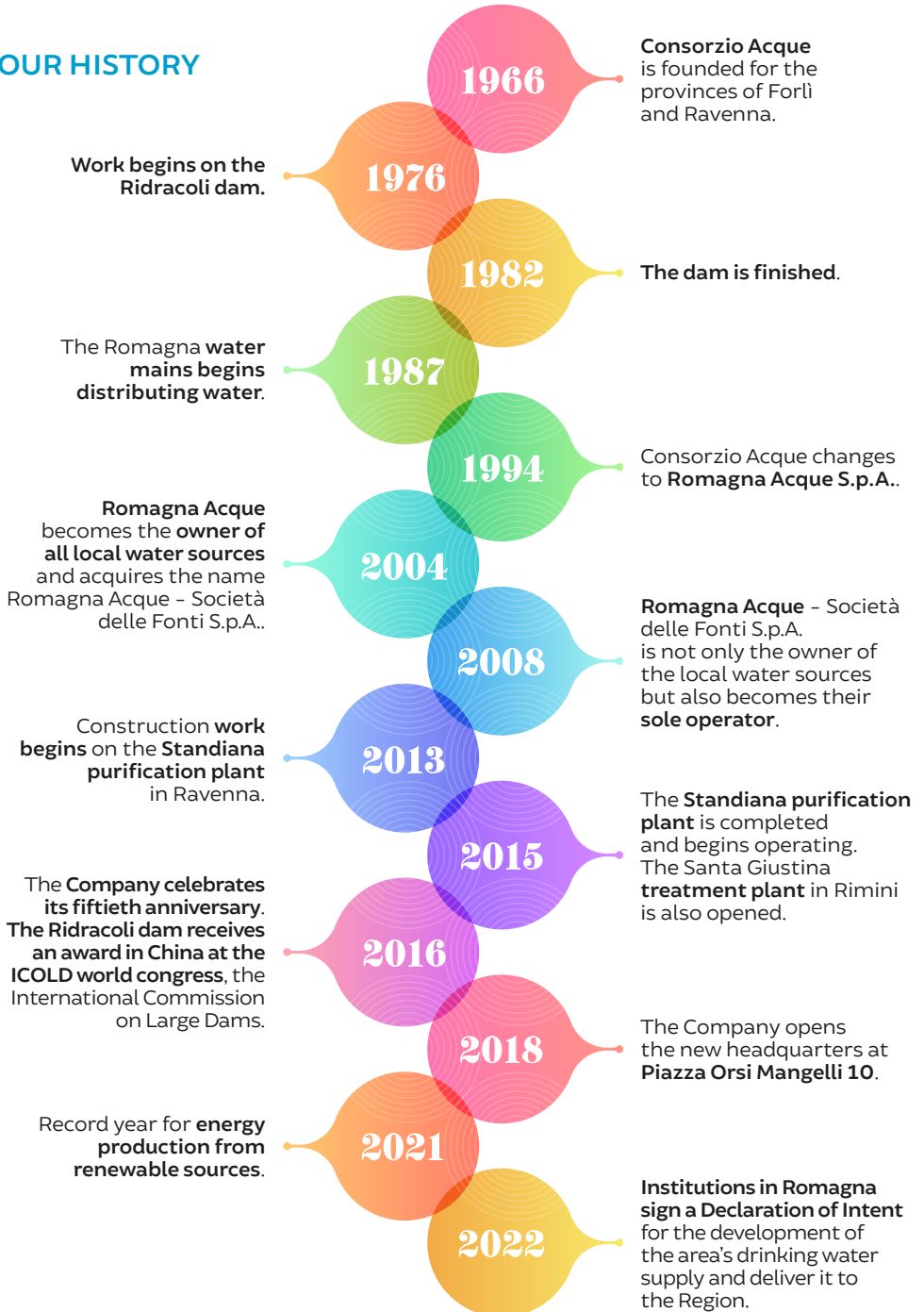


Integrated Report 2022



SHORT VERSION

OUR HISTORY



ABOUT US

Atoms bonding, drops merging, streams converging: water thrives on connections and its essence is reflected in our nature.

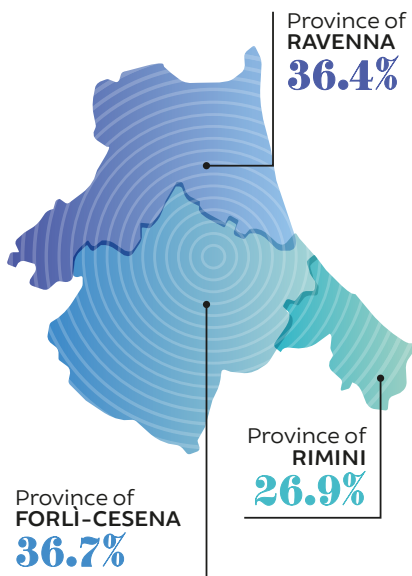
For more than 50 years we've been **managing water resources** in the Romagna region with an increasingly **integrated approach**, coordinating complementary **professions**, collaborating with different organisations, taking on the challenges and opportunities that appear on the horizon, and **engaging in social, economic, environmental and cultural debates**.

WE ARE THUS FULLY COMMITTED TO PRESERVING AND SHARING THE WORLD OF VALUES THAT WATER BRINGS, GUARANTEEING ACCESS TO DRINKING WATER TO ALL, CREATING ADDED VALUE FOR ALL STAKEHOLDERS AND GETTING INVOLVED IN NUMEROUS INITIATIVES, BOTH LOCALLY AND BEYOND.

With our activity, which we carry out as a limited company with wholly public capital and in synergy with all the subjects involved in the Integrated Water System, **we cover nearly the entire residential requirement of water for the region of Romagna.**

OUR SHAREHOLDERS

As at 31/12/2022 Romagna Acque has 50 shareholders. The structure meets the requirements of **totally public share capital and includes**, either directly or through publicly controlled companies, **the municipalities and provinces of the three relevant regional areas** – Forlì-Cesena, Ravenna and Rimini.



COMPANY POSITIONS as at 31/12/2022*

Board of Directors

Chairman: Tonino Bernabé
Vice Chairman and Director:
Roberto Biondi
Directors: Giovanni Crocetti Bernardi,
Giulia Bubbolini, Sonia Lama

Board of Statutory Auditors

Chairman: Gaetano Cirilli
Standing Auditors: Paolo Damiani,
Sonia Dall'Agata
Alternate Auditors: Simona Muratori,
Silvia Romboli

**Renewal of the Board of Directors on
29.06.2022*

WHAT WE DO

We produce and supply wholesale drinking water for the provinces of Forlì-Cesena, Ravenna and Rimini to the **Integrated Water Service (IWS) operator**, which then distributes the water to the end user.

WHAT IS THE IWS

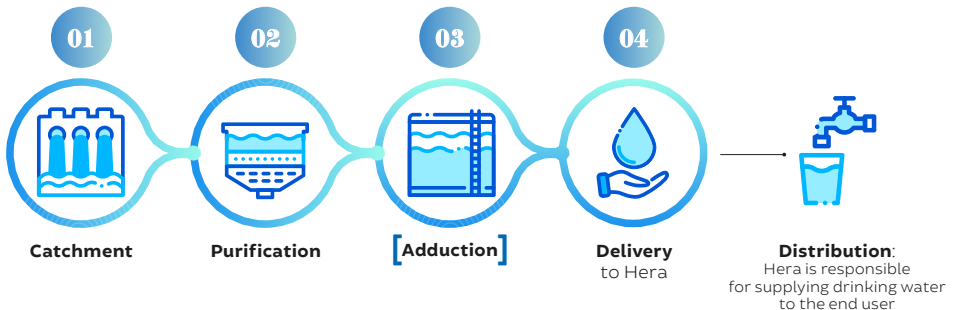
The Integrated Water Service is the **vertical integration of the various segments of the management of public services for the collection, adduction and distribution of water for civil uses, sewerage and wastewater treatment**, regulated for the first time in Italy by Italian Law 36/94 (also known as the Galli Law). The service is therefore linked to the **administrative management of water at all stages of the water cycle**. In the three provinces of Romagna (Ravenna, Forlì-Cesena and Rimini), the Integrated Water Service is structured as follows.

