derivative financial instruments			**99,032**	**734**	**-1,293**	**2,090**	**-972**

At December 31, 2024, the Group had:

a. an interest rate swap ("IRS") contract, entered into on June 1, 2017 with Unicredit to hedge risks associated with changes in interest rates related to the € 15,000 thousand loan from Unicredit. The contract provides for the payment of a premium on the residual notional amount. It was extinguished together with the underlying loan on June 30, 2024;

b. an interest rate option ("IRO") contract entered into on May 8, 2019 with Banco Bpm to hedge risks associated with changes in interest rates related to the € 5,000 thousand loan from Banco Bpm. The contract provided for the payment of a single up-front premium, calculated on the initial notional amount of the transaction (i.e. the disbursed amount of the loan) of € 27 thousand. It was extinguished together with the underlying loan on June 30, 2024;

c. an IRS contract, entered into on June 20, 2019 with Ubi Banca to hedge risks associated with changes in interest rates related to the € 15,000 thousand loan from Ubi Banca maturing on June 19, 2025. The contract provides for the payment of a premium on the residual notional amount, which at December 31, 2024 was € 1,454 thousand, equal to -0.12% per annum. The IRS has a positive fair value of € 20 thousand at December 31, 2024;

d. an IRS contract, entered into on October 31, 2019 with Bper to hedge risks associated with changes in interest rates related to the € 10,000 thousand loan from Bper Banca. No premium is paid on this contract because the premium payment was set at the 5-year IRS rate on October 31, 2019, which was 0.00% then. This contract was extinguished on October 31, 2024;

e. an IRS contract, entered into on November 12, 2020 with Banco Bpm to hedge risks associated with changes in interest rates related to the € 20,000 thousand loan from Bpm (co-financed with Bnl for a total amount of € 40,000 thousand) maturing on September 30, 2026. The contract provides for the payment of a premium on the residual notional amount, which at December 31, 2024 was € 7,000 thousand, equal to -0.16% per annum. The IRS has a positive fair value of € 163 thousand at December 31, 2024;

f. an IRS contract, entered into on November 12, 2020 with Bnl to hedge risks associated with changes in interest rates related to the € 20,000 thousand loan from Bnl (co-financed with

Bpm for a total amount of € 40,000 thousand) maturing on September 30, 2026). The contract provides for the payment of a premium on the residual notional amount, which at December 31, 2024 was € 7,000 thousand, equal to -0.16% per annum. The IRS has a positive fair value of € 163 thousand at December 31, 2024;

g. a collar agreement, entered into on August 9, 2023 with Bnl to hedge risks associated with changes in interest rates related to the € 12,000 thousand loan from Bnl (co-financed with F2i for a total amount of € 37,000 thousand) maturing on July 20, 2030.
Under the agreement, if at set expiration dates the variable rate should exceed the cap rate (3.76%), Veritas spa will be entitled to receive from the bank an amount (periodic differential amount) calculated by multiplying the difference between the two aforementioned rates by the residual notional amount; vice versa, if at the agreed expiration dates the variable rate should be below the floor rate (2.75%), Veritas spa will have to pay the bank the periodic differential amount calculated by multiplying the difference between the two aforementioned rates by the residual notional amount. If the variable rate should be between the cap rate and the floor rate, Veritas will not pay or receive any amount. This collar agreement has a negative fair value at December 31, 2024 of € -207 thousand;

h. a collar agreement, entered into on August 9, 2023 with F2i to hedge risks associated with changes in interest rates related to the € 25,000 thousand loan from F2i (co-financed with Bnl for a total amount of € 37,000 thousand) maturing on July 20, 2033. Under the agreement, if at set expiration dates the variable rate should exceed the cap rate (3.76%), Veritas spa will be entitled to receive from the bank an amount (periodic differential amount) calculated by multiplying the difference between the two aforementioned rates by the residual notional amount; vice versa, if at the agreed expiration dates the variable rate should be below the floor rate (2.75%), Veritas spa will have to pay the bank the periodic differential amount calculated by multiplying the difference between the two aforementioned rates by the residual notional amount. If the variable rate should be between the cap rate and the floor rate, Veritas will not pay or receive any amount. This collar agreement has a negative fair value at December 31, 2024 of € -635 thousand;

i) an IRS contract, stipulated on December 12, 2024 with Banco Bpm to hedge risks associated with changes in interest rates related to the € 20,000 thousand loan from Bpm maturing on December 31, 2031. The contract provides for the payment of a premium on the residual notional amount, which at December 31, 2024 was € 20,000 thousand, equal to 2.245% per annum. The IRS has a negative fair value of € -82 thousand at December 31, 2024;

j. an IRS contract, entered into on July 28, 2021 by Ecoprogetto (now Eco+Eco) with Banca Nazionale del Lavoro to hedge the risks associated with changes in interest rates related to the € 11,000 thousand loan from the same bank (co-financed with Unicredit and Banco Bpm for a total amount of € 20,000 thousand) maturing on June 30, 2027. The IRS has a positive fair value of € 213 thousand at December 31, 2024;

k. an IRS contract, entered into on July 28, 2021 by Ecoprogetto (now Eco+Eco) with Banco Bpm to hedge risks associated with changes in interest rates related to the 4,500 thousand loan from the same bank (co-financed with Banca nazionale del lavoro and Unicredit for a total amount of € 20,000 thousand) maturing on June 30, 2027. The IRS has a positive fair value of € 87 thousand at December 31, 2024;

l. an IRS contract, entered into on July 28, 2021 by Ecoprogetto (now Eco+Eco) with Banca Unicredit to hedge risks related to interest rate fluctuations associated with the 4,500 thousand loan from the same bank (co-financed with Banca nazionale del lavoro and Banco Bpm for a total amount of € 20,000 thousand) maturing on June 30, 2027. The IRS has a positive fair value of € 87 thousand at December 31, 2024;

m. an IRS contract, entered into on July 19, 2024 by Eco+Eco with Monte dei Paschi di Siena spa to hedge risks related to interest rate fluctuations associated with the 15,000 thousand loan from the same bank maturing on September 30, 2031. The IRS has a negative fair value of € -369 thousand at December 31, 2024.

After verifying the qualification of the derivative instruments described in points e), f), g), h), i), j), k), l) and m) above as interest rate hedges, hedge accounting was used for them, so a negative reserve of € 440 thousand (€ 454 thousand for the parent company), equal to the fair value net of tax, was recognized in equity.

31. Other current liabilities

The following table presents the information on the other current liabilities at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
advances from customers	4,097	1,587
payables due to employees	16,098	14,661
payables due to social security institutions	10,223	10,702
payables due for surcharges and excise duties	2,748	2,514
payables due to revenue agency for IRPEF withholding tax	5,260	4,297
payables due to revenue agency for VAT	3,794	125
sundry payables due to entities under common control	1,042	
accrued expenses and deferred income	3,150	1,128
sundry payables	15,568	5,319
total other current liabilities	**61,980**	**40,333**

The payables due to employees refer to unused vacation time and leaves of absence at the reporting dates, as well as performance bonuses, which the Group usually pays in August of the subsequent year. These payables include the related contributions.

The surtaxes and excise duties are due to the Metropolitan City of Venice and the Province of Treviso for collecting the provincial surtax (Tefa) on waste management rates (Tia1, Tia2, Tares and Tarip); they concern the parent company and Asvo spa.

32. Current tax liabilities

The following table presents the information on the current tax liabilities at December 31, 2024 and December 31, 2023:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
corporate income tax (IRES)	5,072	208
regional business tax (IRAP)	1,549	174
other taxes payable	15	
total current tax liabilities	**6,636**	**382**

The amount of IRES and IRAP due corresponds to the difference, if positive, between the taxes due for the year and the taxes paid in advance.

With respect to the IRES due, the parent company and some subsidiaries participate in national tax consolidation.

For the parent company, this year the IRES and IRAP differences are positive, so they are recognized as a current tax liability (see Note 19) which, as far as IRES is concerned, include payables (or receivables, in the case of tax losses) from subsidiaries participating in the tax consolidation.

33. Revenues from sales and services

(in thousands of euros)	2024	2023
revenue from water and sewerage rates	144,522	126,497
revenue from waste management rates	44,363	37,017
revenue from institutional services	187,472	178,362
revenue from services rendered to third parties	126,937	129,986
revenue from the sale of scrap and finished products	9,241	11,842
revenue from contract work in progress	13,242	10,687
change in inventories of work in progress	-291	-101
contingent gains and unsubstantiated losses	701	55
total revenues from sales and services	**526,187**	**494,345**

The revenues from sales and services amounted to € 526,187 thousand, up by € 31,842 thousand from the previous year.

Water rate revenue amounted to € 144,522 thousand, up by € 18,025 thousand from the previous year.

Such revenues relate to services rendered in the 36 municipalities of the metropolitan area of Venice and the province of Treviso, within the Venice Lagoon area.

The 2024 water rate was applied, based on the guaranteed revenue constraint ("Vrg") decided upon by the Basin Council on November 17, 2024, and then approved with amendments by Arera on January 21, 2025, which raised it by 9.9% from the 2023 rate.

The revenue from water rates regarding bills to be issued at December 31, 2024 is € 19,137 thousand, as calculated based on the estimated consumption.

Pursuant to the aforementioned approvals, additional revenue of € 18,159 thousand was recognized for rate adjustments of previous years, while the adjustment of revenues to the 2024 guaranteed revenue constraint resulted in the recognition of negative adjustments of € -1,077 thousand.

The revenue from waste management rates, € 44,363 thousand, refers to the parent company's use of the punctual Tarip rate; it has grown by € 7,346 thousand from the previous year.

The 2024 revenue from institutional services is € 187,472 thousand, up by € 9,110 thousand from 2023.

The latter revenue includes € 180,172 thousand in municipal waste management fees for municipalities. Thus, the revenue from the waste management service (sum of rates and municipal fees) is € 224,536 thousand, up by € 15,788 thousand year-on-year.

The increase is attributable primarily to the 7% rate increase from that of 2023, recognized in the 2024 financial plans for the parent company with the Basin Council's approval on April 9, 2024 of the rate adjustment of the 2024-2025 financial plans.

The Mtr-2 rate method is in effect for the waste management rates and fees for the 2022-2025 regulatory period.

Details of the revenue from services rendered to third parties are provided below:

(in thousands of euros)	2024	2023
revenue from services and work on green spaces	78	
rental revenue	2,161	2,058
revenue from wastewater treatment	29,526	15,307
revenue from waste disposal service	7,880	7,979
revenue from disposal of sorted waste	36,189	34,108
revenue from sludge disposal service	-287	
revenue from cleaning and restroom services	965	1,223
consulting revenue	4,741	4,698
revenue from outsourced plant operation	13,645	27,585
revenue from land reclamation	1,379	1,693
revenue from cemetery services	5,861	5,496
revenue from water service maintenance and connections	1,581	993
revenue from heat management	4,378	5,529
revenue from electricity sales	807	1,171
other revenue from services rendered to third parties	17,657	21,817
revenue reversals to shareholders	3	2
sundry minor revenue	373	327
total revenues from services rendered to third parties	**126,937**	**129,986**

These revenues fell by € 3,049 thousand.

Among the main changes are an increase in the revenue from wastewater treatment (€ +14,219 thousand) and a decrease in revenues from outsourced plant operation (€ -13,940 thousand) and other revenues from services rendered to third parties (€ -4,160 thousand).