- **Our Company, Romagna Acque, is the producer of water for civil use** based on a specific regional assignment made in 2009 and expiring in 2027.

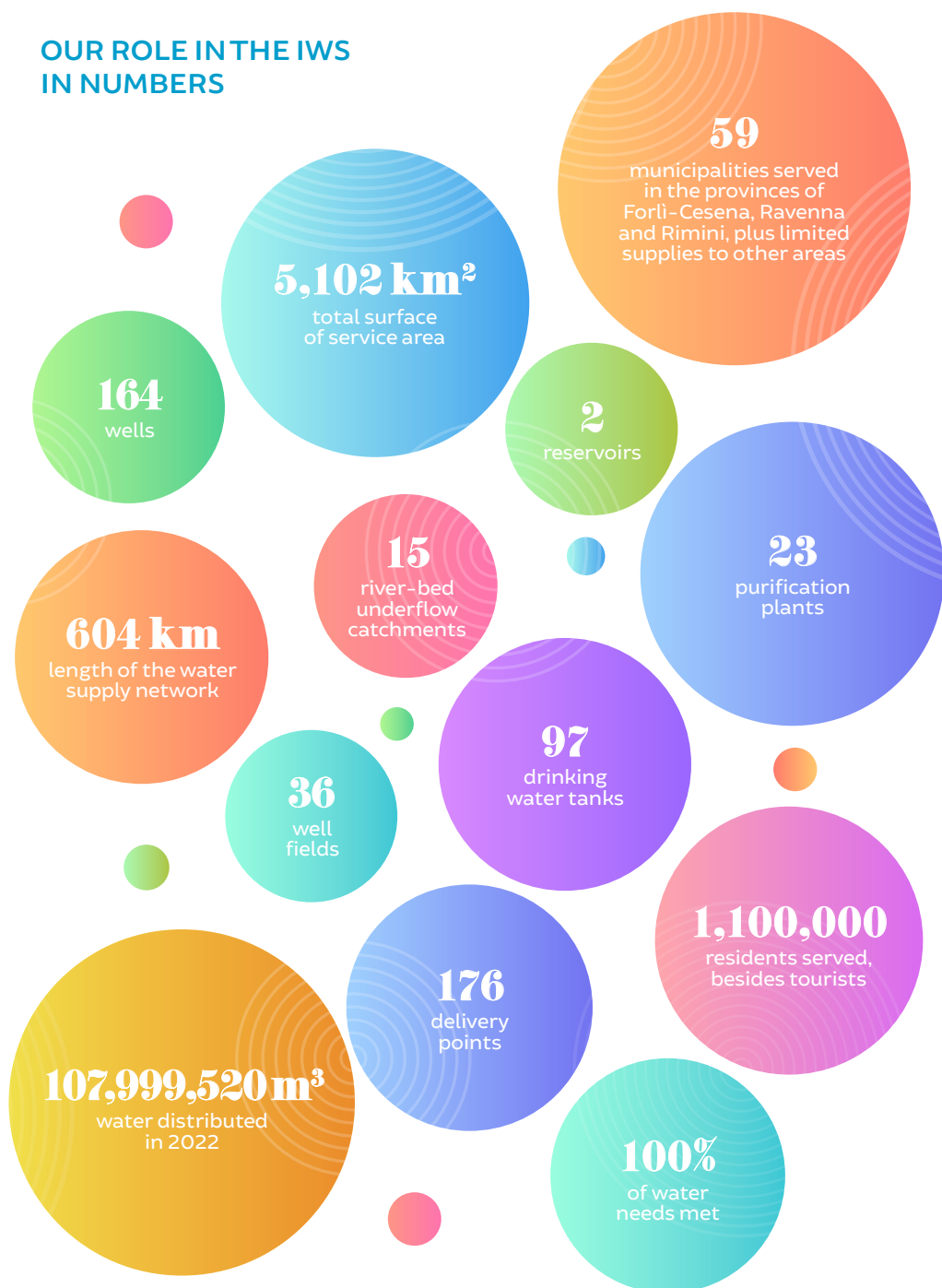
- **Hera S.p.A. acts as operator vis-à-vis the end user.**
- **The Emilia-Romagna Region, the Territorial Agency of Emilia-Romagna for Water Services and Waste (ATERSIR) and the Regulatory Authority for Energy Networks and Environment (ARERA)** are other institutional entities that are part of the IWS, having the task of **regulating, planning and controlling** the entire service in this geographical area.

As a **wholesale supplier** of the Integrated Water Service, our Company is therefore responsible for managing the Romagna waterworks, the facilities consisting of works, infrastructure and plants that allow the use of water originating from the derivation of public water in the region for **water collection (catchment)**, the subsequent **treatment (purification or other intermediate process)**, any transit to **storage tanks (adduction)** and **delivery to the water service operator tasked with distribution to the end user**, currently Hera.

THE 4 STAGES OF THE WATER SUPPLY CHAIN MANAGED BY ROMAGNA ACQUE



OUR ROLE IN THE IWS IN NUMBERS



SOURCES

Our sources of drinking water are both on the surface and from ground-water and are located in all three provinces of Romagna.

THE MOST IMPORTANT SOURCE IS THE ARTIFICIAL RESERVOIR OF THE RIDRACOLI DAM, THE MOST SIGNIFICANT AND SYMBOLIC STRUCTURE OF THE ENTIRE ROMAGNA WATER MAINS NETWORK, WHICH COVERS ROUGHLY HALF OF THE TOTAL REQUIREMENT.

To preserve the groundwater, for at least 70% of the water injected into the network **we privilege the withdrawal of water from surface sources**, while also respecting the concept of **minimum vital flow to safeguard fluvial ecosystems**.

SOURCE OF THE DISTRIBUTED WATER

Source / Year	From Ridracoli	From ground-water	From surface and river-bed underflows	Total m ³ of water abstracted	Total m ³ of water consumed in purification processes	Total m ³ of water supplied
2020	55%	21%	24%	109,365,809	1,732,639	107,633,170
2021	53%	22%	25%	111,401,093	2,153,876	109,247,217
2022**	46%	27%	27%	110,196,395	2,196,875	107,999,520

***In 2022 the reduced inflows to the Ridracoli dam led to a decrease in its production, with the need for greater use of groundwater and surface sources (from the Po). Note that there was a major shortage of surface water during the summer of that year, which led to the proclamation of a water emergency first at the regional level and subsequently for the whole country, with limits on withdrawals and minimum vital outflows.*

More than 50% of the water that we distribute also comes **from sources located in protected areas: a guarantee at the source of water quality**, in addition to the more than **300,000 analyses we perform every year**, the

treatment processes we adopt, which are effective and safe, and our implementation of an **integrated control system throughout the entire drinking water supply chain**, in line with the most recent regulations on the matter.

THE WHOLESALE WATER RATE

397 km in operation, plus approximately 207 km of pipelines serving local sources: the infrastructural system we manage, represented primarily by the Romagna water mains, is a total of roughly 604 km long.



OUR MISSION



THE WELL-BEING OF THE GENERAL PUBLIC IS THE HORIZON OF OUR ACTIVITY, IT IS THE FOCUS OF OUR MAIN OPERATING TARGETS, WHICH ARE THE CONSERVATION OF NATURAL CAPITAL AND ACCESS TO WATER.

Our main commitment is **to safeguard and make available water resources**, guaranteeing **safety and continuity** for residential and industrial uses: **a high-quality service for a high quality of life**. All of this with an **awareness of the scarcity of resources**, the continuous **progress of climate change**, the essential **protection of the environment** from which water is taken, the **need to guarantee limited impacts** on rates and, with a particular focus on the future, the importance of **combining research, innovation, and technical and scientific skills** to guarantee water in suitable qualities and quantities in every condition.

OUR VALUES



Knowledge, skill and presence

Education and information

Research and innovation, to do today what we will need tomorrow

A focus on the environment and the community



AIMING TO

Protect the environment and resources

Spread best practices and guidelines of optimal conduct

Take all actions required to guarantee the availability of good water, even in the future, without overlooking any of the correlated aspects

Safeguard the health and safety of workers and the population

Improve and innovate continuously

ETHICS AND TRANSPARENCY

In carrying out our activities, we have always conducted ourselves in accordance with rigorous ethical principles ratified in specific documents, particularly the **Code of Ethics**. Over time, we have also implemented the appropriate tools in line with the most recent regulatory obligations on anti-corruption and transparency, such as the **Organisation and Management Model** integrated with the **Three-Year Anti-Corruption and Transparency Prevention Plan**.

2022 INTEGRATED REPORT

A systematic approach to socio-environmental issues and the company's ability to be socially responsible are distinctive traits that add value to our Company.

For this reason, for some time now we have been disclosing these non-financial aspects in our **Sustainability Report**, a document that has become increasingly important and has evolved, becoming a part of the **Integrated Report** in recent years. The Integrated Report, now in its fourth edition, is a communication document that outlines how the strategy, governance, performance and perspectives of an organisation enable it to create value in the short, medium and long term within the context in which it operates.

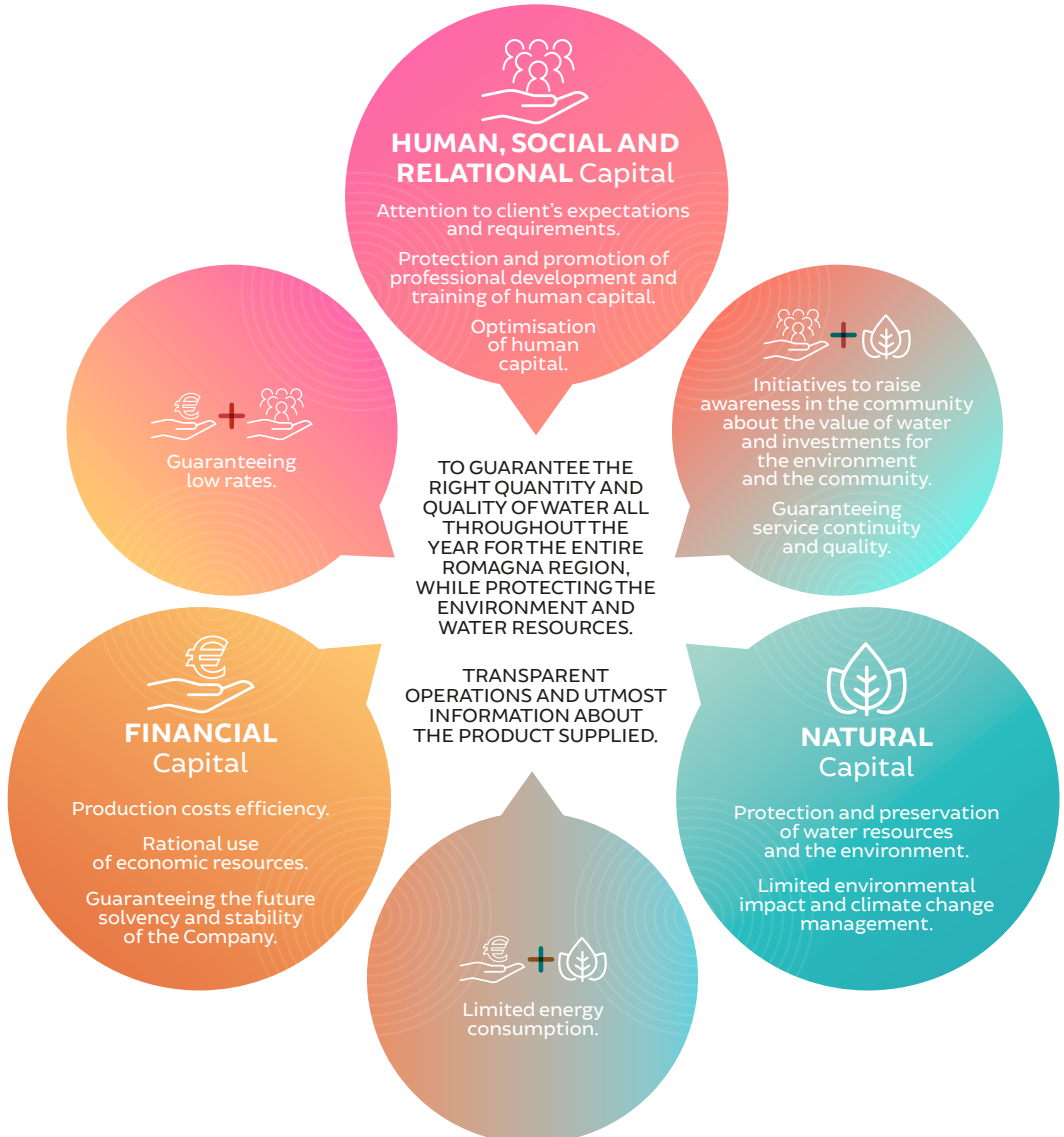
THE INTEGRATED REPORT ENTAILS A HOLISTIC AND CROSS-CUTTING VISION OF THE COMPANY THAT ENHANCES ITS RESPONSIBILITY, RELIABILITY AND TRANSPARENCY.

The company is dealing with a **new culture that needs to be nurtured**. It uses these reporting tools to put on record its ability to innovate, get involved and take responsibility and to **create connections among internal roles and with the local region** in which it operates.



MAP OF PRINCIPLES

In accordance with the sustainability reporting guidelines developed by the Global Reporting Initiative (GRI), our Company's objectives are translated into an integrated set of material aspects and fundamental principles.



SUSTAINABILITY IS AT THE HEART OF A SERVICE LIKE OURS, WHICH IS INDISPENSABLE TO LIFE.

Supplying drinking water means that we impact the world around us, and with this awareness we deploy **initiatives and projects to act with a fair and balanced approach in all aspects**. In fact our work embraces several

aspects: **valuable natural capital to be safeguarded and shared, financial capital to be leveraged, and human, social and relational capital to be nurtured**, in keeping with the **UN 2030 sustainable development goals**.



FINANCIAL capital

CREATING VALUE, TODAY AND TOMORROW: OUR COMPANY INVESTS IN PROJECTS AND WORKS TO ENSURE SAFE DRINKING WATER IN PRACTICALLY ANY SCENARIO AND IS A KEY PLAYER IN THE GROWTH OF THE LOCAL REGION.