34. Other income

(in thousands of euros)	2024	2023
lease and concession income	1,013	977
gains from asset disposals	430	202
sundry reimbursements and expense charges	1,479	1,262
compensation for damages	651	631
seconded personnel	105	241
contingent gains and unsubstantiated losses	211	6,038
sundry income	3,652	2,508
grants for operating expenses	1,994	4,883
total other income	**9,535**	**16,742**

Other income fell by € 7,207 thousand from 2023. The decrease is largely affected by the € 2,889 thousand reduction for grants for operating expenses and the € 5,827 thousand decline for the contingent gains and unsubstantiated losses.

The parent company's 2024 grants for operating expenses include tax credits of € 521 thousand for diesel fuel excise taxes and other grants of € 1,142 thousand.

The lease and concession income refers to leased portions of buildings (recognized under service concession arrangements) that generate revenue of € 955 thousand for Veritas and leased buildings (recognized as property, plant and equipment) that generate revenue from third parties of € 34 thousand for the parent company, € 6 thousand for Euroscavi srl, and € 18 thousand for Metalrecycling Venice srl (see Note 2.3 on leases).

35. Raw and ancillary materials and consumables used

(in thousands of euros)	2024	2023
drinking water	94	86
purchases of other materials	13,585	12,922
fuels and lubricants	11,047	11,278
consumables and materials for routine maintenance and repairs	18,198	15,267
reagents	10,437	10,757
capitalized costs of raw and ancillary materials and consumables used	-3,472	-2,850
change in inventories of raw materials, consumables and goods	-39	-474
total raw and ancillary materials and consumables used	**49,850**	**46,986**

Thee costs for raw materials and consumables increased by € 2,864 thousand from the prior year.

The most significant change regarded the increase for purchases of consumables and materials for routine maintenance and repairs (€ +2,931 thousand).

36. Costs for services

(in thousands of euros)	2024	2023
engineering work and maintenance	29,026	33,107
industrial services	10,601	13,750
utilities	33,274	36,443
operational services	60,109	60,077
general services	33,632	30,337
company boards	1,036	802
adjustment to additional services of previous years	1,280	437
services capitalized	-340	-271
accruals for services	3,948	667
total costs of services	**172,566**	**175,349**

The service costs fell by € 2,783 thousand from the previous year.

The decrease regards mainly engineering work and maintenance (€ -4,081 thousand), industrial services (€ -3,149 thousand) and utilities (€ -3,169 thousand). In contrast, there were increases for general services (€ +3,295 thousand) and accruals for services (€ +3,281 thousand).

Engineering work and maintenance refer to routine maintenance on the corporate assets and the activities of the engineering division, which is involved prevalently in the construction of water and sewerage systems.

The utility costs amount to € 33,274 thousand (including € 28,943 of the parent company), down by € 3,169 thousand from the previous year.

The most significant item concerns the procurement of electricity for € 29,337 thousand (€ 26,292 thousand for the parent company). Such cost shows a € 2,564 thousand decrease from that of 2023 (€ 2,692 thousand for the parent company), reflecting lower average prices during the year after the peaks of the previous years caused by the Russo-Ukrainian conflict, whereas the total energy consumption increased.

Among operating services, the parent company’s costs of municipal solid waste (MSW) handling and transportation rose by € 6,457 thousand and its costs for waste management services rose by € 515 thousand, whereas its costs for MSW and special waste disposal fell by € 3,715 thousand and reclamation and sanitization costs fell by € 619 thousand.

The company boards include the remuneration of directors, statutory auditors and members of supervisory bodies.

Under the parent company's policy, any assignments of Veritas Board of Director members to subsidiaries are not remunerated. Therefore, the total remuneration of the Veritas Board of Director members, € 170 thousand, also corresponds to the full amount of the remuneration paid by the Group to the Veritas directors.

The accruals for services (€ 3,948 thousand) refer mainly to Veritas' accrual for the year regarding the costs to be incurred in the next year for the disposal of sludge produced from wastewater treatment (€ 3,448 thousand) and future waste disposal costs (€ 378 thousand).

37. Costs of use of third-party-assets

(in thousands of euros)	2024	2023
rental payments	3,541	2,550
rent and lease payments	144	185
concession and water diversion payments	1,771	2,040
payments for infrastructure use and assignments of services	10	717
contingent losses	89	647
total costs for use of third-party assets	**5,555**	**6,139**

The total costs for the use of third-party assets fell by € 584 thousand from those of the previous year.

Such costs relate to payments on operating leases outside the scope of application of IFRS 16, which has been in effect since 2019.

38. Personnel costs

(in thousands of euros)	2024	2023
wages and salaries	141,281	133,905
social security costs	45,532	43,088
retirement benefit obligations	8,422	8,221
agent termination and similar benefits	16	15
other costs and contingencies	-94	-2,725
capitalized personnel costs	-6,339	-5,626
total personnel costs	**188,818**	**176,878**

The total personnel costs rose by € 11,940 thousand from those of 2023, but net of the previous year's non-recurring items and capitalized costs, the increase is € 10,153 thousand.

The increase is attributable primarily to an increase in fixed-term workers to meet the demands of seasonality, as well as to salary raises given under the renewed national collective labor agreements and corporate remuneration polices.

The following table shows the annual changes in the Group's work force by category, expressed as the average number of full-time equivalents (FTEs).

average annual headcount (FTEs)	2024	2023	change
upper management	25.08	25.00	0.08
lower management	89.15	87.01	2.14
white-collar employees	1,069.85	1,036.03	33.82
blue-collar employees	2,299.02	2,250.55	48.47
total average headcount	**3,483.10**	**3,398.59**	**84.51**

39. Other operating expenses

The other operating expenses amount to € 19,271 thousand, up by € 6,505 thousand compared with the previous year.

(in thousands of euros)	2024	2023
allocations for doubtful debts	7,058	3,102
allocations for interest on arrears	13	6
allocations for risks and charges	5,189	1,879
membership dues and other fees	943	852
Ato operating expenses	694	604
special landfill tax	254	252
local taxes and duties	3,162	3,118
credit losses	549	1,231
losses on asset disposals	271	440
sundry minor costs	827	608
ordinary contingent losses	249	496
fines and damage compensation	62	178
total other operating expenses	**19,271**	**12,766**

The allocations for doubtful debts rose by € 3,956 thousand after the default indexes were updated during the year.

With respect to the € 3,310 thousand increase in the allocations for risks and charges, see Note 24 on provisions for risks and charges for additional information.

Veritas' credit losses were € 549 thousand, and they refer to the write-offs of Tia1 receivables, for which the default risk is borne by the municipalities due to the tax nature of the rate. Therefore, again this year an equal amount was recognized in the revenues for the waste management service (from rates and municipal fees), since such loss will be covered in the waste management financial plans.

40. Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses amount to € 62,088 thousand, versus € 55,656 thousand in 2023, an increase of € 6,432 thousand.

Depreciation was reduced by the annual amount of equipment grants, just as the value of property, plant and equipment was reduced by the amount of the grants issued.

(in thousands of euros)	2024	2023
amortization of intangible assets	6,249	5,633
amortization of service concession arrangements	26,692	21,820
depreciation of property, plant and equipment	39,837	36,805
depreciation of investment property	3	3
impairment losses on property, plant and equipment	124	113
grants for equipment	**-10,817**	**-8,718**
total amortization, depreciation and impairment losses	**62,088**	**55,656**

41. Share of results of equity-accounted investees

No changes were made to the value of the equity investments.

42. Finance costs and income

Finance costs

The finance costs amount to € 25,707 thousand, versus € 22,182 thousand in 2023, an increase of € 3,525 thousand.

The finance costs include € 2,504 thousand for discounting payables to present value, specifically the retirement benefit obligation (€ 400 thousand), financial payables due to parent companies (€ 8 thousand), the receivable due from the Metropolitan City of Venice guaranteeing the Jesolo landfill (€ 189 thousand), the provision for post-closure care of the Jesolo landfill of Alisea (now Veritas) (€ 1,110 thousand), the Centa Taglio landfill operated by Asvo (€ 468 thousand), the amount due to INPS for the intergenerational turnover agreement (€ 114 thousand), and other financial payables (€ 215 thousand).

The main changes refer to the finance costs relating to long-term loans (€ +4,485 thousand) and finance costs from discounting (€ -1,129 thousand).

The finance costs to service financial debt (with banks), factoring transactions and on the use of other financial instruments (including bond notes) amount to € 24,481 thousand, with an average interest rate of around 7.35% (6.79% in 2023).

They are summarized below:

(in thousands of euros)	2024	2023
finance costs from parent companies	26	30
interest expense with banks on bank account overdrafts	1,311	1,109
finance costs on long-term loans	14,669	10,184
finance costs on leases and rentals	1,807	808
finance costs on derivative instruments	210	396
finance costs from other discounting	2,096	3,225
finance costs from discounting retirement benefit obligations	400	466
finance costs on factoring transactions	404	355
interest expense on bonds	4,419	4,365
write-downs of equity investments		4
capitalized finance costs	-572	-193
other finance costs	937	1,433
total finance costs	**25,707**	**22,182**

Finance income

The finance income amounts to € 6,235 thousand, versus € 5,949 thousand in the previous year, an increase of € 286 thousand. It is summarized below:

(in thousands of euros)	2024	2023
income from other investees		18
interest income from banks	998	1,408
fair value measurement of derivatives	1,634	1,998
interest on arrears and payment extensions	1,811	1,548
finance income from associates	80	471
finance income from other discounting	592	430
income from equity investments (revaluations)	141	
other finance income	979	76
total finance income	**6,235**	**5,949**

43. Income tax for the year

The following table presents the reconciliation of the corporate income tax (IRES) applicable to the Group's pre-tax profit, using the current tax rate, with that obtained using the effective tax rate, for the period ended December 31, 2024:

(in thousands of euros)	2024	2023
ordinary tax rate applicable	**24.00%**	**24.00%**
profit before tax	**18,102**	**21,079**
theoretical tax expense/(income)	**4,344**	**5,059**
adjustments to previous year's tax	111	-46
writedowns and adjustments of deferred tax assets recognized in the previous year	12	579
recognition of deferred tax assets on temporary differences arising in previous years	61	-35
recognition of deferred tax assets on temporary equity differences arising during the year	2,105	
derecognition of deferred tax liabilities arising in previous years as a result of tax realignment		
non-recognition of deferred tax assets on tax losses of the year on temporary differences	127	3
non-recognition of deferred tax assets/liabilities of the year on temporary differences	4	326
tax consolidation (income)/expense		
exemption of tax mismatches, net of substitute tax		
tax-exempt income / tax relief	-1,064	-2,802
non-deductible costs	-1,129	852
other permanent differences	-26	-63
effective IRES tax	**4,545**	**3,873**
effective tax rate	**25.11%**	**18.37%**
current taxes	7,179	940
deferred tax liabilities/(assets)	-952	2,979
tax from prior periods	111	-46
substitute tax		
tax consolidation (income)/expense		
effective IRES tax expense/(income)	**6,338**	**3,873**
current local tax (IRAP)	2,908	1,391
local deferred tax liabilities/(assets)	-466	5
local tax from prior periods	87	-21
effective local tax expense/(income)	**2,529**	**1,375**
total effective tax expense /(income)	**8,867**	**5,248**

The parent company's and Asvo spa's current IRAP rate is 4.2% (specific rate for enterprises holding concessions to operate public services and works).