UN 2030 AGENDA Sustainable Development Goals



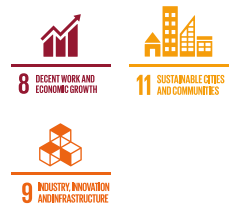
NATURAL capital

A HARMONY TO BE CHERISHED, A BALANCE TO BE RESPECTED: THERE IS A DEEP CONNECTION BETWEEN WATER AND THE LAND. THIS IS WHY WE TAKE CARE OF WATER WITH SENSITIVITY AND RESPONSIBILITY VIS-À-VIS THE ECOSYSTEMS IT IS TAKEN FROM.



HUMAN, SOCIAL AND RELATIONAL capital

KNOWING HOW TO ENGAGE, BEING OPEN TO DIALOGUE, GENERATING SYNERGISTIC EXCHANGES: WE CULTIVATE TRANSPARENT, CONSTRUCTIVE RELATIONS WITH ALL OUR STAKEHOLDERS IN ORDER TO BEST PERFORM A PUBLIC SERVICE THAT IS ESSENTIAL TO LIFE.

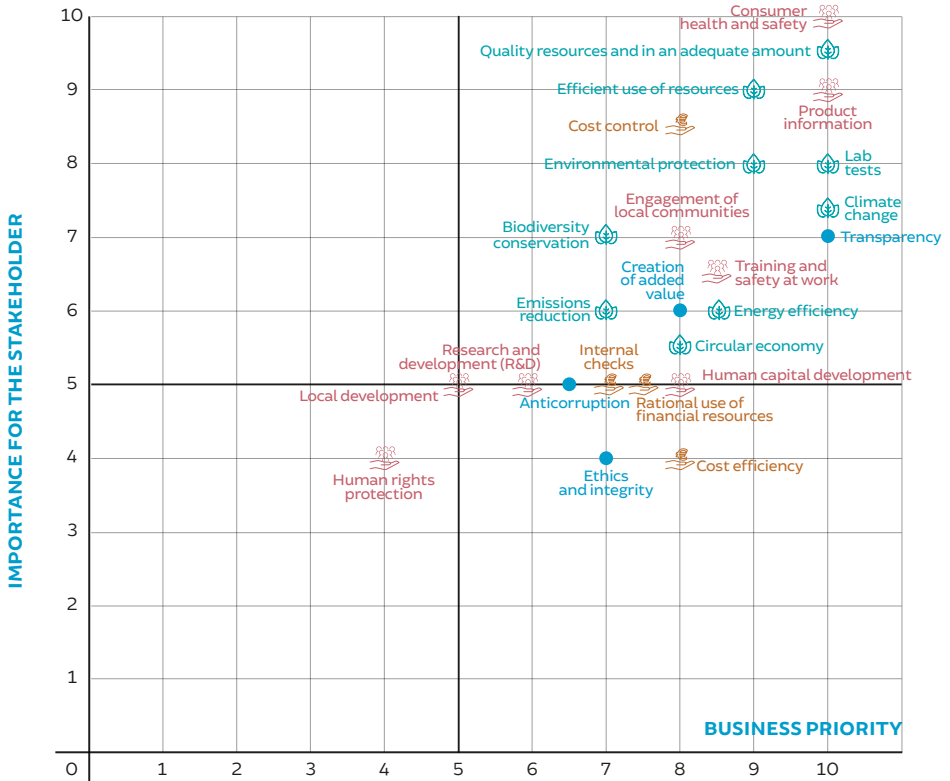


FROM PRINCIPLES TO ACTIONS: ACTING IN THE PRESENT, WHILE LOOKING TO THE FUTURE

The approach used to draft the Integrated Report is based on the materiality analysis.

This is a study used to identify each **economic, environmental and social aspect** that could have a **positive or negative impact on the Company's performance** and which is able to influence Stakeholders' decisions. This activity makes it possible to **map all of the relevant matters for Stakeholders and the Company, translate**

them into strategic priorities and then **plan the actions** to be taken, **monitor the activities** carried out and **identify future intentions**. It results in a two-dimensional graph, the **materiality matrix**, in which the economic, social and environmental themes identified are reported on a scale from 0 to 10.



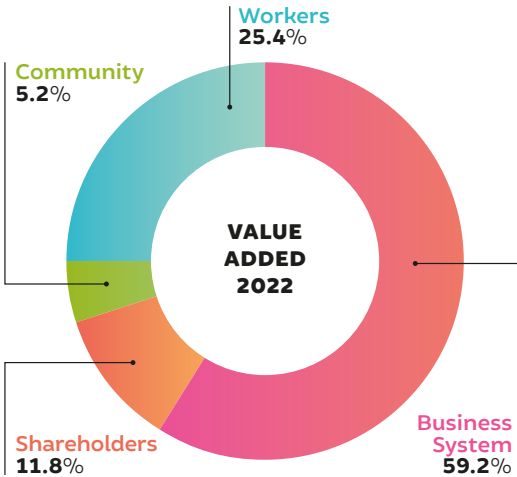
FINANCIAL CAPITAL

THE DISTRIBUTION OF VALUE ADDED

Value added helps determine how much wealth has been generated by the Company, how it was generated and how it is distributed.

It is a tool that lets us reread the Financial Statement from the Stakeholders' perspective.

THE TOTAL GROSS VALUE ADDED GENERATED IN 2022 FOR STAKEHOLDERS WAS €37 MILLION.



€1.9 MILLION OF VALUE ADDED WAS DISTRIBUTED TO THE COMMUNITY.

Our Company also turns down its share of the revenue due to it both with regard to the wholesale water tariff and the fees paid by the IWS operator for the assets built and managed thereby but financed and owned by Romagna Acque.

We thus help to reduce tariffs and generate immediate savings for the end user. It's simply a "different way" of distributing value added.

OUR COMPANY TURNED DOWN €22.9 MILLION IN 2020-2022 TO HELP LOWER RATES FOR END USERS.

Indeed, in 2022 we also made available an additional €4.2 million to reduce the wholesale water tariff, sharing with the citizens of Romagna the benefits related to the premium recognised by ARERA to the Company for the high levels achieved in the years 2018 and 2019 for the technical quality indicator related to network losses.



THE INVESTMENT PLAN

The investment plan is the main planning tool for implementing our mission.

It is divided into **five sections, three of which reflect the main sectors of activity:**

- **wholesale water supply;**
- **the financing of IWM work carried out and run by the IWM operator;**
- **the production of electricity from renewable sources.**

The other sections cover activities related to environmental sustainability topics and enhancement of the area where the main activities take place and the sector of “common services”, in other words, instrumental goods, which are instrumental to all activities (e.g. Forlì headquarters).

IN 2022 INVESTMENTS AMOUNTED TO €21.8 MILLION.

INVESTMENTS (in Euros)	2020	2021	2022
Goods for wholesale water supply	10,500,972	14,634,332	11,169,255
Goods provided for a fee to the IWM operator	9,043,258	7,415,972	8,605,158
Goods for the production and sale of electricity	50,000	284,180	466,111
Common services	492,921	356,054	1,439,007
Other goods	228,040	403,983	155,820
TOTAL TANGIBLE + INTANGIBLE ASSETS	20,315,191	23,094,521	21,835,351

INVESTMENTS IN 2022



GOODS FOR WHOLESALE WATER SUPPLY

€11.2 million,
51.2% of the total



GOODS FOR THE PRODUCTION AND SALE OF ELECTRICITY

€0.45 million



GOODS PROVIDED FOR A FEE TO THE IWM OPERATOR

€8.6 million, approximately
39.4% of the total



COMMON SERVICES

€1.4 million
OTHER GOODS
€0.15 million

NATURAL CAPITAL

WATER RESOURCE MANAGEMENT STRATEGIES

Annual rainfall has changed considerably in recent years due to climate change.

As can be seen from the chart of the trend of reservoir volumes at the Ridracoli dam, **the inflows are becoming increasingly concentrated in a single period**, between late winter and spring. It is therefore necessary to **optimise water management strategies based on this trend, safeguarding the volume captured** in the months when it is abundant in order to mitigate possible water shortages in the subsequent months.

This was the case **in 2018, 2020 and also in 2021**, years in which the hydrological trend proved to be favourable, with constant springtime

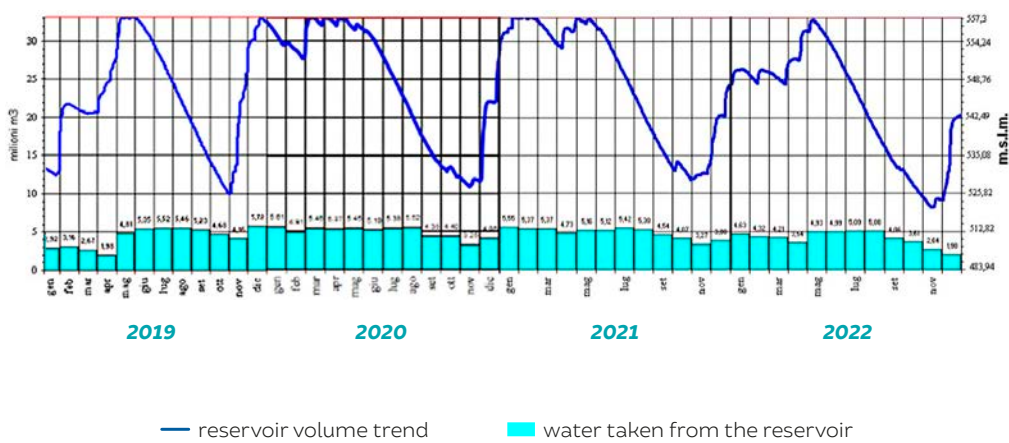
contributions that maintained an almost maximum reservoir level in the Ridracoli dam.

In these years it was therefore possible to **increase the use of the Ridracoli reservoir to reduce production both from groundwater and the surface**.

Again in **2022**, in **mid-May**, the inflows were sufficient to reach the **maximum reservoir volume**, and **throughout the summer** the water mainly came from **Ridracoli**. However, due to a lack of rainfall until early winter, **surface and groundwater resources** were also used in the fall.

THE SUPPLY FROM RIDRACOLI COVERED ABOUT 46% OF THE TOTAL DEMAND IN 2022.

Chart of Ridracoli reservoir volumes for the period 2019-2022



WATER SOURCES AND PURIFICATION PLANTS

Our Company produces drinking water from various different sources (from surface water and groundwater) and in varying amounts, scattered across every province in the region.

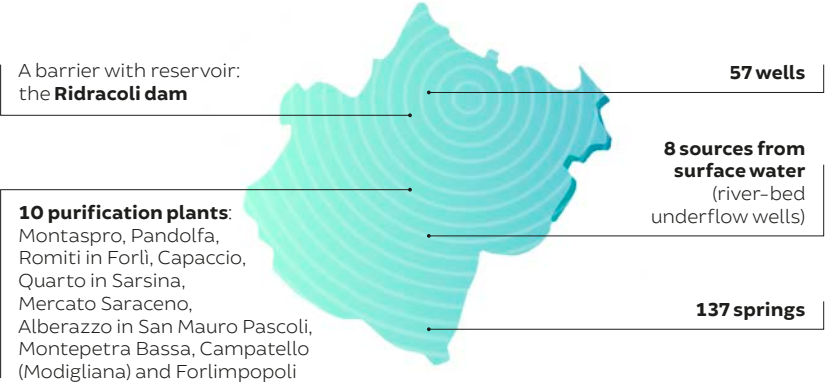
Both in terms of its history and supply, **the most important source by far is the Ridracoli dam**, the construction of which began in the Seventies to the south of the village of the same name in the upper Bidente valley.

Alongside this source, which still produces half the region's drinking water requirements on average, there are many others, all owned and run

by Romagna Acque. More specifically, there are **various types of sources: primarily groundwater in the area around Rimini and surface water around Ravenna**, while both are used **across the areas of Forlì and Cesena**.

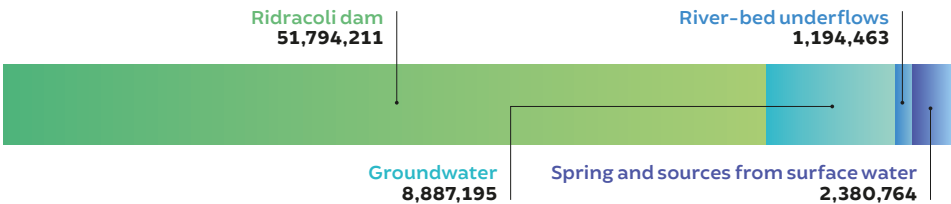
Every type of water has different organoleptic properties and is treated in plants at various points across the region of Romagna.

THE PROVINCE OF FORLÌ-CESENA

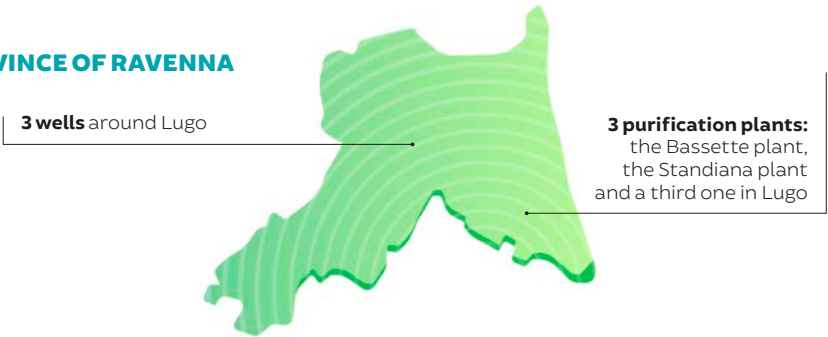


WATER ABSTRACTED IN M³ IN 2022

TOTAL **64,256,633**

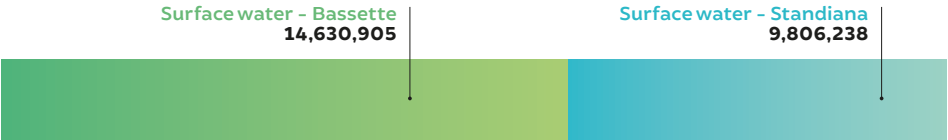


THE PROVINCE OF RAVENNA



WATER ABSTRACTED IN M³ IN 2022

TOTAL **24,437,143**

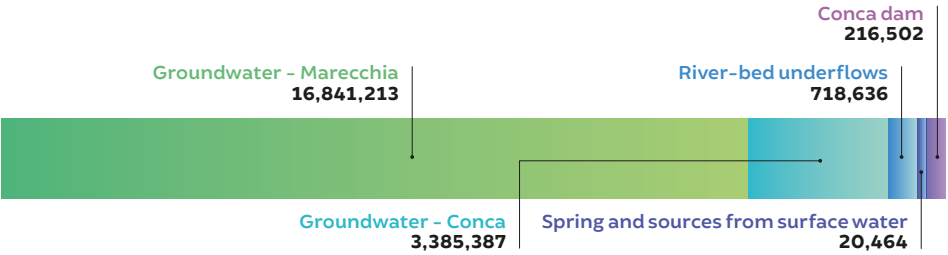


THE PROVINCE OF RIMINI



WATER ABSTRACTED IN M³ IN 2022

TOTAL **21,182,202**



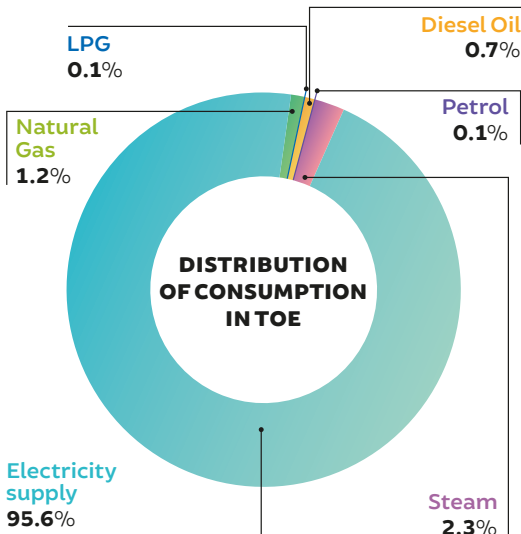
THE ENERGY REPORT

Energy planning requires quantitative knowledge of the production and use of energy, making it possible to monitor consumption as well as implement improvement plans.