The deferred tax assets and liabilities for the two years ended December 31, 2024 and 2023 are as follows:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
provision for doubtful debts	4,891	4,096
provision for risks and charges	12,331	9,693
inventory impairment provision	128	184
fixed asset impairment	421	469
maintenance costs	186	204
statutory depreciation difference	7,920	8,449
other costs deductible in subsequent periods	277	332
fair value adjustment of derivative instruments	310	233
business combination bonuses		78
reversal of gains on intra-Group transactions		
sundry minor items	2,538	1,259
interest expense deductible in the future (based on GOM)	36	36
tax losses	1,222	109
actuarial gains/losses on retirement benefit obligations	64	-15
total deferred tax assets	**30,324**	**25,127**

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
tax-exempt interest on arrears	547	369
tax-exempt revenues	1,491	1,585
landfill asset		
other temporary changes	2,198	-100
gain allocated to fixed assets	527	758
leased assets	586	892
separation of land		
fair value adjustment of derivative instruments	171	446
total deferred tax liabilities	**5,520**	**3,950**

Veritas spa and most of its subsidiaries have jointly exercised the Group taxation option available under Italian income tax regulations (*Testo unico delle imposte sui redditi*). The transactions and reciprocal responsibilities and obligations between the consolidating company and the other participating companies are defined in a specific tax consolidation agreement.

The deferred tax assets of € 30,324 thousand include € 6,534 thousand referring to the parent company's writedowns of property, plant and equipment and service concession arrangements within the scope of the extraordinary transaction carried out in 2017 with Asi spa (such deductible temporary difference is absorbed over the fiscally relevant depreciation and amortization plans of the assets written down), € 4,891 thousand regarding the provision for doubtful debts and € 12,331 thousand regarding the provisions for risks and charges.

Due to the nature of the items that originate deferred tax assets, particularly deductible temporary differences, their recovery in subsequent reporting periods is ensured by the future recovery (extinction) of the carrying amount of the assets (liabilities) recognized in the statement of financial position and to which they refer.

44. Commitments and risks

Commitments from operating leases - the Group as lessor

The Group has stipulated commercial leases to enhance the value of the equipment and buildings located in the area. These non-cancellable leases have a residual term of 5 to 10 years. All the leases include a clause allowing the rent to be remeasured annually at market conditions.

The rent income received by the Group in the year was € 1,013 thousand (€ 977 thousand in 2023). It refers to leased portions of buildings (recognized in service concession arrangements) that generate income of € 955 thousand for Veritas and leased buildings (recognized in property, plant and equipment) that generate revenues of € 34 thousand for the parent company, € 6 thousand for Euroscavi srl, and € 18 thousand for Metalrecycling Srl (see Note 2.3 on leases).

The future payments regarding non-cancellable operating leases in effect at December 31, 2024 and 2023 are as follows:

(in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
due within one year	394	394
due after one year and within five years	972	1,228
due after 5 years	192	114
total commitments for property rentals and leases	**1,558**	**1,736**

Commitments for water investments - FONI

Under the Mti-4 waste rate method, the components to calculate the rate include the New Investments Fund (FONI). Article 15.1 of Arera Resolution 639/2023/R/idr, Annex A (Mti-4) states that the operator is required to allocate a specified portion of the guaranteed revenue constraint (Vrg) exclusively to the realization of new investments identified as priorities.

The amount of the New Investments Fund related to the 2024 revenue constraint is € 17.8 million. Veritas' directors decided to account for this allocation by setting up a specific equity reserve. It was proposed to allocate part of the 2024 profit and part of the available reserves to a non-distributable reserve based on the FONI constraint.

The directors consider reasonable to expect that the water investments for which the allocation constraint applies will be realized; therefore, the 2024 FONI reserve set aside at the time of approval of these financial statements may become available next year.

Guarantees issued

The parent company issued guarantees consisting of sureties and comfort letters to third parties totaling € 59,071 thousand at December 31, 2024.

Eco+Eco issued surety bonds to subsidiary Metalrecycling Venice srl totaling € 1,050 thousand.

Depuracque servizi srl issued a € 810 thousand surety jointly with the other quotaholder of subsidiary Rive srl to Veritas spa.

Below is a breakdown of the entities to which the parent company issued guarantees, which consist solely of Veritas subsidiaries and associates:

sureties given (in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
Eco+Eco srl	35,739	35,389
Rive srl	7,600	7,600
Sifa Scpa	2,068	
Ecodistretto trasporti scarl	714	
sureties issued to subsidiaries	**46,121**	**42,989**

comfort letters (in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
Eco+Eco srl	8,250	9,750
Metalrecycling Venice srl	1,200	1,200
Veritas Conegliano srl	3,000	3,000
comfort letters issued to subsidiaries	**12,450**	**13,950**
Ecolegno CM Venezia srl	500	500
comfort letters issued to associates	**500**	**500**
total comfort letters issued	**12,950**	**14,450**

Below is a breakdown of the sureties received from third parties by beneficiary, for which the Group is the guaranteed entity:

sureties received from third parties (in thousands of euros)	Dec. 31, 2024	Dec. 31, 2023
Municipality of Venice	32	32
other municipalities	179	179
sureties received from parent companies	**211**	**211**
Port Authority - former Water Authority	2,254	2,247
Metropolitan City of Venice	41,443	38,517
Ministry of the Environment	5,650	9,468
Banks and insurance companies	978	
local health authorities (ULSS)	117	117
INPS	4,559	4,559
Other local authorities	91	91
Other entities	7,122	9,775
sureties received from others	**62,214**	**64,774**
total sureties received	**62,425**	**64,985**

Other risks and uncertainties

The Report on Operations provides this information.

45. Transactions with related parties

Subsidiaries

The consolidated financial statements include the financial statements of Veritas spa and of the subsidiaries listed in the table hereunder:

consolidated companies	registered office	share capital	Dec. 31, 2024 Group's share	Dec. 31, 2023
Veritas SpA (parent company)	Venice	145,397,150		
Eco+Eco srl	Venice	95,120,967	72.95%	68.27%
Asvo spa	Portogruaro (Venice)	18,969,650	55.75%	55.75%
Consorzio per la Gestione dei Servizi Comuni – Fusina	Venice	50,000	88.23%	88.23%
Metalrecycling Venice srl	Venice	1,800,000	72.95%	68.27%
Depuracque servizi srl	Salzano (Venice)	223,080	100.00%	100.00%
Lecher ricerche e analisi srl	Salzano (Venice)	46,800	100.00%	100.00%
Rive srl	Venice	2,000,000	70.00%	70.00%
Euroscavi srl	Badia Polesine (Rome)	10,329	100.00%	100.00%
Ecodistretto trasporti scarl	Venice	20,000	58.36%	54.62%
Veritas Conegliano srl	Venice	100,000	72.50%	72.50%
Sifa Scpa	Venice	30,000,000	84.33%	
Ecodistretto RE srl	Venice	24,478,000	72.95%	

The changes of the year are described in section 2.1.1 of the Report on Operations.

Shareholders

The following table presents the total amounts of the transactions conducted with shareholders during the year:

(in thousands of euros)	2024 income from shareholder municipalities	2023	2024 expenses with shareholder municipalities	2023	2024 receivables due from shareholder municipalities	2023	2024 payables due to shareholder municipalities	2023
Municipality of Annone Veneto	26	316			45	133		1
Municipality of Campagna Lupia	27	22	6	5	6	9		
Municipality of Campolongo Maggiore	27	35	16	17	6	9	133	149
Municipality of Camponogara	29	33	10	12	4	3	2	3
Municipality of Caorle	8,402	6,362	57	63	2,688	2,280	5,459	1,195
Municipality of Cavallino Treporti	5,579	5,425	23	17	800	1,014	2,023	4,447
Municipality of Cavarzere	2,128	1,987			774	576		
Municipality of Ceggia	777	641	20	24	113	114	1,501	1,482
Municipality of Cessalto		7	3	3	1	1		
Municipality of Chioggia	21,802	20,496	96	83	4,587	1,072	5,604	4,582
Municipality of Cinto Caomaggiore	56	249	8		36	99	9	1
Municipality of Cona	20	2			13	-7		
Municipality of Concordia Sagittaria	1,465	1,005	2		1,150	297	611	4
Municipality of Dolo	490	363	26	68	93	46	10	
Municipality of Eraclea	2,868	2,587	37	42	628	254	2,161	2,108
Municipality of Fiesso d'Artico	157	159	7	8	39	37		
Municipality of Fossalta di Piave	21	21	5	5	36	33	65	64
Municipality of Fossalta di Portogruaro	1,268	1,025			397	318	422	1
Municipality of Fossò	22	13	15	16	2		167	176
Municipality of Gruaro	366	225			125	71	130	1
Municipality of Jesolo	13,355	13,530	587	535	667	374	6,218	6,082
Municipality of Marcon	28	30	1	1	17	21	3	-1
Municipality of Martellago	3,151	2,591	10	9	246	244	1,356	1,918
Municipality of Meolo	20	15	1	1		6	5	8
Municipality of Mira	119	111	17	17	34	14	22	4
Municipality of Mirano	212	234	48	48	73	56	43	64
Municipality of Mogliano Veneto	4,717	4,583	28	27	1,715	1,082	1,926	3,145
Municipality of Morgano	7	6	3	3	1	1		
Municipality of Musile di Piave	1,521	1,304	22	25	188	23	1,299	1,408
Municipality of Noale	2,591	2,147	43	43	467	100	909	777
Municipality of Noventa di Piave	1,122	814	10	11	301	58	534	567
Municipality of Pianiga	1,975	1,865	18	19	158	1,019	1,051	1,281
Municipality of Portogruaro	4,272	2,919	10	3	1,600	1,111	1,693	22
Municipality of Pramaggiore	556	347			206	106	72	4
Municipality of Preganziol	22	55	13	13	4			
Municipality of Quarto d'Altino	20	21	1	1	11	1	12	5
Municipality of Quinto di Treviso	10	5	5	5	4	-1		
Municipality of Salzano	43	35	16	17	11	4	177	195
Municipality of San Donà di Piave	428	496	70	80	190		787	1,206
Municip. of San Michele al Tagliamento	8,414	6,071	13	2	2,610	1,795	4,165	39
Municipality of San Stino di Livenza	109	1,256	16	1	116	678	61	66
Municipality of Santa Maria di Sala	55	46	12	107	5		4	-2
Municipality of Scorzè	2,788	2,302	15	14	521	275	971	965
Municipality of Spinea	4,127	3,397	53	64	560	162	2,725	3,557
Municipality of Strà	47	17	40	39	13	7		
Municipality of Teglio Veneto	13	150			10	46	1	
Municipality of Torre di Mosto	741	587	7	9	187	131	424	454
Municipality of Venice	121,834	120,123	1,452	1,367	14,111	13,795	91,791	74,600
Municipality of Vigonovo	31	13	7	7	3	74	2	21
Municipality of Zenson di Piave	6	7	1	1	4	1	26	38
Municipality of Zero Branco	34	3	4	4	1	1		
total nominal amounts	**217,898**	**206,053**	**2,854**	**2,836**	**35,577**	**27,543**	**134,574**	**110,637**
provision for doubtful debts					**-4,654**	**-2,778**		
discounting of receivables/payables							**-27**	**-35**
advances on work recognized as a reduction of contract work in progress							**-16,890**	**-17,219**
total	**217,898**	**206,053**	**2,854**	**2,836**	**30,923**	**24,765**	**117,657**	**93,383**

The provision for doubtful debts of € 4,654 thousand comprises € 77 thousand regarding the request to recognize certain transactions attributable for the shareholders to "off-balance-sheet payables", i.e. receivables due for services duly performed by the company, but for which the shareholder municipality had not, for various reasons, expected the expense, and € 4,577 thousand for writedowns of receivables for waste management rate adjustments whose inclusion in the 2024-2025 financial plans generated an over-cap to carry forward beyond 2025, including the amount over the 2020-2021 Cap already written down in prior years (see Notes 14 and 15 for additional details).

The payables due to shareholders are shown net of the € 27 thousand discounting amount.

The service contracts with shareholders refer primarily to waste management activities for municipalities that have applied the Tari tax since 2014.