The **energy report** is therefore a reconnaissance tool of great importance, because it provides **an overview of all energy flows**, up to the end uses.

When we talk about energy consumption, **for our Company electricity represents the most significant item, on which it is important to focus attention** to boost energy efficiency, reducing consumption, costs and environmental impacts.

Distribution of Romagna Acque energy consumption in 2022 in TOE (Tonnes of Oil Equivalent)



ELECTRICITY CONSUMPTION IN 2022 WAS EQUAL TO 37,704,825 KWH, OF WHICH 2,129,015 KWH CONSUMED INTERNALLY BY OUR RENEWABLE ENERGY PLANTS (HYDROELECTRIC AND PHOTO-VOLTAIC).

Consumption **increased slightly** compared to 2021 (+7.8%), mainly due to a hydrologically less favourable year that resulted in lower water produced from Ridracoli, currently our most energy-efficient source.

However, this increase was less significant due to the efficiency measures envisaged in the **Company's energy plan**, which allowed a **reduction in energy consumption** associated with the capture and adduction processes.

AN ENERGY DEPENDENCE CO-EFFICIENT OF 0.642 WAS THUS ACHIEVED IN 2022. THIS IS EVEN BETTER THAN THE INTERIM TARGET FOR THE YEAR OF 0.65, AND SIGNIFICANTLY LOWER THAN IN 2021: -3.3%.

THE PRODUCTION OF ENERGY FROM RENEWABLE SOURCES

For our Company, the production of energy from renewable sources is strategic and possible thanks to:

- **hydroelectric power plants** that use falling water;
- **solar power systems/photovoltaic plants** located across the distribution network.

2022 WAS A POSITIVE YEAR IN TERMS OF ENERGY PRODUCTION FROM RENEWABLE SOURCES, REACHING 10,791,076 KWH.

This despite a decrease of -6% compared to the previous year.

The lower energy production of the hydroelectric plants due to the persistent drought was in fact partly compensated by a **+16% increase in energy production from photovoltaic plants**, driven in particular by the commissioning of the newly built areas under the energy plan.



THE 2022-2024 ENERGY PLAN

For years sustainability, efficiency and cost reduction have represented essential points of our corporate philosophy.

With this in mind, we implemented an **Energy Management System (EMS) certified according to UNI EN ISO 50001:2011**, which is fully integrated with the other company management systems (Quality, Environment and Safety), and also launched the 2022-2024 energy plan, setting ambitious objectives.

The 2024 energy dependence coefficient target is 0.63. To monitor this target, a model normalised to an average water year is used in order to assess energy consumption and production independent of yearly hydrological and meteorological variability, which can cause significant changes and alter the energy dependence coefficient. The energy plan envisages two main macro action areas: renewables and efficiency.



RENEWABLE PLAN

The plan is to build four new photovoltaic plants at the following operational sites: Standiana, Capaccio, Polveriera and Forlì headquarters. These plants will allow for a total annual production of over 1.3 Gwh. With regard to hydroelectric sources, in 2022 the Monte Casale power plant was revamped to improve its efficiency.



EFFICIENCY PLAN

The energy efficiency plan calls for a further series of activities intended to optimise consumption which regard the Company overall as well as specific strategic sites that are significantly energy intensive.

One of the measures planned is the electric mobility project: over the next three years, the necessary infrastructure will be put in place to guarantee the recharging of electric cars in view of a possible transition to this technology in the transport sector.

With this in mind, it is planned to install around three charging stations per year for the next three years.

In 2022 the columns to be installed were identified and surveys were performed to assess the work necessary. Moreover, contracts were awarded for the first batch of columns for the Forlì site, the operations centre, the Capaccio drinking water treatment plant and the Ridracoli dam.

COMPLETION OF THE PLANNED EFFICIENCY MEASURES WILL ENABLE A DECREASE IN CONSUMPTION OF APPROXIMATELY 1.2 GWH.

ANALYSES AND CONTROLS: WATER QUALITY

The water quality checks performed by our laboratories are based on careful selection of the control points and sampling frequencies. They aim to ensure that the water which is abstracted, treated and supplied from the mains does not contain any substances or micro-organisms harmful to human health.



8,682¹
samples analysed
in 2022



339,421
analyses performed
in 2022

All the water distributed is thoroughly checked to ensure it complies with the strict requirements laid down by existing Italian legislation, Ministerial Decree of 16 June 2017, which amends annexes II and III of Legislative Decree No. 31/2001, on the quality of water intended for human consumption.

UNI EN ISO 9001:2008 certified for several years now, **our laboratories, which constitute a multi-site laboratory, earned accreditation in accordance with UNI CEI EN ISO/IEC**

17025:2018, confirming the high level of technical resources, staff expertise and management system, which guarantee accurate, reliable data and results.

THE WATER PRODUCED AND DISTRIBUTED BY OUR DRINKING WATER PLANTS IS OF EXCELLENT QUALITY AND COULD BE CLASSIFIED AS LOW-MINERAL-CONTENT WATER² (CAPACCIO AND STANDIANA) AND MINERAL WATER³ (BASSETTE).

¹ Total number of samples received by the laboratory throughout the year, including, in addition to samples of waters to be destined for human consumption, tests on drains, reagents, tankers, etc.

² Low mineral (or slightly mineral) water: under Italian law (Legislative Decree No. 105/1992) water is defined as low mineral water if it contains between 50 and 500 mg/l of dissolved solids.

³ Mineral water: under Italian law (Legislative Decree No. 105/1992) water is defined as mineral water if it contains between 500 and 1,500 mg/l of dissolved solids.

Comparison between the average values of the water produced in purification plants of Standiana, Bassette (Ravenna) and Capaccio (Santa Sofia) in 2022 and mineral waters.

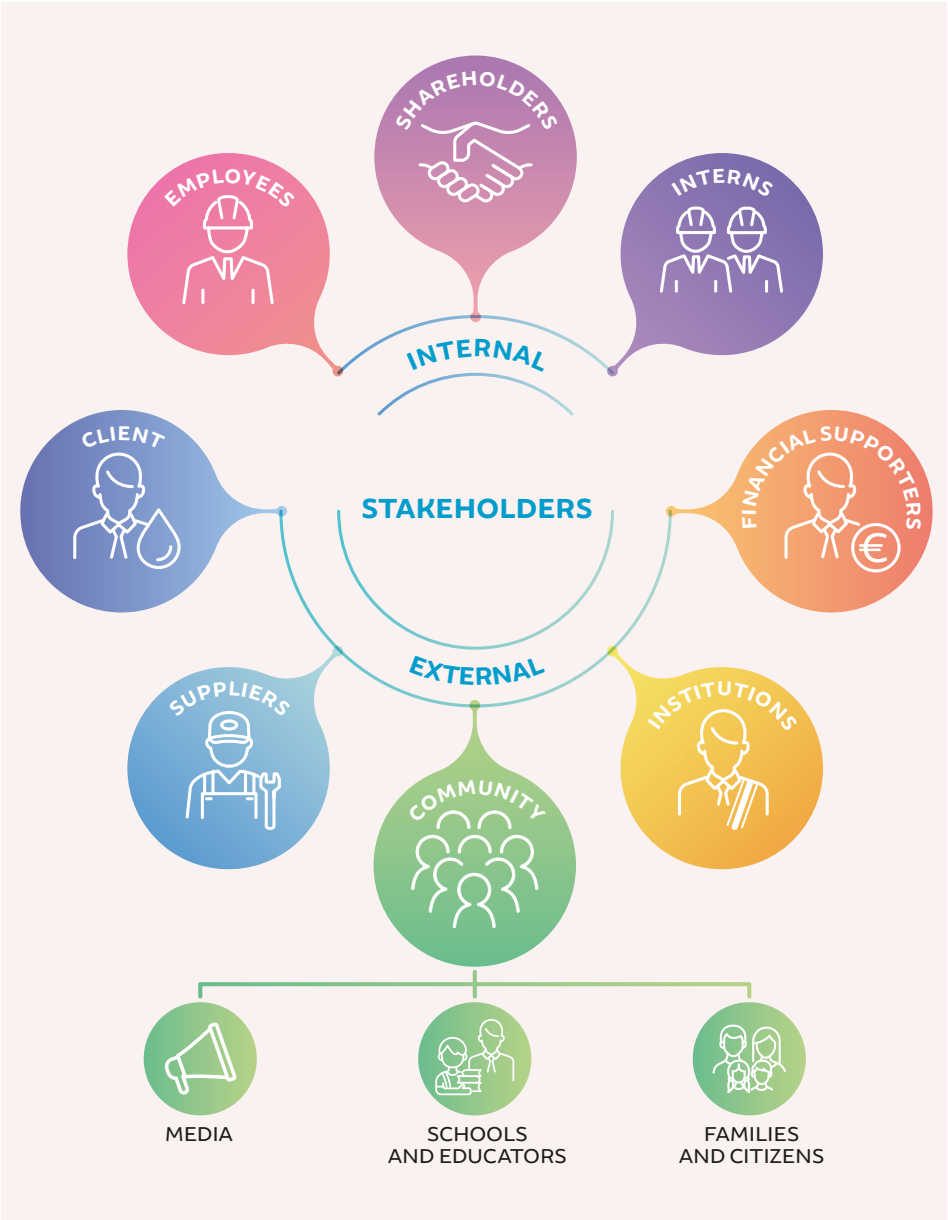
2022	Legal limits under Legislative Decree 31/2001	Mineral waters* (min-max)	Min-max values CAPACCIO	Min-max values STANDIANA	Min-max values BASSETTE
pH	6.5 – 9.5	5.8 – 8.4	7.7 – 8.1	7.1 – 8.2	7.4 – 8.0
Specific electrical conductivity at 20°C	2,500 n	n.d.	312 – 377	404 – 709	381 – 1,038
Total hardness (°F)	15 – 50**	1 – 77	17.4 – 20.8	14.2 – 29.5	18.9 – 28.3
Total dissolved solids dried at 180°C (mg/L)	1,500**	21.4 – 955	218 – 264	283 – 496	266 – 726
Ammonium (mg/L)	0.5	n.d.	< 0.05	< 0.05 – 0.10	< 0.05 – 0.09
Sodium (mg/L)	200	0.2 – 47.9	6.4 – 8.4	19.6 – 47.3	25.8 – 104.5
Nitrates (mg/L)	50	n.d.	< 1.0 – 1.9	2.5 – 8.7	1.7 – 10.4
Nitrites (mg/L)	0.1	n.d.	< 0.04	< 0.04 – 0.06	< 0.04
Chlorides (mg/L)	250	0.3 – 78.7	9.1 – 17.3	23.2 – 57.9	26.6 – 153.0
Calcium (mg/L)		1.4 – 287	54.4 – 61.4	38.7 – 74.0	51.3 – 80.7
Manganese (mg/L)	50	n.d.	< 5.0 – 13.0	< 5.0 – 3.9	n.d.

Source: Water Quality Control Service

"The "Mineral waters (min-max)" values available have been taken from a recent study conducted by the "Altroconsumo" journal (No. 261, July/August 2012) on a sample of 40 mineral waters on sale, except for pH and chlorides, which have been taken from the 2012 Sustainability Report of the Hera S.p.A. Group and determined based on the labels of 17 mineral waters widely available on the market.

*** Recommended values under Legislative Decree 31/2001.*

HUMAN, SOCIAL AND RELATIONAL CAPITAL
OUR STAKEHOLDERS



THE DIALOGUE WITH STAKEHOLDERS

The overall water challenge is now seen as a governance challenge. That is, it implies the ability to govern resources in respect of the plurality of actors and bodies present in a given territory.

It is therefore essential for our Company to establish **long-lasting relationships with our internal and external stakeholders**, promoting **listening and discussion**. In fact, **the business and the community are closely inter-connected**, and this awareness enables **new relationships and synergetic exchanges to be created**, to optimise resources and maximise results.

INTERNAL STAKEHOLDERS



EMPLOYEES

We are aware that **our employees are an asset of great value** and we are committed to **optimising health and safety at work, developing skills, cultivating a constant dialogue** with management and **promoting equal opportunities and professional growth**.

AS AT 31/12/2022 THERE WERE 161 WORKERS.

PERSONNEL TRAINING AND DEVELOPMENT

We consider **training** to be a **cornerstone** of our business and **we are committed to guaranteeing it to all employees**.

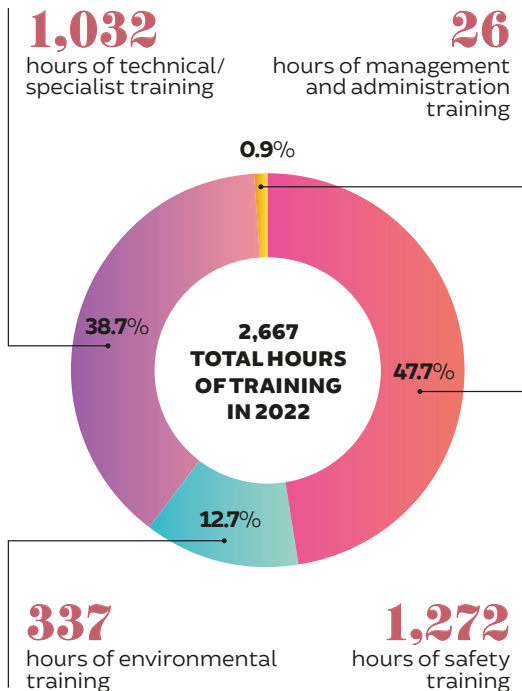
The training concerns:

- **safety aspects**, to guarantee greater protection of workers;
- **environmental aspects**, in order to increase the **culture of environmental protection**, focusing particularly on the **topics of waste management** (special and hazardous) and **separate waste collection** in all work areas;
- **administrative-managerial aspects**;
- **technical-specialist aspects**.

	2020	2021	2022
Executives	3	4 (*)	4 (*)
Managers	7	7	7
Clerks	88 (**)	86 (*)(**)	91 (*)(**)
Workers	58	59	59
Total Employees	156	156	161

(*) Of which fixed-term: 1

(**) Of which with apprenticeship contracts: 7 at 31/12/2020, 3 at 31/12/2021 and 4 at 31/12/2022



INTERNS

Each year we welcome various **interns** of different rank and level. This is an initiative that has gone on for some years now, before such activities were required by national law, which subsequently introduced work-study regulations for secondary school students.