Excluded are the municipalities of Fiesso d'Artico, Stra, Salzano, Camponogara, Campolongo Maggiore, Campagna Lupia, Fossò, Vigonovo, Santa Maria di Sala, Marcon, Mira, Fossalta di Piave, San Donà di Piave, Meolo, Quarto d'Altino, Dolo, Mirano, Cona, Annone Veneto, Cinto di Caomaggiore, San Stino di Livenza and Teglio Veneto for which, as these municipalities decided to apply the punctual rate instead of the tax, Veritas has been able to invoice the end users directly.

In the case of the Municipality of Venice, the following services are charged in addition to waste management services:

- cemeteries
- markets;
- elevated walkways for high tide.

Cemetery services are charged to other municipalities (Spinea, Portogruaro, San Michele al Tagliamento, San Stino di Livenza, Fossalta di Portogruaro, Cinto Caomaggiore and Dolo); and for the municipalities of Chioggia, Fossalta di Portogruaro and Fiesso d'Artico, public lighting services are provided. Since 2019 the Municipality of Portogruaro, and since 2020 the municipalities of San Michele al Tagliamento and Fossalta di Portogruaro, have been assigned public green space maintenance services.

Terms and conditions of transactions with shareholders

The service contracts between Veritas and the Municipality of Venice for the services referred to above are duly invoiced on a monthly or quarterly basis and paid for on average within 30 to 60 days from the invoice issuance date.

Work on the construction of new sewerage systems and the related extraordinary maintenance (engineering work) and work regarding public works are charged to the Municipality of Venice on the basis of a service contract providing for the recognition of a percentage of the work linked to the engineering and management costs and the coverage of general expenses.

Loans from shareholders

In previous years, loans were taken out from the Cassa Depositi e Prestiti by municipalities in the Mirano area to finance investments in the water sector, for which Veritas provides repayment.

Also recognized is a payable transferred with the Asi merger relating to a funding advance from the Municipality of Jesolo, for investments in the water sector.

The total amount of the loans amounted to € 526 thousand at December 31, 2024.

Associates

The Group has the following investments in associates:

associates	registered office	share capital	Dec. 31, 2024	Dec. 31, 2023
			Group's share	
associates				
Ecolegno CM Venezia srl	Venice	50,000	29.18%	27.31%
OMD srl	Nervesa della Battaglia (Treviso)	160,000	18.24%	17.07%
Bioenergie Italiane srl (formerly Mia energia srl)	Venice	1,000,000	21.89%	33.45%
9-Tech srl	Eraclea (Venice)	256,400	22.00%	22.00%
Ri.cart srl	Istrana (Treviso)	200,000	32.83%	30.72%
Vier scarl	Venice	100,000	49.00%	49.00%
reclassified companies				
Sifa Scpa	Venice	30,000,000	84.33%	33.17%

The following table presents the total amounts of the transactions conducted with associates during the year:

(in thousands of euros)	2024 income from associates	2023	2024 expenses with associates	2023	2024 receivables due from associates	2023	2024 payables due to associates	2023
Sifa Scpa		17,775		4,273		15,452		854
Vier scarl	569	452	378	158	2,206	3,264	174	949
OMD srl	104	348	6,653	11,097		110	8,081	9,432
Ecolegno CM Venezia srl								
Bioenergie italiane srl (fomerly Mia energia srl)	418				101		221	360
9-Tech srl	20	23	32	17				16
Ri.cart Venezia srl								
total	**1,111**	**18,598**	**7,063**	**15,545**	**2,307**	**18,826**	**8,476**	**11,611**

The transactions with associates are carried out on an arm's length basis.

Other related parties

The other related parties include companies and entities controlled by the Municipality of Venice and by other local entities that are shareholders of Veritas, companies in which the Group holds, even indirectly, an interest of less than 20%, and investees of non-controlling shareholders that are significant for the Group.

The following table presents the total amounts of the transactions with other related parties during the year:

(in thousands of euros)	2024 income from related parties	2023	2024 expenses with related parties	2023	2024 receivables due from related parties	2023	2024 payables due to related parties	2023
Actv spa	198	234			52	57		
Ames spa	162	104			53	23	7	7
Avm spa	565	558	124	115	271	105	69	74
Inst. Bevilacqua La Masa Foundation		1						
La Biennale Foundation	69	58			20	17		
Casinò di Venezia gioco spa	102	100			17	1		
La Fenice Theater Foundation	7	7			1	1		
Insula spa	107	21	7		11	7	3,490	12
Ive srl in liquidation	12							
Venice City Museums Foundation	193	30			5	5		
Tourist accommodation centers	4	3			1			
Venezia spiagge spa	118	108			44	7		3
Consorzio Urban in liquidation	77	69			391	314		
Vega scarl	120	146	50	14	27	56	286	295
Vela spa	112	81	6	6	21	-1	2	
Venis spa	1	8	54	49		2		16
Venice Lagoon Basin Council			694	604			392	302
Bioman spa	887	424	7,268	6,540	148	412	2,900	4,285
Caorle City of Sport Foundation	21	22			4	4		
Venice environment basin council		12	221	151	19	24	371	151
Eraclea patrimonio e servizi srl	1	1						
Jesolo patrimonio srl	6	14	11	12	2	2	318	358
Jtaca srl	1	1						
Jesolo tourism spa	229	214			14	81		
Azienda speciale Don Moschetta	83	34			5	4		
Sibelco green solutions srl	996	6,647	174	773		1,364		268
Serimi srl	48	42				-2		
Sst spa	60	103			37	84	4	1
Viveracqua scarl	94	88	280	258	23	39	15	58
total	**4,273**	**9,130**	**8,889**	**8,522**	**1,166**	**2,606**	**7,854**	**5,830**

The trade transactions of Bioman spa and Sibelco green solutions refer to Eco+Eco srl and the parent company.

The payables due to related parties include operating lease payables of € 3 thousand due to Avm, € 252 thousand due to Vega, € 659 thousand due to Bioman, € 266 thousand due to Jesolo patrimonio by the parent company, € 504 thousand due to Bioman by Eco+Eco, and € 24 thousand due to Vega by Sifa.

The payables due to Insula refer to the parent company's acquisition of tax credits, corresponding to the € 3,125 thousand not yet recovered from the tax authorities and to a € 364 thousand financial payable from Sifa.

The transactions with the other related parties are carried out on an arm's length basis.

Remuneration of the Board of Directors and the Board of Statutory Auditors

In accordance with Legislative Decree 127/1991, Article 38, the remuneration of directors and statutory auditors for the performance of their functions, including in other companies within the scope of consolidation, is disclosed hereunder. It is corporate policy not to pay additional remuneration for activities performed by parent company directors in other subsidiaries. Therefore, the total remuneration corresponds to the amount recognized in Veritas spa.

(in thousands of euros)	2024	2023
Board of Directors		
remuneration for the role	169	185
other fees	90	
other benefits	30	26
total costs for services	**289**	**211**
Board of Statutory Auditors		
remuneration for the role	89	89
other fees		
other benefits	5	
total costs for services	**94**	**89**

Independent auditor fees for audit and non-audit services

The 2024 fees for the auditing firm for services rendered to the parent company and its subsidiaries are presented below:

(in thousands of euros)	2024	2023
fees paid to the auditing firm for the parent company's audit	247	130
fees paid to the auditing firm for the subsidiaries' audits	181	118
Fees paid to other firms of the parent company's auditors' network for audit services for affiliate audits		
fees paid for audit services	**428**	**248**

(in thousands of euros)	2024	2023
Fees paid to the auditing firm for audit services involving the issuance of a certificate of the parent company	29	47
Fees paid to the auditing firm for audit services involving the issuance of a certificate of the subsidiaries	4	4
Fees paid to other firms in the parent company's auditors' network involving the issuance of a certificate		
fees paid for audit services involving the issuance of a certificate	**33**	**51**

46. Financial risk management: objectives and policies

The main financial instruments used by the Group include bank loans, finance and operating leases, direct and indirect factoring contracts, sight and short-term bank deposits, and the issuance of bond notes. The main purpose of these instruments is to fund the Group's operations and investments. The Group has other types of financial instruments deriving from its operating activities, such as trade payables and receivables.

The Group does not enter into speculative derivative transactions; it enters into derivative transactions solely to purely hedge (with swaps) or to limit (with caps) the risk of interest rate changes, or to limit changes within a pre-defined range (with collars).

The Group's policy is, and has been in previous periods, not to trade financial instruments.

The main risks generated by the Group's financial instruments are interest rate risk, liquidity risk and credit risk. Price risk is not significant because the Group operates mostly in regulated industries, where rates are regulated and subject to approval by the relevant authorities. The parent company's Board of Directors reviews and approves the policies to manage these risks, which are summarized below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates mainly to the long-term bonds with variable interest rates assumed by the Group.

The Group's policy is to manage the finance cost by using a combination of fixed and variable borrowing rates.

It also excludes entering into derivative instruments for non-hedging purposes.

With respect to the sensitivity to interest rate fluctuations and the impact that it could have on profit and equity, most existing loans are at fixed rates or at variable rates hedged by derivatives; therefore, even substantial interest rate changes would have an non-material impact on the Group's profit or equity.

Credit risk

The Group considers its credit risk to be normal and consistent with the industry dynamics.

Billing receivables (for Veritas spa and Asvo spa) are by nature fragmented because they are spread over a very large number of users and have modest average amounts.

The default rate for waste management receivables (Tarip) is around 6% of sales, considered low-to-medium for the sector.

After the transition to Tari, credit risk in its past and present (and therefore future) dimension is substantially borne by the municipalities, either directly or indirectly, and must be taken into account in the final formulation of the rate.

In the water sector, default rates are historically lower, around 1% of sales.

The credit risk relating to the Group's other financial assets, which include cash and cash equivalents, other equity investments, loan certificates and derivative instruments, presents a maximum risk in the event of counterparty default equal to the carrying amount of those assets.

Liquidity risk

The Group controls liquidity risk using a liquidity deployment planning tool. This instrument considers the maturity of the financial investments, financial assets (trade receivables and other financial assets), and the expected cash flows from operating activities.

The liquidity risk is the risk that the financial resources available may be insufficient for meeting the short-term obligations, consisting of approximately € 46.2 million on bank loans and € 2.6 million on bonds due by December 31, 2025, and for handling any decreases in working capital.

The Group's objective is to maintain a balance between funding and flexibility by using overdrafts, loans and, to a lesser extent, finance and operating leases and factoring transactions. Under the Group's policy, no more than 20% of long-term loans are due within 12 months. At December 31, 2024, less than 20% of the long-term financial debt was due to mature within one year.

At December 31, 2024, the Veritas Group had undrawn credit lines of approximately € 120.6 million, up from € 121.9 million at December 31, 2023.

The concept remains that the operational investment plans, which continue mainly in the water sector (and thus concern the parent company), are counterbalanced by the rate adjustments set by the water authorities.

Work continues on implementing a municipal waste management rate/tax on a fee/quantitative basis to achieve greater fairness for users and more control for municipalities, which also has the effect of returning direct finance to the Group, eliminating strains on working capital and increases in finance costs.

In 2024, the Group obtained additional long-term bank loans totaling € 46 million.

Also in 2024, short-term financial management tools were used, mainly direct factoring contracts, whereas indirect (reverse) factoring contracts continue to be used marginally. No new finance leases were stipulated in the period.

The 2024 changes in the financial payables are presented below. Additional information is provided in the statement of cash flows.

(in thousands of euros)	Dec. 31, 2023	bond note redemption	loans secured	loan repayments	increase/ decrease in payables	other non-financial changes	leases entered into	leases ended	Dec. 31, 2024
bank borrowings and loans	275,352		46,000	-56,947		1,841			266,246
financing from other lenders	50,103			2,576	-4,333	4,284	3,970	-667	55,933
financial payables due to associates									0
loan payables due to shareholders	8,758			-28	-917	366	225		8,404
other financial payables (derivatives)	972								972
convertible and non-convertible bonds	134,696	-1,610				321			133,407
total financing	**469,881**	**-1,610**	**46,000**	**-54,399**	**-5,250**	**6,812**	**4,195**	**-667**	**464,962**

Capital management

The Group's net debt is € 361,816 thousand at December 31, 2024 (€ 338,305 thousand at December 31, 2023), and its total equity is € 347,020 thousand at the same date.

The ratio of net financial debt to equity, which indicates the balance between external and internal funding, was 1.04 at December 31, 2024 (1.01 at December 31, 2023).

Fair value measurement and hierarchy

A comparison between the carrying amount and the fair value by category of all the Group's recognized financial instruments did not reveal any significant differences, other than those presented, to be reported.

All the financial instruments recognized at fair value can be classified into the three categories defined below:

- *level 1* quoted market prices
- *level 2* valuation techniques (based on observable market data)
- *level 3* valuation techniques (not based on observable market data).

The fair value of the derivatives and loans was calculated by discounting the expected cash flows using the prevailing interest rates. The fair value of bonds and other financial assets was calculated using market interest rates.

At December 31, 2024, the Group held the following financial instruments measured at fair value:

(in thousands of euros)			Dec. 31, 2024		Dec. 31, 2023	
type	bank	residual notional amount	fair value assets	fair value liabilities	fair value assets	fair value liabilities
IRS	Unicredit 2017				16	
IRO	Bpm 2019				6	
IRS	Ubi 2019	1,454	20		148	
IRS	Bper 2019				60	
IRS	Bpm 2020	7,000	163		482	
IRS	Bnl 2020	7,000	163		480	
Collar	Bnl 2023	11,077		-207		-241
Collar	F2i 2023	25,000		-635		-731
IRS	Bpm 2024	20,000		-82		
IRS	Bnl 2021	6,875	214		493	
IRS	Bpm 2021	2,813	87		202	
IRS	Unicredit 2021	2,813	87		203	
IRS	Mps 2024	15,000		-369		
total derivative financial instruments		**99,032**	**734**	**-1,293**	**2,090**	**-972**

All the assets and liabilities measured at fair value at December 31, 2024 are classifiable within level 2 of the fair value hierarchy.

47. Segment information

IFRS 8 requires the Group to report information about its operating segments to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

The standard defines an operating segment as:

- "a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available".

The amount of each segment item reported must correspond to the assessment reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The Group has identified the following segments as the basis for segment reporting:

- *Waste management segment*: includes sweeping, integrated waste cycle activities (waste collection, sorting and recycling, transport, treatment, disposal and brokering), operation of industrial plants and post-closure care of landfills.
- *Integrated water service segment:* includes activities related to the drinking water cycle for domestic and industrial use (water withdrawal, treatment, pumping and distribution), activities related to the domestic and industrial wastewater cycle (collection, treatment, cleanup), engineering activities, laboratory analysis and operation of the Venice fire protection systems.
- *other services segment:* includes collective urban services (cemetery services, crematorium operation, special services for Venice, restroom management, environmental remediation, public works) and energy-related activities (photovoltaic systems, district heating, heat management, public lighting, biogas-biomethane-hydromethane).

These segments include activities both regulated and not regulated by Arera.

Waste management service

- sweeping
- *integrated waste cycle*
  - collection
  - sorting and recycling
  - transportation
  - treatment
  - disposal
  - brokerage
- industrial plant operation
- landfill post-closure care

Integrated water service

- *drinking water cycle for domestic and industrial use*
  - withdrawal
  - treatment
  - pumping
  - distribution
- *domestic and industrial wastewater cycle*
  - collection
  - treatment
  - cleanup
- *engineering*
- *laboratories*
- *fire protection system in Venice*

Other services

- cemetery services
- crematorium operation
- special services for Venice
- restroom management
- environmental reclamation
- photovoltaic systems
- district heating
- heat management
- public lighting
- biogas-biomethane-hydromethane
- public works

The Group's directors monitor separately the results achieved by the business units in order to make decisions about allocating resources and assessing the performance.

The performance of the segments is assessed for statement of profit or loss purposes on the basis of the operating income (EBIT) and for statement of financial position purposes based on the fixed assets.

Structural expenses and income are reversed to the individual business units according to performance drivers, consistent with unbundling regulations.

The fixed assets of the corporate segment regard structural assets.

Intra-segment revenues are eliminated on consolidation and are reflected in the "adjustments and eliminations" column hereunder.

2024 results by operating segment (in thousands of euros)	waste management	integrated water service	other services	adjustments and eliminations	total
revenues from sales and services	282,977	209,714	28,657	0	521,348
other income	122	826	1,144	0	2,092
intra-segment revenues	136	310	0	-446	0
corporate revenues	7,967	3,813	502	0	12,282
total net revenues	**291,202**	**214,663**	**30,303**	**-446**	**535,722**
costs for raw and ancillary materials and consumables used	-27,707	-20,534	-1,065	0	-49,306
costs for services	-80,273	-51,777	-17,935	0	-149,985
costs of use of third-party assets	-2,020	-3,444	-72	0	-5,536
personnel costs	-106,612	-39,594	-8,860	0	-155,066
other operating expenses	-3,051	-2,718	-164	0	-5,933
intra-segment operating expenses	-310	-136	0	446	0
corporate operating expenses	-38,048	-23,470	-3,527	0	-65,045
total operating expenses	**-258,021**	**-141,673**	**-31,623**	**446**	**-430,871**
EBITDA	**33,181**	**72,990**	**-1,320**	**0**	**104,851**
allocations to provisions for risks and charges	-2,195	-907	-33	0	-3,135
allocations to provisions for corporate risks and charges	-1,242	-576	-236	0	-2,054
amortization, depreciation and impairment losses	-26,470	-24,511	-1,642	0	-52,623
corporate amortization, depreciation and impairment losses	-4,290	-4,201	-974	0	-9,465
operating profit/(loss)	**-1,016**	**42,795**	**-4,205**	**0**	**37,574**

2023 results by operating segment (in thousands of euros)	waste management	integrated water service	other services	adjustments and eliminations	total
revenues from sales and services	-267,333	-194,115	-29,117	0	-490,565
other income	-2,375	-4,279	-1,456	0	-8,110
intra-segment revenues	-180	-322	0	502	0
corporate revenues	-7,333	-4,470	-608	0	-12,411
total net revenues	**-277,221**	**-203,186**	**-31,181**	**502**	**-511,086**
costs for raw and ancillary materials and consumables used	26,843	18,256	1,392	0	46,491
costs for services	74,696	62,438	19,054	0	156,188
costs of use of third-party assets	1,951	3,925	161	0	6,037
personnel costs	101,157	37,558	8,933	0	147,648
other operating expenses	4,157	1,982	174	0	6,313
intra-segment operating expenses	322	180	0	-502	0
corporate operating expenses	29,430	21,084	3,048	0	53,562
total operating expenses	**238,556**	**145,423**	**32,762**	**-502**	**416,239**
EBITDA	**-38,665**	**-57,763**	**1,581**	**0**	**-94,847**
allocations to provisions for risks and charges	-584	1,390	230	0	1,036
allocations to provisions for corporate risks and charges	450	337	56	0	843
amortization, depreciation and impairment losses	25,586	19,961	1,601	0	47,148
corporate amortization, depreciation and impairment losses	3,452	4,073	983	0	8,508
operating profit/(loss)	**-9,761**	**-32,002**	**4,451**	**0**	**-37,312**

fixed assets by operating segment at Dec. 31, 2024 (in thousands of euros)	waste management	integrated water service	other services	corporate	total
intangible assets	10,157	1,448	721	4,720	17,046
service concession arrangements	0	360,452	0	0	360,452
goodwill	20,435	3,253	0	0	23,688
property, plant and equipment	296,834	71,502	45,978	74,653	488,967
investment property	0	0	0	10	10
total fixed assets	**327,426**	**436,655**	**46,699**	**79,383**	**890,163**

fixed assets by operating segment at Dec. 31, 2023 (in thousands of euros)	waste management	integrated water service	other services	corporate	total
intangible assets	11,411	3,007	777	3,189	18,384
service concession arrangements	0	309,349	0	0	309,349
goodwill	20,435	3,253	0	0	23,688
property, plant and equipment	276,166	51,291	21,470	74,416	423,343
investment property	0	0	0	12	12
total fixed assets	**308,012**	**366,900**	**22,247**	**77,617**	**774,776**

48. Disclosure obligations under Law 124/2017, Article 1, paragraph 125

In accordance with Law 124, Article 1, paragraph 125 et seq. of August 4, 2017, as amended by Decree Law 34/2019, Article 35, the public funding received by the Group in 2024 is set out below.

Public funding means grants, subsidies, benefits, contributions or aid, whether in the form of money or in-kind, that are not general and do not have a nature of consideration, remuneration or compensation (Law 124/2017, Article 1, paragraph 125).

In accordance with the regulations, the list excludes funding of less than € 10,000 per beneficiary and general grants, or benefits received on the basis of an aid scheme that rewards all parties that meet specific conditions set out by law.

grantor	Group beneficiary	type of public funding	t amount in euros	present in National State Aid Register
Fondimpresa	Veritas spa	Training plan to strengthen and expand staff skills	330,692	
Fondirigenti	Depuracque servizi srl	Digital Leadership training plan Reg. EU 2831/2023	12,500	X
Veneto Region	Veritas spa	Construction of new water and sewage pipelines to connect the Valli hamlet to the Ca' Bianca hamlet in the Municipality of Chioggia	976,240	
Veneto Region	Veritas spa	Separate sewerage network in Villaggio San Marco in Mestre Venezia, lot III and lot IV	1,257,603	
Veneto Region	Veritas spa	Construction of sewer networks in Ca' Pasqua di Chioggia	182,643	
Veneto Region	Veritas spa	Environmental protection plan for the Lusenza basin in the Venice Lagoon and for the prevention of hydraulic risk in the Sottomarina area ID 359 sub-lot 4 work – tank in Niccolò de Conti	316,846	
Veneto Region	Veritas spa	PIF Fusina integrated plan for Fusina purification plant primary treatments	225,660	
Ministry of Infrastructure and Transport	Veritas spa	NRP-M2C4-I4.1-A3-11 - Investments in primary water infrastructure for water supply security - New Venice and Chioggia aqueduct pumping station on Isola Nuova del Tronchetto and connecting pipelines	5,545,101	
Iww Beratungs Gmbh	Veritas spa	Horizon EU-B-WaterSmart project	11,620	
Ministry of Infrastructure and Transport	Veritas spa	Price adjustment provision LD 50/2022, Art. 26	289,405	
Ministry of Labor and Social Policies	Veritas spa	Provision for new competencies	152,352	
Municipality of Venice	Veritas spa	Work under the *Mite Development and Cohesion Plan* (former 2014-2020 FSC Environment Operational Plan) for improvements to the integrated water service - special index 23053 of June 23, 2022	21,904,445	
Municipality of Venice	Veritas spa	Pact for the Development of the City of Venice - Fusina integrated project: Connection of Lido and Fusina purification plants	693,172	
Energy Services Operator – Gse spa	Veritas spa Depuracque servizi srl	Photovoltaic systems grant	79,619	
ASI- Italian Space Agency	Veritas spa	Biomoon Plan: Low gravity biorefinery platform	103,910	
Erion Wee	Veritas spa	Subsidies for WEEE management	198,864	
Erp Italia consortium	Veritas spa	Subsidies for WEEE management	43,594	
Ecoped consortium	Veritas spa	Subsidies for WEEE management	39,492	
Pv Cycle Italia consortium	Veritas spa	Subsidies for WEEE management	35,979	
Ecoem consortium	Veritas spa	Subsidies for WEEE management	22,317	
Consorzio consortium	Veritas spa	Subsidies for WEEE management	10,405	
Cobat WEEE	Veritas spa	Subsidies for WEEE management	13,569	
Italian Customs and Monopolies Agency	Veritas spa Depuracque servizi srl	Subsidy on haulage diesel excise duties	498,205	
Italian Customs and Monopolies Agency	Veritas spa	2022 haulier tax credit	65,684	X
Ministry of Economic Development	Eco+Eco Srl	Special rates for energy-intensive businesses as per Ministry of Economic Development Decree of Dec. 21, 2017, Article 3	306,056	
		total for Veritas Group	**33,315,973**	

49. Subsequent events

Equity investments and business unit acquisitions

The process of merging Asvo into Veritas is in progress. It began with Asvo's lease of the waste management business unit to Veritas, and is continuing with the preparation of preliminary transactions (purchase of shares from non-controlling shareholder municipalities) on the assumption of a future absorption merger of Asvo within the short/medium term.