3 STUDENTS WERE HOSTED IN 2022 AND COMPLETED A TOTAL OF 600 HOURS OF INTERNSHIPS.



SHAREHOLDERS (Romagna institutions)

Municipalities, provinces and their management companies are the main shareholders of our Company, which is entirely publicly owned. We pay them the utmost attention and provide maximum transparency, with a **direct involvement** approach.

EXTERNAL STAKEHOLDERS



CLIENT

For the specific sector we operate in, we essentially deal with a **single customer, Hera S.p.A.**, operator of the IWS, **which accounts for about 99% of water production.** It is crucial for us to satisfy our customer's explicit and implicit needs to **ensure good management of the entire process and satisfaction of the end user.**



SUPPLIERS

Our supply chain does not concern water but rather other goods and services for which we consider it essential to adopt an **effective and efficient procurement policy** capable of promoting a **balanced and prop-**

er relationship with suppliers and guaranteeing maximum transparency and openness to the market. To this end we have set up a special **Procurement Service** and a **Supplier Qualification System**, to which access is always ensured to all eligible operators.



COMMUNITY

We work closely with the community, an expression of our local region, maintaining a **transparent, constructive dialogue** to seek solutions that satisfy common needs.

The general public includes, in particular, **three categories**.



The **media**, which we take care to ensure are up to date with our activities.



Schools and educators, with whom we engage through educational initiatives to raise awareness of the proper use of water and respect for the environment.



Households and residents, end users of the service, to whom we make every effort to guarantee water in adequate quantities and qualities to meet their needs.

PARTICIPATION IN ROMAGNA NEXT

Our Company participated in several events during the year as part of the Romagna Next project. Financed by Anci's MediAree "Next Generation City" tender, the project aims to make **Romagna a first national "laboratory" of interprovincial strategic planning** to respond to the challenges of the Next Generation EU and the NRRP, promoting its nature as **a land of good living and all-around well-being**.



INSTITUTIONS

Through our work **we deal with many institutional actors**, such as regulatory control bodies, the Region, research institutes and governmental administrations, implementing a policy of **close cooperation**.



FINANCIAL SUPPORTERS

Our Company primarily sees financial operators as people with whom it can **optimise the use of financial resources**.

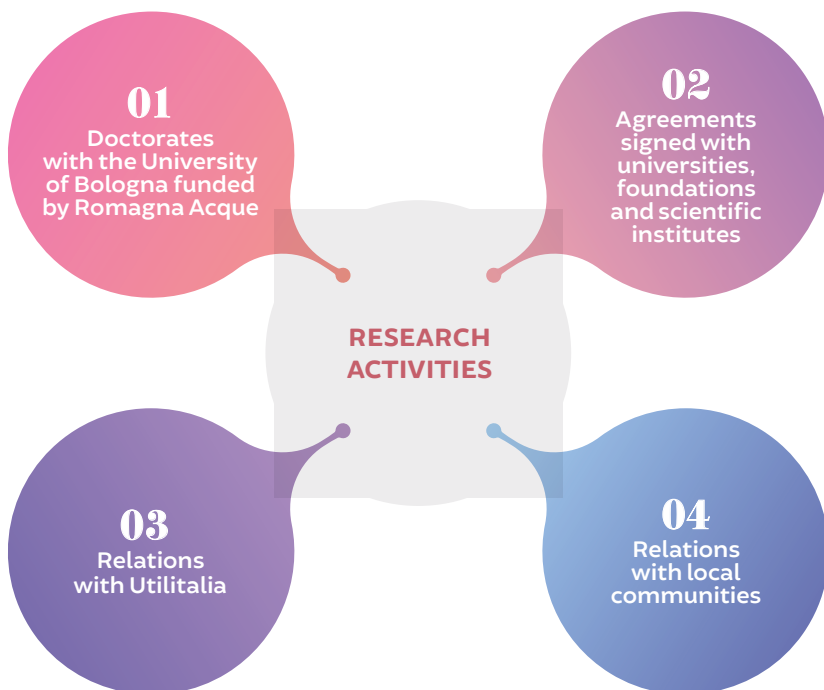
RESEARCH ACTIVITIES

Research is the driver of the progress and development of individuals and society in general.

Education and training, on the one hand, and research and development, on the other, are the factors that allow a look into the future, fuelling growth. As a result, **research is an important investment from both a cultural and economic standpoint.** It is hard and challenging work and not just intellectually, for it does not only involve the people doing the work but rather, it

represents a foundation of our society, also at the level of everyday life. For these reasons we signed **agreements with a number of prestigious Italian universities and financed PhDs** covering various topics, including in particular the **safety and quality both of water and of the environment** from which it is taken, and the **performance of the entire water service life cycle.**

CONTRIBUTING TO THE DEVELOPMENT OF RESEARCH MEANS LOOKING TO THE FUTURE AND CONCRETELY PARTICIPATING IN ITS CONSTRUCTION.



As regards **relations with local communities** in particular, **we are aware of the influence our activities have on economic and social development and on the spread and distribution of well-being** in the communities we operate in.

We have therefore always sought to **support the improvement of the places where its various plants are located** – water derivation, treatment and storage – **collaborating with local institutions and associations**, thus redistributing part of the added value to the local communities we operate in.

This positive relationship was born and initially consolidated mainly in the areas close to the Ridracoli dam. Here, we acted in many ways to develop the area, starting with the establishment of the **Environmental Factors Restoration Fund** in 1988, with which our Company (then still a consortium) allocated **part of the revenue from the sale of water to the promotion and sustainable development of the areas involved** (the mountain municipalities of Santa Sofia, Premilcuore and Bagno di Romagna).

The importance of the function of this fund is indirectly confirmed by numerous provisions of the Ministry for the Environment and Protection

of Land and Sea¹ and the authorities in charge of setting water tariffs, according to which – although it has not yet found concrete application in practice – it would be **appropriate to include a quota for ecosystem payments in the tariff**.

WITH THE INTRODUCTION OF ECOSYSTEM PAYMENTS, THE QUANTIFICATION OF WATER TARIFFS IS BASED ON THE PRINCIPLE “THOSE WHO POLLUTE PAY, BUT THOSE WHO USE ALSO PAY”.


This means the application of **an appropriate pricing policy that takes into account the coverage of the costs of both supplying the water and maintaining the environment it is taken from, the so-called environmental cost²**.

This would jointly lead to **greater environmental, economic and social sustainability and a more efficient use of the resource**, with a simultaneous reduction in pressure on nature.

With the application of the cutting-edge ecosystem payment **our Company has anticipated the regulatory provisions currently under discussion** in order to achieve a coverage of investment and operating costs according to the principle of cost recovery and to **incentivise the sustainability of its activities**.

¹ Italian Decree 152/2006, Italian Decree 39/2015.

² Environmental cost means any expenditure generated by the restoration, containment or reduction of damage to the environment, the ecosystem and other users resulting from the use of water.



Provide,
but also plan ahead.
Respond, but also prevent.
In today's complex landscape,
it's important to look
more and more towards
planning and programming

**TO ENSURE A FUTURE
FOR WATER
AND OUR PLANET.**

The 2022 Integrated Report has been reviewed by BDO Italia S.p.A. auditing company and can be viewed on the website:
<http://bs.romagnacque.it>

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Certified Company
Management Systems ISO 9001 / ISO 14001 / OHSAS 18001 / ISO 50001



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