A Group transaction is also underway to sell some real estate holdings, still not well defined, in order to recover financial resources, estimated as € 60-70 million, to be used to support the investment plan being implemented by Eco+Eco. The transaction is expected to be finalized by the end of 2025.

The Board of Directors of Metalrecycling Venice srl promptly complied with the legal obligations for losses exceeding one third of the share capital, and then, at the General Meeting of April 2025, the sole shareholder Eco+Eco srl reduced the share capital due to the losses and subsequently subscribed to a capital increase of € 5 million, in part by offsetting receivables due from the company. The new share capital is € 5,869 thousand.

Current scenarios of economic crisis

Uncertainties remain in 2025 with respect to geopolitical and economic crises concerning foremost the tariffs being introduced by the new U.S. administration against European countries, among others, and the ongoing Russian-Ukrainian and Israeli-Palestinian wars. However, the 2022 crisis relating to rising commodity prices, and consequently rising inflation and interest rates, continues to subside, albeit unevenly.

The Group is monitoring the impacts of these economic scenarios, particularly in its measurement of expected credit losses, especially as regards billing.

Water rate regulation

With Resolution 14/2025/R/idr of January 21, 2025, Arera approved Veritas' rates for 2024-2029 using the new Mti-4 rate method.

Waste rate regulation

Adoption of the Tari or Tarip rate packages for 2025 is undergoing approval by the municipalities, on the basis of the 2025 financial plans approved by the Venice Environment Basin Council with Resolution 4 of April 4, 2024.

In April 2025, Arera issued a consultation document for the 2026-2029 third regulatory period (Mtr-3), with the expectation of final approval of the new method by the end of July 2025.

Also in April 2025 it also published a consultation document for accounting unbundling in the waste sector; the definitive document is also expected to obtain final approval by the end of July 2025.

Lastly, with Resolution 133/2025/R/rif of April 1, 2025, Arera introduced a "social waste bonus" for domestic users in conditions of financial hardship, financed through the application of a new equalization component (UR3).

Business management

As of 2025, the waste management service for the municipalities of Martellago, Pianiga and Concordia Sagittaria is now also carried out with the Tarip punctual rate system, instead of the Tari tax system.

VAT litigation on Tia

With Ruling 260 of March 20, 2025, the Venice Court of First Instance sentenced the Revenue Agency, which had opposed the VAT refund claims filed by Veritas after reimbursing users, to pay the amount claimed and to reimburse the legal costs to Veritas, while pointing out to the Revenue Agency the untenability of their case, including in relation to the Agency's possible tax liability.

2.7 Auditors' reports

2.7.1 Board of statutory auditors' report

Board of Statutory Auditors' Report on the 2024 Financial Statements (Civil Code Article 2429, paragraph 2)

For the shareholders of Veritas spa
(Veneziana energia risorse idriche territorio ambiente servizi)

With this report, drawn up pursuant to Italian Civil Code Article 2429, paragraph 2, we describe the supervisory and control activities performed in fulfillment of our duties during the year ended December 31, 2024.

Supervisory activities

During the year ended December 31, 2024, our supervisory activities were informed by the legal provisions and the rules of conduct for statutory auditors recommended by the Italian Accounting Profession (CNDCEC). The CNDCEC rules of conduct that we followed are those updated to December 2024 for unlisted companies and, where deemed more effective, those of December 2024 for listed companies.

This report shall inform you of such activities and the results obtained.

Supervision of compliance with the law and the by-laws

In the performance of our supervisory and control activities, we periodically obtained from the directors, including by attending Board of Directors meetings, information on the activities carried out and on the most significant economic, financial and equity transactions resolved upon and implemented by Veritas and its subsidiaries, ensuring that all such actions were in compliance with the law and the company's by-laws and were not manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's net worth. Except in specific cases, the meetings of the Board of Directors are scheduled at the start of the year and take place monthly.

We regularly attend as guests the Coordination and Control Committee meetings of Veritas Spa's shareholder municipalities, formed in accordance with Article 40 of the by-laws to ensure decisive influence with the General Meeting over the company's strategic objectives and significant decisions.

Concerning the annual financial statements as a whole, we found that the Board of Directors, in its Report on Operations and the Notes to the Financial Statements, has provided adequate disclosures on related-party transactions (Note 46), in consideration of the regulations in force. To the best of our knowledge, there were no intra-Group or related-party transactions in 2024 that conflicted with the company's interests.

During 2024, Veritas did not carry out any atypical or unusual transactions with third parties or related parties (including Group companies). As far as major transactions of an ordinary nature are concerned, they are all within the limits of prudence, do not conflict with General Meeting resolutions, and are not detrimental to the company's assets.

Supervision of the adequacy of the internal control system, risk management systems and organizational structure

We have:

- as within our competence, monitored the adequacy of the company's organizational structure, including by gathering information from the directors and department heads;
- interacted with senior management to review, among other things, the internal control system and the measures in place to monitor material risks.

The internal control and risk management system consists of the set of rules, procedures and organizational structures designed to facilitate sound, fair management consistent with the established objectives through an adequate system of identification, measurement, management and monitoring of the principal risks.

Such a system involves several parties, who interact in a coordinated manner according to their responsibilities:

I. guidance and strategic supervision, by the Board of Directors and General Manager;

II. mitigation and management, by the management team;

III. monitoring and support to the Board of Directors for risk control and management, by the Head of Internal Audit (HIA);

IV. oversight, by the Board of Statutory Auditors.

Although it does not have a separate Internal Audit department, the company has developed a process of formalizing and structuring concretely functioning activities that act as and implement the internal control system, headed by the Board of Directors and the General Manager.

Overseeing internal audit activities and therefore acting as the head of Internal Audit (HIA) is the person in charge of auatainability, environment and safety, who reports directly to the General Manager. The HIA is also in charge of Team 231 – in this role reporting directly to the Board of Directors – with specific responsibilities for the prevention and control of the crimes contemplated by Legislative Decree 231/2001.

The HIA has an appropriate level of independence and enough resources to perform the role. The position entails assisting the directors and statutory auditors in verifying the adequacy, full operation, and effective functioning of the internal control and risk management system and proposing corrective measures in the event of anomalies, irregularities and/or deficiencies.

The HIA reports to the Directors and General Manager in charge of the internal control and risk management systems, as well as to the Board of Statutory Auditors.

The HIA's main function is to assess the capacity of the internal control and risk management system to assist the effective achievement of the objectives assigned to individual departments, in light of qualitative/quantitative risk factors and the likelihood that they will influence the achievement of such objectives. This is ensured through:

- the performance of assurance services (audit and complementary activities, known as third-level checks, aimed at assessing governance, risk management and control processes) and consulting;
- overseeing the implementation of improvement plans through continuous monitoring and specific follow-ups when the original issues are especially significant and complex.

The HIA performs the same function at subsidiaries without their own audit departments, acting in their interest and reporting to their respective bodies.

The internal control and risk management system also includes the "231 Organizational Model" aimed at preventing the commission of offenses for which the company may be held liable under Legislative Decree 231/2001. The 231 Organizational Model calls for the appointment of a Compliance Committee with autonomous powers of initiative and control, which oversees the functioning and observance of the Model itself and makes recommendations for its updating.

The duties of the Compliance Committee are distinct from those of the Board of Statutory Auditors because of the number and complexity of the topics already covered by the statutory auditors and the specific nature of the Committee's tasks.

The risk management system also covers the market abuse regulation on corporate disclosures and internal dealing, with particular reference to the handling of inside information. This is relevant to Veritas as the issuer of the following bond notes:

- the € 100 million bond issued first in 2014 and subsequently in December 2020, duration 7 years, listed on the Irish Stock Exchange;
- the € 15 million Viveracqua Hydrobond issued in 2014 by the former Asi, duration 20 years, listed on the ExtraMot Pro in Italy;
- the € 25 million bond issued in December 2021, duration 17 years (private placement for professional investors).

In conclusion, based on the activities performed and the information acquired by the HIA, we consider the internal control system, the risk management system, and the organizational structure to be proportionate to the Company's size and complexity and to the nature and manner of its pursuit of the corporate purpose. In addition, regarding the 2024 reporting period, we find no significant shortcomings in the internal control system.

Supervision of the administrative-accounting system, financial reporting process and sustainability reporting process

In our role as internal control and audit committee, we monitored the process and checked the effectiveness of the internal control and risk management systems as they concern financial reporting.

As recommended by standard of conduct Q.3.6, in order to monitor the production of financial information and ensure its integrity, accuracy, reliability, and completeness, we met periodically with the Controller and department heads to exchange information on the administrative-accounting system and on its reliability to corrctly represent business events.

In these meetings, during which we examined company documentation and reviewed the findings of the independent audit firm, no significant deficiencies in the operational and control processes emerged that could affect the opinion on the adequacy and effective application of the administrative and accounting procedures.

We also took note of the controls developed by the Controller's office with regard to the subsidiaries in the scope of consolidation, from which no critical issues emerged. We met with the supervisory bodies of the main subsidiaries and obtained the same information about the main business matters, the respective annual reports at the General Meeting and the independent auditors' reports.

In our role as internal control and audit committee, and for the purpose of monitoring the independent audit and stating observations on the additional report prepared under Regulation (EU) 537/2014, Article 11, we received from the independent auditors information about the methodological system adopted and with them took into account the:

- ways of identifying the materiality thresholds;

- evaluations made when planning the audit with respect to the composition and depth of the various possible audit procedures;
- audit approach adopted and its consistency with the considerations made about the reliability of the internal control system;
- planning and execution of the audits at the main subsidiaries;
- time employed by professional qualification level, including with respect to the expectations;
- progressive assessment of risks, distinguishing those that will be included in the additional report; the methodologies used, including the impact of any changes to such methodologies, in assessing the financial statements areas, particularly those most subject to estimates.

In periodic meetings, the audit firm Deloitte & Touche SpA did not report to us any critical situations that might affect the internal control system as concerns the administrative and accounting procedures, nor any wrongdoing or irregularities.

The company prepared a Group Sustainability Report ("Report") in compliance with Legislative Decree 125/2024 implementing Directive 2022/2464/EU (CSRD). The Report is an integral part of the Report on Operations included in the Group's Annual Report.

In section 1.2.10 on the significant events of the year of the *Report on Operations* accompanying the *Separate Financial Statements*, the company noted that on January 1, 2024 the EU *Corporate Sustainability Reporting Directive* (Directive (EU) 2022/2464) ("CRSD") came into effect for entities, such as Veritas, that already prepared the Non-Financial Statement. The Crsd introduced some important changes regarding the Non-Financial Statement, of which it constitutes an update: specifically, the obligation to comply with the *European sustainability reporting standards* ("ESRS") issued in 2023 by the *European financial reporting advisory group* ("EFRAG"). The new reporting standards include a "double materiality" approach as a criterion for including specific information in sustainability reports: identification and assessment of the impacts that the undertaking's activities can generate on the environment and on people (impact materiality) and assessment of the implications that ESG management has within the organization (financial materiality).

In accordance with the guidelines set out in rule of conduct Q.3.8 bis on the sustainability reporting oversight, the Board of Statutory Auditors performs an overall review of the accuracy of the process by which the Group sustainability report was prepared, and of the directors' adherence to the procedural rules for the preparation, filing, and publication of the sustainability report. It is not the Board of Statutory Auditors' responsibility to perform detailed controls over the Report’s content or to express an opinion on its conformity, because the external auditors are responsible for verifying the sustainability report’s compliance with the applicable regulations and ESRS standards.

This Board has obtained the certification from the delegated administrative body and the manager in charge of sustainability reporting, provided in accordance with the model established by Consob.

Under the transitional provisions of Leg. Decree 125/2024, the engagements assigned under Leg. Decree 254/2016 for NFR certification remain valid for the certification of compliance under the new Article 14 bis of Leg. Decree 39/2010 up to the previously agreed expiration date.

As the internal control and audit committee, the board of statutory auditors monitored the certification activities of the Group reporting by exchanging information with management and the auditing firm.

On June 11, 2025, the independent auditors issued their own *Independent auditors’ limited* *assurance report on the Group sustainability report pursuant to Article 14 bis of Legislative Decree 39/2010*. The Report sets forth the opinion in the *limited assurance engagement* form stating that nothing came to the auditors' attention that caused them to believe that the Group sustainability report was not prepared, in all material respects, in accordance with the ESRS and that the information contained in the sustainable activities disclosure paragraph under EU Regulation 2020/852 of the report was not prepared, in all material respects, in accordance with Article 8 of EU Regulation 2020/852.

In the light of the above, therefore, there is no evidence to suggest that business was not conducted following the principles of fair administration, nor that the organizational structure, the internal control system, or the accounting-administrative system are not, as a whole, adequate for the entity's needs and size.

Oversight activities pursuant to Legislative Decree 39/2010

In our role as internal control and audit committee, we oversaw the operations of the independent audit firm as required by Article 19 of Legislative Decree 39/2010.

As mentioned, in accordance with Civil Code Article 2409 septies and as recommended by standards of conduct 5.3 and Q.5.3, we interacted during the year with the independent audit firm to exchange data and information concerning the activities performed in accordance with respective duties.

The independent auditors never informed us of any facts, circumstances, or irregularities that needed to be brought to our attention, and thus mentioned in this report.

As mentioned above, the independent auditors provided us with the Additional Report required by Article 11 of Regulation (EU) No. 537/2014, issued to the Board of Statutory Auditors in advance and provided yesterday to the company, which we will bring to the attention of the Board of Directors.

The Additional Report does not list any significant shortcomings in the internal control system concerning the financial reporting process worthy of being brought to the attention of those responsible for governance.

On June 11, 2025, the audit firm issued the annual statement of independence required by Article 6 of Regulation (EU) 537/2014, from which no circumstances emerge that might compromise the audit firm’s independence or constitute grounds for incompatibility under the aforementioned decree.

Moreover, we acknowleged the 2024 Transparency Report of September 25, 2024 prepared by the audit firm and published on its website in accordance with Legislative Decree 39/2010, Article 18.

The company has established suitable controls regarding the fees paid to the audit firm.

In 2024, other than the audit of the separate financial statements, the consolidated financial statements, the limited review of the Group sustainability report pursuant to Leg. Decree 39/2010, Article 14 bis, and the financial statements of the subsidiaries, Deloitte & Touche spa was given no additional audit-related assignments (which require prior authorization from the parent company’s Board of Statutory Auditors).

In 2024 Deloitte & Touche spa communicated that it had received the following engagements for audit services (that do not require prior authorization from the parent company's Board of Statutory Auditors):

- from the subsidiary Depuracque spa, to perform the audit required by law of the research and development expenditure incurred in 2023, for the purposes of Law 160/2019, Article 1, paragraph 200; the engagement resulted in a € 2,500 change in fees;

- from the subsidiary Eco+Eco srl, to perform the requested audit of the company's receivable and payable balances with shareholder municipalities (Municipality of Jesolo), pursuant to Legislative Decree 118/2011, Article 11, paragraph 6(j); the engagement resulted in a € 1,000 change in fees;
- from the subsidiary Depuracque spa, to audit the statement drawn up to demonstrate the existence of the financial standing requisites of road transportation operators, pursuant to Regulation (EC) 1071/2009, Article 7, paragraph 1; the engagement resulted in a € 1,000 change in fees.

Deloitte & Touche spa informed this Board that it has been engaged to audit of the separate financial statements for the three-year period of 2024-2026 of subsidiaries Sifa scpa and Lecher ricerche e analisi srl pursuant to Leg. Decree 39 of January 27, 2010.

Interactions with the Compliance Committee under Article 6(1)(b) of Legislative Decree 231/2001

In performing our duties, we met with the Compliance Committee established under Legislative Decree 231/2001 in order to collaborate and coordinate our respective control activities. Our meeting was held in full compliance with the standards of conduct laid down by the Italian Accounting Profession.

No issues to be brought to the shareholders’ attention emerged from this meeting.

Through the Compliance Committee's Annual Report issued on February 24, 2025, brought to the attention of the directors and statutory auditors at the Board of Directors' meeting of March 20, 2025, we acquired information on the Committee's activities pertinent to the *231 Organizational Model*.

The Compliance Committee's *Annual Report* provided a comprehensive overview of the activities carried out during 2024, with particular reference to the:

- internal operation of the Compliance Committee, in synergy with the other corporate functions in charge of control and management;
- planning and execution of supervisory activities under the *Organization, Management and Control Model pursuant to Leg. Decree 231/2001*;
- handling of notifications received, including any follow-up investigations or controls;
- assessment of the adequacy and updating of the *Organizational Model*, in relation to the organizational structure, size and operational complexity of the company.

Throughout 2024, the Compliance Committee did not report any information to the Board of Auditors regarding material facts, information or any critical issues concerning *Organizational Model 231*. This is in line with Article 6 of the Compliance Committee's Regulations which regulate the methods of communication and interaction with the corporate boards.

Based on the findings of the *Annual Report* and in the absence of any findings or deficiencies reported, we believe that *Organizational Model 231* is fully consistent with the company's organizational structure and is adequate with respect to the company's size and the complexity of its operations.

The Board of Statutory Auditors is unaware of any events or situations to be reported to the General Meeting.

In the course of our supervisory activities and based on the information obtained, no complaints were filed under Civil Code Article 2408, nor were there any findings of omissions, inappropriate conduct, limitations, exceptions, irregularities, or significant facts that should require mention in this report.

We did not issue any opinions during 2024.

Separate financial statements

The separate financial statements of Veritas spa for the year ended December 31, 2024, drawn up in accordance with the Italian regulations that govern their preparation, and which show a profit of € 12,452,622 for the year, have been submitted for your review. The financial statements were made available to us within the legal time limit.

The draft financial statements for the year ended December 31, 2024, which the Board of Directors submits for your review and approval, were prepared in accordance with IAS/IFRS.

As a public-interest entity (PIE) that has issued bonds listed on regulated markets, Veritas is required to prepare financial statements using international accounting standards in accordance with Legislative Decree 38/2005.

The draft financial statements are therefore made up of:

I. a statement of financial position broken down into current and non-current assets and liabilities, based on whether they will be realized or settled as part of the normal operating cycle within or after 12 months from the end of the year;

II. a statement of comprehensive income that classifies income and expenses based on their nature, a method the directors deem most representative of the company's business segment;

III. a statement of cash flows prepared using the indirect method;

IV. a statement of changes in equity;

V. explanatory notes containing the information required by the applicable regulations and the international accounting standards, appropriately presented with respect to the format of the financial statements. The draft financial statements are accompanied by the Report on Operations, which describes the company's situation, performance, outlook and the significant events that took place during the year and after the year ended.

This set of documents was made available to us during the Board of Directors' meeting held on May 28, 2025.

The year shows a profit of € 12,452,622, as reported in the financial statements, which are consistent with the facts and the information that came to our attention in the course of performing our supervisory duties and exercising our powers of inspection and control. We have no observations in this regard.

Since we are not responsible for the legally mandated audit, we performed the supervisory activities envisioned by standards 3.8. and Q.3.6. of the rules of conduct for statutory auditors; since we do not perform detailed controls over the separate and consolidated financial statement content, and we do not express an opinion on their reliability, we are responsible for checking the directors' compliance with the procedural rules for their formation, filing and publication. The independent auditors are responsible for verifying the correspondence to the accounting data.

We verified that, to the best of our knowledge, the directors, in preparing the financial statements, did not deviate from the accounting policies adopted.

As recommended by the rules of conduct for statutory auditors, we verified the:

- directors' compliance with the accounting standards adopted to prepare the financial statements;
- conformity of the statement of financial position, statement of profit or loss, statement of comprehensive income, cash flow statement, and statement of changes in equity with the IAS/IFRS;

- proper disclosure in the notes to the financial statements of the measurement policies and their compliance with the law and the accounting standards;
- compliance of the notes to the financial statements and the Report on Operations with Civil Code Articles 2427, 2427 BIS and 2428;
- completeness and clarity of the notes to the financial statements and the Report on Operations, in accordance with the principles of truth, fairness and clarity required by law. We confirm that the Report on Operations contains adequate information on the internal control system and risk management, and that the information provided by the directors on related-party transactions regarding the business purpose is complete.

The independent auditors, Deloitte & Touche spa, delivered to us their report dated June 11, 2025, containing a clean opinion, in accordance with Leg. Decree 39, Article 14 of January 27, 2010 and *EU Regulation 537/2014, Article 10 ("Audit Report")*. As we were informed in advance, their report states that the separate financial statements for the year ended December 31, 2024 are presented clearly and give a true and fair view of Veritas spa's financial position, financial performance and cash flows for the year then ended. That opinion is consistent with the additional report for the Board of Statutory Auditors, in our role as internal control and audit committee, prepared in accordance with Article 11 of the EU Regulation.

The audit report on the separate financial statements identifies the following "key audit matters" of the audit and related audit procedures performed:

- revenue recognition for the integrated water service - revenue earned but not yet billed;
- business combinations: disclosure of acquisition of controlling interest in Sifa scpa.

Moreover, in the independent auditors' opinion, the Report on Operations is consistent with the separate financial statements for the year ended December 31, 2024.

Consolidated financial statements

As required by law, the Board of Directors has prepared the consolidated financial statements of the Veritas Group at December 31, 2024, which are audited by Deloitte & Touche spa. The scope of consolidation clearly stated in the introduction to the Report on Operations has changed since the previous year, as a result of:

- Veritas acquiring a 51.16% stake in its associate Sifa scarl from the private controlling shareholder Mantovani and from some of its subsidiaries, bringing Veritas' ownership to 84.33% and thus obtaining the control and the consolidation of the company within the Group from such date;
- Euroscavi srl added to the scope of consolidation with Lecher ricerche e analisi srl's purchase of its entire share capital.

Concerning the consolidated financial statements, according to standards of conduct 3.8 and Q.3.6, our only role is to supervise the compliance with the procedural rules on the preparation and layout of the financial statements and the Report on Operations; we have no obligation to issue a report or any formal opinion.

We have verified the composition of the Group and the shareholding relationships as defined by Civil Code Article 2359 and Article 26 of Legislative Decree 127/1991 and, within the organizational structure of the parent company, the existence of an efficient and operational unit responsible for transactions with subsidiaries and affiliates.

On June 11, 2025, the independent auditors delivered to us their *Independent Auditors' Report Pursuant to Article 14 of Legislative Decree 39 of January 27, 2010 and Article 10 of EU Regulation 537/2014,* on the consolidated financial statements, which give a clean opinion. As we were informed in advance, their report states that the consolidated financial statements for the year ended December 31, 2024 are presented clearly and give a true and fair view of the Veritas Group's financial position, financial performance and cash flows for the year then ended. Moreover, in the independent auditors' opinion, the Report on Operations is consistent with the consolidated financial statements for the year ended December 31, 2024.

The audit report on the consolidated financial statements identifies the following “key audit matters”:

- revenue recognition for the integrated water service - revenue earned but not yet billed;
- business combinations: disclosure of acquisition of controlling interest in Sifa scpa.

Conclusions

Veritas' financial statements for the year ended December 31, 2024 show a net profit of € 12,453 million, up considerably from the € 8,231 thousand profit of 2023.

The operations generated a satisfactory Ebitda in 2024 of € 79,826 thousand (17% of revenues), compared to € 67,139 thousand (15.7% of revenues) in 2023. The biggest boost came from the total revenues, which rose by € 47,022 thousand from those of the previous year. This increase was affected, in the integrated water service segment, by the water rate adjustments of € 18,159 thousand recognized by the regulator, while for waste management services, the increase includes € 24,311 thousand due to the service being extended from January 1, 2024 to the 11 municipalities in the Portogruaro area (pursuant to Asvo's lease of the business unit) and € 12,428 thousand from the rate increase recognized with the approval of the 2024 financial plan.

To cover the substantial investment plan, in 2024 free government grants were used in part, but especially additional funding incentivized by access to government guarantees: this includes three new loans totaling € 40 million taken out in 2024 with Sace guarantees. The net financial position reflects a € 10,955 thousand increase in the total indebtedness, bringing the final balance to € 338,173 thousand. This increase led to a slightly worse debt ratio compared to 2023, which was offset however by an improvement in the debt service coverage ratio attributable to the aforementioned considerable improvement in Ebitda.

The proposed allocation of profit considers the intended use restrictions for making the new investments planned on part of the water rate: for 2024, the amount to be allotted to the New Investments Fund (Foni) was calculated as € 17,835 thousand.

Therefore, it is proposed to the General Meeting to allocate the € 12,453 thousand profit with € 622 thousand going the legal reserve and € 11,830 thousand to a non-distributable reserve (with the New Investments Fund constraint), and to add € 6,004 thousand to that reserve by using available reserves. At the same time, the General Meeting is requested to resolve to release € 22,675 thousand from the non-distributable reserve with the New Investments Fund constraint, due to the realization of the investments planned for 2023.

Taking into account the specific duties of the independent auditors in terms of auditing the accounts and verifying the reliability of the financial statements, and the unqualified opinion they have issued, the Board of Statutory Auditors has no comments for the General Meeting regarding the approval of the separate financial statements for the year ended December 31, 2024, accompanied by the Report on Operations, as presented by the Board of Directors, and therefore has no objections to the approval of the financial statements and the proposed allocation of net profit.

We have also reviewed the Group's consolidated financial statements for the year ended December 31, 2024 and have no comments in this regard.

Venice; June 12, 2025

The Board of Statutory Auditors
Maria Giovanna Ronconi *Chair*
Andrea Burlini *Statutory Auditor*
Maurizio Interdonato *Statutory Auditor*

2.7.2 Independent auditors' report

Deloitte.

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**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Veritas S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Veritas S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31st, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information..

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31st, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Veritas S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Revenue recognition for integrated water service – revenue earned but not yet billed	
Description of the key audit matter	Revenues from sales and services at December 31st, 2024 include an amount of Euro 19.137 thousand in accrued and not yet invoiced revenues relating to the integrated water service. The revenues pertaining to the integrated water service are determined on the basis of the national rates regulation defined by the Regulatory Authority for Energy, Networks and the Environment through the rate mechanism called MTI-4. This mechanism provides for the rates to be determined on the basis of the costs incurred (so-called guaranteed revenue constraint - VRG) and establishes the methods for regulating in subsequent years the differences between the VRG and the amount invoiced to users on the basis of the volumes supplied and the tariff in force. We evaluate that the recognition of accrued and not yet invoiced revenues relating to the water service is a key aspect of the audit of the consolidated financial statements at December 31st, 2024 due to the discretionary component inherent in the estimation nature of this recognition and the complexity of the calculation algorithms adopted by the Group to determine this estimate. Note 33 of Group's financial statements at December 31, 2024 shows that for the adjustment of revenues to the VRG for the year 2024, the Group recorded negative adjustments of Euro 1.077 thousand, which were determined following an estimate of the amount of bills to be issued of Euro 19.137 thousand.
Audit procedures performed	As part of our audits, we have carried out, among others, the following procedures, also with the support of IT specialists from the Deloitte network: • Understanding and analysis of the criteria adopted by the Management for the determination of the VRG based on the reference rates regulations and reconciliation of revenues with the VRG; • Analysis of the IT procedures and related calculation algorithms, implemented by the Group, to determine the estimate of revenues accrued and not yet invoiced; • Understanding of the main controls put in place by the Group to oversee the process of estimating accrued and not yet invoiced revenues and verification of the operational effectiveness of the algorithm for calculating the bills to be issued, also with the support of our specialists;

- Analysis and checks on the main parameters used by the Management for the estimation of the volumes disbursed, the bills to be issued and the tariff adjustments;

- Examination of the adequacy of the information in the commentary note on the recognition of revenues accrued and not yet invoiced at the end of the year and its compliance with the provisions of the accounting standards of reference;

Business combinations: Acquisition of control of SIFA S.c.p.A.	
Description of the key aspect of the review	During the 2024 financial year, the Group acquired the majority of shares of SIFA S.c.p.A., a company associated at December 31, 2023, together with the financial receivables that the previous shareholders held from SIFA S.c.p.A., for a total amount of Euro 19.000 thousand. The acquisition was recognised in the consolidated financial statements using the purchase method provided for by IFRS 3 "Business combinations", which involves a purchase price allocation process ("PPA"), and required Management to assess, also with the support of an independent expert, the fair value of the assets acquired and the liabilities assumed. The allocation of values, carried out definitively, as part of the PPA process involved the recognition of assets (equity investments and financial receivables, respectively for Euro 5.186 thousand and Euro 13.814 thousand) whose fair value was equal to Euro 19.938 thousand euros and a residual income ("badwill") for Euro 141 thousand. Due to the significance of this transaction in the context of the consolidated financial statements of the Veritas Group and the complexity of the assessments required by IFRS 3, which, by their nature, imply a high degree of judgment, also taking into account operations in the concession sector, we considered the recognition of the acquisition of SIFA to be a key aspect of the audit of the consolidated financial statements.
Audit procedures carried out	As part of our audits, we have carried out, among others, the following procedures, also with the support of specialists from the Deloitte network: • Understanding of the process and the relevant controls put in place by the Veritas Group in relation to the accounting recognition of this transaction and the estimation of the related values; • Obtaining the valuations prepared by management, with the support of an external expert, in determining the fair value of the assets acquired and liabilities assumed relating to the company SIFA S.c.p.A.;

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- Verification of the reasonableness of the valuation methodologies adopted and the application parameters used to estimate the fair value of the net assets acquired, also with the support of the Network's experts;

- Verification of the accuracy of the accounting records and consolidation entries relating to the Purchase Price Allocation process of SIFA S.c.p.A.;

- Examination of the adequacy of the information provided by the Directors in the explanatory notes to the consolidated financial statements with reference to the Purchase Price Allocation process of SIFA S.c.p.A.;

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Veritas S.p.A. has appointed us on June 27, 2022 as auditors of the Company for the years from December 31st, 2022 to December 31st, 2030.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to the art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Veritas S.p.A. are responsible for the preparation of the report on operations of Veritas Group as at December 31st, 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations with the consolidated financial statements;

- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting;

- make a statement about any material misstatement in the report on operations.

In our opinion, the above-mentioned report on operations is consistent with the consolidated financial statements of Veritas Group as at December 31st, 2024.

In addition, in our opinion, the report on operations is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Boaro
Partner

Treviso, Italy
June 11, 2025

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**INDEPENDENT AUDITOR'S REPORT
ON THE LIMITED ASSURANCE OF THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**

**To the Shareholders of
Veritas S.p.A.**

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Veritas Group (hereinafter also the "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Veritas Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the paragraph *"Taxonomy Regulation– Disclosure pursuant to Article 8 of Regulation (EU) 2022/852"* of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

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We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information presented in the sustainability statement for the year ended December 31, 2023 has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Veritas S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in "[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph "Taxonomy Regulation– Disclosure pursuant to Article 8 of Regulation (EU) 2022/852" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

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Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions regarding events that may occur in the future and possible future actions of the Group. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the "[BP-2] Disclosure in relation to specific circumstances"

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

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Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the existence of estimates and to the complexity of the calculation methods, as well as quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;

- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, included the information related to the materiality assessment process;

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Alessandro Boaro
Partner

Treviso, June 11, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

2.8 Resolutions of the shareholders’ meeting

The quorate ordinary Shareholders’ Meeting which met on 27 June 2025 in Mestre, via Porto di Cavergnago 99, also in audio video conference, regularly constituted, resolved to:

- approve the separate annual report of Veritas spa as at 31 December 2024, which closed with a profit for the year of EUR 12,452,622, consisting of the Statement of financial position, the Statement of profit or loss and other comprehensive income, the Statement of changes in shareholders' equity, the statement of Cash flow and the Notes to the financial statements, as well as the Report on Operations, pursuant to board of directors resolution of 28 May 2025;
- allocate the profit for the year to the legal reserve to the extent of 5% (EUR 622,631), to the non-distributable reserve on the basis of the New Investments Fund (FONI) constraint (EUR 11,829,991);
- allocate a part of the other available reserves to the non-distributable reserve on the basis of FONI constraint for EUR 6,004,696;
- to release the non-distributable reserve recognised previously subject to the FONI constraint (EUR 22,675,756), as the investments in water services planned for 2023 were made;
- acknowledge the report of the Board of Statutory Auditors on the separate annual report of Veritas spa as at 31 December 2024, pursuant to Art. 2429, paragraph 2 of the Italian Civil Code;
- acknowledge the report of the independent auditing firm on the annual report statements of Veritas spa as at 31 December 2024, drafted pursuant to Art. 14 of Italian Legislative Decree 39/2010 and Art. 10 of Regulation (EU) no. 537/2014.

It also acknowledged:

- the consolidated annual report of Veritas spa as at 31 December 2024, consisting of the Statement of financial position, the Statement of profit or loss and other comprehensive income, the Statement of changes in shareholders' equity, the statement of Cash flow and the Notes to the financial statements, as well as the Report on Operations including the Consolidated Sustainability Report drafted pursuant of Italian Legislative Decree 125/2024, pursuant to board of directors resolution of 28 May 2025;
- the report of the independent auditing firm on the consolidated annual report of Veritas spa as at 31 December 2024, drafted pursuant to Art. 14 of Italian Legislative Decree 39/2010 and Art. 10 of Regulation (EU) no. 537/2014, as well as the report of the independent auditing firm on limited audit of the Consolidated Sustainability Report drafted pursuant to Art. 14-bis of Italian Legislative Decree 39/2010.